

CITY OF STRONGSVILLE, OHIO



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED

DECEMBER 31, 2011

CITY OF STRONGSVILLE, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED

DECEMBER 31, 2011

Issued by The Finance Department

Joseph K. Dubovec, CPA
Director of Finance

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INTRODUCTORY SECTION



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Thomas P. Perciak
Mayor

City of Strongsville

16099 Foltz Parkway
Strongsville, Ohio 44149-5598
Phone: 440-580-3150
Mayor's Office Fax: 440-572-3241
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April 11, 2012

Members of City Council and
Honorable Citizens of Strongsville, Ohio

We are pleased to submit the Comprehensive Annual Financial Report of the City of Strongsville for the year ended December 31, 2011.

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

Management assumes full responsibility for both the completeness and reliability of the information contained in this report, 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.

Dave Yost, Auditor of State, has issued an unqualified ("clean") opinion on the City of Strongsville's financial statements for the year ended December 31, 2011. The Independent Accountants' Report is located at the front of the financial section of this report.

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

Profile of the Government

The City of Strongsville is approximately 25 square miles and is located in Cuyahoga County in northeastern Ohio, approximately 23 miles southwest of the City of Cleveland. Strongsville was incorporated as a village in 1818, and became a city in 1961 under the laws of the State of Ohio. In 2010 the U.S Census Bureau reported that Strongsville had a population of 44,750, up 2 percent from 43,858 in 2000.

The City of Strongsville operates and is governed by its Charter, first adopted by the voters on November 4, 1958. The Charter has been and may be amended by the voters from time to time. A nine-member Charter Review Commission reviews the Charter every five years, and most recently did so in 2008. The City is also subject to some general laws applicable to all cities. Under the State of Ohio Constitution the City may exercise all powers of local self-government and police powers to the extent not in conflict with applicable laws. The Charter provides for a mayor-council form of government.

Legislative authority is vested in a seven member council. Three members are elected at-large, and four members are elected from wards. The Council fixes compensation of City officials and employees, enacts ordinances and resolutions relating to City services, tax levies, appropriations, borrowing money, licensing and regulating businesses and trades, and other municipal purposes. The presiding officer is the President of Council, who is elected by Council for a one year term. The Charter establishes certain administrative departments and Council may establish additional departments and divisions within departments.

The City of Strongsville's chief executive and administrative officer is the Mayor, who is elected by the voters for a four year term. The Mayor appoints, subject to approval of a majority of the members of Council, the Directors of the City's departments. The Mayor also acts as the Director of Public Safety when there is a vacancy in that position, oversees the enforcement of all laws and ordinances, and executes all contracts, conveyances, evidences of indebtedness, and all other instruments to which the municipality is a party.

The City provides its residents with a full range of municipal services. These services include, among other things, police, fire, emergency medical assistance, recreation and senior programs, building code enforcement, sanitary and storm sewer maintenance, street maintenance and repair, street lighting, traffic signalization, snow removal, refuse disposal, cemetery services and the maintenance of all City lands, buildings and equipment.

The City of Strongsville maintains its legal level of budgetary control at the department level, separated into the categories of Personal Service, Other than Personal Service, and Transfers and Advances. The Finance Director is authorized to allocate appropriations for function and object levels within the same department and category as explained above without prior Council approval, as long as the total appropriation for each department and category does not exceed that of the Council-approved appropriation.

Profile of the City

The City of Strongsville is served by diversified transportation facilities, including two State highways, U.S. Highway 42 and 82, and Interstate Highways I-71 and I-80 (the Ohio Turnpike). It is served by CSX Railroad for freight rail services, Amtrak for passenger rail services located in nearby Cleveland, and is served by passenger and freight air services at Cleveland Hopkins International Airport, located within five miles of the City, and Burke Lakefront Airport located in downtown Cleveland. Public mass transit for the area is provided by the Greater Cleveland Regional Transit Authority.

Within a 30-minute drive from the City are the locations of the Rock and Roll Hall of Fame, Progressive Field, Quicken Loans Arena, Browns Stadium, the world-class Cleveland Orchestra, the Cleveland Museum of Art, the Natural History Museum, the Western Reserve Historical Society, the Cleveland Playhouse and Karamu House, a multi-racial performing arts center. These and other facilities in the area offer an extensive variety of cultural and educational programs to the residents of Strongsville, as well as professional sports including baseball, basketball and football.

The City of Strongsville owns three parks offering residents a variety of activities to improve health and fitness. The 57-acre Strongsville Recreation Park has three baseball diamonds and tennis courts. Surrarer Park, on the City's east side, has a baseball diamond, tennis courts and a covered pavilion. Volunteer Park, on the City's west side, has six baseball diamonds, a covered picnic area, bocce ball court and horseshoe pits. The Strongsville Business & Technology Park, home of the Strongsville Soccer Organization, offers residents many opportunities for fitness related activities. City residents can also take advantage of the Cleveland Metroparks within minutes of home. Located in the City section of the park system are the popular toboggan chutes, Mill Stream Run and a facility for year round recreational activities, the Chalet. Gardenview Horticultural Park is a botanical park located on 16 acres near the south end of the City. Visitors can view more than 500 species of trees and plants. In April 2008, the City purchased approximately 22 acres of undeveloped land on the City's west side to be used for recreational purposes. Since the land purchase, the City has built a regulation football field through public and private funding, constructed a covered picnic area, and with the assistance of a grant from the Ohio Department of Natural Resources, also constructed three youth baseball fields.

Major Initiatives

Pearl Road is a major north/south thoroughfare that runs through the heart of the City of Strongsville. Early in 2000, planning began for a major rehabilitation project of a two mile stretch of Pearl Road from Shurmer Road south to the City limits at Boston Road. This project was designed to enhance public safety, as well as to alleviate congestion and improve traffic flow along this important stretch of road in the City. The project provided for the widening of two lanes of asphalt to five lanes of concrete, along with new curbs and sidewalks, new waterlines and storm sewers, and the replacement and re-timing of all traffic signals along that stretch of roadway. The complexity and preliminary estimated construction costs of this project dictated that it should be constructed in two phases.

The year 2011 marked the opening of Phase I of the 1.1 mile stretch of the Pearl Road Widening Project from Shurmer Road south to Drake Road. The estimated cost of this substantially complete project is \$15,570,000, with nearly \$10,300,000 provided by grants. The City of Strongsville issued bonds to cover its share of the construction costs for this phase of the project. The bonds and interest costs will be paid by utilizing Tax Incremental Financing (TIF) over the thirty years allotted under the TIF program.

2011 also marked the commencement of Phase II of the Pearl Road Widening project, being the continuation of Phase I a .90 mile stretch of Pearl from Drake Road south to the City limits at Boston Road. The preliminary construction estimate for Phase II of this project is \$10,775,000. To date, the City has secured nearly \$6,725,000 in grants for this phase of the project.

During 2007, the City's Engineering Department developed a proactive 10-phase Sanitary Sewer Capital Improvement Plan designed to eliminate 663 of the 850 septic systems in place throughout the City. The first two phases of this plan have been completed at a total construction cost of \$1,203,209 and \$1,341,727 respectively. Grant funding from the Ohio Public Works Commission totaled \$229,055 for Phase I and \$320,565 for Phase II. Loans from the Ohio Water Development Authority were obtained to pay the residents' share of the construction costs, and the loans will be repaid from the proceeds of special assessments levied against the property owners who benefitted from these projects. During 2011, planning for Phase III of the 10-phase project began with a total of 39 septic systems scheduled to be eliminated. Construction on this Phase of the project will begin in early 2013 at an estimated cost of \$1,361,507.

Also In 2011, an Earned Benefits Fund was created, which is included with the City's General Fund for reporting purposes. This fund will be used to account for the resources set aside for payment of accumulated sick leave and vacation leave balances upon the termination of employment by employees of the City, and for the payment of salaries and wages during a twenty-seven pay year occurring once every eleven years.

Economic Development

The City of Strongsville is home to a diverse, growing local economy that maintains a solid tax base through established business parks and a thriving commercial sector. As evidence of the strength of the local economy, in 2011 Moody's reaffirmed the City of Strongsville's Aaa bond rating, stating:

"Affirmation of Strongsville's Aaa rating reflects the City's large and affluent tax base...Future growth will likely be driven by continued commercial and industrial development that will benefit from the City's location and easy access to major highways and railroads."

The strength of the local economy is also measurable through the local unemployment rate. According to the Bureau of Labor Statistics (BLS), the City of Strongsville's unemployment rate at the end of 2011 was 5.3%, among the lowest unemployment rates for a municipality in the State of Ohio, and substantially lower than Cuyahoga County (7.1%), the State of Ohio (7.6%), and the National (8.3%) unemployment rate for the same time period.

Development in the City of Strongsville has closely followed the City's Comprehensive Master Plan, which was first developed in the early 1960s. The City has reviewed and updated the Comprehensive Plan over the years, and is currently doing so, to adjust to the challenges and opportunities of the modern economic climate. As part of that plan, four industrial development areas, totaling over 2,362 acres, have been established within the City featuring large setbacks and ample green space, and resulting in a "park-like" atmosphere. A summary of each of the four business parks is listed below:

The Strongsville Business & Technology Park

- 1,693 acres
- 70% developed
- Home to over 70 companies that employ over 3,000 employees
- Ranked as the #1 industrial park in Northeast Ohio by Crain's Cleveland Business (9/2011)
- Over 500 acres of undeveloped, greenfield land available for future industrial development
- Major employers in the park: Momentive Performance Material's Quartz Division, Clark Reliance's Corporate Headquarters, Sparten Medical Devices, Avery Dennison, and Eberhard Manufacturing

The Dow Circle Research & Development Park

- 258 acres
- 95% developed
- Home to over 30 companies that employ over 2,600 employees
- Ranked as the #11 industrial park in Northeast Ohio by Crain's Cleveland Business (9/2011)
- Major employers in the park: North American Headquarters for Akzo Nobel Paints, Regional Headquarters for Enterprise Rental Car, and PNC Bank's Technology Center

The Progress Drive Business Park

- 325 acres
- 96% developed
- Home to over 40 companies that employ over 2,000 employees
- Ranked as the #8 industrial park in Northeast Ohio by Crain's Cleveland Business (9/2011)
- Major employers in the park: Corporate Headquarters of Atlantic Tool & Die, PPG Industries, and Insight/Chemical Services

Park 82

- 86 acres
- 100% developed
- Home to 19 companies that employ over 1,000 employees
- Major employers in the park: Global Headquarters of Darice Inc., HMI, Intralot, and Simplex Grinnell

To facilitate the expansion and attraction of economic development projects, the City utilizes three tax incentive programs:

- Community Reinvestment Area (CRA) Program
- Enterprise Zone Program
- Foreign Trade Zone (FTZ)

The City has established 19 Community Reinvestment Areas (CRAs). Improvements within these CRAs are granted an exemption from real estate property taxes for 100% of the incremental increase in assessed value for a period of up to 15 years.

The City's Enterprise Zone Program provides tax incentives in a designated Enterprise Zone to businesses that agree to invest in capital improvements and create or retain jobs. Tax incentives under this program are negotiated, and can provide tax abatements of up to 75% on real property for a term of up to ten years, subject to City, County and State approval.

The Foreign Trade Zone (FTZ) program encourages businesses to locate in Strongsville by removing various disincentives, including the reduction/elimination of custom duties on imported parts within the zone.

In addition to the local tax incentive programs, the City of Strongsville utilizes County programs such as the Storefront Renovation Program and Brownfield Redevelopment Funds, as well as State programs for job creation and workforce development.

In an effort to maintain continuous communication with the City's business community and further enhance the business retention and expansion (BR&E) initiatives of the Economic Development Department, the City of Strongsville, working closely with Ohio State University, maintains a BR&E Survey Program. The BR&E Survey Program consists of three surveys:

- High-Tech/Manufacturing Survey (mailed to all companies within the City's four business parks)
- Retail/Professional Services Survey
- Census Residential Survey

The purpose of the survey is to determine the value Strongsville businesses place on available amenities and services, as well as their satisfaction level in those areas.

In April of 2011, the Strongsville, Ohio, Economic Development Committee completed the most recent High-Tech/Manufacturing Survey. The survey results indicated that 97% of businesses rated the City of Strongsville as a good to excellent place to do business, with 95% rating the overall quality of life in Strongsville as good to excellent. In addition, 100% of respondents would recommend another business to locate in Strongsville.

The evaluation of City services and community amenities showed the following:

- Strongsville Fire Department (100% of respondents ranked good to excellent)
- Strongsville Police Department (97%)
- Ehrnfelt Recreation Center (97%)
- Shopping (94%)
- Health care services (92%)
- Snow/Ice removal (92%)
- Natural gas services (92%)
- Air Cargo/shipping (89%)
- Street & sidewalk cleaning (89%)
- Business services (89%)
- Strongsville School System (86%)
- Childcare services (83%)
- Air service (83%)
- Local roads & freeway access (81%)
- Water & sewers (81%)

Moreover, the respondents rated the following Development and Approval services as good to excellent:

- Overall development and approval process (81%)
- Plan review (81%)
- Communication between the City and business owners (86%)
- The Department of Economic Development (94%)

The following factors ranked highest as the reasons why respondents' companies located in Strongsville:

- Proximity to freeways (22%)
- Proximity to home (14%)
- Access to customers (10.6%)
- Workforce availability (9%)
- Local officials (8%)
- Quality of life (6%)

The BR&E Survey also revealed that the business community within Strongsville expects continued growth. Of the companies that completed the survey, over the next three years:

- 70.3% expect an increase in their number of customers
- 78% expect an increase in total revenue
- 68% expect an increase in profits
- 64% expect an increase in their total number of employees with no respondents indicating a reduction of employees

David Civittolo, County Extension Director for Ohio State University's BR&E Initiative, adds an expert's insight on Strongsville's survey process: "The Survey results indicate that businesses not only believe in Strongsville, they would strongly encourage new business start-ups to open in the City." Professor Civittolo continues: "Between the high quality of life that residents enjoy and the overwhelming positive support of the business community, it is quite evident that Strongsville is a community destination for others to consider."

Long-Term Financial Planning

In August of 2008, the City of Strongsville imposed a hiring freeze which affected every department. Since December 31, 2007, some 32 full-time staff members have left the City, including 11 in 2011. The City has maintained its current level of services by effectively utilizing technology and working more efficiently. The hiring freeze will continue into 2012.

The City regularly reviews its operations and processes in search of cost saving measures. Some examples include the City's wellness program "Crossroads in Motion" which encourages employees and their families to maintain healthy lifestyles thereby helping to control the City's ever increasing health insurance cost. Also as a result of competitive bidding, the City's refuse collection costs declined approximately \$500,000 annually. A review of and request for proposal process imposed for purchasing liability insurance resulted in enhanced coverage with a savings of some \$74,000 in 2011.

Although the City has not adopted a formal minimum fund balance policy, the City has always strived to maintain fund balances that would finance at least a minimum of three months of operations or 25%. The Finance Department reviews all transactions on an on-going basis, balances bank accounts daily and works diligently to monitor revenues and expenditures to ensure that adequate fund balances are maintained.

The City continues to restructure and pay down its debt. On September 6, 2011, the City refunded its 2001 various purpose bonds at considerable savings to the City. The bonds originally had a stated coupon rate of 5% and were refunded and reissued at a stated coupon rate of 2% to 4%, a savings of approximately \$1,600,000 over the remaining life of the bonds. These bonds along with the City's entire bond portfolio are rated Aaa by Moody's Investors Service, the highest rating a city can receive.

Also on October 27, 2011, the City refunded its 2001 Library Improvement Bonds, reducing both the principal amount outstanding and the life of the issue, and converted the bonds to notes with additional savings to the City. The notes were rated “MIG-1” by Moody’s Investors Service, the highest short-term rating available. These bonds originally had a stated coupon rate of 4.2% to 5.50%, and were reissued as a short term note at a coupon rate of 1.25%. The estimated savings generated from the refund and reduction of principal is approximately \$2,450,000.

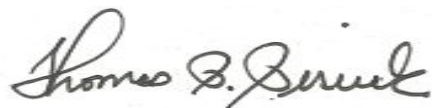
Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to those governmental entities whose CAFR is easily readable, efficiently organized, and conforms to GFOA reporting standards. Such a report must satisfy both generally accepted accounting principles (GAAP) as well as applicable legal requirements. The current report represents the City of Strongsville’s first submission since 1993 to GFOA for consideration in the Certification of Achievement Program. The City believes the report conforms to all of the GFOA’s requirements.

The successful completion of a report of this scope depends upon the dedicated contributions of many employees. The sincere appreciation of those primarily responsible for the completion of this CAFR is extended to all contributors, but especially those employees in the Department of Finance who have spent their time and energy on various parts of the report, and to the staff from James G. Zupka, Certified Public Accountants, Incorporated, for their assistance in compiling GASB 34 Statements and the Comprehensive Annual Financial Report.

In addition we would like to thank the members of Strongsville City Council, for their support in striving for excellence in financial reporting and disclosure.

Respectfully submitted,



Thomas P. Perciak
Mayor



Joseph K. Dubovec, CPA
Director of Finance

City of Strongsville, Ohio
Elected Officials
December 31, 2011

<u>Official</u>	<u>Term</u>	<u>Term Expiration</u>
Mayor:		
Thomas P. Perciak	4 years	December 31, 2011
Council Members:		
<u>At-Large:</u>		
Joseph C. DeMio	4 years	December 31, 2013
Kenneth M. Dooner	4 years	December 31, 2013
John D. Southworth, Jr.	4 years	December 31, 2013
<u>Wards:</u>		
Michael J. Daymut - President (Ward 1)	4 years	December 31, 2011
Ray L. Haseley (Ward 2)	4 years	December 31, 2011
Mark A. Roth - President Pro Tem (Ward 3)	4 years	December 31, 2011
J. Scott Maloney (Ward 4)	4 years	December 31, 2011

City of Strongsville, Ohio

Appointed Officials

December 31, 2011

Law Director:
Kenneth A. Kraus

Communication & Technology Director:
John Bedford

Assistant Law Director:
Daniel J. Kolick

Human Resources Director:
Stephen F. Kilo

Finance Director:
Joseph K. Dubovec, CPA

Recreation, Parks & Senior Services Director:
Bryan V. Bogre

Service Director:
Joseph M. Walker

Chief of Police:
Charles W. Gross

Economic Development Director:
Brent Painter

Chief of Fire:
Jeffrey D. Branich

City Engineer:
Ken Mikula

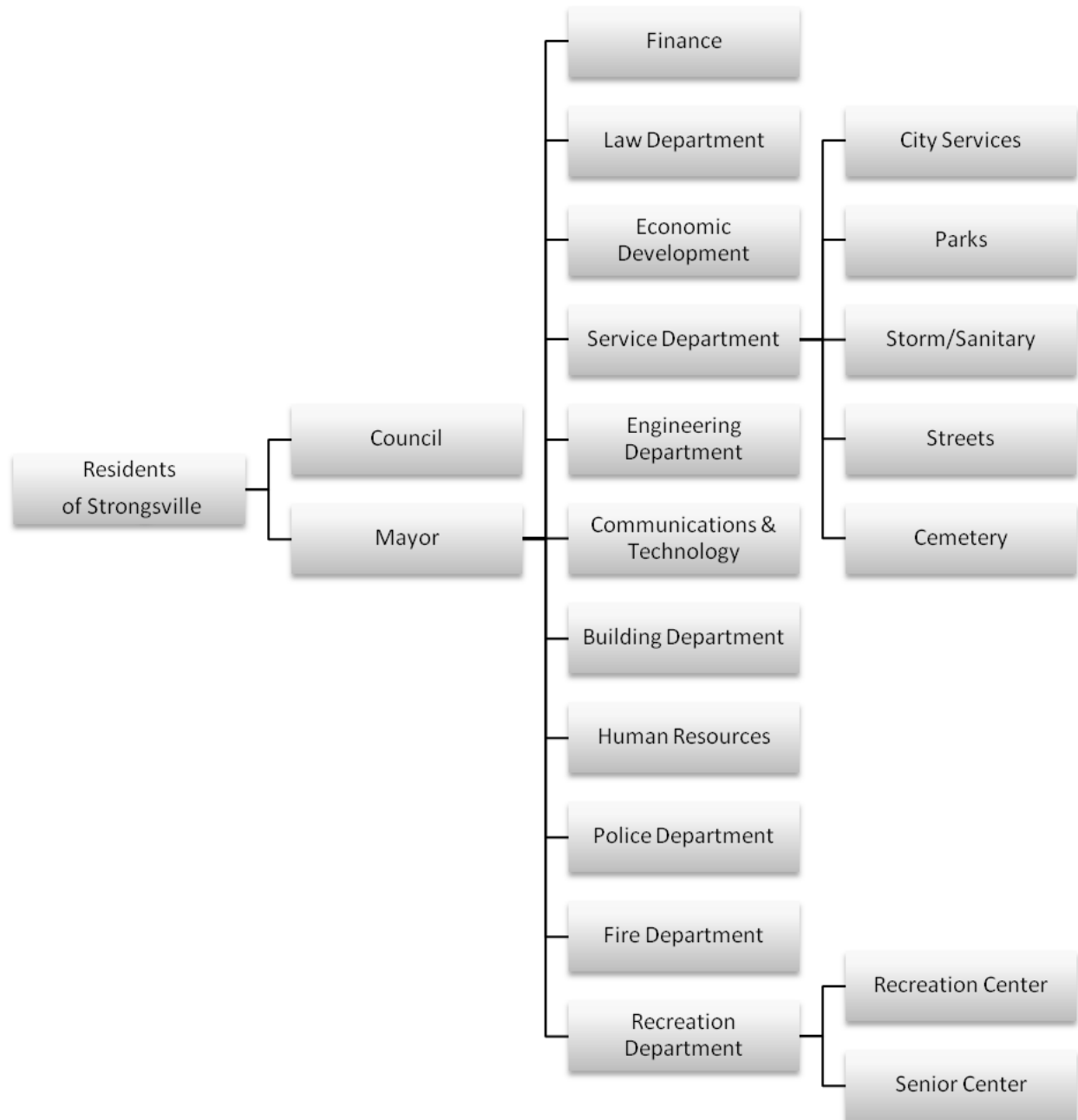
Magistrate:
Joseph A. Gambino

Building Commissioner:
Anthony J. Biondillo

City Prosecutor:
George F. Lonjak

Clerk of Council (Appointed by Council):
Leslie J. Seefried

City of Strongsville, Ohio
Organizational Chart
December 31, 2011



FINANCIAL SECTION





Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

City of Strongsville
Cuyahoga County
16099 Foltz Parkway
Strongsville, Ohio 44149

To the City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Strongsville, Cuyahoga County, Ohio, (the City), as of and for the year ended December 31, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Strongsville, Cuyahoga County, Ohio, as of December 31, 2011, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General, Street Construction, Maintenance and Repair, and Fire Levy funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, the City implemented Governmental Accounting Standard Board Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" and restated the December 31, 2010 fund balances of the Governmental Funds due to a change in fund structure. In addition, the City reclassified a long-term liability related to a sanitary sewer project from the Governmental Activities to the Business-Type Activities to be consistent with the source of repayment. Due to this reclassification, the December 31, 2010 net assets of the Governmental Activities and Business-Type Activities were restated.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 11, 2012, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential 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 other assurance.

We conducted our audit to opine on the financial statements that collectively comprise the City's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information provide additional analysis and are not a required part of the basic financial statements. The financial section's combining statements, individual fund statements and schedules are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These statements and schedules were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

A handwritten signature in black ink, appearing to read "Dave Yost". The signature is fluid and cursive, with a large loop at the end.

Dave Yost
Auditor of State

April 11, 2012

City of Strongsville, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2011
Unaudited

As management of the City of Strongsville (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2011. We encourage readers to consider the information presented here in conjunction with the additional information contained in the financial statements and the notes thereof.

Financial Highlights

- The total assets of the City exceeded its total liabilities at the close of 2011 by \$210,539,365. Of this amount, \$13,914,179 is considered unrestricted. The unrestricted net assets of the City's governmental activities were \$9,614,650 and may be used to meet the government's on-going obligations. The unrestricted net assets of the City's business-type activities was \$4,299,529, with net assets invested in capital assets, net of related debt accounting for \$46,143,739 or 91.48 percent of the total business-type activities' net assets.
- The City's total net assets decreased \$2,459,221 or 1.15 percent in 2011. Net assets of the governmental activities decreased \$1,193,751, which represents a 0.74 percent decrease from 2010. Net assets of the business-type activities decreased \$1,265,470 or 2.45 percent from 2010.
- The General Fund reported a fund balance of \$12,934,590 at the end of the current fiscal year. The unassigned fund balance for the General Fund was \$11,754,185 or 40.30 percent of the total General Fund expenditures (including transfers out). The General Fund experienced an increase of \$1,231,629 in its fund balance for the year ended December 31, 2011.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

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

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

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The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the 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 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 include general government, security of persons and property, public health services, transportation, community environment, basic utility services, leisure time activities, and interest and fiscal charges. The business-type activities include sanitary sewer services and improvements.

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

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, 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 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 the *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 financial decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains 26 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Street Construction, Maintenance, and Repair Fund, Fire Levy Fund, General Bond Retirement Fund, Pearl Road TIF Fund, and General Capital Improvement Fund, all of which are considered to be major funds. Data from the other 20 governmental funds are combined into a single aggregated presentation.

The basic governmental fund financial statements can be found on pages 18-24 of this report.

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Proprietary Funds. The City 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 an enterprise fund to account for its sanitary sewer operations. *Internal Service funds* are an accounting device used to accumulate and allocate costs internally to the City's various functions. The City has one Internal Service Fund to account for workers' compensation coverage.

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 sanitary sewer operations as it is considered a major fund and the Internal Service Fund.

The basic proprietary fund financial statements can be found on pages 25-27 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statement can be found on page 28 of this report.

Notes to the Basic Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements and can be found on pages 29-64.

Government-wide Financial Analysis

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

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

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

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

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The City of Strongsville as a Whole

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

	Governmental Activities		Business-Type Activities		Total	
	2011	2010*	2011	2010*	2011	2010*
ASSETS						
Current and other assets	\$ 46,737,912	\$ 52,180,141	\$ 4,688,030	\$ 5,322,983	\$ 51,425,942	\$ 57,503,124
Capital assets, net	188,959,194	189,040,161	49,409,447	50,329,518	238,368,641	239,369,679
Total Assets	<u>235,697,106</u>	<u>241,220,302</u>	<u>54,097,477</u>	<u>55,652,501</u>	<u>289,794,583</u>	<u>296,872,803</u>
LIABILITIES						
Current and other liabilities	21,301,481	19,314,754	168,745	160,365	21,470,226	19,475,119
Long-term liabilities:						
Due within one year	2,850,635	3,875,815	501,878	481,470	3,352,513	4,357,285
Due in more than one year	51,448,893	56,739,885	2,983,586	3,301,928	54,432,479	60,041,813
Total Liabilities	<u>75,601,009</u>	<u>79,930,454</u>	<u>3,654,209</u>	<u>3,943,763</u>	<u>79,255,218</u>	<u>83,874,217</u>
NET ASSETS						
Invested in capital assets, net of related debt	135,950,267	132,311,472	46,143,739	46,710,018	182,094,006	179,021,490
Restricted	14,531,180	16,619,046	-	-	14,531,180	16,619,046
Unrestricted	9,614,650	12,359,330	4,299,529	4,998,720	13,914,179	17,358,050
Total Net Assets	<u>\$ 160,096,097</u>	<u>\$ 161,289,848</u>	<u>\$ 50,443,268</u>	<u>\$ 51,708,738</u>	<u>\$ 210,539,365</u>	<u>\$ 212,998,586</u>

* - Restated

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The City's total assets exceeded total liabilities by \$210,539,365 at the close of the most recent fiscal year.

The largest portion of the City's total net assets (86.49 percent) reflects its investments in capital assets (e.g., land, construction in progress, buildings, land improvements, machinery and equipment, furniture and fixtures, vehicles, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; therefore, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net assets reflects resources that are subject to restrictions as to how they may be used. The remaining balance of unrestricted net assets may be used to meet the government's on-going obligations to citizens and creditors. It is important to note that, although the total unrestricted net assets is \$13,914,179, the unrestricted net assets of the City's business-type activities, \$4,299,529, may not be used to fund governmental activities.

At the end of the current fiscal year, the City 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.

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Total assets decreased from 2010 to 2011 in the amount of \$7,078,220, while the City's total liabilities decreased by \$4,618,999. Most of the decrease in assets was due to a decrease in equity in pooled cash and cash equivalents. This planned decline in cash was mostly attributable to the completion of capital projects; police facility, Pearl Road, street repairs, the emergency sewer and drainage expenditures due to the record rainfall experienced in 2011 and to refund the City's library improvement bonds. The decrease in liabilities can be attributed to a decrease in the City's long-term liabilities as a result of refunding old debt and paying down other debts.

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.

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
REVENUES						
Program Revenues:						
Charges for services	\$ 5,931,534	\$ 6,117,477	\$ 5,225,116	\$ 5,420,941	\$ 11,156,650	\$ 11,538,418
Operating grants and contributions	2,086,801	1,916,860	-	-	2,086,801	1,916,860
Capital grants and contributions	5,773,857	5,715,992	538,368	904,765	6,312,225	6,620,757
Total Program Revenues	13,792,192	13,750,329	5,763,484	6,325,706	19,555,676	20,076,035
General Revenues:						
Property taxes	9,209,363	9,425,087	-	-	9,209,363	9,425,087
Municipal income taxes	28,876,565	25,485,849	-	-	28,876,565	25,485,849
Other taxes	1,142,791	1,041,229	-	-	1,142,791	1,041,229
Payments in lieu of taxes	848,939	609,562	-	-	848,939	609,562
Grants and entitlements	3,673,797	4,137,516	-	-	3,673,797	4,137,516
Investment income	174,298	221,886	39,837	-	214,135	221,886
All other revenues	4,708	-	-	-	4,708	-
Total General Revenues	43,930,461	40,921,129	39,837	-	43,970,298	40,921,129
Total Revenues	57,722,653	54,671,458	5,803,321	6,325,706	63,525,974	60,997,164
EXPENSES						
Program Expenses:						
Security of persons and property	21,516,765	19,977,428	-	-	21,516,765	19,977,428
Public health services	601,590	576,471	-	-	601,590	576,471
Leisure time activities	5,748,672	5,765,092	-	-	5,748,672	5,765,092
Community environment	1,746,987	1,160,407	-	-	1,746,987	1,160,407
Basic utility services	2,076,197	2,552,751	-	-	2,076,197	2,552,751
Transportation	19,356,513	19,202,006	-	-	19,356,513	19,202,006
General government	5,530,388	6,269,187	-	-	5,530,388	6,269,187
Interest and fiscal charges	2,339,292	2,637,914	141,510	168,972	2,480,802	2,806,886
Sanitary sewer	-	-	6,927,281	6,266,673	6,927,281	6,266,673
Total Expenses	58,916,404	58,141,256	7,068,791	6,435,645	65,985,195	64,576,901
Change in Net Assets before Transfers	(1,193,751)	(3,469,798)	(1,265,470)	(109,939)	(2,459,221)	(3,579,737)
Transfers	-	650,000	-	(650,000)	-	-
Change in Net Assets	(1,193,751)	(2,819,798)	(1,265,470)	(759,939)	(2,459,221)	(3,579,737)
Net Assets - Beginning of Year, Restated	161,289,848	164,109,646	51,708,738	52,468,677	212,998,586	216,578,323
Net Assets - End of Year	\$ 160,096,097	\$ 161,289,848	\$ 50,443,268	\$ 51,708,738	\$ 210,539,365	\$ 212,998,586

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Governmental Activities

Governmental activities decreased the City's net assets by \$1,193,751 due to total program expenses of \$58,916,404 exceeding total revenues of \$57,722,653. Several types of revenues fund the City's governmental activities with the City's income tax being the biggest contributor. The income tax rate was 2.00 percent for 2011, the same as the prior year. Both residents of the City and non-residents who work inside the City are subject to the income tax. However, if residents work in a locality that has a municipal income tax, the City has provided a 75.00 percent credit up to 2.00 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 municipal income tax revenue for 2011 was \$28,876,565. Of the \$57,722,653 in total program and general revenues, municipal income tax accounts for 50.03 percent of that total. In 2011, the City experienced an increase in municipal income tax revenues when compared to 2010. This increase can be attributed to a variety of factors that are listed below:

- Increase in the prior years' collections received in 2011 (on a cash-basis) - \$1,162,178,
- Increase in the number of Net Profit filers that paid estimated taxes in 2011,
- 2010 municipal income tax receivable provided by the Regional Income Tax Agency (RITA) was very conservative, when compared to actual collections,
- The Federal Tax Information (FTI) program was implemented by RITA in 2010. This program matches income reported to the IRS with income reported to RITA to determine if taxpayers are reporting all of their income,
- Decrease in the total amount of Net Profit refunds in 2011 of \$190,000, and
- Increase over 2010 which was the City's worst collection year since 2005 (on a cash-basis).

Property taxes of \$9,209,363 account for 15.95 percent of total revenues; operating and capital grants and contributions, and general revenues from grants and entitlements account for 19.98 percent of total governmental revenues; and charges for services, investment earnings, other taxes, payments in lieu of taxes, and all other revenues make up the remaining 14.04 percent.

General revenues from grants and entitlements, such as local government funds, are also revenue generators. The combination of property tax, income tax, and intergovernmental funding, is not sufficient to cover all expenses in the governmental activities. The City monitors its sources of revenues very closely for fluctuations.

For the most part, increases in expenses closely parallel inflation and growth in the demand for City services. In total, the City's governmental activities only experienced a 1.33 percent increase in 2011 expenses when compared to 2010 expenses. The largest program function for the City is security of persons and property. During 2011, 36.52 percent of program expenses relate to security of persons and property, which includes Police and Fire protection. The expenses of this program increased from 2010 to 2011 by \$1,539,337, which is due to a variety of reasons; union negotiated cost of living increases, increased health care costs, retroactive payment of prior year wages, increased termination payouts, re-evaluation of expenses, and an increase in depreciation expense as a result of the capitalization of the new police facility.

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The second largest program function of the City is transportation. During 2011, 32.85 percent of program expenses relate to transportation, which includes road repairs and snow removal. The expenses of this program slightly increased from 2010 to 2011 by \$154,507. The annual depreciation expense that is included in the total transportation expense is \$6,472,792.

Business-Type Activities

The business-type activities of the City, which pertain to the City's sanitary sewer operations, decreased the City's net assets by \$1,265,470. This is primarily due to 2011 operating expenses increasing by \$660,608 when compared to 2010. This increase can be attributed to record rainfall in 2011 which led to emergency repairs of approximately \$500,000. The City's charges for services decreased by approximately \$200,000 when compared to 2010. The City's capital grants and contributions decreased by \$370,000 when compared to 2010 because special assessment capital related projects were fully completed in 2010 as compared to 2011.

Financial Analysis of Governmental Funds

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

Governmental Funds. 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 fiscal year.

As of December 31, 2011, the City's governmental funds reported an ending combined fund balance of \$18,099,323, a decrease of \$8,184,005 in comparison with the prior year. \$6,351,138 of the ending combined fund balance for 2011 constitutes *assigned and unassigned fund balance* combined, which is available for spending at the government's discretion. The remainder of fund balance is *nonspendable, restricted, or committed* to indicate that it is not available for new spending because it is not in spendable form or it has already been restricted or committed by external or internal constraints.

All governmental funds had total revenues of \$57,217,150 and expenditures of \$63,049,867 (not including other financing sources and uses) with expenditures exceeding revenues by \$5,832,717. Revenues slightly increased from the previous year primarily due to an increase in municipal income tax revenue. Expenditures slightly decreased due mainly to a reduction in capital projects funded by the City.

General Fund Analysis

The General Fund is the chief operating fund of the City. At the beginning of the current year, total fund balance for the General Fund was \$11,702,961. The fund balance at the beginning of the year was restated as a result of the City implementing GASB Statement No. 54. General Fund expenditures (including transfers out) for the current year were \$29,169,506, with revenues and other financing sources of \$30,401,135, leaving a fund balance of \$12,934,590, and an unassigned balance of \$11,254,185 in the General Fund.

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As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures (including transfers out). The General Fund's unassigned fund balance represents 40.30 percent of total General Fund expenditures while total fund balance represents 44.34 percent of that same amount.

The City's General Fund balance increased by \$1,231,629 in 2011 when compared to 2010. Key factors in this increase are as follows:

- While municipal income tax revenues experienced its first significant gain (\$1,863,686) in several years, intergovernmental revenues declined by \$1,389,281,
- The City's cost for refuse collection decreased by approximately \$550,000 as a result of a new contract agreement entered into for 2011,
- Through retirements and normal attrition, the City reduced its full time work force by 11 positions in 2011. The City continuously seeks ways to implement technology so that it can maintain services with a smaller workforce, and
- The City has carefully managed its resources to achieve a superior credit rating (Moody's Investors Service – Aaa) and to maintain a reasonable fund balance in light of known reductions in state levied-shared intergovernmental revenues that began in 2011 and will accelerate in 2012.

Other Major Governmental Funds Analysis

The City's Street Construction, Maintenance and Repair Fund experienced an increase of \$165,134 in its 2011 fund balance when compared to 2010. This increase can be attributed to a decrease in 2011 expenditures compared to 2010. This decrease in expenditures is due to the allocation of fuel expenses to the proper activity, whereas in prior years these expenditures were charged to Street Construction, Maintenance and Repair Fund.

The City's Fire Levy Fund experienced a decrease of \$196,324, in its 2011 fund balance when compared to 2010. This decrease can be attributed to an increase in 2011 expenditures compared to 2010 as a result of large termination payments, retroactive payments from prior years, and a renegotiated union contract.

The City's General Bond Retirement Fund experienced a significant decrease of \$2,592,300 in its 2011 fund balance when compared to 2010. The main contributor to this decrease is the recognition of a short-term Bond Anticipation Notes payable and related unamortized bond premium in the amount of \$2,656,240.

The City's Pearl Road TIF Fund experienced a significant decrease of \$4,570,286 in its 2011 fund balance when compared to 2010. The main contributor to this decrease is the recognition of a short-term Bond Anticipation Note payable in the amount of \$4,350,000.

The City's General Capital Improvements Fund experienced an increase of \$712,910 in its 2011 fund balance when compared to 2010. This increase in fund balance can be attributed to an additional \$500,000 transfer from the General Fund for the Foltz Parkway street repair project and a transfer required to retire a prior year note liability recorded in this fund in accordance with generally accepted accounting principles.

General Fund Budgetary 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 and disbursements. The most significant budgeted fund is the General Fund. During

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the course of 2011, the City amended its General Fund budget on various occasions. All recommendations for budget changes come to the Finance Committee of City Council for review before going to the whole Council for ordinance enactment on the change. The City does allow small interdepartmental budget changes that modify line items within departments within the same fund. The General Fund supports many of the City's major activities such the Police Department and the Fire Department, the Service Department, and the Recreation 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 (including other financing sources) were \$28,591,559. The final budgeted revenue amount (including other financing sources) was \$31,004,312. This increase was primarily due to an increase in the municipal income tax estimate and advances in from other governmental funds. The actual revenues (including other financing sources) were slightly lower than the final budgeted amounts.

Original General Fund budgeted expenditures (including other financing uses) were \$30,137,050 and the final amended budgeted expenditures (including other financing uses) were \$32,071,600. Actual General Fund expenditures (including other financing uses) were \$30,866,872 or approximately 3.75 percent less than the final budgeted amounts. This was most notable in security of persons and property and general government. The favorable variance when comparing actual expenditures to the final budget amounts is due to prudent fiscal management and a conservative budgeting strategy.

Capital Assets and Debt Administration

Capital Assets - The City's investment in capital assets for governmental and business-type activities as of December 31, 2011, amounts to \$238,368,641 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, land improvements, machinery and equipment, furniture and fixtures, vehicles, streets, sidewalks, bridges, traffic signalization, and drainage systems.

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 7,393,905	\$ 7,393,905	\$ 1,508,079	\$ 1,508,079	\$ 8,901,984	\$ 8,901,984
Construction in progress	15,869,294	23,655,817	9,950	26,234	15,879,244	23,682,051
Total Non-Depreciable	23,263,199	31,049,722	1,518,029	1,534,313	24,781,228	32,584,035
Buildings	43,275,966	31,584,223	4,760,018	4,944,288	48,035,984	36,528,511
Land improvements	1,752,844	1,079,490	236,859	239,808	1,989,703	1,319,298
Machinery and equipment	973,594	1,187,116	1,148,594	1,008,254	2,122,188	2,195,370
Furniture and fixtures	458,542	539,177	986	986	459,528	540,163
Vehicles	2,741,427	2,858,004	303,872	455,672	3,045,299	3,313,676
Infrastructure:						
Streets	67,572,016	71,421,495	-	-	67,572,016	71,421,495
Bridges	203,000	-	-	-	203,000	-
Storm sewers	42,676,898	42,933,987	-	-	42,676,898	42,933,987
Sidewalks	2,728,489	2,892,514	-	-	2,728,489	2,892,514
Traffic signalization	3,313,219	3,494,433	-	-	3,313,219	3,494,433
Sanitary sewers	-	-	41,441,089	42,146,197	41,441,089	42,146,197
Total Depreciable,						
Net of Depreciation	165,695,995	157,990,439	47,891,418	48,795,205	213,587,413	206,785,644
Total Capital Assets,						
Net of Depreciation	\$ 188,959,194	\$ 189,040,161	\$ 49,409,447	\$ 50,329,518	\$ 238,368,641	\$ 239,369,679

City of Strongsville, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2011
Unaudited

Major capital asset events during 2011 included the following:

- Total capital assets, net of accumulated depreciation, decreased by \$1,001,038,
- Business-type activity capital assets decreased by \$920,071 (net of accumulated depreciation). The decrease was due to current year depreciation expense exceeding capital additions, and
- Governmental activity capital assets decreased by a negligible \$80,967 (net of accumulated depreciation).

Refer to Note 10 of the basic financial statements for more detail on capital asset activity.

Debt - The General Bond Retirement Debt Service Fund is funded primarily with 2.3 mills of the City's inside property tax millage, special assessments, and General Fund transfers. The General Bond Retirement Debt Service Fund has a total deficit fund balance of \$1,023,508. This deficit fund balance is attributed to the recognition of a short-term note issued during 2011 as notes payable. The General Bond Retirement Debt Service Fund is funded primarily with 2.3 mills of the City's inside property tax millage, special assessments, and General Fund transfers. At December 31, 2011, the City had \$53,655,546 of long-term bonds and loans outstanding, with \$50,389,838 in governmental activities and \$3,265,708 in business-type activities and is included herein.

	Governmental Activities		Business-Type Activities		Total	
	2011	2010*	2011	2010*	2011	2010
General Obligation Bonds	\$ 49,524,838	\$ 55,780,684	\$ 615,000	\$ 805,000	\$ 50,139,838	\$ 56,585,684
Special Assessment Bonds	865,000	1,035,000	-	-	865,000	1,035,000
OWDA Loans	-	-	2,650,708	2,814,500	2,650,708	2,814,500
Total Outstanding Debt	<u>\$ 50,389,838</u>	<u>\$ 56,815,684</u>	<u>\$ 3,265,708</u>	<u>\$ 3,619,500</u>	<u>\$ 53,655,546</u>	<u>\$ 60,435,184</u>

* - Restated

In a continuing effort to be conscientious about how taxpayer dollars are spent, the City has received the Aaa rating from Moody's Investors Service. This rating was reaffirmed by Moody's in 2011. Strongsville remains one of the few cities in Ohio to have been awarded this rating.

The City is within all of its legal debt limitations. The Ohio Revised Code provides that the net debt (as defined in the Ohio Revised Code) of a municipal corporation, whether or not approved by the electors, shall not exceed 10.5 percent of the total value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5 percent of the total taxation value of property. The statutory limitations on debt are measured by the ratio of net debt to tax valuation and expressed in terms of a percentage. At December 31, 2011, the City's overall legal debt margin was at \$95,292,627 and the unvoted legal debt margin was at \$23,155,662. The aggregate amount of the City's unvoted debt is also subject to overlapping debt restrictions with other political subdivisions. The actual aggregate amount of the City's unvoted debt is limited to ten mills. This millage is measured against the property values in each overlapping district.

Refer to Notes 14 and 15 of the basic financial statements for more detail on short-term and long-term debt activity.

City of Strongsville, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2011
Unaudited

Economic Factors

The City's elected and appointed officials consider many factors when setting the budget parameters for each year. Budget priorities include; public safety, investment in infrastructure to promote economic development and job creation, investment in and use of technology, and maintaining adequate balances in its major funds to ensure both financial flexibility and long term stability. Continued sluggish economic conditions, uncertainty regarding increases in health care costs as well as known reductions in intergovernmental revenues levied by the State have dictated a conservative approach concerning all of the City's financial matters. The City keeps these objectives in mind while diligently monitoring revenue and expenditures on a daily basis. The City continues to practice measures of cost containment and will pursue any grants or donations available to fund operations and specific capital projects.

Request for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show accountability for the money it receives, spends, or invests. If you have any questions about this report or need financial information contact Director of Finance, Joseph K. Dubovec, CPA, City of Strongsville, 16099 Foltz Parkway, Strongsville, Ohio 44149, telephone 440-580-3100.

Basic Financial Statements

City of Strongsville, Ohio

Statement of Net Assets

December 31, 2011

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Equity in Pooled Cash and Cash Equivalents	\$ 23,170,607	\$ 2,079,684	\$ 25,250,291
Materials and Supplies Inventory	730,529	-	730,529
Accounts Receivable	636,813	1,924,387	2,561,200
Accrued Interest Receivable	41,926	4,032	45,958
Intergovernmental Receivable	3,457,466	32,556	3,490,022
Hotel Taxes Receivable	10,668	-	10,668
Franchise Taxes Receivable	167,129	-	167,129
Permissive Motor Vehicle Taxes Receivable	24,603	-	24,603
Prepaid Items	174,484	62,009	236,493
Municipal Income Taxes Receivable	7,134,517	-	7,134,517
Property Taxes Receivable	9,489,387	-	9,489,387
Special Assessments Receivable	960,886	585,362	1,546,248
Deferred Charges	738,897	-	738,897
Nondepreciable Capital Assets	23,263,199	1,518,029	24,781,228
Depreciable Capital Assets	165,695,995	47,891,418	213,587,413
Total Assets	<u>235,697,106</u>	<u>54,097,477</u>	<u>289,794,583</u>
LIABILITIES			
Accounts Payable	957,093	121,251	1,078,344
Contracts Payable	803,494	-	803,494
Accrued Wages and Benefits	838,659	40,075	878,734
Intergovernmental Payable	407,446	6,030	413,476
Accrued Interest Payable	186,497	1,389	187,886
Retainage Payable	490,683	-	490,683
Deferred Revenue	9,901,369	-	9,901,369
Notes Payable	7,716,240	-	7,716,240
Long-term Liabilities:			
Due within one year	2,850,635	501,878	3,352,513
Due in more than one year	51,448,893	2,983,586	54,432,479
Total Liabilities	<u>75,601,009</u>	<u>3,654,209</u>	<u>79,255,218</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	135,950,267	46,143,739	182,094,006
Restricted for:			
Debt Service	3,487,204	-	3,487,204
Capital Projects	2,318,374	-	2,318,374
Police and Fire	2,946,333	-	2,946,333
Streets and Highways	4,731,159	-	4,731,159
Recreation Center	363,488	-	363,488
Other Purposes	684,622	-	684,622
Unrestricted	9,614,650	4,299,529	13,914,179
Total Net Assets	<u>\$ 160,096,097</u>	<u>\$ 50,443,268</u>	<u>\$ 210,539,365</u>

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

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

		Program Revenues		
		Charges for	Operating	Capital
	Expenses	Services	Grants and Contributions	Grants and Contributions
Primary Government:				
Governmental activities:				
Security of Persons and Property	\$ 21,516,765	\$ 1,683,289	\$ 58,953	\$ -
Public Health Services	601,590	44,925	-	-
Leisure Time Activities	5,748,672	3,068,427	4,176	486,787
Community Environment	1,746,987	874,340	29,750	-
Basic Utility Services	2,076,197	70,961	-	-
Transportation	19,356,513	1,400	1,993,922	5,287,070
General Government	5,530,388	188,192	-	-
Interest and Fiscal Charges	2,339,292	-	-	-
Total Governmental activities	58,916,404	5,931,534	2,086,801	5,773,857
Business-type activities:				
Sanitary Sewer	7,068,791	5,225,116	-	538,368
Total Business-type activities	7,068,791	5,225,116	-	538,368
Total Primary Government	\$ 65,985,195	\$ 11,156,650	\$ 2,086,801	\$ 6,312,225

General Revenues:

Property Taxes levied for:

General Purposes

Debt Service Purpose

Other Purposes

Municipal Income Taxes levied for:

General Purposes

Other Purposes

Hotel Taxes

Permissive Motor Vehicle Taxes

Franchise Taxes

Payments in Lieu of Taxes

Grants & Entitlements not restricted to specific programs

Investment Income

All Other Revenues

Total General Revenues

Change in Net Assets

Net Assets - Beginning of Year, Restated

Net Assets - End of Year

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

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-type Activities	Total
\$ (19,774,523)	\$ -	\$ (19,774,523)
(556,665)	-	(556,665)
(2,189,282)	-	(2,189,282)
(842,897)	-	(842,897)
(2,005,236)	-	(2,005,236)
(12,074,121)	-	(12,074,121)
(5,342,196)	-	(5,342,196)
(2,339,292)	-	(2,339,292)
(45,124,212)	-	(45,124,212)
-	(1,305,307)	(1,305,307)
-	(1,305,307)	(1,305,307)
(45,124,212)	(1,305,307)	(46,429,519)
424,295	-	424,295
3,460,320	-	3,460,320
5,324,748	-	5,324,748
-	-	-
26,251,391	-	26,251,391
2,625,174	-	2,625,174
171,572	-	171,572
325,245	-	325,245
645,974	-	645,974
848,939	-	848,939
3,673,797	-	3,673,797
174,298	39,837	214,135
4,708	-	4,708
43,930,461	39,837	43,970,298
(1,193,751)	(1,265,470)	(2,459,221)
161,289,848	51,708,738	212,998,586
<u>\$ 160,096,097</u>	<u>\$ 50,443,268</u>	<u>\$ 210,539,365</u>

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

City of Strongsville, Ohio
Balance Sheet
Governmental Funds
December 31, 2011

	General Fund	Street Construction, Maintenance & Repair	Fire Levy	General Bond Retirement	Pearl Road TIF	General Capital Improvement
ASSETS						
Equity in Pooled Cash and Cash Equivalents	\$ 8,596,631	\$ 2,703,821	\$ 940,338	\$1,660,375	\$ 416,491	\$ 2,170,928
Materials and Supplies Inventory	50,552	656,716	4,000	-	-	-
Accrued Interest Receivable	8,053	3,108	-	2,505	822	-
Accounts Receivable	323,231	-	2,419	-	-	-
Interfund Receivable	500,000	-	-	-	-	-
Intergovernmental Receivable	681,213	846,172	269,007	253,477	671,767	-
Prepaid Items	36,795	16,342	32,093	-	-	-
Municipal Income Taxes Receivable	6,363,276	771,241	-	-	-	-
Property Taxes Receivable	432,193	-	4,294,432	3,568,163	-	-
Special Assessments Receivable	-	-	-	876,818	-	84,068
Hotel Taxes Receivable	10,668	-	-	-	-	-
Franchise Taxes Receivable	-	-	-	-	-	167,129
Permissive Motor Vehicle Taxes Receivable	-	-	-	-	-	-
Total Assets	<u>\$17,002,612</u>	<u>\$ 4,997,400</u>	<u>\$5,542,289</u>	<u>\$6,361,338</u>	<u>\$1,089,080</u>	<u>\$ 2,422,125</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ 325,115	\$ 132,821	\$ 9,546	\$ 22,907	\$ -	\$ -
Accrued Wages and Benefits	442,920	126,637	196,817	-	-	-
Contracts Payable	-	-	-	-	-	695,970
Intergovernmental Payable	29,628	19,410	3,072	-	-	-
Matured Compensated Absences Payable	35,722	-	-	-	-	-
Accrued Interest Payable	-	-	-	7,241	9,516	-
Retainage Payable	-	-	-	-	-	-
Interfund Payable	-	-	-	-	-	-
Deferred Revenue	3,234,637	866,315	4,563,439	4,698,458	671,767	84,068
Notes Payable	-	-	-	2,656,240	4,350,000	-
Total Liabilities	<u>4,068,022</u>	<u>1,145,183</u>	<u>4,772,874</u>	<u>7,384,846</u>	<u>5,031,283</u>	<u>780,038</u>
Fund Balances:						
Nonspendable	87,347	673,058	36,093	-	-	-
Restricted	-	3,179,159	733,322	-	-	1,642,087
Committed	1,000,000	-	-	-	-	-
Assigned	93,058	-	-	-	-	-
Unassigned (Deficit)	11,754,185	-	-	(1,023,508)	(3,942,203)	-
Total Fund Balances (Deficit)	<u>12,934,590</u>	<u>3,852,217</u>	<u>769,415</u>	<u>(1,023,508)</u>	<u>(3,942,203)</u>	<u>1,642,087</u>
Total Liabilities and Fund Balances	<u>\$17,002,612</u>	<u>\$ 4,997,400</u>	<u>\$5,542,289</u>	<u>\$6,361,338</u>	<u>\$1,089,080</u>	<u>\$ 2,422,125</u>

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

		<i>Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities December 31, 2011</i>	
Other Governmental Funds	Total Governmental Funds		
\$ 5,739,096	\$ 22,227,680	Total Governmental Funds Balance	\$ 18,099,323
19,261	730,529	<i>Amounts reported for Governmental Activities in the Statement of Net Assets are different because:</i>	
27,438	41,926	Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported in the funds.	188,959,194
311,163	636,813	Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds:	
-	500,000	Property taxes	\$ 398,831
735,830	3,457,466	Municipal income taxes	2,765,339
59,794	145,024	Special assessments	960,886
-	7,134,517	Intergovernmental	1,707,118
1,194,599	9,489,387	Charges for services	173,878
-	960,886	Total	6,006,052
-	10,668	Bond issuance costs will be amortized over the life of the bonds on the Statement of Net Assets.	738,897
-	167,129	In the Statement of Activities, interest is accrued on outstanding bonds, whereas in Governmental funds, an interest expenditure is reported when due.	(169,740)
24,603	24,603	Internal Service funds are used by management to charge the costs of certain activities, such as insurance to individual funds. The assets and liabilities of the Internal Service funds are included in Governmental Activities in the Statement of Net Assets.	29,460
<u>\$ 8,111,784</u>	<u>\$ 45,526,628</u>	Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:	
\$ 466,704	\$ 957,093	General obligation bonds	(48,535,000)
72,285	838,659	Special assessment bonds	(865,000)
107,524	803,494	Unamortized bond premiums	(1,506,267)
109,126	161,236	Deferral on refunding	516,429
-	35,722	Compensated absences	(3,177,251)
-	16,757	Total	(53,567,089)
490,683	490,683	Net Assets of Governmental Activities	<u>\$ 160,096,097</u>
500,000	500,000		
1,788,737	15,907,421		
710,000	7,716,240		
<u>4,245,059</u>	<u>27,427,305</u>		
79,055	875,553		
1,545,875	7,100,443		
2,772,189	3,772,189		
-	93,058		
(530,394)	6,258,080		
3,866,725	18,099,323		
<u>\$ 8,111,784</u>	<u>\$ 45,526,628</u>		

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

City of Strongsville, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2011

	General Fund	Street Construction, Maintenance & Repair	Fire Levy	General Bond Retirement	Pearl Road TIF	General Capital Improvement
REVENUES						
Property Taxes	\$ 430,177	\$ -	\$4,207,143	\$ 3,507,841	\$ -	\$ -
Municipal Income Taxes	25,537,183	2,666,578	-	-	-	-
Hotel Taxes	171,572	-	-	-	-	-
Permissive Motor Vehicle Taxes	-	-	-	-	-	-
Franchise Taxes	-	-	-	-	-	645,974
Payments in Lieu of Taxes	-	-	-	-	704,123	-
Intergovernmental	2,314,320	1,735,710	618,242	678,447	-	-
Interest	25,370	14,881	-	81,436	3,936	7,811
Fees, Licenses, and Permits	756,234	-	1,550	-	-	-
Fines and Forfeitures	555,031	-	-	-	-	-
Charges for Services	284,483	150	5	-	-	950
Contributions and Donations	52,906	-	-	-	-	1,664,364
Special Assessments	-	-	-	170,000	-	11,198
All Other Revenues	256,609	-	2,419	43	-	-
Total Revenues	30,383,885	4,417,319	4,829,359	4,437,767	708,059	2,330,297
EXPENDITURES						
Security of Persons and Property	10,674,353	-	7,025,683	-	-	-
Public Health Services	270,258	-	-	-	-	-
Leisure Time Activities	257,099	-	-	-	-	-
Community Environment	1,573,206	-	-	-	-	-
Basic Utility Services	1,990,205	-	-	-	-	-
Transportation	-	7,647,163	-	-	-	5,332,170
General Government	4,612,981	-	-	66,000	-	-
Capital Outlay	321,404	233,031	-	-	-	1,785,217
Debt Service:						
Principal Retirement	-	-	-	2,035,000	50,000	-
Interest and Fiscal Charges	-	-	-	1,961,612	344,820	-
Bond Issuance Costs	-	-	-	237,974	3,525	-
Advance Refunding Escrow	-	-	-	1,499,540	-	-
Total Expenditures	19,699,506	7,880,194	7,025,683	5,800,126	398,345	7,117,387
Excess of Revenues (Under) Expenditures	10,684,379	(3,462,875)	(2,196,324)	(1,362,359)	309,714	(4,787,090)
OTHER FINANCING SOURCES (USES)						
Sale of Capital Assets	17,250	28,009	-	-	-	-
Refunding Bonds Issued	-	-	-	10,735,000	-	-
Premium on Debt Issuance	-	-	-	734,553	-	-
Payment to Refunded Bond Escrow Account	-	-	-	(13,875,000)	-	-
Transfers In	-	3,600,000	2,000,000	1,175,506	-	5,500,000
Transfers Out	(9,470,000)	-	-	-	(4,880,000)	-
Total Other Financing Sources (Uses)	(9,452,750)	3,628,009	2,000,000	(1,229,941)	(4,880,000)	5,500,000
Net Change in Fund Balances	1,231,629	165,134	(196,324)	(2,592,300)	(4,570,286)	712,910
Fund Balances - Beginning of Year, Restated	11,702,961	3,687,083	965,739	1,568,792	628,083	929,177
Fund Balances - End of Year	\$12,934,590	\$ 3,852,217	\$ 769,415	\$(1,023,508)	\$(3,942,203)	\$ 1,642,087

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

		<i>Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended December 31, 2011</i>	
Other Governmental Funds	Total Governmental Funds		
\$ 1,181,856	\$ 9,327,017	Net Change in Fund Balances-Total Governmental Funds	\$ (8,184,005)
-	28,203,761	<i>Amounts reported for Governmental Activities in the Statement of Activities are different because:</i>	
-	171,572	Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	
325,245	325,245		
-	645,974		
144,816	848,939		
4,313,794	9,660,513		
40,864	174,298		
71,643	829,427		
20,249	575,280		
3,985,090	4,270,678	Capital Outlay	\$9,164,073
26,907	1,744,177	Depreciation	<u>(8,438,094)</u>
-	181,198	Total	725,979
-	259,071		
<u>10,110,464</u>	<u>57,217,150</u>	In the Statement of Activities, only the loss on the disposal of capital assets is reported, whereas, in the Governmental Funds, the proceeds from the disposals increase financial resources. Thus, the change in net assets differs from the change in fund balance by the net book value of the capital assets.	(806,946)
2,621,996	20,322,032		
335,884	606,142		
5,155,548	5,412,647	Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	
143,552	1,716,758		
85,992	2,076,197		
731,044	13,710,377	Property taxes	(117,654)
5,138	4,684,119	Municipal income taxes	672,804
5,788,987	8,128,639	Special assessments	(234,643)
		Intergovernmental	11,118
		Charges for services	<u>173,878</u>
230,000	2,315,000	Total	505,503
30,485	2,336,917		
-	241,499		
-	1,499,540	Other financing sources in the Governmental funds increase long-term liabilities in the Statement of Net Assets. These sources were attributed to the issuance of General Obligation Refunding debt and the respective premiums issued.	(11,469,553)
<u>15,128,626</u>	<u>63,049,867</u>		
<u>(5,018,162)</u>	<u>(5,832,717)</u>	Repayment of bond principal and the refunding of debt are expenditures in the Governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.	17,854,585
8,900	54,159		
-	10,735,000		
-	734,553		
-	(13,875,000)		
2,770,000	15,045,506	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.	
(695,506)	(15,045,506)		
<u>2,083,394</u>	<u>(2,351,288)</u>		
<u>(2,934,768)</u>	<u>(8,184,005)</u>		
		Compensated absences	75,272
6,801,493	26,283,328	Accrued interest on bonds	59,906
<u>\$ 3,866,725</u>	<u>\$ 18,099,323</u>	Amortization of bond issuance costs	(24,766)
		Amortization of bond premiums	68,970
		Amortization of deferral on refunding	<u>(28,156)</u>
		Total	151,226
		Internal Service funds are used by management to charge costs to certain activities, such as insurance to individual funds. The net revenue (expense) of Internal Service funds are reported in the Governmental Activities.	29,460
		Change in Net Assets of Governmental Activities	<u>\$ (1,193,751)</u>

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

City of Strongsville, Ohio
*Statement of Revenues, Expenditures and Changes in Fund Balances –
Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal Income Taxes	\$ 22,781,000	\$ 25,126,457	\$ 25,069,604	\$ (56,853)
Property Taxes	434,316	434,316	430,177	(4,139)
Hotel Taxes	145,000	171,000	170,200	(800)
Intergovernmental Revenues	2,668,043	2,345,039	2,327,431	(17,608)
Charges for Services	194,200	247,700	242,383	(5,317)
Fees, Licenses, and Permits	605,900	760,400	756,234	(4,166)
Fines and Forfeitures	576,000	554,500	552,922	(1,578)
Interest Income	100,000	35,000	30,502	(4,498)
Contributions and Donations	3,000	53,000	52,906	(94)
Miscellaneous	564,100	528,200	514,483	(13,717)
<i>Total Revenues</i>	<u>28,071,559</u>	<u>30,255,612</u>	<u>30,146,842</u>	<u>(108,770)</u>
Expenditures:				
Current:				
Security of Persons and Property	10,065,400	11,000,000	10,573,649	426,351
Public Health Services	133,100	283,900	276,015	7,885
Leisure Time Activities	398,600	495,100	483,388	11,712
Community Environment	1,253,100	1,666,000	1,566,693	99,307
Basic Utility Services	2,685,000	2,130,300	2,038,476	91,824
General Government	6,979,750	5,205,300	4,737,651	467,649
<i>Total Expenditures</i>	<u>21,514,950</u>	<u>20,780,600</u>	<u>19,675,872</u>	<u>1,104,728</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	6,556,609	9,475,012	10,470,970	995,958
Other Financing Sources (Uses)				
Sale of Capital Assets	20,000	20,900	17,250	(3,650)
Advances In	500,000	721,000	721,000	-
Advances Out	-	(721,000)	(721,000)	-
Transfers In	-	6,800	6,800	-
Transfers Out	(8,622,100)	(10,570,000)	(10,470,000)	100,000
<i>Total Other Financing Sources (Uses)</i>	<u>(8,102,100)</u>	<u>(10,542,300)</u>	<u>(10,445,950)</u>	<u>96,350</u>
<i>Net Change in Fund Balance</i>	(1,545,491)	(1,067,288)	25,020	1,092,308
<i>Fund Balance - Beginning of Year</i>	<u>7,571,611</u>	<u>7,571,611</u>	<u>7,571,611</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ 6,026,120</u>	<u>\$ 6,504,323</u>	<u>\$ 7,596,631</u>	<u>\$ 1,092,308</u>

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

City of Strongsville, Ohio
*Statement of Revenues, Expenditures and Changes in Fund Balances –
 Budget (Non-GAAP Basis) and Actual
 Street Construction, Maintenance and Repair Fund
 For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal Income Taxes	\$ 2,770,000	\$ 3,000,000	\$ 2,946,552	\$ (53,448)
Intergovernmental Revenues	1,620,000	1,726,700	1,723,821	(2,879)
Charges for Services	-	200	150	(50)
Interest Income	10,000	12,000	11,773	(227)
<i>Total Revenues</i>	<u>4,400,000</u>	<u>4,738,900</u>	<u>4,682,296</u>	<u>(56,604)</u>
Expenditures:				
Current:				
Transportation	<u>9,131,100</u>	<u>8,801,000</u>	<u>8,049,310</u>	<u>751,690</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(4,731,100)	(4,062,100)	(3,367,014)	695,086
Other Financing Sources				
Sale of Capital Assets	-	28,100	28,009	(91)
Transfers In	<u>3,811,000</u>	<u>3,600,000</u>	<u>3,600,000</u>	<u>-</u>
<i>Total Other Financing Sources</i>	<u>3,811,000</u>	<u>3,628,100</u>	<u>3,628,009</u>	<u>(91)</u>
<i>Net Change in Fund Balance</i>	(920,100)	(434,000)	260,995	694,995
<i>Fund Balance - Beginning of Year</i>	<u>2,442,826</u>	<u>2,442,826</u>	<u>2,442,826</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ 1,522,726</u>	<u>\$ 2,008,826</u>	<u>\$ 2,703,821</u>	<u>\$ 694,995</u>

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

City of Strongsville, Ohio
*Statement of Revenues, Expenditures and Changes in Fund Balances –
 Budget (Non-GAAP Basis) and Actual
 Fire Levy Fund
 For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 4,227,825	\$ 4,227,825	\$ 4,207,143	\$ (20,682)
Intergovernmental Revenues	463,400	650,781	618,242	(32,539)
Charges for Services	500	200	5	(195)
Fees, Licenses, and Permits	1,500	1,800	1,550	(250)
Contributions and Donations	-	1,000	1,000	-
<i>Total Revenues</i>	<u>4,693,225</u>	<u>4,881,606</u>	<u>4,827,940</u>	<u>(53,666)</u>
Expenditures:				
Current:				
Security of Persons and Property	<u>7,057,200</u>	<u>7,297,800</u>	<u>7,040,455</u>	<u>257,345</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(2,363,975)	(2,416,194)	(2,212,515)	203,679
Other Financing Sources				
Transfers In	<u>1,750,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	(613,975)	(416,194)	(212,515)	203,679
<i>Fund Balance - Beginning of Year</i>	<u>1,152,853</u>	<u>1,152,853</u>	<u>1,152,853</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ 538,878</u>	<u>\$ 736,659</u>	<u>\$ 940,338</u>	<u>\$ 203,679</u>

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

City of Strongsville, Ohio

Statement of Net Assets

Proprietary Funds

December 31, 2011

	Business-Type Activities Sanitary Sewer Fund	Governmental Activities Internal Service Fund
ASSETS		
Current Assets:		
Equity in Pooled Cash and Cash Equivalents	\$ 2,079,684	\$ 942,927
Accrued Interest Receivable	4,032	-
Accounts Receivable	1,924,387	-
Intergovernmental Receivable	32,556	-
Prepaid Items	62,009	29,460
Special Assessments Receivable	585,362	-
Total Current Assets	4,688,030	972,387
Noncurrent Assets:		
Capital Assets:		
Land	1,508,079	-
Construction in Progress	9,950	-
Depreciable Assets, Net of Depreciation	47,891,418	-
Total Noncurrent Assets	49,409,447	-
Total Assets	54,097,477	972,387
LIABILITIES		
Current Liabilities:		
Accounts Payable	121,251	-
Accrued Wages and Benefits	40,075	-
Compensated Absences Payable	130,869	-
Intergovernmental Payable	6,030	246,210
Accrued Interest Payable	1,389	-
Claims Payable	-	105,409
General Obligation Bonds Payable	200,000	-
OWDA Loans Payable	171,009	-
Total Current Liabilities	670,623	351,619
Noncurrent Liabilities:		
Compensated Absences Payable	88,887	-
Claims Payable	-	591,308
General Obligation Bonds Payable	415,000	-
OWDA Loans Payable	2,479,699	-
Total Noncurrent Liabilities	2,983,586	591,308
Total Liabilities	3,654,209	942,927
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	46,143,739	-
Unrestricted	4,299,529	29,460
Total Net Assets	\$ 50,443,268	\$ 29,460

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

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

	Business-Type Activities Sanitary Sewer Fund	Governmental Activities Internal Service Fund
OPERATING REVENUES		
Charges for Services	\$ 5,122,013	\$ 526,800
Other Services	103,103	-
Total Operating Revenues	<u>5,225,116</u>	<u>526,800</u>
OPERATING EXPENSES		
Salaries	1,005,848	-
Fringe Benefits	363,557	-
Materials and Supplies	182,743	-
Utilities	3,269	-
Contractual Services	3,039,540	250,937
Depreciation	2,315,047	-
Claims	-	246,403
Other	17,277	-
Total Operating Expense	<u>6,927,281</u>	<u>497,340</u>
Operating Income (Loss)	<u>(1,702,165)</u>	<u>29,460</u>
NONOPERATING REVENUES (EXPENSES)		
Interest	39,837	-
Interest and Fiscal Charges	(141,510)	-
Total Nonoperating Revenues (Expenses)	<u>(101,673)</u>	<u>-</u>
Capital Contributions from Grants	315,006	-
Capital Contributions from Developers	81,164	-
Capital Contributions from Tap In Fees	142,198	-
Change in Net Assets	(1,265,470)	29,460
Net Assets - Beginning of Year, Restated	51,708,738	-
Net Assets - End of Year	<u><u>\$ 50,443,268</u></u>	<u><u>\$ 29,460</u></u>

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

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

	Business-Type Activities	Governmental Activities
	Sanitary Sewer Fund	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Charges for Services	\$ 5,120,955	\$ 526,800
Other Cash Receipts	-	11,971
Cash Payments to Employees for Services	(944,279)	-
Cash Payments for Employee Benefits	(362,284)	-
Cash Payments for Goods and Services	(3,270,776)	(345,422)
Cash Payments for Claims	-	(97,179)
Other Cash Payments	(23,157)	-
Net Cash Provided by Operating Activities	<u>520,459</u>	<u>96,170</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital Grants Received	282,450	-
Capital Contributions from Developers	81,164	-
Capital Contributions from Tap In Fees	142,198	-
Capital Contributions from Special Assessments	40,681	-
Principal Paid on Debt	(353,792)	-
Interest Paid on Debt	(140,121)	-
Payments for Capital Acquisitions	(1,404,827)	-
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(1,352,247)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on Investments	15,270	-
Net Cash Provided by Investing Activities	<u>15,270</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(816,518)	96,170
Cash and Cash Equivalents - Beginning of Year	2,896,202	846,757
Cash and Cash Equivalents - End of Year	<u><u>\$ 2,079,684</u></u>	<u><u>\$ 942,927</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ (1,702,165)	\$ 29,460
Adjustments:		
Depreciation	2,315,047	-
(Increase) Decrease in Assets:		
Accounts Receivable	(104,161)	-
Materials and Supplies Inventory	1,047	-
Prepaid Items	(62,009)	(29,460)
Increase (Decrease) in Liabilities:		
Accounts Payable	92,419	-
Accrued Wages	5,711	-
Compensated Absences Payable	55,858	-
Intergovernmental Payable	(81,288)	(53,054)
Claims Payable	-	149,224
Net Cash Provided by Operating Activities	<u><u>\$ 520,459</u></u>	<u><u>\$ 96,170</u></u>

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

City of Strongsville, Ohio
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
December 31, 2011

	<u>Agency Funds</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 288,481
Cash and Cash Equivalents:	
in Segregated Accounts	<u>57,841</u>
Total Assets	<u><u>\$ 346,322</u></u>
 Liabilities	
Deposits Held and Due to Others	<u>\$ 346,322</u>
Total Liabilities	<u><u>\$ 346,322</u></u>

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

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 1 – Description of the City and Reporting Entity

The City of Strongsville, Cuyahoga County, Ohio (City) was incorporated under the laws of the State of Ohio in 1958. The City operates under and is governed by a Mayor/Council form of government in accordance with the general laws of the State of Ohio. In addition, the City may exercise all powers of local self-government under the Ohio Constitution, to the extent not in conflict with the applicable general laws of Ohio.

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's primary government consists of all funds, departments, boards, and agencies that are not legally separate from the City. The City provides the following services as authorized by its Charter: police and fire protection, road maintenance and repair, snow removal, traffic signalization, street lighting, storm and sanitary sewers, waste collection and general administrative services. None of these services are provided by legally separate organizations; therefore, these operations are included in the primary government. The operation of each of these activities is directly controlled by Council through the budgetary process.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and 1) the City is able to significantly influence the programs or services performed or provided by the organization; or 2) the City is legally entitled to or can otherwise access the organization's resources; 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 City's financial statements include all organizations, activities, and functions for which the City is financially accountable.

Also, the City is associated with five jointly governed organizations that are further described in Note 18.

Note 2 - Summary of Significant Accounting Policies

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

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

A. Basis of Presentation

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

Government-wide Financial Statements - The statement of net assets and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. As a general rule, the activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses. An exception to this general rule is that interfund services provided and used are not eliminated in the process of consolidation. The statements distinguish between those activities of the City that are governmental and those that are considered business-type.

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

B. Fund Accounting

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

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

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

General Fund – This fund is used to account for all financial resources, except for those required to be accounted for in another fund. Major revenue sources of this fund include: municipal income taxes, estate taxes, local government assistance funds; and to a lesser degree, various fees, licenses and permits, property taxes, and fines and forfeitures. This fund is the primary operating fund of the City.

Street Construction, Maintenance, and Repair (SCMR) Fund - This fund is required by the Ohio Revised Code to account for revenue from the state gasoline tax and motor vehicle registration fees. The Ohio Revised Code requires that 92.50% of these revenues be used for the maintenance and repair of streets within the City. As provided in the Codified Ordinance Section 880.34, this fund is credited with one-sixth of the proceeds realized from the first 1.50% (referred to as the Base Tax) of the 2.00% municipal income tax. Operating deficiencies are subsidized by an operating transfer from the General Fund.

Fire Levy Fund - This fund is used to account for the proceeds of two voted property tax levies (gross millage 3.50, effective millage 3.449756 for tax year 2010/collection year 2011) approved for the purpose of providing and maintaining a full-time Fire Department. Transfers from the General Fund are necessary to cover the operating costs in excess of operating revenues.

General Bond Retirement Fund – This fund accounts for the proceeds of a 2.30 mill inside property tax levy, a 0.5 mill voted (Library) property tax levy, and the proceeds of various special assessments levied against the benefitting property owners to accumulate resources for the payment of principal, interest and fiscal charges on general obligation and special assessment debt.

Pearl Road TIF Fund - This fund accounts for the receipt of service payments in lieu of taxes (PILOTs) that are legally restricted for the payment of public improvements described in City ordinance. The general area affected by this TIF is Pearl Road between Route 82 and Boston Road and the area along Route 82 between Pearl and Howe Roads.

General Capital Improvement Fund - This fund accounts for the Cable TV Franchise fees and other resources that are used to construct, equip and furnish the various departments of the city. This fund is also used to account for various infrastructure projects.

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

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

Enterprise Funds - Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The City's only major enterprise fund is the Sanitary Sewer Fund which accounts for sewer construction projects and sanitary sewer services provided to the residential and commercial users in the City.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

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 the Workers' Compensation Reserve Fund. This fund accounts for the accumulation of funds to pay workers' compensation claims.

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

C. Measurement Focus

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

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

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

D. Basis of Accounting

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

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements, and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (see Note 8). 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 tax), fines and forfeitures, interest, grants and entitlements, fees, and rentals.

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

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

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

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

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

E. Cash and Cash Equivalents

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

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

During 2011, the portfolio of the City was limited to nonparticipating interest-earning investment contracts (e.g., Certificates of Deposit and a Repurchase Agreement). Nonparticipating investment contracts such as Certificates of Deposit and Repurchase Agreements are reported at cost.

The City's policy is to hold investments until maturity or until market values equal or exceed cost.

Following Ohio statutes, the City has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2011 amounted to \$25,370, which includes \$17,927 assigned from other City funds.

The City has segregated bank accounts for monies held separate from the City's central bank account. These interest bearing depository accounts are presented on the financial statements as "cash in segregated accounts" since they are not required to be deposited into the City's treasury.

Investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the City are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

F. Receivables

Receivables at December 31, 2011, consist of income taxes, property taxes, other local taxes, amounts due from other governments, accounts (billings for user charged services), and special assessments. All are deemed collectible in full.

G. Inventory

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

On fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as an expenditure in the governmental funds when consumed. Inventories of the proprietary funds are expensed when used.

Inventory consists of expendable supplies held for consumption.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2011, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

I. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of \$5,000. The City's infrastructure consists of roads, bridges, water mains, storm sewers, culverts, sidewalks, and traffic signals. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of proprietary fund capital assets is also capitalized.

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

	Governmental Activities	Business-Type Activities
<u>Description</u>	<u>Estimated Lives</u>	<u>Estimated Lives</u>
Land Improvements	15-20 years	15-20 years
Buildings	50 years	50 years
Furniture and Fixtures	7-10 years	7-10 years
Machinery and Equipment	5-20 years	5-20 years
Vehicles	3-6 years	3-6 years
Infrastructure	25-50 years	50 years

J. Interfund Balances

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

K. 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. Leave time that has been earned but is unavailable for use as paid time off, or as some other form of compensation, because an employee has not met the minimum service time requirement, is accrued to the extent that it is considered to be probable that conditions for compensation will be met in the future.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

The criteria for determining vested vacation and sick leave benefits are derived from negotiated agreements and State laws. Employees earn vacation and sick leave at different rates depending upon length of service and type of employment. Vacation leave is recognized when earned. All full-time City employees earn vacation at varying rates based upon length of service. An employee's vacation leave balance will carry over into the next fiscal year if it is not used. Upon retirement, termination, lay-off or death, employees or their estate are paid accumulated vacation leave. Sick leave may accrue with various limits based upon contracts. Upon retirement, an employee with at least fifteen years of continuous service is paid one-half (½) of his or her accumulated sick leave, based on their contract agreements.

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account "matured compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported.

L. Accrued Liabilities and Long-term Obligations

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

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

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

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

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

Committed – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (ordinance) of the City’s Council. Those committed amounts cannot be used for any other purpose unless the City’s Council removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. 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 would represent intended uses established by City Council.

Unassigned – Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In the other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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.

N. Net Assets

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

The government-wide statement of net assets reports \$14,531,180 of restricted net assets, none of which is restricted by enabling legislation. The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

O. Grants and Intergovernmental Revenues

Federal grants and assistance awards made on the basis of entitlement periods are recorded as intergovernmental receivables and revenues when entitlement occurs. Federal reimbursement-type grants are recorded as intergovernmental receivables and revenues in the period when all applicable eligibility requirements have been met and the resources are available.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

P. Operating Revenues and Expenses

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

Q. Contributions of Capital

Contributions of capital in governmental and proprietary fund financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction.

R. Interfund Activity

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

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

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2011.

T. 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.

U. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations resolution is Council's authorization to spend resources and sets 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 personal service and other expenditure level for all funds. Budgetary modifications may only be made by resolution of the City Council at the legal level of control.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

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 budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during 2011.

Encumbrances - Encumbrances outstanding at year end represent the estimated amount of expenditures that will ultimately result if unperformed contracts in process (for example, purchase orders and contracted services) are completed. Encumbrances outstanding at year end are reported as part of restricted, committed, or assigned fund balance for subsequent year expenditures in the governmental funds. The City had no outstanding encumbrances at December 31, 2011.

Lapsing of Appropriations - At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations.

The appropriation resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation 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 the year.

Note 3 – Changes in Accounting Principles and Prior Period Adjustments

Changes in Accounting Principles

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

GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. The implementation of this Statement resulted in the reclassification of fund balances on the City's governmental fund financial statements.

GASB Statement No. 59 updates and improves guidance for financial reporting and disclosure requirements of certain financial instruments and external investment pools. The implementation of this Statement did not have an effect on the City's financial statements.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

Fund Reclassifications

Fund reclassifications are required in order to report funds in accordance with GASB Statement No. 54. These fund reclassifications had the following effect on the City's governmental fund balances as previously reported:

	General	Other Governmental Funds
Fund Balance, December 31, 2010	\$ 11,696,161	\$ 6,808,293
Fund Reclassifications:		
Recycling Fund	6,800	(6,800)
Restated Fund Balance, December 31, 2010	<u>\$ 11,702,961</u>	<u>\$ 6,801,493</u>

Prior Period Adjustments

In prior periods, the City had reported a long-term debt liability related to a sanitary sewer project in the Governmental Activities. The debt agreement allowed the general resources of the City to pay the annual debt service requirements. However, City management believes that this debt should be reflected in the Sanitary Sewer Fund and consequently using the resources from the Sanitary Sewer Fund to service the debt. This change requires a restatement of prior period's net assets as follows:

	Governmental Activities	Business-Type Activities (Sanitary Sewer)
Net Assets, December 31, 2010	\$ 160,428,842	\$ 52,513,738
Prior Period Adjustments:		
Long-Term Debt	805,000	(805,000)
Additional Bond Issuance Costs not recognized in prior periods	56,006	-
Restated Net Assets, December 31, 2010	<u>\$ 161,289,848</u>	<u>\$ 51,708,738</u>

Note 4 – Accountability

Fund balances at December 31, 2011 included the following individual fund deficits:

	Deficit
Major Governmental Funds:	
General Bond Retirement	\$ 1,023,508
Pearl Road TIF	3,942,203
Nonmajor Governmental Fund:	
Recreation Capital Improvement	530,394

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

The General Fund is liable for any deficits in these funds and provides transfers when cash is required not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities in accordance with generally accepted accounting principles (GAAP).

Note 5 – 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 basis), the budgetary basis as provided by law is based upon accounting for transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual presented for the General Fund and the major special revenue funds 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:

- Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- Encumbrances are treated as expenditures (budget basis) rather than as a part of restricted, committed, and assigned fund balances (GAAP basis);
- Some funds are included in the General Fund (GAAP basis), but have separate legally adopted budgets (budget basis).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund and the major special revenue funds.

	General	Street Construction, Maintenance and Repair	Fire Levy
Net Change in Fund Balance - GAAP Basis	\$1,231,629	\$165,134	(\$196,324)
Net Adjustment			
Revenue Accruals	483,957	264,977	(1,419)
Expenditure Accruals	(697,366)	(169,116)	(14,772)
Funds with Separate Legally Adopted Budgets	(993,200)	0	0
Net Change in Fund Balance - Budgetary Basis	<u>\$25,020</u>	<u>\$260,995</u>	<u>(\$212,515)</u>

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

Note 6 – Fund Balance

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 governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General	Street Construction, Maintenance & Repair	Fire Levy	General Bond Retirement	Pearl Road TIF	General Capital Improvement	Other Governmental Funds	Total
<i>Nonspendable</i>								
Prepaid Items	\$ 36,795	\$ 16,342	\$ 32,093	\$ -	\$ -	\$ -	\$ 59,794	\$ 145,024
Inventories	50,552	656,716	4,000	-	-	-	19,261	730,529
<i>Total Nonspendable</i>	<u>87,347</u>	<u>673,058</u>	<u>36,093</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>79,055</u>	<u>875,553</u>
<i>Restricted for</i>								
Police Pension	-	-	-	-	-	-	106,296	106,296
Fire Pension	-	-	-	-	-	-	84,130	84,130
Fire Services	-	-	733,322	-	-	-	-	733,322
Other Law Enforcement	-	-	-	-	-	-	70,422	70,422
Streets and Highways	-	3,179,159	-	-	-	-	358,407	3,537,566
Clerk of Court Computerization	-	-	-	-	-	-	229,389	229,389
Drainage Levy	-	-	-	-	-	-	231,327	231,327
Royalton Road TIF	-	-	-	-	-	-	23,237	23,237
Capital Improvements	-	-	-	-	-	1,642,087	-	1,642,087
Pearl Road Capital Improvements	-	-	-	-	-	-	442,667	442,667
<i>Total Restricted</i>	<u>-</u>	<u>3,179,159</u>	<u>733,322</u>	<u>-</u>	<u>-</u>	<u>1,642,087</u>	<u>1,545,875</u>	<u>7,100,443</u>
<i>Committed to</i>								
Termination Benefits	1,000,000	-	-	-	-	-	-	1,000,000
Emergency Vehicles	-	-	-	-	-	-	2,197,291	2,197,291
Recreation Center	-	-	-	-	-	-	404,554	404,554
Tree Maintenance	-	-	-	-	-	-	170,344	170,344
<i>Total Committed</i>	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,772,189</u>	<u>3,772,189</u>
<i>Assigned to</i>								
Fiscal Year 2012 Appropriations	93,058	-	-	-	-	-	-	93,058
<i>Total Assigned</i>	<u>93,058</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>93,058</u>
<i>Unassigned (Deficit)</i>	11,754,185	-	-	(1,023,508)	(3,942,203)	-	(530,394)	6,258,080
<i>Total Fund Balances</i>	<u>\$ 12,934,590</u>	<u>\$ 3,852,217</u>	<u>\$ 769,415</u>	<u>\$ (1,023,508)</u>	<u>\$ (3,942,203)</u>	<u>\$ 1,642,087</u>	<u>\$ 3,866,725</u>	<u>\$ 18,099,323</u>

Note 7 - Deposits and Investments

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

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

Inactive deposits are deposits that 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.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

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 may be deposited or invested in the following securities:

1. United States Treasury notes, bills, bonds, or other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any Federal government agency or instrumentality including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All Federal agency securities shall be direct issuances of Federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and that the term of the agreement must not exceed 30 days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) and (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and,
6. The State Treasury Asset Reserve of Ohio (STAR Ohio).

The City may also invest any monies not required to be used for a period of 6 months or more in the following:

1. 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,
2. 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 5 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. Payments for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Cash on Hand

At December 31, 2011, the City had \$10,357 in undeposited cash on hand, which is included on the balance sheet of the City as part of "Equity in Pooled Cash and Cash Equivalents."

Deposits

At December 31, 2011, the carrying amount of the City's deposits was \$20,626,573 (including \$6,500,000 in certificates of deposit and \$57,841 in cash in segregated accounts of the court). Based on criteria described in GASB Statement No. 40, *Deposits and Investments Risk Disclosures*, as of December 31, 2011, \$12,694,550 of the City's bank balance of \$21,233,695 was covered by Federal Depository Insurance and \$8,539,145 was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the City's name.

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned. The City's policy is to place deposits with major local banks approved by the City Council. All deposits are collateralized with eligible securities in amounts equal to at least 105 percent of the carrying value of the deposits. Such collateral, as permitted by Chapter 135 of the Ohio Revised Code, is held in financial institution pools at Federal Reserve banks, or at member banks of the Federal Reserve system in the name of the respective depository bank, and pledged as a pool of collateral against all of the public deposits it holds, or as specific collateral held at a Federal Reserve Bank in the name of the City.

Investments

The City has a formal investment policy. The City follows GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, and records all its investments at fair value. Fair value is determined by quoted market prices and acceptable other pricing methodologies. As of December 31, 2011, the City had \$4,959,683 in a repurchase agreement. This repurchase agreement will mature in less than one year.

Interest Rate Risk

As a means of limiting its exposure to fair value of losses caused by rising interest rates, the City's investment policy requires that operating funds be invested primarily in short-term investments maturing within 5 years from the date of purchase, and that the City's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

Credit Risk

The City has no investment policy that would further limit its investment choices other than the limitations imposed by the Ohio Revised Code. As of December 31, 2011, the City's only investment was in a repurchase agreement. The repurchase agreement's underlying security is explicitly guaranteed by debt securities of the U.S. Government.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

Concentration of Credit Risk

The City places no limit on the amount it may invest in any one issuer. As of December 31, 2011, a repurchase agreement was the City's only investment.

Reconciliation of Cash and Investments per the Footnote to the Statements

The following is a reconciliation of cash and investments as reported in the footnote above to cash and investments reported on the statement of net assets as of December 31, 2011.

<u>Cash and Investments per Footnote</u>	
Carrying Amount of Deposits	\$ 20,626,573
Investment	4,959,683
Cash on Hand	<u>10,357</u>
Total Cash and Investments per Footnote	<u>\$25,596,613</u>
 <u>Cash and Investments per Statements</u>	
Governmental Activities	\$ 23,170,607
Business-Type Activities	2,079,684
Agency Funds	<u>346,322</u>
Total Cash and Investments per Statements	<u>\$25,596,613</u>

Note 8 - Receivables

Receivables at December 31, 2011, consisted primarily of municipal income taxes, property and other local taxes, intergovernmental receivables arising from entitlements and shared revenues, special assessments, and accounts (billing for utility services). No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

Property Taxes

Property taxes include amounts levied against all real and public utility property, and tangible personal (used in business) property located in the City. Taxes collected on real property (other than public utility) in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year, the lien date. Assessed values for real property are established by State law at 35 percent of appraised market value. All property is required to be reevaluated every six years. The latest revaluation was completed in 2006. Public utility real and tangible personal property tax collected in one calendar year is levied in the preceding calendar year on assessed values determined as of December 31 of the year preceding the tax collection year, the lien date. Public utility tangible personal property currently is assessed by varying percentages of true value; public utility real property taxes are assessed at 35 percent of true value. 2011 public utility property taxes which became a lien at December 31, 2010, are levied after October 1, 2011, and are collected in 2012 with real property taxes.

The 2010 assessed value upon which the 2011 tax receipts were based on was \$1,442,739,300. The full tax rate for all City operations applied to taxable property for the year ended December 31, 2011, was \$9.9 per \$1,000 of assessed valuation.

Real and public utility property taxes are payable annually or semi-annually. If paid annually, payment is due December 31. If paid semi-annually, the first payment is due December 31, with the remainder payable by June 30. Under certain circumstances, State Statute permits earlier or later payment dates to be established.

Public Utility tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

The County Treasurer collects property tax on behalf of all taxing districts within the County. The County Auditor periodically remits to the taxing districts their portions of the taxes collected.

Municipal Income Taxes

The City's municipal income tax of 2.0 percent is levied on gross salaries, wages and other personal service compensation earned by residents both in and out of the City and on the earnings of nonresidents (except certain transients) earned in the City. This tax also applies to net income of business organizations within the City. Residents of the City are granted a 75 percent credit up to 2.0 percent of the income taxes paid to another municipality.

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 also required to pay their estimated tax at least quarterly and file a final return annually. The tax is collected by RITA and remitted to the City monthly.

Municipal income taxes are allocated by City ordinance as follows: 16.67 percent of the first 1.50 percent of the total of 2.00 percent of the City income tax is credited to the Street Construction, Maintenance and Repair Fund with the remainder credited to the General Fund.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

Special Assessments

Special assessments include assessments for debt obligations. Special assessments for debt obligations are levied against specific property owners who primarily benefitted from the project.

Special assessments are payable by the timetable and in the manner stipulated in the assessing ordinance and are a lien from the date of the passage of the ordinance.

The City's assessments include sidewalk repair, sewer maintenance, sewer rehabilitation, paving and curbing, and water main tap-ins which are billed and collected by the County Fiscal Officer. The County Fiscal Officer periodically remits these collections to the City. Special assessments collected in one calendar year are levied and certified in the preceding calendar year. Since all assessment collections are remitted to the City outside of the available period, the entire amount has been deferred on the fund financial statements.

At December 31, 2011, governmental and business-type activities reported special assessments receivable in the amounts of \$960,886 and \$585,362, respectively. Of these amounts reported, delinquent special assessments for governmental and business-type activities are \$12,241 and \$3,332, respectively.

Intergovernmental Receivables

A summary of the principal items of intergovernmental receivables follows:

	<u>Amount</u>
Governmental Activities:	
Local Government	\$ 407,404
Estate Tax	163,538
Homestead and Rollback	584,799
Gasoline Tax	748,845
Auto Registration	165,936
Muni Income Tax (HB 433) and Commercial Activity Tax	55,368
Payment in Lieu of Taxes	810,813
Ohio Public Works Commission - Pearl Road	296,291
Ohio Department of Transportation - Pearl Road	144,291
Other	<u>80,181</u>
Total Intergovernmental Receivables	<u><u>\$ 3,457,466</u></u>

Payments in Lieu of Taxes

According to State law, the City has established two tax incremental financing districts within the City, under which the City has granted property tax exemptions and agreed to construct certain infrastructure improvements. The property owners have agreed to make payments to the City to help pay the costs of the infrastructure improvements. The amount of those payments would generally reflect all or a portion of the property taxes which the property owners would have paid if the property had not been declared exempt. The property owners' contractual promise to make these payments in lieu of taxes generally continues until the cost of the improvement has been paid or the agreement expires, whichever comes first. Future development by these owners to others may result in subsequent agreements to make payments in lieu of taxes and may therefore spread the cost of the improvements to a larger number of property owners.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

Note 9 – Interfund Balances and Transfers

As of the year ended December 31, 2011, interfund balances are as follows:

	Receivable	Payable
Governmental Activities:		
<u>General</u>	\$500,000	\$0
<u>Capital Projects Fund:</u>		
Pearl Road Capital Improvement	0	500,000
Total	<u>\$500,000</u>	<u>\$500,000</u>

The amount payable to the General Fund relates to a working capital loan made to the Pearl Road Capital Improvement Fund. This loan will be repaid in 2012.

Transfers made during the year ended December 31, 2011 were as follows:

	Governmental activities						
	Nonmajor Governmental Funds					Total	
	General	Special	Pearl Road TIF	Assessment Bond Retirement	Royalton Road TIF		Police Facility Construction
TRANSFERS IN							
Governmental Activities							
Major Funds:							
Street Construction, Maintenance and Repair	\$3,600,000	\$0	\$0	\$0	\$0	\$3,600,000	
Fire Levy	2,000,000	0	0	0	0	2,000,000	
General Bond Retirement	600,000	0	539,941	0	35,565	1,175,506	
General Capital Improvement	500,000	4,880,000	0	120,000	0	5,500,000	
						0	
Nonmajor Funds:						0	
Multi-Complex	1,260,000	0	0	0	0	1,260,000	
Police Pension	700,000	0	0	0	0	700,000	
Fire Pension	810,000	0	0	0	0	810,000	
Total Governmental Activities	\$9,470,000	\$4,880,000	\$539,941	\$120,000	\$35,565	\$15,045,506	

Transfers made from the General Fund to various other funds provided additional resources for current operations. All transfers were made in accordance with Ohio Revised Code Sections 5705.14, 5705.15, and 5705.16. Transfers between governmental funds are eliminated on the governmental activities' statement of activities.

During 2011, GAAP transfers were required to reflect the principal retirement of \$5,000,000 in Bond Anticipation Notes. These transfers were necessary to record the retirement in the proper governmental fund.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

Note 10 - Capital Assets

Capital asset activity for the year ended December 31, 2011, was as follows:

	Balance 12/31/10	Additions	Deletions	Balance 12/31/11
Governmental Activities				
<i>Capital Assets, Not Being Depreciated:</i>				
Land	\$7,393,905	\$0	\$0	\$7,393,905
Construction in Progress	23,655,817	5,521,120	(13,307,643)	15,869,294
<i>Total Capital Assets, Not Being Depreciated</i>	<u>31,049,722</u>	<u>5,521,120</u>	<u>(13,307,643)</u>	<u>23,263,199</u>
<i>Capital Assets, Being Depreciated:</i>				
Buildings	39,815,615	13,184,145	(1,418,691)	51,581,069
Land Improvements	2,185,526	779,291	(176,174)	2,788,643
Machinery and Equipment	3,375,665	260,415	(1,032,028)	2,604,052
Furniture and Fixtures	966,892	0	(51,883)	915,009
Vehicles	11,811,859	853,681	(865,578)	11,799,962
Infrastructure:				
Streets	157,422,428	390,385	0	157,812,813
Bridges	0	203,000	0	203,000
Storm Sewers	76,581,050	1,203,709	0	77,784,759
Sidewalks	7,649,377	70,270	0	7,719,647
Traffic Signalization	4,915,810	5,700	0	4,921,510
<i>Total Capital Assets, Being Depreciated</i>	<u>304,724,222</u>	<u>16,950,596</u>	<u>(3,544,354)</u>	<u>318,130,464</u>
Less Accumulated Depreciation:				
Buildings	(8,231,392)	(970,800)	897,089	(8,305,103)
Land Improvements	(1,106,036)	(97,130)	167,367	(1,035,799)
Machinery and Equipment	(2,188,549)	(275,760)	833,851	(1,630,458)
Furniture and Fixtures	(427,715)	(78,045)	49,293	(456,467)
Vehicles	(8,953,855)	(894,488)	789,808	(9,058,535)
Infrastructure:				
Streets	(86,000,933)	(4,239,864)	0	(90,240,797)
Bridges	0	0	0	0
Storm Sewers	(33,647,063)	(1,460,798)	0	(35,107,861)
Sidewalks	(4,756,863)	(234,295)	0	(4,991,158)
Traffic Signalization	(1,421,377)	(186,914)	0	(1,608,291)
<i>Total Accumulated Depreciation</i>	<u>(146,733,783)</u>	<u>(8,438,094) *</u>	<u>2,737,408</u>	<u>(152,434,469)</u>
Total Capital Assets, Being Depreciated, Net	<u>157,990,439</u>	<u>8,512,502</u>	<u>(806,946)</u>	<u>165,695,995</u>
Governmental Activities Capital Assets, Net	<u><u>\$189,040,161</u></u>	<u><u>\$14,033,622</u></u>	<u><u>(\$14,114,589)</u></u>	<u><u>\$188,959,194</u></u>

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

* Depreciation expense was charged to governmental functions as follows:

Governmental Activities	
Security of Persons and Property	\$1,159,465
Leisure Time Activities	635,345
Community Environment	15,027
Transportation	6,472,792
General Government	155,465
Total Depreciation Expense	<u>\$8,438,094</u>

	Balance 12/31/10	Additions	Deletions	Balance 12/31/11
Business-Type Activities				
<i>Capital Assets, Not Being Depreciated:</i>				
Land	\$1,508,079	\$0	\$0	\$1,508,079
Construction in Progress	26,234	1,276,911	(1,293,195)	9,950
<i>Total Capital Assets, Not Being Depreciated</i>	<u>1,534,313</u>	<u>1,276,911</u>	<u>(1,293,195)</u>	<u>1,518,029</u>
<i>Capital Assets, Being Depreciated:</i>				
Buildings	9,892,551	0	0	9,892,551
Land Improvements	3,852,402	0	0	3,852,402
Machinery and Equipment	8,735,561	229,893	0	8,965,454
Furniture and Fixtures	19,748	0	0	19,748
Vehicles	1,614,644	37,168	0	1,651,812
Infrastructure:				
Sanitary Sewers	97,302,133	1,144,199	0	98,446,332
<i>Total Capital Assets, Being Depreciated</i>	<u>121,417,039</u>	<u>1,411,260</u>	<u>0</u>	<u>122,828,299</u>
Less Accumulated Depreciation:				
Buildings	(4,948,263)	(184,270)	0	(5,132,533)
Land Improvements	(3,612,594)	(2,949)	0	(3,615,543)
Machinery and Equipment	(7,727,307)	(89,553)	0	(7,816,860)
Furniture and Fixtures	(18,762)	0	0	(18,762)
Vehicles	(1,158,972)	(188,968)	0	(1,347,940)
Infrastructure:				
Sanitary Sewers	(55,155,936)	(1,849,307)	0	(57,005,243)
<i>Total Accumulated Depreciation</i>	<u>(72,621,834)</u>	<u>(2,315,047)</u>	<u>0</u>	<u>(74,936,881)</u>
Total Capital Assets, Being Depreciated, Net	<u>48,795,205</u>	<u>(903,787)</u>	<u>0</u>	<u>47,891,418</u>
Business-Type Activities Capital Assets, Net	<u>\$50,329,518</u>	<u>\$373,124</u>	<u>(\$1,293,195)</u>	<u>\$49,409,447</u>

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

Note 11 – Risk Management

Commercial Insurance

The City maintains comprehensive insurance coverage with private carriers for real property, building contents, vehicles, and general liability risks including public officials' liability.

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2011, the City contracted with Governmental Underwriters of America, Inc. to manage its insurance coverage through Argonut Insurance as follows:

Type of Coverage	Coverage Limits		Deductible
	Per Occurrence	Aggregate	
Commercial and Personal Property Coverage			
(Includes Boiler and Machinery Coverage)	\$90,607,428		\$1,000
Ancillary Equipment (Rented)	\$150,000		\$1,000
Earthquake Damage	\$1,000,000		\$50,000
Flood Damage	\$1,000,000		\$50,000
Inland Marine	\$6,288,788		\$1,000
Crime Coverage			
Theft, Disappearance and Destruction	\$25,000		\$1,000
Employee Dishonesty	\$100,000		\$1,000
Forgery and Alteration	\$100,000		\$1,000
Computer Fraud	\$50,000		\$1,000
Comprehensive General Liability	\$1,000,000	\$3,000,000	\$0
Employee Benefits Liability	\$1,000,000	\$3,000,000	\$1,000
Stop Gap	\$1,000,000		
Public Officials Liability	\$1,000,000	\$3,000,000	\$5,000
Police Professional Liability	\$1,000,000	\$3,000,000	\$5,000
Property Liability	\$1,000,000	\$3,000,000	\$0
Pesticide/Herbicide Liability	\$1,000,000	\$3,000,000	\$0
Cemetery Professional Liability	Included		Included
EMT/Paramedic Malpractice Liability	Included		Included
Sewer Liability	Included		Included
Certified Acts of Terrorism	Included		Included
Automobile Liability and Physical Damage Coverage	\$1,000,000		\$0
Auto Liability Comprehensive			
Fire Vehicles	Replacement Cost		\$500
Other Vehicles	Actual Cash Value		\$500
Auto Liability Collision			
Fire Vehicles	Replacement Cost		\$500
Other Vehicles	Actual Cash Value		\$500
Hired or Borrowed Vehicle Rentals	\$50,000		\$500
Miscellaneous			
Electronic Data Processing	\$1,267,925		\$0
Umbrella Coverage	\$15,000,000		\$0
Cyber Liability	\$1,000,000	\$1,000,000	\$5,000

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

The City also carries flood insurance through the National Flood Insurance Plan (NFIP). A portion of the City has been mapped and designated an “A” area (an area close to a river, lake, or stream) by the Federal Emergency Management Agency, and thus the City is eligible to purchase coverage of \$500,000 for both Building and Contents with a \$1,000 deductible.

The City continues to carry commercial insurance for other risks of loss, including employee health and life insurance. There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverage limits in any of the past five fiscal years.

Workers’ Compensation Retrospective Rating Plan

The City has established a formal self-insurance program for liabilities arising from the City’s participation in the Workers’ Compensation Retrospective Rating Plan. This exposure is accounted for in the Workers Compensation Reserve Internal Service Fund, which is responsible for collecting interfund premiums from other City funds and departments, paying claim settlements, and purchasing other specified insurance policies.

The claims liability of \$696,717 reported in the fund at December 31, 2011, is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claim, be reported. Changes in the fund’s claims liability amount in 2010 and 2011 were as follows:

		Balance at	Current Year Claims and Changes in	Claim	Balance at
		Beginning of Year	Estimates	Payments	End of Year
2010	\$	538,036	\$ 159,619	\$ 150,162	\$ 547,493
2011		547,493	246,403	97,179	696,717

Note 12 - Pension Plans

Ohio Public Employees Retirement System

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

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

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

The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2011, the members of all three plans were required to contribute 10.00 percent of their annual covered salaries. The City's contribution rate of 14.00 percent was allocated to fund pension benefits for members of the Traditional Plan and the Combined Plan. The pension allocation for the Traditional Plan was 10.00 percent during calendar year 2011. The pension allocation for the Combined Plan was 7.95 percent during calendar year 2011. The City's required pension contributions for the Traditional Pension and Combined plans for the years ended December 31, 2011, 2010, and 2009 were \$1,089,128, \$880,536, and \$862,856, respectively; 100 percent has been contributed for 2011, 2010 and 2009.

Ohio Police and Fire Pension Fund

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

Plan members are required to contribute 10.00 percent of their annual covered salary, while the City is required to contribute 19.50 percent and 24.0 percent for police officers and firefighters, respectively. The portion of the City's contributions to fund pension obligations was 12.75 percent for police officers and 17.25 percent for firefighters. The City's contributions for pension obligations to the OP&F for police and firefighters were \$751,204 and \$927,285 for the year ended December 31, 2011, \$696,232 and \$811,840 for the year ended December 31, 2010, and \$731,106 and \$866,840 for the year ended December 31, 2009. The full amount has been contributed for 2011, 2010 and 2009.

Note 13 – Post-Employment Benefits

Ohio Public Employees Retirement System

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

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

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care benefits. The 2011 local government employer contribution rate was 14.00 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.00 percent of covered payroll for local government employers. Active members do not make contributions to the OPEB Plan.

OPERS Post-employment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 4.00 percent during calendar year 2011. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent during calendar year 2011. The portion of employer contributions allocated to health care for the calendar year beginning January 1, 2012 remained the same, but they are subject to change based on Board action. Employers will be notified if the portion allocated to health care changes during calendar year 2012. The OPERS Board of Trustees is also authorized to establish rules for the retiree, or their surviving beneficiaries, to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The City's actual employer contributions for December 31, 2011, 2010 and 2009 which were used to fund post-employment benefits were \$435,651, \$508,415, and \$623,199, respectively; 100 percent has been contributed for 2011, 2010 and 2009.

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

Ohio Police and Fire Pension Fund

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

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

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 E. Town Street, Columbus, OH 43215-5164.

Funding Policy - The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.50 percent and 24.00 percent of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50 percent of covered payroll for police employer units and 24.00 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB plan.

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

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

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

The City's contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were \$397,696 and \$362,850 for the year ended December 31, 2011, \$368,593 and \$317,677 for the year ended December 31, 2010, and \$387,056 and \$339,146 for the year ended December 31, 2009. The full amount has been contributed for 2011, 2010 and 2009.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

Note 14 – Short-Term Notes Payable

The City's note activity, including the amount outstanding and the interest rate, is as follows:

	Balance Balance 1/1/2011	Additions	Deletions	Balance Balance 12/31/2011
Governmental Activities:				
<i>Street Improvements Notes, Series 2010</i>				
Street Improvements - 1.50%, 11/3/2011	\$5,000,000	\$0	(\$5,000,000)	\$0
<i>Various Purpose Improvement Notes, Series 2011</i>				
Street Improvements - 1.25%, 10/25/2012	0	4,350,000	0	4,350,000
Multi-Purpose Complex Impr. - 1.25%, 10/25/2012	0	710,000	0	710,000
<i>Total Various Purpose Improvement Notes, Series 2011</i>	0	5,060,000	0	5,060,000
<i>Library Refunding Notes, Series 2011</i>				
Library - 1.25%, 10/25/2012	0	2,600,000	0	2,600,000
Unamortized Premiums on Notes	41,458	68,251	(53,469)	56,240
Total Governmental Activities	<u>\$ 5,041,458</u>	<u>\$ 7,728,251</u>	<u>\$ (5,053,469)</u>	<u>\$ 7,716,240</u>

In 2011, the City issued \$5,060,000 in Various Purpose Improvement Notes. A portion of the Notes, \$4,350,000, was used to retire 2010 Street Improvement Notes that matured during 2011. The remaining portion, \$710,000, was used to provide funding for various improvements to the City's Mutli-Purpose Complex. These Notes will mature on October 25, 2012. The proceeds from these Notes will not be used for capital related activities.

In 2011, the City issued \$2,600,000 in Library Refunding Notes. The proceeds from these Notes along with additional resources provided by the City were used to refund the Library Improvement Bonds, Series 2001. These Notes will mature on October 25, 2012. See further description of the Refunding Notes in Note 15.

The notes are backed by the full faith and credit of the City and mature within one year. The note liabilities are reflected in the funds which received the proceeds. The premium and issuance costs are recorded in the General Bond Retirement Fund.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

Note 15 – Long-Term Obligations

The original issuance date, maturity date, interest rate, and original issuance amounts for the City's long-term obligations were as follows:

	Original Issuance Date	Maturity Date	Interest Rate	Original Issuance Amount
Governmental Activities:				
<u>General Obligation Bonds</u>				
<i>Various Purpose Improvements, Series 2005:</i>				
Service Department Vehicles/Equipment	6/29/2005	12/1/2010	3.000 - 3.200%	\$ 790,000
Aerial Platform Fire Truck	6/29/2005	12/1/2015	3.000 - 5.000%	835,000
Street Improvements	6/29/2005	12/1/2015	3.000 - 5.000%	1,305,000
Foltz Industrial Parkway Extension	6/29/2005	12/1/2025	3.000 - 5.000%	1,285,000
Royalton Road Improvements	6/29/2005	12/1/2025	3.000 - 5.000%	2,470,000
<i>Total Various Purpose Improvements, Series 2005</i>				<u>6,685,000</u>
<i>Various Purpose Improvements, Series 2006:</i>				
Service Department Motor Vehicles	9/14/2006	12/1/2011	3.750%	755,000
Technology Project	9/14/2006	12/1/2016	3.750 - 4.000%	860,000
Safety System (911 Equipment and Generator)	9/14/2006	12/1/2016	3.750 - 4.000%	575,000
Police/City Hall	9/14/2006	12/1/2026	3.750 - 5.125%	550,000
Municipal Service Center	9/14/2006	12/1/2026	3.750 - 5.125%	1,000,000
New Fire Station Ward 4	9/14/2006	12/1/2026	3.750 - 5.125%	8,000,000
<i>Total Various Purpose Improvements, Series 2006</i>				<u>11,740,000</u>
<i>Various Purpose Improvements, Series 2009-01:</i>				
Street Improvements Refunding	5/13/2009	12/1/2009	2.500%	460,000
Police Station, Jail, and Mayor's Court	5/13/2009	12/1/2034	2.250 - 5.000%	13,000,000
Intersection of Drake & Howe Roads	5/13/2009	12/1/2029	2.250 - 5.000%	1,550,000
Recreation Land Acquisition (Lunn Road)	5/13/2009	12/1/2029	2.250 - 5.000%	1,455,000
Intersection of Royalton Road and W. 130th	5/13/2009	12/1/2029	2.250 - 5.000%	445,000
<i>Total Various Purpose Improvements, Series 2009-01</i>				<u>16,910,000</u>
<i>Various Purpose Improvements, Series 2009-02:</i>				
Street Improvements (Pearl Road Widening)	12/8/2009	12/1/2029	1.500 - 5.000%	7,000,000
<i>Various Purpose Refundings, Series 2011:</i>				
Multi-Purpose Complex Refunding	9/6/2011	12/1/2021	2.000 - 4.000%	8,300,000
Police & Fire Communications Equipment	9/6/2011	12/1/2016	2.00%	485,000
Service Center Complex Renovations	9/6/2011	12/1/2021	2.000 - 4.000%	365,000
Fire Station #3	9/6/2011	12/1/2021	2.000 - 4.000%	1,585,000
<i>Total Various Purpose Refundings, Series 2011</i>				<u>10,735,000</u>

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

	Original Issuance Date	Maturity Date	Interest Rate	Original Issuance Amount
Governmental Activities:				
<u>Special Assessment Bonds</u>				
<i>Various Purpose Improvements, Series 1994:</i>				
Brady Lane	8/15/1994	2/1/2014	4.000 - 6.000%	112,000
Howe Road	8/15/1994	2/1/2014	4.000 - 6.000%	630,000
Royalton Road	8/15/1994	2/1/2014	4.000 - 6.000%	428,000
<i>Total Various Purpose Improvements, Series 1994</i>				1,170,000
<i>Various Purpose Improvements, Series 1996:</i>				
Drake Road	8/15/1996	12/1/2016	4.000 - 6.700%	35,000
Lunn Road	8/15/1996	12/1/2016	4.000 - 6.700%	488,000
Howe and Royalton Roads	8/15/1996	12/1/2016	4.000 - 6.700%	732,000
<i>Total Various Purpose Improvements, Series 1996</i>				1,255,000
<i>Street Improvements, Series 1998:</i>				
Foltz Parkway	8/15/1998	12/1/2018	4.550 - 5.500%	305,000
Business-Type Activities:				
<u>General Obligation Bonds</u>				
<i>Various Purpose Improvements, Series 1994:</i>				
Sanitary Sewer System	8/15/1994	12/1/2014	4.000 - 8.700%	2,565,000
<i>Various Purpose Improvements, Series 2009-01:</i>				
Sanitary Sewer Refunding, Series 1997	5/13/2009	12/1/2014	2.250 - 2.500%	1,075,000
<u>Ohio Water Development Authority (OWDA) Loans</u>				
Westwood Park Sanitary Sewer	6/27/2002	7/1/2022	4.700%	948,523
Force Main, Pump Station and Sanitary Sewers	1/30/2003	7/1/2023	4.400%	2,259,707
Sewer Construction	5/27/2010	7/1/2030	3.390%	544,038
<i>Total OWDA Loans</i>				3,752,268

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

Changes in the long-term obligations of the City during 2011 were as follows:

	Restated Balance January 1, 2011	Additions	Deletions	Balance December 31, 2011	Amounts Due in One Year
Governmental Activities:					
<u>General Obligation Bonds</u>					
<i>Library Improvement Bonds, Series 2001</i>	\$ 4,345,000	\$ -	\$ (4,345,000)	\$ -	\$ -
<i>Various Purpose Improvements, Series 2001:</i>					
Multi-Purpose Complex Refunding, Series 1996	9,175,000	-	(9,175,000)	-	-
Fire Vehicles	135,000	-	(135,000)	-	-
Police and Fire Communications	500,000	-	(500,000)	-	-
Service Center Complex Renovations	380,000	-	(380,000)	-	-
Fire Station #3	1,650,000	-	(1,650,000)	-	-
<i>Total Various Purpose Improvements, Series 2001</i>	11,840,000	-	(11,840,000)	-	-
<i>Various Purpose Improvements, Series 2005:</i>					
Aerial Platform Fire Truck	540,000	-	(95,000)	445,000	100,000
Street Improvements	835,000	-	(145,000)	690,000	150,000
Foltz Industrial Parkway Extension	1,235,000	-	(35,000)	1,200,000	35,000
Royalton Road Improvements	2,395,000	-	(60,000)	2,335,000	60,000
<i>Total Various Purpose Improvements, Series 2005</i>	5,005,000	-	(335,000)	4,670,000	345,000
<i>Various Purpose Improvements, Series 2006:</i>					
Service Department Motor Vehicles	195,000	-	(195,000)	-	-
Technology Project	635,000	-	(95,000)	540,000	65,000
Safety System (911 Equipment and Generator)	370,000	-	(55,000)	315,000	60,000
Police/City Hall	495,000	-	(25,000)	470,000	25,000
Municipal Service Center	925,000	-	(55,000)	870,000	50,000
New Fire Station Ward 4	7,745,000	-	(105,000)	7,640,000	125,000
<i>Total Various Purpose Improvements, Series 2006</i>	10,365,000	-	(530,000)	9,835,000	325,000
<i>Various Purpose Improvements, Series 2009-01:</i>					
Police Station, Jail, and Mayor's Court	12,990,000	-	(10,000)	12,980,000	10,000
Intersection of Drake & Howe Roads	1,540,000	-	(10,000)	1,530,000	15,000
Recreation Land Acquisition (Lunn Road)	1,445,000	-	(10,000)	1,435,000	10,000
Intersection of Royalton Road and W. 130th	435,000	-	(10,000)	425,000	10,000
<i>Total Various Purpose Improvements, Series 2009-01</i>	16,410,000	-	(40,000)	16,370,000	45,000
<i>Various Purpose Improvements, Series 2009-02:</i>					
Street Improvements (Pearl Road Widening)	6,975,000	-	(50,000)	6,925,000	50,000
<i>Various Purpose Refundings, Series 2011:</i>					
Multi-Purpose Complex Refunding, Series 2001	-	8,300,000	-	8,300,000	125,000
Police & Fire Communications Equipment	-	485,000	-	485,000	90,000
Service Center Complex Renovations	-	365,000	-	365,000	40,000
Fire Station #3	-	1,585,000	-	1,585,000	40,000
<i>Total Various Purpose Refunding, Series 2011</i>	-	10,735,000	-	10,735,000	295,000
<i>Total General Obligation Bonds</i>	54,940,000	10,735,000	(17,140,000)	48,535,000	1,060,000

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

	Restated Balance January 1, 2011	Additions	Deletions	Balance December 31, 2011	Amounts Due in One Year
Governmental Activities (Continued):					
<u>Special Assessment Bonds</u>					
<i>Various Purpose Improvements, Series 1994:</i>					
Brady Lane	35,000	-	(5,000)	30,000	10,000
Howe Road	185,000	-	(45,000)	140,000	45,000
Royalton Road	125,000	-	(30,000)	95,000	30,000
<i>Total Various Purpose Improvements, Series 1994</i>	<u>345,000</u>	<u>-</u>	<u>(80,000)</u>	<u>265,000</u>	<u>85,000</u>
<i>Various Purpose Improvements, Series 1996:</i>					
Drake Road	15,000	-	(2,000)	13,000	2,000
Lunn Road	204,000	-	(29,000)	175,000	31,000
Howe and Royalton Roads	306,000	-	(44,000)	262,000	47,000
<i>Total Various Purpose Improvements, Series 1996</i>	<u>525,000</u>	<u>-</u>	<u>(75,000)</u>	<u>450,000</u>	<u>80,000</u>
<i>Street Improvements, Series 1998:</i>					
Foltz Parkway	165,000	-	(15,000)	150,000	20,000
<i>Total Special Assessment Bonds</i>	<u>1,035,000</u>	<u>-</u>	<u>(170,000)</u>	<u>865,000</u>	<u>185,000</u>
<u>Other Long-Term Obligations</u>					
Unamortized Bond Premiums	840,684	734,553	(68,970)	1,506,267	-
Deferral on Refunding	-	(544,585)	28,156	(516,429)	-
Workers' Compensation Claims	547,493	246,403	(97,179)	696,717	105,409
Compensated Absences	3,252,523	1,424,085	(1,463,635)	3,212,973	1,500,226
<i>Total Other Long-Term Obligations</i>	<u>4,640,700</u>	<u>1,860,456</u>	<u>(1,601,628)</u>	<u>4,899,528</u>	<u>1,605,635</u>
Total Governmental Activities					
Long-Term Obligations	<u>\$ 60,615,700</u>	<u>\$ 12,595,456</u>	<u>\$ (18,911,628)</u>	<u>\$ 54,299,528</u>	<u>\$ 2,850,635</u>
Business-Type Activities:					
<u>General Obligation Bonds</u>					
<i>Various Purpose Improvements, Series 1994:</i>					
Sanitary Sewer System	\$ 65,000	\$ -	\$ (15,000)	\$ 50,000	\$ 15,000
<i>Various Purpose Improvements, Series 2009-01:</i>					
Sanitary Sewer Refunding, Series 1997	740,000	-	(175,000)	565,000	185,000
<i>Total General Obligation Bonds</i>	<u>805,000</u>	<u>-</u>	<u>(190,000)</u>	<u>615,000</u>	<u>200,000</u>
<u>Ohio Water Development Authority (OWDA) Loans</u>					
Westwood Park Sanitary Sewer	648,790	-	(43,689)	605,101	45,766
Force Main, Pump Station and Sanitary Sewers	1,631,290	-	(100,375)	1,530,915	104,841
Sewer Construction	534,420	-	(19,728)	514,692	20,402
<i>Total OWDA Loans</i>	<u>2,814,500</u>	<u>-</u>	<u>(163,792)</u>	<u>2,650,708</u>	<u>171,009</u>
<u>Other Long-Term Obligations</u>					
Compensated Absences	163,898	183,535	(127,677)	219,756	130,869
<i>Total Other Long-Term Obligations</i>	<u>163,898</u>	<u>183,535</u>	<u>(127,677)</u>	<u>219,756</u>	<u>130,869</u>
Total Business-Type Activities					
Long-Term Obligations	<u>\$ 3,783,398</u>	<u>\$ 183,535</u>	<u>\$ (481,469)</u>	<u>\$ 3,485,464</u>	<u>\$ 501,878</u>
Total Long-Term Obligations	<u>\$ 64,399,098</u>	<u>\$ 12,778,991</u>	<u>\$ (19,393,097)</u>	<u>\$ 57,784,992</u>	<u>\$ 3,352,513</u>

OWDA loans will be paid from sewer user charges and special assessments collected in the Sanitary Sewer Fund. General obligation bonds will be paid from the General Bond Retirement Fund, Emergency Vehicle Fund, Pearl Road TIF Fund, and Sanitary Sewer Fund. Special assessment bonds will be paid from the proceeds of special assessments levied against benefitted property owners paid from the General Bond Retirement Fund. In the event that a property owner would fail to pay the assessment, payment would be made by the City. Workers' Compensation claims will be paid from the Workers' Compensation Reserve Fund (refer to Note 11 for further information). The compensated absences liability will primarily be paid from the General Fund.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

Defeased Debt

On September 6, 2011, the City issued \$10,735,000 in bonds for the purpose of refunding all of the City's outstanding various purpose improvements and refunding bonds, series 2001. The refunding bonds were issued to refund at a lower overall interest cost all of the outstanding 2011 bonds maturing after December 1, 2011. The advance refunding met the requirements of an in-substance debt defeasance and the bonds were removed from the City's government-wide financial statements. The aggregate debt service on the Series 2001 bonds was \$14,450,750 versus \$12,838,295 for the refunding bonds. As a result of the advance refunding, the City's cash savings attributable to this refunding transaction was \$1,612,455. The present value of the difference between the two debt streams using the arbitrage yield was \$1,542,172 which constitutes the economic gain on the transaction.

On October 27, 2011, the City issued \$2,600,000 in notes for the purpose of paying costs of refunding all of the City's outstanding Library Improvement bonds dated as of November 1, 2001 and maturing after December 1, 2011. The proceeds of the notes, along with \$1,498,152 on deposit in the City's Bond Retirement Fund attributable to receipts from the tax levy used to service the Library bonds were paid by the City to the escrow trustee to pay all the outstanding bonds maturing after December 1, 2011.

Principal and Interest Requirements

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2011 are as follows:

Governmental Activities						
Years	General Obligation Bonds		Special Assessment Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$1,060,000	\$1,985,135	\$185,000	\$51,740	\$1,245,000	\$2,036,875
2013	2,000,000	1,951,235	190,000	40,340	2,190,000	1,991,575
2014	2,055,000	1,896,873	205,000	28,615	2,260,000	1,925,488
2015	2,115,000	1,835,829	115,000	16,505	2,230,000	1,852,334
2016	2,180,000	1,770,769	120,000	9,800	2,300,000	1,780,569
2017-2021	12,950,000	7,642,875	50,000	4,125	13,000,000	7,647,000
2022-2026	13,805,000	4,939,119	0	0	13,805,000	4,939,119
2027-2031	8,665,000	1,903,919	0	0	8,665,000	1,903,919
2032-2036	3,705,000	347,800	0	0	3,705,000	347,800
Total	<u>\$48,535,000</u>	<u>\$24,273,554</u>	<u>\$865,000</u>	<u>\$151,125</u>	<u>\$49,400,000</u>	<u>\$24,424,679</u>

Business-Type Activities						
Years	General Obligation Bonds		OWDA Loans		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$200,000	\$16,663	\$171,009	\$111,404	\$371,009	\$128,067
2013	205,000	11,600	178,547	103,867	383,547	115,467
2014	210,000	5,950	186,419	95,995	396,419	101,945
2015	0	0	194,641	87,773	194,641	87,773
2016	0	0	203,228	79,185	203,228	79,185
2017-2021	0	0	1,158,929	253,139	1,158,929	253,139
2022-2026	0	0	434,564	47,257	434,564	47,257
2027-2031	0	0	123,371	8,505	123,371	8,505
Total	<u>\$615,000</u>	<u>\$34,213</u>	<u>\$2,650,708</u>	<u>\$787,125</u>	<u>\$3,265,708</u>	<u>\$821,338</u>

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

Note 16 – Construction Commitments and Operating Lease

As of December 31, 2011, the City had the following significant commitments with respect to capital projects:

<u>Capital Project</u>	<u>Remaining Construction Commitment</u>
Pearl Road Widening Phase I	\$ 350,376
Pearl Road Widening Phase II	652,205
Albion Road Retaining Wall	<u>18,447</u>
Total Construction Commitments	<u>\$1,021,028</u>

Operating Lease

In September 2002, the City entered in a 15 year lease agreement for the use of portions of a privately owned ice rink facility. The lease expires on August 31, 2017 and the City has the option to renew the lease at that time. Based on accounting for leases, this lease is accounted for as an operating lease. Operating leases do not give rise to property rights or lease obligations. During 2011, expenditures for the operating lease totaled \$275,000.

The following is a schedule of future minimum rental payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of December 31, 2011.

<u>Year Ending December 31,</u>	<u>Amount</u>
2012	\$ 275,000
2013	275,000
2014	275,000
2015	275,000
2016	275,000
2017	<u>206,250</u>
Total	<u>\$ 1,581,250</u>

Note 17 – Contingent Liabilities

There are several lawsuits pending in which the City is involved. City management estimates that the potential claims against the City not covered by insurance resulting from such litigation would not materially affect the financial statements of the City.

Under the terms of federal and state grants, periodic audits are required and certain expenditures may be questioned as not appropriate under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. City management believes disallowances, if any, will be immaterial.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

Note 18 - Jointly Governed Organizations

Southwest General Health Center

The Southwest General Health Center is an Ohio nonprofit corporation providing health services. The Health Center is a jointly governed organization among the communities of Berea, Brook Park, Columbia Township, Middleburg Heights, Olmsted Falls and Strongsville.

The Health Center is governed by a Board of Trustees consisting of the following: one member of the legislative body from each of the political subdivisions, one resident from each of the political subdivisions who is not a member of the legislative body, three persons who are residents of any of the participating political subdivisions, and the president and the vice president of the medical staff. The legislative body of each political subdivision elects their own member to serve on the Board of Trustees of the Health Center.

The Board exercises total control over the operation of the Health Center including budgeting, appropriating, contracting and designating management. Each City's control is limited to its representation on the Board. In 2011, the City of Strongsville contributed \$333,581 to the Health Center. Financial information may be obtained by writing to the Southwest General Health Center, 18697 Bagley Road, Middleburg Heights, Ohio 44130-3497.

Regional Council of Governments

In 1971, thirty-eight municipalities joined together to organize a Regional Council of Governments (RCOG) to administer tax collection and enforcement concerns facing the cities and villages. The first official act of the RCOG was to form the Regional Income Tax Agency (RITA). Today RITA serves as the income tax collection agency for 207 municipalities throughout the State of Ohio. The City was one of the original members of RCOG. Financial information may be obtained by writing to RITA, 10107 Brecksville Road, Brecksville, Ohio, 44141.

Southwest Council of Governments

The Southwest Council of Governments helps foster cooperation between municipalities in areas affecting health, safety, welfare, education, economic conditions, and regional development. The Council's Board is comprised of one member from each of the 19 participating cities. 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 Council has established two subsidiary organizations, the Hazardous Material Response Team ("HAZMAT"), which provides hazardous material protection and assistance, and the Southwest Enforcement Bureau, which provides extra assistance to cities in the form of a SWAT team. In 2011, the City of Strongsville contributed \$15,000 to the Council. Financial information may be obtained by writing to the Finance Director of the City of Berea, at 11 Berea Commons, Berea, Ohio 44017.

City of Strongsville, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011
(Continued)

Northeast Ohio Public Energy Council

The City is a member of the Northeast Ohio Public Energy Council (NOPEC). NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of electricity. NOPEC is currently comprised of 126 communities who have been authorized by ballot to purchase electricity on behalf of their citizens. The intent of NOPEC is to provide electricity at the lowest possible rates while at the same time insuring stability in prices by entering into long-term contracts with suppliers to provide electricity to the citizens of its member communities. NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the eight-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. Financial information can be obtained by contacting Joseph Migliorini, Board Chairman, 31320 Solon Road, Suite 20, Solon, Ohio 44139.

Southwest Regional Communications

The Southwest Regional Communications is a jointly-governed organization between the City and three other communities. Formed as a Regional Council of Governments as permitted under Ohio Revised Code Section 167.01, the intent of the Southwest Regional Communications is to establish, own, operate, maintain, and administer, a regional communications network for public safety and public service purposes for the mutual benefit of the participating communities. This organization is controlled by a governing body consisting of each participating community's mayor or his/her delegate or representative. The degree of control exercised by any member is limited to its representation on the governing board. All members agree to contribute the sums of money on a shared basis as agreed per the requirements set forth in the Articles of Understanding. In accordance with GASB Statement No. 14, the City does not have an equity interest in the organization. Financial information may be obtained by writing to the Finance Director of the City of Brook Park, at 6161 Engle Road, Brook Park, Ohio 44142 or by calling 216-433-1300.

Note 19 – Revenue Sharing Agreement

In 2011, the City continued to share income tax revenue with the Strongsville City School District for properties within the City's business parks that received tax abatement through the Enterprise Zone program. In 2011, the City paid \$379,434 to the School District as a result of the revenue sharing agreements.

Note 20 – Subsequent Events

On December 14, 2010, the City was approved for a loan from the Ohio Water Development Authority in the amount of \$1,030,000 with an annual interest rate of 2.87 percent. This loan was obtained to pay the anticipated residents share of various construction costs located on Greenbriar Drive and a portion of Drake Road. This loan will be repaid from the proceeds of special assessments levied against the property owners that benefitted from this project. To date, the City has not requested any reimbursement from OWDA for this project and OWDA will provide an amortization schedule when funds are disbursed to the City.

Combining Statements

Fund Descriptions – Nonmajor Governmental Funds

Non-Major Special Revenue Funds

Special Revenue funds are established to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. A description of the City's special revenue funds follows:

Police Pension Fund - This fund accounts for the revenue from property taxes levied and expenditures relative to payment of the City's share (19.50 percent) of the current police pension liability to the Ohio Police & Fire Pension Fund. The Ohio Revised Code requires that the City levy 0.3 mills of property tax annually for the partial payment of this liability. The remaining liability is financed by a transfer from the General Fund.

State Highway Maintenance Fund - This fund accounts for a percentage of the revenue from the City's share of State gasoline taxes and motor vehicle registration fees. State law requires that these taxes be used for maintenance and repair of the state highways within the City.

Motor Vehicle Fund - This fund accounts for the additional \$5 tax levied upon the vehicles registered within the City to be used specifically for the maintenance of public roads and highways within the City.

Emergency Vehicle Fund - This fund accounts for the revenues generated by the charges for emergency medical services to be used for the acquisition of emergency medical service vehicles, or any other equipment related to or required for emergency medical services operations, and any other public safety related vehicles or equipment utilized at the time of and in conjunction with calls for emergency medical services.

Fire Pension Fund - This fund accounts for the revenue from property taxes levied and expenditures relative to payment of the City's share (24.00 percent) of the current fire pension liability to the Ohio Police & Fire Pension Fund. The Ohio Revised Code requires that the City levy 0.3 mills of property tax annually for the partial payment of this liability. The remaining liability is financed by a transfer from the General Fund.

Clerk of Courts Computerization Fund - This fund accounts for the revenue received from court costs assessed under the authority of Ohio Revised Code Section 1901.261(b) by the Mayor's Court on the filing of each cause of action or appeal, certificate of judgment or modifications of judgment for the purpose of procuring or maintaining computer systems of the office of the clerk of the Mayor's Court.

Drainage Levy Fund - This fund accounts for the revenue received from a voted property tax levy (gross millage 0.5, effective millage 0.092635 for tax year 2010/collection year 2011) approved for the purpose of constructing, reconstructing and renovating storm sewers and storm drainage facilities.

Multi-Purpose Complex Fund – This fund accounts for the revenue received from various recreation/senior membership and user fees. Transfers are made from the General Fund to provide additional resources.

Southwest General Hospital Levy Fund - This fund accounts for the revenue received from a voted property tax levy (gross millage 1.0, effective millage 0.185270 for tax year 2010/collection year 2011) approved for the use, maintenance and support of Southwest General Hospital by the residents of Strongsville.

Law Enforcement Federal Seizure Fund - This fund accounts for seized and/or forfeited cash and tangible property received from the United States government that was relinquished in accordance with the Comprehensive Drug Penalty Act of 1984 to be used by local law enforcement.

Fund Descriptions – Nonmajor Governmental Funds

Non-Major Special Revenue Funds (continued)

Law Enforcement State Seizure Fund - This fund accounts for seized and/or forfeited cash and tangible property received from the Cuyahoga County Common Pleas Court with the State of Ohio, which was relinquished in accordance with Section (D) (1) to (8) of Ohio Revised Code Section 2933.41. Eighty percent of the seizure or forfeiture is to be used by local law enforcement while the remaining twenty percent is forwarded to the Cuyahoga County Prosecuting Attorney's Office.

Law Enforcement Drug Fine Fund – This fund accounts for all fines imposed and bail forfeited by an individual convicted of certain drug offenses to be used by local law enforcement.

Law Enforcement DWI/DUI Fund - This fund accounts for fines and penalties received for DWI/DUI violations. These funds are to be used for costs incurred in enforcing DWI/DUI laws, incarceration costs and public education.

Tree Fund - This fund accounts for various fees and permits charged pursuant to City Ordinances for the purpose of planting, replacing, maintaining, protecting and promoting trees within the City.

Community Diversion Fund - This fund accounts for the revenue received from the Juvenile Court Division of the Cuyahoga County Court of Common Pleas. The purpose of this program is to divert local youth who are juvenile offenders of misdemeanor and status offenses from formal court action and to utilize community resources to ameliorate the situations.

Earned Benefits Fund - This fund accounts for the revenue set-aside by City Council used for the payment of accumulated sick and vacation leave balances upon the termination of employment by employees of the City and to provide funds for the payment of salaries and related fringes during a twenty-seven pay per year per Ohio Revised Code Section 5705.13. Due to the implementation of GASB Statement No. 54, this fund was combined with the General Fund on the governmental fund financial statements but remained a separate fund in the budgetary schedules because it has a separate legally adopted budget.

Recycling Fund - This fund accounts for grants and other revenue received from the City-wide recycling program. Due to the implementation of GASB Statement No. 54, this fund was combined with the General Fund on the governmental fund financial statements but remained a separate fund in the budgetary schedules because it has a separate legally adopted budget.

Nonmajor Debt Service Funds

Debt Service funds are established to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest and to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. A description of the City's debt service funds follows:

Special Assessment Bond Retirement Fund – This fund accounts for the revenue received from special assessments used for the retirement of debt issued to finance improvements deemed to benefit the properties on which the assessments were levied.

Royalton Road TIF Fund – This fund accounts for the revenue received by Service Payments in Lieu of Taxes (PILOTs) that are legally restricted for the payment of the public improvements described in Ordinance 2008-220. The general area affected by this TIF is north of Route 82 and Howe Road intersection.

Fund Descriptions – Nonmajor Governmental Funds

Non-Major Capital Project Funds

Capital Project funds are established to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. A description of the City's capital project funds follows:

Recreation Capital Improvement Fund – This fund accounts for resources restricted for recreation improvements. Resources include federal, state, and local grants, dedicated building fees and debt proceeds.

Pearl Road Capital Improvement Fund – This fund accounts for federal, state, and local grants, debt proceeds and other resources used to make major improvements to Pearl Road.

Police Facility Construction Fund – This fund accounts for the unvoted debt proceeds used to renovate and construct a Police Facility, including a new jail and shooting range as well as other City Offices.



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

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$3,885,863	\$ 23,191	\$1,830,042	\$ 5,739,096
Materials and Supplies Inventory	19,261	-	-	19,261
Accrued Interest Receivable	27,392	46	-	27,438
Accounts Receivable	311,163	-	-	311,163
Intergovernmental Receivable	156,202	139,046	440,582	735,830
Prepaid Items	59,794	-	-	59,794
Property Taxes Receivable	1,194,599	-	-	1,194,599
Permissive Motor Vehicle Taxes Receivable	24,603	-	-	24,603
Total Assets	<u><u>\$5,678,877</u></u>	<u><u>\$ 162,283</u></u>	<u><u>\$2,270,624</u></u>	<u><u>\$ 8,111,784</u></u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 66,112	\$ -	\$ 400,592	\$ 466,704
Accrued Wages and Benefits	72,285	-	-	72,285
Contracts Payable	-	-	107,524	107,524
Intergovernmental Payable	109,126	-	-	109,126
Retainage Payable	-	-	490,683	490,683
Interfund Payable	-	-	500,000	500,000
Deferred Revenue	1,500,139	139,046	149,552	1,788,737
Notes Payable	-	-	710,000	710,000
Total Liabilities	<u><u>1,747,662</u></u>	<u><u>139,046</u></u>	<u><u>2,358,351</u></u>	<u><u>4,245,059</u></u>
Fund Balances:				
Nonspendable	79,055	-	-	79,055
Restricted	1,079,971	23,237	442,667	1,545,875
Committed	2,772,189	-	-	2,772,189
Unassigned (Deficit)	-	-	(530,394)	(530,394)
Total Fund Balances (Deficit)	<u><u>3,931,215</u></u>	<u><u>23,237</u></u>	<u><u>(87,727)</u></u>	<u><u>3,866,725</u></u>
Total Liabilities and Fund Balances	<u><u>\$5,678,877</u></u>	<u><u>\$ 162,283</u></u>	<u><u>\$2,270,624</u></u>	<u><u>\$ 8,111,784</u></u>

City of Strongsville, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2011

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES				
Property Taxes	\$1,181,856	\$ -	\$ -	\$ 1,181,856
Permissive Motor Vehicle Taxes	325,245	-	-	325,245
Payments in Lieu of Taxes	-	144,816	-	144,816
Intergovernmental	423,981	-	3,889,813	4,313,794
Interest	40,643	221	-	40,864
Fees, Licenses, and Permits	71,643	-	-	71,643
Fines and Forfeitures	20,249	-	-	20,249
Charges for Services	3,945,240	-	39,850	3,985,090
Contributions and Donations	26,907	-	-	26,907
Total Revenues	<u>6,035,764</u>	<u>145,037</u>	<u>3,929,663</u>	<u>10,110,464</u>
EXPENDITURES				
Security of Persons and Property	2,621,996	-	-	2,621,996
Public Health Services	335,884	-	-	335,884
Leisure Time Activities	4,506,827	-	648,721	5,155,548
Community Environment	143,552	-	-	143,552
Basic Utility Services	85,992	-	-	85,992
Transportation	375,642	-	355,402	731,044
General Government	5,138	-	-	5,138
Capital Outlay	542,048	-	5,246,939	5,788,987
Debt Service:				
Principal Retirement	230,000	-	-	230,000
Interest and Fiscal Charges	28,685	1,800	-	30,485
Total Expenditures	<u>8,875,764</u>	<u>1,800</u>	<u>6,251,062</u>	<u>15,128,626</u>
Excess of Revenues Over (Under) Expenditures	<u>(2,840,000)</u>	<u>143,237</u>	<u>(2,321,399)</u>	<u>(5,018,162)</u>
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	8,900	-	-	8,900
Transfer In	2,770,000	-	-	2,770,000
Transfer Out	-	(659,941)	(35,565)	(695,506)
Total Other Financing Sources (Uses)	<u>2,778,900</u>	<u>(659,941)</u>	<u>(35,565)</u>	<u>2,083,394</u>
Net Change in Fund Balances	<u>(61,100)</u>	<u>(516,704)</u>	<u>(2,356,964)</u>	<u>(2,934,768)</u>
Fund Balances - Beginning of Year, Restated	3,992,315	539,941	2,269,237	6,801,493
Fund Balances - End of Year	<u>\$3,931,215</u>	<u>\$ 23,237</u>	<u>\$ (87,727)</u>	<u>\$ 3,866,725</u>

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

	Police Pension	State Highway Maintenance	Motor Vehicle	Emergency Vehicle	Fire Pension
ASSETS					
Equity in Pooled Cash and Cash Equivalents	\$ 157,430	\$ 174,031	\$ 136,697	\$ 2,074,024	\$ 130,968
Materials and Supplies Inventory	-	-	-	-	-
Accrued Interest Receivable	-	179	292	26,921	-
Accounts Receivable	-	-	-	286,385	-
Intergovernmental Receivable	26,019	68,609	-	-	26,019
Prepaid Items	-	-	-	-	-
Property Taxes Receivable	381,202	-	-	-	381,202
Permissive Motor Vehicle Taxes Receivable	-	-	24,603	-	-
Total Assets	\$ 564,651	\$ 242,819	\$ 161,592	\$ 2,387,330	\$ 538,189
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	-	\$ -	\$ -	\$ 16,161	\$ -
Accrued Wages and Benefits	-	-	-	-	-
Intergovernmental Payable	51,134	-	-	-	46,838
Deferred Revenue	407,221	46,004	-	173,878	407,221
Total Liabilities	458,355	46,004	-	190,039	454,059
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	106,296	196,815	161,592	-	84,130
Committed	-	-	-	2,197,291	-
Total Fund Balances	106,296	196,815	161,592	2,197,291	84,130
Total Liabilities and Fund Balances	\$ 564,651	\$ 242,819	\$ 161,592	\$ 2,387,330	\$ 538,189

Clerk of Courts Computerization	Drainage Levy	Multi- Purpose Complex	Southwest General Hospital Levy	Law Enforcement Federal Seizure	Law Enforcement State Seizure	Law Enforcement Drug Fine
\$ 228,329	\$ 233,032	\$ 507,260	\$ 2,303	\$ 9,453	\$ 24,988	\$ 3,336
-	-	19,261	-	-	-	-
-	-	-	-	-	-	-
-	-	24,778	-	-	-	-
1,060	16,076	-	17,544	-	-	-
-	-	59,794	-	-	-	-
-	141,496	-	290,699	-	-	-
-	-	-	-	-	-	-
<u>\$ 229,389</u>	<u>\$ 390,604</u>	<u>\$ 611,093</u>	<u>\$ 310,546</u>	<u>\$ 9,453</u>	<u>\$ 24,988</u>	<u>\$ 3,336</u>
\$ -	\$ 1,705	\$ 44,045	\$ 2,303	\$ -	\$ -	\$ -
-	-	72,285	-	-	-	-
-	-	11,154	-	-	-	-
-	157,572	-	308,243	-	-	-
-	159,277	127,484	310,546	-	-	-
-	-	79,055	-	-	-	-
229,389	231,327	-	-	9,453	24,988	3,336
-	-	404,554	-	-	-	-
229,389	231,327	483,609	-	9,453	24,988	3,336
<u>\$ 229,389</u>	<u>\$ 390,604</u>	<u>\$ 611,093</u>	<u>\$ 310,546</u>	<u>\$ 9,453</u>	<u>\$ 24,988</u>	<u>\$ 3,336</u>

(Continued)

City of Strongsville, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2011

	Law Enforcement DWI/DUI	Tree	Community Diversion	Total Nonmajor Special Revenue Funds
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ 26,691	\$ 172,242	\$ 5,079	\$ 3,885,863
Materials and Supplies Inventory	-	-	-	19,261
Accrued Interest Receivable	-	-	-	27,392
Accounts Receivable	-	-	-	311,163
Intergovernmental Receivable	125	-	750	156,202
Prepaid Items	-	-	-	59,794
Property Taxes Receivable	-	-	-	1,194,599
Permissive Motor Vehicle Taxes Receivable	-	-	-	24,603
Total Assets	\$ 26,816	\$ 172,242	\$ 5,829	\$ 5,678,877
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ 1,898	\$ -	\$ 66,112
Accrued Wages and Benefits	-	-	-	72,285
Intergovernmental Payable	-	-	-	109,126
Deferred Revenue	-	-	-	1,500,139
Total Liabilities	-	1,898	-	1,747,662
Fund Balances:				
Nonspendable	-	-	-	79,055
Restricted	26,816	-	5,829	1,079,971
Committed	-	170,344	-	2,772,189
Total Fund Balances	26,816	170,344	5,829	3,931,215
Total Liabilities and Fund Balances	\$ 26,816	\$ 172,242	\$ 5,829	\$ 5,678,877

City of Strongsville, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011

	Police Pension	State Highway Maintenance	Motor Vehicle	Emergency Vehicle	Fire Pension
REVENUES					
Property Taxes	\$ 375,840	\$ -	\$ -	\$ -	\$ 375,840
Permissive Motor Vehicle Taxes	-	-	325,245	-	-
Intergovernmental	71,375	140,733	-	-	71,375
Interest	-	856	1,399	38,388	-
Fees, Licenses, and Permits	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Charges for Services	-	-	-	917,013	-
Contributions and Donations	-	-	-	-	-
Total Revenues	447,215	141,589	326,644	955,401	447,215
EXPENDITURES					
Security of Persons and Property	1,124,092	-	-	228,235	1,248,086
Public Health Services	-	-	-	-	-
Leisure Time Activities	-	-	-	-	-
Community Environment	-	-	-	-	-
Basic Utility Services	-	-	-	-	-
Transportation	-	86,996	288,646	-	-
General Government	-	-	-	-	-
Capital Outlay	-	-	-	397,971	-
Debt Service:					
Principal Retirement	-	-	-	230,000	-
Interest and Fiscal Charges	-	-	-	28,685	-
Total Expenditures	1,124,092	86,996	288,646	884,891	1,248,086
Excess of Revenues Over (Under) Expenditures	(676,877)	54,593	37,998	70,510	(800,871)
OTHER FINANCING SOURCES					
Sale of Capital Assets	-	-	-	8,900	-
Transfer In	700,000	-	-	-	810,000
Total Other Financing Sources	700,000	-	-	8,900	810,000
Net Change in Fund Balances	23,123	54,593	37,998	79,410	9,129
Fund Balances - Beginning of Year, Restated	83,173	142,222	123,594	2,117,881	75,001
Fund Balances - End of Year	\$ 106,296	\$ 196,815	\$161,592	\$2,197,291	\$ 84,130

(Continued)

City of Strongsville, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Year Ended December 31, 2011

	Clerk of Courts Computerization	Drainage Levy	Multi- Purpose Complex	Southwest General Hospital Levy
REVENUES				
Property Taxes	\$ -	\$143,392	\$ -	\$ 286,784
Permissive Motor Vehicle Taxes	-	-	-	-
Intergovernmental	-	54,297	2,312	47,099
Interest	-	-	-	-
Fees, Licenses, and Permits	-	-	-	-
Fines and Forfeitures	14,484	-	-	-
Charges for Services	-	-	3,028,227	-
Contributions and Donations	-	-	26,907	-
Total Revenues	14,484	197,689	3,057,446	333,883
EXPENDITURES				
Security of Persons and Property	-	-	-	-
Public Health Services	-	-	-	335,884
Leisure Time Activities	-	-	4,506,827	-
Community Environment	-	-	-	-
Basic Utility Services	-	85,992	-	-
Transportation	-	-	-	-
General Government	5,138	-	-	-
Capital Outlay	75,000	6,503	52,574	-
Debt Service:				-
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	80,138	92,495	4,559,401	335,884
Excess of Revenues Over (Under) Expenditures	(65,654)	105,194	(1,501,955)	(2,001)
OTHER FINANCING SOURCES				
Sale of Capital Assets	-	-	-	-
Transfer In	-	-	1,260,000	-
Total Other Financing Sources	-	-	1,260,000	-
Net Change in Fund Balances	(65,654)	105,194	(241,955)	(2,001)
Fund Balances - Beginning of Year, Restated	295,043	126,133	725,564	2,001
Fund Balances - End of Year	\$ 229,389	\$231,327	\$ 483,609	\$ -

Law Enforcement Federal Seizure	Law Enforcement State Seizure	Law Enforcement Drug Fine	Law Enforcement DUI/DWI	Tree	Community Diversion	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$1,181,856
-	-	-	-	-	-	325,245
1,540	-	-	-	26,250	9,000	423,981
-	-	-	-	-	-	40,643
-	-	-	-	71,643	-	71,643
-	-	-	1,765	-	4,000	20,249
-	-	-	-	-	-	3,945,240
-	-	-	-	-	-	26,907
<u>1,540</u>	<u>-</u>	<u>-</u>	<u>1,765</u>	<u>97,893</u>	<u>13,000</u>	<u>6,035,764</u>
3,585	-	-	2,615	-	15,383	2,621,996
-	-	-	-	-	-	335,884
-	-	-	-	-	-	4,506,827
-	-	-	-	143,552	-	143,552
-	-	-	-	-	-	85,992
-	-	-	-	-	-	375,642
-	-	-	-	-	-	5,138
-	-	10,000	-	-	-	542,048
-	-	-	-	-	-	230,000
-	-	-	-	-	-	28,685
<u>3,585</u>	<u>-</u>	<u>10,000</u>	<u>2,615</u>	<u>143,552</u>	<u>15,383</u>	<u>8,875,764</u>
<u>(2,045)</u>	<u>-</u>	<u>(10,000)</u>	<u>(850)</u>	<u>(45,659)</u>	<u>(2,383)</u>	<u>(2,840,000)</u>
-	-	-	-	-	-	8,900
-	-	-	-	-	-	2,770,000
-	-	-	-	-	-	2,778,900
<u>(2,045)</u>	<u>-</u>	<u>(10,000)</u>	<u>(850)</u>	<u>(45,659)</u>	<u>(2,383)</u>	<u>(61,100)</u>
<u>11,498</u>	<u>24,988</u>	<u>13,336</u>	<u>27,666</u>	<u>216,003</u>	<u>8,212</u>	<u>3,992,315</u>
<u>\$ 9,453</u>	<u>\$ 24,988</u>	<u>\$ 3,336</u>	<u>\$ 26,816</u>	<u>\$170,344</u>	<u>\$ 5,829</u>	<u>\$3,931,215</u>

City of Strongsville, Ohio
Combining Balance Sheet
Nonmajor Debt Service and Capital Projects Funds
December 31, 2011

Nonmajor Debt Service Fund

	Royalton Road TIF
ASSETS	
Equity in Pooled Cash and Cash Equivalents	\$ 23,191
Accrued Interest Receivable	46
Intergovernmental Receivable	139,046
Total Assets	<u><u>\$ 162,283</u></u>
LIABILITIES AND FUND BALANCES	
Liabilities:	
Deferred Revenue	\$ 139,046
Total Liabilities	<u>139,046</u>
Fund Balances:	
Restricted	23,237
Total Fund Balances	<u>23,237</u>
Total Liabilities and Fund Balance	<u><u>\$ 162,283</u></u>

Nonmajor Capital Projects Funds

	Recreation Capital Improvement	Pearl Road Capital Improvement	Total Nonmajor Capital Projects Funds
ASSETS			
Equity in Pooled Cash and Cash Equivalents	\$ 179,606	\$ 1,650,436	\$ 1,830,042
Intergovernmental Receivable	-	440,582	440,582
Total Assets	<u><u>\$ 179,606</u></u>	<u><u>\$ 2,091,018</u></u>	<u><u>\$ 2,270,624</u></u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	-	400,592	400,592
Contracts Payable	-	107,524	107,524
Retainage Payable	-	490,683	490,683
Interfund Payable	-	500,000	500,000
Deferred Revenue	-	149,552	149,552
Notes Payable	710,000	-	710,000
Total Liabilities	<u>710,000</u>	<u>1,648,351</u>	<u>2,358,351</u>
Fund Balances:			
Restricted	-	442,667	442,667
Unassigned (Deficit)	(530,394)	-	(530,394)
Total Fund Balances (Deficit)	<u>(530,394)</u>	<u>442,667</u>	<u>(87,727)</u>
Total Liabilities and Fund Balances	<u><u>\$ 179,606</u></u>	<u><u>\$ 2,091,018</u></u>	<u><u>\$ 2,270,624</u></u>

City of Strongsville, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Debt Service and Capital Projects Funds

For the Year Ended December 31, 2011

Nonmajor Debt Service Funds

	Special Assessment Bond Retirement	Royaltan Road TIF	Total Nonmajor Debt Service Funds
REVENUES			
Payment In Lieu of Taxes	\$ -	\$ 144,816	\$ 144,816
Interest	-	221	221
Total Revenues	<u>-</u>	<u>145,037</u>	<u>145,037</u>
EXPENDITURES			
Debt Service:			
Interest and Fiscal Charges	-	1,800	1,800
Total Expenditures	<u>-</u>	<u>1,800</u>	<u>1,800</u>
Excess Revenues Over Expenditures	<u>-</u>	<u>143,237</u>	<u>143,237</u>
OTHER FINANCING (USES)			
Transfer Out	(539,941)	(120,000)	(659,941)
Total Other Financing (Uses)	<u>(539,941)</u>	<u>(120,000)</u>	<u>(659,941)</u>
Net Change in Fund Balances	(539,941)	23,237	(516,704)
Fund Balances - Beginning of Year	539,941	-	539,941
Fund Balances - End of Year	<u>\$ -</u>	<u>\$ 23,237</u>	<u>\$ 23,237</u>

Nonmajor Capital Projects Funds

	Recreation Capital Improvement	Pearl Road Capital Improvement	Police Facility Construction	Total Nonmajor Capital Projects Funds
REVENUES				
Intergovernmental	\$ 412,800	\$ 3,477,013	\$ -	\$ 3,889,813
Charges for Services	39,550	300	-	39,850
Total Revenues	<u>452,350</u>	<u>3,477,313</u>	<u>-</u>	<u>3,929,663</u>
EXPENDITURES				
Leisure Time Activities	648,721	-	-	648,721
Transportation	-	355,402	-	355,402
Capital Outlay	377,859	4,606,008	263,072	5,246,939
Total Expenditures	<u>1,026,580</u>	<u>4,961,410</u>	<u>263,072</u>	<u>6,251,062</u>
Excess of Revenues (Under) Expenditures	<u>(574,230)</u>	<u>(1,484,097)</u>	<u>(263,072)</u>	<u>(2,321,399)</u>
OTHER FINANCING (USES)				
Transfer Out	-	-	(35,565)	(35,565)
Total Other Financing (Uses)	<u>-</u>	<u>-</u>	<u>(35,565)</u>	<u>(35,565)</u>
Net Change in Fund Balances	(574,230)	(1,484,097)	(298,637)	(2,356,964)
Fund Balances - Beginning of Year	43,836	1,926,764	298,637	2,269,237
Fund Balances - End of Year	<u>\$ (530,394)</u>	<u>\$ 442,667</u>	<u>\$ -</u>	<u>\$ (87,727)</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 equals liabilities) and thus do not involve measurement of results of operations.

Agency Funds

Bond Escrow Fund – This fund is used to account for the receipt of refundable deposits required of contractors, builders, residents or others to insure compliance with various City ordinances.

Mayor's Court Fund – This fund is used to account for the receipt of fines collected through the Mayor's Court established by the Ohio Revised Code and City ordinances.

City of Strongsville, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2011

	Balance 12/31/2010	Additions	Deletions	Balance 12/31/2011
Bond Escrow				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 271,527	\$ 361,290	\$ 344,336	\$ 288,481
Liabilities				
Deposits Held and Due to Others	\$ 271,527	\$ 361,290	\$ 344,336	\$ 288,481
Mayor's Court				
Assets				
Cash and Cash Equivalents: in Segregated Accounts	\$ 53,684	\$ 753,717	\$ 749,560	\$ 57,841
Liabilities				
Deposits Held and Due to Others	\$ 53,684	\$ 753,717	\$ 749,560	\$ 57,841
Total - All Agency Funds				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 271,527	\$ 361,290	\$ 344,336	\$ 288,481
Cash and Cash Equivalents: in Segregated Accounts	53,684	753,717	749,560	57,841
Total Assets	\$ 325,211	\$1,115,007	\$1,093,896	\$ 346,322
Liabilities				
Deposits Held and Due to Others	\$ 325,211	\$1,115,007	\$1,093,896	\$ 346,322

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

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal Income Taxes	\$ 22,781,000	\$ 25,126,457	\$ 25,069,604	\$ (56,853)
Property Taxes	434,316	434,316	430,177	(4,139)
Hotel Taxes	145,000	171,000	170,200	(800)
Intergovernmental Revenues	2,668,043	2,345,039	2,327,431	(17,608)
Charges for Services	194,200	247,700	242,383	(5,317)
Fees, Licenses, and Permits	605,900	760,400	756,234	(4,166)
Fines and Forfeitures	576,000	554,500	552,922	(1,578)
Interest Income	100,000	35,000	30,502	(4,498)
Contributions and Donations	3,000	53,000	52,906	(94)
Miscellaneous	564,100	528,200	514,483	(13,717)
<i>Total Revenues</i>	<u>28,071,559</u>	<u>30,255,612</u>	<u>30,146,842</u>	<u>(108,770)</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Police:				
Personal Services	9,457,400	9,589,200	9,408,398	180,802
Other	608,000	1,010,800	769,631	241,169
Total Police	<u>10,065,400</u>	<u>10,600,000</u>	<u>10,178,029</u>	<u>421,971</u>
Street Lighting:				
Other	-	400,000	395,620	4,380
Total Security of Persons and Property	<u>10,065,400</u>	<u>11,000,000</u>	<u>10,573,649</u>	<u>426,351</u>
Public Health Services:				
Cemetery:				
Personal Services	95,800	98,800	94,197	4,603
Other	37,300	22,100	19,543	2,557
Total Cemetery	<u>133,100</u>	<u>120,900</u>	<u>113,740</u>	<u>7,160</u>
County Board of Health:				
Other	-	163,000	162,275	725
Total Public Health Services	<u>133,100</u>	<u>283,900</u>	<u>276,015</u>	<u>7,885</u>
				(Continued)

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Leisure Time Activities:				
Parks:				
Personal Services	90,100	90,100	89,670	430
Other	308,500	405,000	393,718	11,282
Total Leisure Time Activities	398,600	495,100	483,388	11,712
Community Environment:				
Building:				
Personal Services	798,700	798,900	790,826	8,074
Other	130,100	153,500	106,030	47,470
Total Building	928,800	952,400	896,856	55,544
Architectural Board of Review:				
Other	7,000	7,000	2,025	4,975
Planning Commission:				
Personal Services	86,800	86,800	85,974	826
Other	71,500	81,000	72,027	8,973
Total Planning Commission	158,300	167,800	158,001	9,799
Board of Appeals:				
Other	10,300	11,000	9,374	1,626
Board of Building Standards:				
Other	2,300	2,000	150	1,850
Economic Development:				
Personal Services	93,200	95,600	94,228	1,372
Other	53,200	50,200	26,625	23,575
Total Economic Development	146,400	145,800	120,853	24,947
Strongsville City Schools Revenue Sharing:				
Other	-	380,000	379,434	566
Total Community Environment	1,253,100	1,666,000	1,566,693	99,307
Basic Utility Services:				
Rubbish:				
Other	2,685,000	2,130,300	2,038,476	91,824
Total Basic Utility Services	2,685,000	2,130,300	2,038,476	91,824

(Continued)

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
General Government:				
Council:				
Personal Services	301,300	301,400	300,111	1,289
Other	19,500	19,500	15,506	3,994
Total Council	320,800	320,900	315,617	5,283
Mayor's Office:				
Personal Services	410,900	411,900	408,060	3,840
Other	22,400	17,400	8,911	8,489
Total Mayor's Office	433,300	429,300	416,971	12,329
Human Resources:				
Personal Services	123,700	138,100	134,507	3,593
Other	32,400	43,800	29,325	14,475
Total Human Resources	156,100	181,900	163,832	18,068
Finance:				
Personal Services	579,400	582,600	562,432	20,168
Other	23,900	27,400	19,790	7,610
Total Finance	603,300	610,000	582,222	27,778
Legal:				
Personal Services	407,700	407,800	400,883	6,917
Other	217,150	205,200	73,661	131,539
Total Legal	624,850	613,000	474,544	138,456
Communication and Technology:				
Personal Services	449,500	449,600	442,243	7,357
Other	1,201,500	1,057,000	975,304	81,696
Total Communication and Technology	1,651,000	1,506,600	1,417,547	89,053
Mayor's Court:				
Personal Services	131,900	130,800	125,514	5,286
Other	81,400	63,700	60,948	2,752
Total Mayor's Court	213,300	194,500	186,462	8,038
Civil Service:				
Other	4,500	46,400	28,220	18,180

(Continued)

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
General Miscellaneous:				
Other	2,972,600	1,302,700	1,152,236	150,464
Total General Government	6,979,750	5,205,300	4,737,651	467,649
<i>Total Expenditures</i>	<u>21,514,950</u>	<u>20,780,600</u>	<u>19,675,872</u>	<u>1,104,728</u>
<i>Excess of Revenues Over</i>				
<i>(Under) Expenditures</i>	6,556,609	9,475,012	10,470,970	995,958
Other Financing Sources (Uses)				
Sale of Capital Assets	20,000	20,900	17,250	(3,650)
Advances In	500,000	721,000	721,000	-
Advances Out	-	(721,000)	(721,000)	-
Transfers In	-	6,800	6,800	-
Transfers Out	(8,622,100)	(10,570,000)	(10,470,000)	100,000
<i>Total Other Financing Sources (Uses)</i>	<u>(8,102,100)</u>	<u>(10,542,300)</u>	<u>(10,445,950)</u>	<u>96,350</u>
<i>Net Change in Fund Balance</i>	(1,545,491)	(1,067,288)	25,020	1,092,308
<i>Fund Balance - Beginning of Year</i>	7,571,611	7,571,611	7,571,611	-
<i>Fund Balance - End of Year</i>	<u>\$ 6,026,120</u>	<u>\$ 6,504,323</u>	<u>\$ 7,596,631</u>	<u>\$ 1,092,308</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal Income Taxes	\$ 2,770,000	\$ 3,000,000	\$ 2,946,552	\$ (53,448)
Intergovernmental Revenues	1,620,000	1,726,700	1,723,821	(2,879)
Charges for Services	-	200	150	(50)
Interest Income	10,000	12,000	11,773	(227)
<i>Total Revenues</i>	<u>4,400,000</u>	<u>4,738,900</u>	<u>4,682,296</u>	<u>(56,604)</u>
Expenditures:				
Current:				
Transportation:				
Street Repairs:				
Personal Services	4,095,700	4,081,600	3,916,594	165,006
Other	1,809,000	1,932,500	1,686,853	245,647
Total Street Repairs	<u>5,904,700</u>	<u>6,014,100</u>	<u>5,603,447</u>	<u>410,653</u>
Traffic Signal Maintenance:				
Personal Services	284,300	250,100	242,054	8,046
Other	271,600	271,600	212,558	59,042
Total Traffic Signal Maintenance	<u>555,900</u>	<u>521,700</u>	<u>454,612</u>	<u>67,088</u>
Snow Removal:				
Other	<u>637,000</u>	<u>757,000</u>	<u>661,968</u>	<u>95,032</u>
Municipal Garage:				
Personal Services	581,500	596,600	581,115	15,485
Other	1,452,000	911,600	748,168	163,432
Total Municipal Garage	<u>2,033,500</u>	<u>1,508,200</u>	<u>1,329,283</u>	<u>178,917</u>
Total Transportation	<u>9,131,100</u>	<u>8,801,000</u>	<u>8,049,310</u>	<u>751,690</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(4,731,100)</u>	<u>(4,062,100)</u>	<u>(3,367,014)</u>	<u>695,086</u>
Other Financing Sources				
Sale of Capital Assets	-	28,100	28,009	(91)
Transfers In	3,811,000	3,600,000	3,600,000	-
<i>Total Other Financing Sources</i>	<u>3,811,000</u>	<u>3,628,100</u>	<u>3,628,009</u>	<u>(91)</u>
<i>Net Change in Fund Balance</i>	<u>(920,100)</u>	<u>(434,000)</u>	<u>260,995</u>	<u>694,995</u>
<i>Fund Balance - Beginning of Year</i>	<u>2,442,826</u>	<u>2,442,826</u>	<u>2,442,826</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ 1,522,726</u>	<u>\$ 2,008,826</u>	<u>\$ 2,703,821</u>	<u>\$ 694,995</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 4,227,825	\$ 4,227,825	\$ 4,207,143	\$ (20,682)
Intergovernmental Revenues	463,400	650,781	618,242	(32,539)
Charges for Services	500	200	5	(195)
Fees, Licenses, and Permits	1,500	1,800	1,550	(250)
Contributions and Donations	-	1,000	1,000	-
<i>Total Revenues</i>	<u>4,693,225</u>	<u>4,881,606</u>	<u>4,827,940</u>	<u>(53,666)</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Fire:				
Personal Services	6,752,300	6,746,500	6,688,436	58,064
Other	117,400	363,300	229,829	133,471
Total Fire	<u>6,869,700</u>	<u>7,109,800</u>	<u>6,918,265</u>	<u>191,535</u>
Fire Station Ward 1:				
Other	<u>37,300</u>	<u>37,800</u>	<u>25,059</u>	<u>12,741</u>
Fire Station Ward 2:				
Other	<u>27,300</u>	<u>27,300</u>	<u>18,479</u>	<u>8,821</u>
Fire Station Ward 3:				
Other	<u>27,700</u>	<u>27,700</u>	<u>15,936</u>	<u>11,764</u>
Fire Station Ward 4:				
Other	<u>95,200</u>	<u>95,200</u>	<u>62,716</u>	<u>32,484</u>
<i>Total Expenditures</i>	<u>7,057,200</u>	<u>7,297,800</u>	<u>7,040,455</u>	<u>257,345</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(2,363,975)	(2,416,194)	(2,212,515)	203,679
Other Financing Sources				
Transfers In	<u>1,750,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	(613,975)	(416,194)	(212,515)	203,679
<i>Fund Balance - Beginning of Year</i>	<u>1,152,853</u>	<u>1,152,853</u>	<u>1,152,853</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ 538,878</u>	<u>\$ 736,659</u>	<u>\$ 940,338</u>	<u>\$ 203,679</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 3,529,325	\$ 3,529,325	\$ 3,507,841	\$ (21,484)
Intergovernmental Revenues	377,035	678,560	678,447	(113)
Special Assessments	-	240,800	239,442	(1,358)
Interest Income	12,000	12,000	9,489	(2,511)
Miscellaneous	-	100	43	(57)
<i>Total Revenues</i>	<u>3,918,360</u>	<u>4,460,785</u>	<u>4,435,262</u>	<u>(25,523)</u>
Expenditures:				
Current:				
General Government:				
Other	-	66,000	43,093	22,907
Debt Service:				
Principal	6,685,000	2,035,000	2,035,000	-
Interest & Fiscal Charges	2,308,242	1,985,418	1,985,350	68
Bond Issuance Costs	-	237,974	237,974	-
Advance Refunding Escrow	-	1,499,540	1,499,540	-
<i>Total Expenditures</i>	<u>8,993,242</u>	<u>5,823,932</u>	<u>5,800,957</u>	<u>22,975</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(5,074,882)	(1,363,147)	(1,365,695)	(2,548)
Other Financing Sources (Uses)				
General Obligation Notes Issued	4,000,000	2,600,000	2,600,000	-
Refunding Bonds Issued	-	10,735,000	10,735,000	-
Premium on Debt Issuance	-	803,000	802,804	(196)
Payment to Refunded Bond Escrow Account	-	(13,875,000)	(13,875,000)	-
Transfers In	822,600	1,175,506	1,175,506	-
<i>Total Other Financing Sources (Uses)</i>	<u>4,822,600</u>	<u>1,438,506</u>	<u>1,438,310</u>	<u>(196)</u>
<i>Net Change in Fund Balance</i>	(252,282)	75,359	72,615	(2,744)
<i>Fund Balance - Beginning of Year</i>	1,587,760	1,587,760	1,587,760	-
<i>Fund Balance - End of Year</i>	<u>\$ 1,335,478</u>	<u>\$ 1,663,119</u>	<u>\$ 1,660,375</u>	<u>\$ (2,744)</u>

City of Strongsville, Ohio

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Payment in Lieu of Taxes	\$ 616,000	\$ 704,200	\$ 704,123	\$ (77)
Interest Income	-	6,000	3,114	(2,886)
<i>Total Revenues</i>	<u>616,000</u>	<u>710,200</u>	<u>707,237</u>	<u>(2,963)</u>
Expenditures:				
Debt Service:				
Principal	650,000	4,930,000	4,930,000	-
Interest & Fiscal Charges	310,117	335,305	335,304	1
Debt Issuance Costs	-	5,400	5,400	-
<i>Total Expenditures</i>	<u>960,117</u>	<u>5,270,705</u>	<u>5,270,704</u>	<u>1</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(344,117)	(4,560,505)	(4,563,467)	(2,962)
Other Financing Sources				
General Obligation Notes Issued	-	4,350,000	4,350,000	-
<i>Net Change in Fund Balance</i>	(344,117)	(210,505)	(213,467)	(2,962)
<i>Fund Balance - Beginning of Year</i>	629,958	629,958	629,958	-
<i>Fund Balance - End of Year</i>	<u>\$ 285,841</u>	<u>\$ 419,453</u>	<u>\$ 416,491</u>	<u>\$ (2,962)</u>

City of Strongsville, Ohio

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Franchise Taxes	\$ 605,000	\$ 636,000	\$ 631,109	\$ (4,891)
Special Assessments	20,100	20,100	19,009	(1,091)
Charges for Services	-	1,000	950	(50)
Contributions and Donations	-	1,695,000	1,664,364	(30,636)
<i>Total Revenues</i>	<u>625,100</u>	<u>2,352,100</u>	<u>2,315,432</u>	<u>(36,668)</u>
Expenditures:				
Current:				
Transportation:				
Street Repairs:				
Other	5,450,000	5,600,866	4,648,626	952,240
Capital Outlay	-	1,824,134	1,785,217	38,917
<i>Total Expenditures</i>	<u>5,450,000</u>	<u>7,425,000</u>	<u>6,433,843</u>	<u>991,157</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(4,824,900)	(5,072,900)	(4,118,411)	954,489
Other Financing Sources				
Transfers In	-	600,000	500,000	(100,000)
<i>Net Change in Fund Balance</i>	(4,824,900)	(4,472,900)	(3,618,411)	854,489
<i>Fund Balance - Beginning of Year</i>	<u>5,789,339</u>	<u>5,789,339</u>	<u>5,789,339</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ 964,439</u>	<u>\$ 1,316,439</u>	<u>\$ 2,170,928</u>	<u>\$ 854,489</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 5,222,100	\$ 5,215,100	\$ 5,017,852	\$ (197,248)
Interest Income	5,000	16,000	15,270	(730)
Other Services	89,000	129,300	103,103	(26,197)
<i>Total Revenues</i>	<u>5,316,100</u>	<u>5,360,400</u>	<u>5,136,225</u>	<u>(224,175)</u>
Expenses:				
Sanitary Sewer:				
Engineering and Administration:				
Personal Services	455,900	457,100	446,971	10,129
Fringe Benefits	166,600	167,100	164,956	2,144
Contractual Services	726,000	732,500	696,700	35,800
Materials and Supplies	13,000	8,500	5,762	2,738
Other	15,500	18,500	14,412	4,088
Capital Outlay	-	5,000	5,000	-
Total Engineering and Administration	<u>1,377,000</u>	<u>1,388,700</u>	<u>1,333,801</u>	<u>54,899</u>
Plant:				
Utilities	3,700	5,700	3,254	2,446
Contractual Services	1,600,000	1,657,985	1,582,820	75,165
Materials and Supplies	10,000	5,700	-	5,700
Other	17,000	15,000	8,745	6,255
Total Plant	<u>1,630,700</u>	<u>1,684,385</u>	<u>1,594,819</u>	<u>89,566</u>
Line:				
Personal Services	514,800	514,800	497,308	17,492
Fringe Benefits	201,500	201,600	197,328	4,272
Contractual Services	527,500	460,500	303,498	157,002
Materials and Supplies	178,500	233,300	168,797	64,503
Capital Outlay	-	42,200	40,288	1,912
Total Line	<u>1,422,300</u>	<u>1,452,400</u>	<u>1,207,219</u>	<u>245,181</u>
Sewer Capital Improvements:				
Contractual Services	-	580,600	518,348	62,252
Capital Outlay	1,650,000	1,450,913	1,351,136	99,777
Total Sewer Capital Improvements	<u>1,650,000</u>	<u>2,031,513</u>	<u>1,869,484</u>	<u>162,029</u>
				(Continued)

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Debt Service:				
Principal	163,793	353,793	353,792	1
Interest & Fiscal Charges	118,623	140,122	140,121	1
Bond Issuance Costs	-	6,843	-	6,843
Total Debt Service	282,416	500,758	493,913	6,845
<i>Total Expenses</i>	<u>6,362,416</u>	<u>7,057,756</u>	<u>6,499,236</u>	<u>558,520</u>
<i>Excess of Revenues Over (Under) Expenses</i>	(1,046,316)	(1,697,356)	(1,363,011)	334,345
Other Financing Sources (Uses)				
Capital Contribution - Tap-in Fees	150,000	150,000	142,198	(7,802)
Capital Contributions - Special Assessments	517,734	43,680	40,681	(2,999)
Capital Contributions - Grants	452,048	452,048	282,450	(169,598)
Capital Contributions - Developers	-	84,100	81,164	(2,936)
OWDA Loans	1,030,000	-	-	-
Transfer Out	(211,500)	-	-	-
<i>Total Other Financing Sources (Uses)</i>	<u>1,938,282</u>	<u>729,828</u>	<u>546,493</u>	<u>(183,335)</u>
<i>Net Change in Fund Equity</i>	891,966	(967,528)	(816,518)	151,010
<i>Fund Equity - Beginning of Year</i>	<u>2,896,202</u>	<u>2,896,202</u>	<u>2,896,202</u>	<u>-</u>
<i>Fund Equity - End of Year</i>	<u>\$ 3,788,168</u>	<u>\$ 1,928,674</u>	<u>\$ 2,079,684</u>	<u>\$ 151,010</u>

City of Strongsville, Ohio

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 378,120	\$ 378,120	\$ 375,840	\$ (2,280)
Intergovernmental Revenues	40,418	71,386	71,375	(11)
<i>Total Revenues</i>	<u>418,538</u>	<u>449,506</u>	<u>447,215</u>	<u>(2,291)</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Police:				
Personal Services	<u>1,128,700</u>	<u>1,140,000</u>	<u>1,110,376</u>	<u>29,624</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(710,162)	(690,494)	(663,161)	27,333
Other Financing Sources				
Transfers In	<u>720,000</u>	<u>700,000</u>	<u>700,000</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	9,838	9,506	36,839	27,333
<i>Fund Balance - Beginning of Year</i>	<u>120,591</u>	<u>120,591</u>	<u>120,591</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ 130,429</u>	<u>\$ 130,097</u>	<u>\$ 157,430</u>	<u>\$ 27,333</u>

City of Strongsville, Ohio

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental Revenues	\$ 135,000	\$ 139,000	\$ 139,769	\$ 769
Interest Income	600	700	677	(23)
<i>Total Revenues</i>	<u>135,600</u>	<u>139,700</u>	<u>140,446</u>	<u>746</u>
Expenditures:				
Current:				
Transportation:				
State Highway Maintenance:				
Other	<u>100,000</u>	<u>100,000</u>	<u>96,718</u>	<u>3,282</u>
<i>Net Change in Fund Balance</i>	35,600	39,700	43,728	4,028
<i>Fund Balance - Beginning of Year</i>	<u>130,303</u>	<u>130,303</u>	<u>130,303</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ 165,903</u>	<u>\$ 170,003</u>	<u>\$ 174,031</u>	<u>\$ 4,028</u>

City of Strongsville, Ohio

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

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Permissive Motor Vehicle Taxes	\$ 315,000	\$ 325,000	\$ 324,997	\$ (3)
Interest Income	800	1,200	1,107	(93)
<i>Total Revenues</i>	<u>315,800</u>	<u>326,200</u>	<u>326,104</u>	<u>(96)</u>
Expenditures:				
Current:				
Transportation:				
Motor Vehicle License Tax:				
Other	<u>50,000</u>	<u>300,000</u>	<u>288,646</u>	<u>11,354</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	265,800	26,200	37,458	11,258
Other Financing (Uses)				
Transfers Out	<u>(300,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	(34,200)	26,200	37,458	11,258
<i>Fund Balance - Beginning of Year</i>	<u>99,239</u>	<u>99,239</u>	<u>99,239</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ 65,039</u>	<u>\$ 125,439</u>	<u>\$ 136,697</u>	<u>\$ 11,258</u>

City of Strongsville, Ohio

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 725,000	\$ 920,000	\$ 937,404	\$ 17,404
Interest Income	12,000	12,000	11,467	(533)
<i>Total Revenues</i>	<u>737,000</u>	<u>932,000</u>	<u>948,871</u>	<u>16,871</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Emergency Vehicle:				
Other	<u>1,131,000</u>	<u>762,300</u>	<u>620,909</u>	<u>141,391</u>
Debt Service:				
Principal	-	230,000	230,000	-
Interest & Fiscal Charges	<u>-</u>	<u>28,700</u>	<u>28,685</u>	<u>15</u>
Total Debt Service	<u>-</u>	<u>258,700</u>	<u>258,685</u>	<u>15</u>
<i>Total Expenditures</i>	<u>1,131,000</u>	<u>1,021,000</u>	<u>879,594</u>	<u>141,406</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(394,000)	(89,000)	69,277	158,277
Other Financing Sources				
Sale of Capital Assets	<u>-</u>	<u>8,900</u>	<u>8,900</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	(394,000)	(80,100)	78,177	158,277
<i>Fund Balance - Beginning of Year</i>	<u>1,995,847</u>	<u>1,995,847</u>	<u>1,995,847</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ 1,601,847</u>	<u>\$ 1,915,747</u>	<u>\$ 2,074,024</u>	<u>\$ 158,277</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 378,120	\$ 378,120	\$ 375,840	\$ (2,280)
Intergovernmental Revenues	40,418	71,386	71,375	(11)
<i>Total Revenues</i>	<u>418,538</u>	<u>449,506</u>	<u>447,215</u>	<u>(2,291)</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Fire:				
Personal Services	<u>1,249,900</u>	<u>1,255,000</u>	<u>1,243,296</u>	<u>11,704</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(831,362)	(805,494)	(796,081)	9,413
Other Financing Sources				
Transfers In	<u>830,000</u>	<u>810,000</u>	<u>810,000</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	(1,362)	4,506	13,919	9,413
<i>Fund Balance - Beginning of Year</i>	<u>117,049</u>	<u>117,049</u>	<u>117,049</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ 115,687</u>	<u>\$ 121,555</u>	<u>\$ 130,968</u>	<u>\$ 9,413</u>

City of Strongsville, Ohio

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and Forfeitures	\$ 20,000	\$ 20,000	\$ 14,474	\$ (5,526)
Expenditures:				
Current:				
General Government:				
Clerk of Courts:				
Other	10,000	90,000	80,138	9,862
<i>Net Change in Fund Balance</i>	10,000	(70,000)	(65,664)	4,336
<i>Fund Balance - Beginning of Year</i>	293,993	293,993	293,993	-
<i>Fund Balance - End of Year</i>	<u>\$ 303,993</u>	<u>\$ 223,993</u>	<u>\$ 228,329</u>	<u>\$ 4,336</u>

City of Strongsville, Ohio

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 144,740	\$ 144,740	\$ 143,392	\$ (1,348)
Intergovernmental Revenues	12,541	54,310	54,297	(13)
<i>Total Revenues</i>	<u>157,281</u>	<u>199,050</u>	<u>197,689</u>	<u>(1,361)</u>
Expenditures:				
Current:				
Basic Utility Services:				
Drainage Levy:				
Other	<u>205,000</u>	<u>130,000</u>	<u>90,790</u>	<u>39,210</u>
<i>Net Change in Fund Balance</i>	(47,719)	69,050	106,899	37,849
<i>Fund Balance - Beginning of Year</i>	<u>126,133</u>	<u>126,133</u>	<u>126,133</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ 78,414</u>	<u>\$ 195,183</u>	<u>\$ 233,032</u>	<u>\$ 37,849</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 1,500	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Basic Utility Services:				
Recycling Department				
Other	500	-	-	-
<i>Excess of Revenues Over (Under) Expenditures</i>	1,000	-	-	-
Other Financing (Uses)				
Transfers Out	-	(6,800)	(6,800)	-
<i>Total Other Financing (Uses)</i>	-	(6,800)	(6,800)	-
<i>Net Change in Fund Balance</i>	1,000	(6,800)	(6,800)	-
<i>Fund Balance - Beginning of Year</i>	6,800	6,800	6,800	-
<i>Fund Balance - End of Year</i>	<u>\$ 7,800</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Strongsville, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Multi-Purpose Complex Fund
 For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental Revenues	\$ -	\$ 2,312	\$ 2,312	\$ -
Charges for Services	3,442,800	3,442,800	3,067,017	(375,783)
Contributions and Donations	10,500	32,600	26,907	(5,693)
<i>Total Revenues</i>	<u>3,453,300</u>	<u>3,477,712</u>	<u>3,096,236</u>	<u>(381,476)</u>
Expenditures:				
Current:				
Leisure Time Activities:				
Sports Programs:				
Personal Services	258,100	250,100	234,772	15,328
Other	175,275	206,400	190,945	15,455
Total Sports Programs	<u>433,375</u>	<u>456,500</u>	<u>425,717</u>	<u>30,783</u>
Recreation Administration:				
Personal Services	456,100	351,000	342,364	8,636
Other	713,100	704,000	630,374	73,626
Total Recreation Administration	<u>1,169,200</u>	<u>1,055,000</u>	<u>972,738</u>	<u>82,262</u>
Fitness Programs:				
Personal Services	422,700	418,100	405,542	12,558
Other	111,000	111,000	104,927	6,073
Total Fitness Programs	<u>533,700</u>	<u>529,100</u>	<u>510,469</u>	<u>18,631</u>
Ice Rink:				
Other	<u>282,500</u>	<u>282,500</u>	<u>279,770</u>	<u>2,730</u>
Aquatics Programs:				
Personal Services	592,600	583,200	540,490	42,710
Other	98,850	121,900	115,570	6,330
Total Aquatics Programs	<u>691,450</u>	<u>705,100</u>	<u>656,060</u>	<u>49,040</u>
Recreation Programs:				
Personal Services	203,500	198,300	186,838	11,462
Other	36,950	36,900	31,429	5,471
Total Recreation Programs	<u>240,450</u>	<u>235,200</u>	<u>218,267</u>	<u>16,933</u>

(Continued)

City of Strongsville, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Multi-Purpose Complex Fund
 For the Year Ended December 31, 2011
 (Continued)*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Special Events:				
Personal Services	55,700	55,700	54,976	724
Other	26,100	17,100	11,833	5,267
Total Special Events	81,800	72,800	66,809	5,991
Old Town Hall:				
Personal Services	4,700	5,800	5,440	360
Other	30,100	20,100	9,391	10,709
Total Old Town Hall	34,800	25,900	14,831	11,069
Senior Services:				
Personal Services	573,600	525,500	505,404	20,096
Other	262,800	356,800	270,578	86,222
Total Senior Services	836,400	882,300	775,982	106,318
Recreation Maintenance:				
Personal Services	476,400	508,200	488,544	19,656
Other	193,800	186,300	165,616	20,684
Total Recreation Maintenance	670,200	694,500	654,160	40,340
Program Refunds:				
Other	75,700	69,900	63,568	6,332
Total Expenditures	5,049,575	5,008,800	4,638,371	370,429
Excess of Revenues Over (Under) Expenditures	(1,596,275)	(1,531,088)	(1,542,135)	(11,047)
Other Financing Sources				
Transfers In	1,200,000	1,260,000	1,260,000	-
Net Change in Fund Balance	(396,275)	(271,088)	(282,135)	(11,047)
Fund Balance - Beginning of Year	789,395	789,395	789,395	-
Fund Balance - End of Year	\$ 393,120	\$ 518,307	\$ 507,260	\$ (11,047)

City of Strongsville, Ohio

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 289,578	\$ 289,577	\$ 286,784	\$ (2,793)
Intergovernmental Revenues	24,983	47,300	47,099	(201)
<i>Total Revenues</i>	<u>314,561</u>	<u>336,877</u>	<u>333,883</u>	<u>(2,994)</u>
Expenditures:				
Current:				
Public Health Services:				
Other	<u>316,562</u>	<u>334,486</u>	<u>333,581</u>	<u>905</u>
<i>Net Change in Fund Balance</i>	(2,001)	2,391	302	(2,089)
<i>Fund Balance - Beginning of Year</i>	<u>2,001</u>	<u>2,001</u>	<u>2,001</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ 4,392</u>	<u>\$ 2,303</u>	<u>\$ (2,089)</u>

City of Strongsville, Ohio

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and Forfeitures	\$ 1,000	\$ 1,000	\$ -	\$ (1,000)
Intergovernmental Revenues	-	1,540	1,540	-
<i>Total Revenues</i>	<u>1,000</u>	<u>2,540</u>	<u>1,540</u>	<u>(1,000)</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Police Department:				
Other	<u>2,000</u>	<u>4,540</u>	<u>3,585</u>	<u>955</u>
<i>Net Change in Fund Balance</i>	(1,000)	(2,000)	(2,045)	(45)
<i>Fund Balance - Beginning of Year</i>	<u>11,498</u>	<u>11,498</u>	<u>11,498</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u><u>\$ 10,498</u></u>	<u><u>\$ 9,498</u></u>	<u><u>\$ 9,453</u></u>	<u><u>\$ (45)</u></u>

City of Strongsville, Ohio

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and Forfeitures	\$ 3,000	\$ 3,000	\$ -	\$ (3,000)
Expenditures:				
Current:				
Security of Persons and Property:				
Police Department:				
Other	2,000	2,000	-	2,000
<i>Net Change in Fund Balance</i>	1,000	1,000	-	(1,000)
<i>Fund Balance - Beginning of Year</i>	24,988	24,988	24,988	-
<i>Fund Balance - End of Year</i>	<u>\$ 25,988</u>	<u>\$ 25,988</u>	<u>\$ 24,988</u>	<u>\$ (1,000)</u>

City of Strongsville, Ohio

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and Forfeitures	\$ 400	\$ 400	\$ -	\$ (400)
Expenditures:				
Current:				
Security of Persons and Property:				
Police Department:				
Other	1,000	11,000	10,000	1,000
<i>Net Change in Fund Balance</i>	(600)	(10,600)	(10,000)	600
<i>Fund Balance - Beginning of Year</i>	13,336	13,336	13,336	-
<i>Fund Balance - End of Year</i>	<u>\$ 12,736</u>	<u>\$ 2,736</u>	<u>\$ 3,336</u>	<u>\$ 600</u>

City of Strongsville, Ohio

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fines and Forfeitures	\$ 2,000	\$ 2,200	\$ 1,840	\$ (360)
Expenditures:				
Current:				
Security of Persons and Property:				
Police Department:				
Other	10,000	10,000	2,615	7,385
<i>Net Change in Fund Balance</i>	(8,000)	(7,800)	(775)	7,025
<i>Fund Balance - Beginning of Year</i>	27,466	27,466	27,466	-
<i>Fund Balance - End of Year</i>	<u>\$ 19,466</u>	<u>\$ 19,666</u>	<u>\$ 26,691</u>	<u>\$ 7,025</u>

City of Strongsville, Ohio

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental Revenues	\$ -	\$ 26,250	\$ 26,250	\$ -
Fees, Licenses, and Permits	25,000	72,000	71,643	(357)
<i>Total Revenues</i>	<u>25,000</u>	<u>98,250</u>	<u>97,893</u>	<u>(357)</u>
Expenditures:				
Current:				
Community Environment:				
Tree Maintenance:				
Other	<u>100,000</u>	<u>145,600</u>	<u>141,654</u>	<u>3,946</u>
<i>Net Change in Fund Balance</i>	(75,000)	(47,350)	(43,761)	3,589
<i>Fund Balance - Beginning of Year</i>	<u>216,003</u>	<u>216,003</u>	<u>216,003</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u><u>\$ 141,003</u></u>	<u><u>\$ 168,653</u></u>	<u><u>\$ 172,242</u></u>	<u><u>\$ 3,589</u></u>

City of Strongsville, Ohio

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental Revenues	\$ 8,400	\$ 9,000	\$ 8,250	\$ (750)
Fines and Forfeitures	3,500	4,100	4,000	(100)
<i>Total Revenues</i>	<u>11,900</u>	<u>13,100</u>	<u>12,250</u>	<u>(850)</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Police Department:				
Personal Services	13,400	13,400	11,183	2,217
Other	2,100	4,200	4,200	-
<i>Total Expenditures</i>	<u>15,500</u>	<u>17,600</u>	<u>15,383</u>	<u>2,217</u>
<i>Net Change in Fund Balance</i>	(3,600)	(4,500)	(3,133)	1,367
<i>Fund Balance - Beginning of Year</i>	8,212	8,212	8,212	-
<i>Fund Balance - End of Year</i>	<u>\$ 4,612</u>	<u>\$ 3,712</u>	<u>\$ 5,079</u>	<u>\$ 1,367</u>

City of Strongsville, Ohio

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Total Revenues</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Police Department:				
Personal Services	-	150,000	-	150,000
Fire Department:				
Personal Services	-	100,000	-	100,000
<i>Total Expenditures</i>	<u>-</u>	<u>250,000</u>	<u>-</u>	<u>250,000</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	-	(250,000)	-	250,000
Other Financing Sources				
Transfers In	-	1,000,000	1,000,000	-
<i>Net Change in Fund Balance</i>	-	750,000	1,000,000	250,000
<i>Fund Balance - Beginning of Year</i>	-	-	-	-
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ 750,000</u>	<u>\$ 1,000,000</u>	<u>\$ 250,000</u>

City of Strongsville, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Special Assessment Bond Retirement Fund
 For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Special Assessments	\$ 218,700	\$ -	\$ -	\$ -
Expenditures:				
Debt Service:				
Principal	170,000	-	-	-
Interest & Fiscal Charges	62,390	-	-	-
<i>Total Expenditures</i>	<u>232,390</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(13,690)	-	-	-
Other Financing (Uses)				
Transfers Out	<u>-</u>	<u>(539,941)</u>	<u>(539,941)</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	(13,690)	(539,941)	(539,941)	-
<i>Fund Balance - Beginning of Year</i>	539,941	539,941	539,941	-
<i>Fund Balance - End of Year</i>	<u>\$ 526,251</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Strongsville, Ohio

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Payment in Lieu of Taxes	\$ 200,000	\$ 200,000	\$ 144,816	\$ (55,184)
Interest Income	-	300	175	(125)
<i>Total Revenues</i>	<u>200,000</u>	<u>200,300</u>	<u>144,991</u>	<u>(55,309)</u>
Expenditures:				
Debt Service:				
Principal	-	120,000	120,000	-
Interest & Fiscal Charges	-	1,800	1,800	-
Debt Issuance Costs	1,000	-	-	-
<i>Total Expenditures</i>	<u>1,000</u>	<u>121,800</u>	<u>121,800</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	199,000	78,500	23,191	(55,309)
<i>Fund Balance - Beginning of Year</i>	-	-	-	-
<i>Fund Balance - End of Year</i>	<u>\$ 199,000</u>	<u>\$ 78,500</u>	<u>\$ 23,191</u>	<u>\$ (55,309)</u>

City of Strongsville, Ohio

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental Revenues	\$ 273,000	\$ 412,800	\$ 412,800	\$ -
Charges for Services	15,000	40,500	39,550	(950)
<i>Total Revenues</i>	<u>288,000</u>	<u>453,300</u>	<u>452,350</u>	<u>(950)</u>
Expenditures:				
Current:				
Liesure Time Activities:				
Recreation Capital Improvement:				
Other	-	670,000	652,619	17,381
Capital Outlay	100,000	385,000	377,859	7,141
<i>Total Expenditures</i>	<u>100,000</u>	<u>1,055,000</u>	<u>1,030,478</u>	<u>24,522</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	188,000	(601,700)	(578,128)	23,572
Other Financing Sources (Uses)				
General Obligation Notes Issued	-	710,000	710,000	-
Advances In	-	221,000	221,000	-
Advances Out	-	(221,000)	(221,000)	-
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>710,000</u>	<u>710,000</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	188,000	108,300	131,872	23,572
<i>Fund Balance - Beginning of Year</i>	47,734	47,734	47,734	-
<i>Fund Balance - End of Year</i>	<u>\$ 235,734</u>	<u>\$ 156,034</u>	<u>\$ 179,606</u>	<u>\$ 23,572</u>

City of Strongsville, Ohio

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental Revenues	\$ 6,566,835	\$ 4,406,169	\$ 3,864,763	\$ (541,406)
Charges for Services	-	300	300	-
<i>Total Revenues</i>	<u>6,566,835</u>	<u>4,406,469</u>	<u>3,865,063</u>	<u>(541,406)</u>
Expenditures:				
Current:				
Transportation:				
Street Repairs:				
Other	-	31,967	31,967	-
Capital Outlay	<u>7,276,799</u>	<u>6,529,578</u>	<u>4,937,736</u>	<u>1,591,842</u>
<i>Total Expenditures</i>	<u>7,276,799</u>	<u>6,561,545</u>	<u>4,969,703</u>	<u>1,591,842</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(709,964)	(2,155,076)	(1,104,640)	1,050,436
Other Financing Sources (Uses)				
Advances In	-	500,000	500,000	-
Advances Out	<u>(500,000)</u>	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(500,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	(1,209,964)	(2,155,076)	(1,104,640)	1,050,436
<i>Fund Balance - Beginning of Year</i>	<u>2,755,076</u>	<u>2,755,076</u>	<u>2,755,076</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u><u>\$ 1,545,112</u></u>	<u><u>\$ 600,000</u></u>	<u><u>\$ 1,650,436</u></u>	<u><u>\$ 1,050,436</u></u>

City of Strongsville, Ohio
*Schedule of Revenues, Expenses and Changes in Fund Equity -
 Budget (Non-GAAP Basis) and Actual
 Police Facility Construction Fund
 For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Total Revenues</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures:				
Capital Outlay	<u>152,000</u>	<u>1,342,088</u>	<u>1,342,088</u>	<u>-</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(152,000)	(1,342,088)	(1,342,088)	-
Other Financing (Uses)				
Transfers Out	<u>-</u>	<u>(35,565)</u>	<u>(35,565)</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	(152,000)	(1,377,653)	(1,377,653)	-
<i>Fund Balance - Beginning of Year</i>	<u>1,377,653</u>	<u>1,377,653</u>	<u>1,377,653</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u><u>\$ 1,225,653</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

City of Strongsville, Ohio
*Schedule of Revenues, Expenses and Changes in Fund Equity -
 Budget (Non-GAAP Basis) and Actual
 Workers' Compensation Reserve Fund
 For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 524,400	\$ 526,800	\$ 526,800	\$ -
Miscellaneous	6,100	12,000	11,971	(29)
<i>Total Revenues</i>	<u>530,500</u>	<u>538,800</u>	<u>538,771</u>	<u>(29)</u>
Expenses:				
Contractual Services	-	54,500	46,390	8,110
Claims	<u>525,700</u>	<u>400,000</u>	<u>396,211</u>	<u>3,789</u>
<i>Total Expenses</i>	<u>525,700</u>	<u>454,500</u>	<u>442,601</u>	<u>11,899</u>
<i>Net Change in Fund Equity</i>	4,800	84,300	96,170	11,870
<i>Fund Equity - Beginning of Year</i>	<u>846,757</u>	<u>846,757</u>	<u>846,757</u>	<u>-</u>
<i>Fund Equity - End of Year</i>	<u><u>\$ 851,557</u></u>	<u><u>\$ 931,057</u></u>	<u><u>\$ 942,927</u></u>	<u><u>\$ 11,870</u></u>

STATISTICAL SECTION



City of Strongsville, Ohio

Statistical Section

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

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	S2 - S8
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources, property taxes and municipal income taxes.	S10 – S16
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	S17 – S20
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	S21 – S22
Operating Information These schedules contain service data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	S23 – S28

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

City of Strongsville, Ohio

Net Assets by Component Accrual Basis of Accounting Last Nine Years

Table 1

	2011	2010 (1)	2009	2008	2007	2006	2005	2004	2003
Governmental Activities									
Invested in Capital Assets,									
Net of Related Debt	\$135,950,267	\$132,311,472	\$125,782,137	\$143,431,182	\$140,167,160	\$127,579,183	\$126,225,599	\$110,076,605	\$114,753,051
Restricted	14,531,180	16,619,046	24,275,156	11,326,386	15,960,953	24,010,977	13,989,296	10,151,206	6,759,828
Unrestricted	9,614,650	12,359,330	13,247,353	11,150,219	13,042,068	11,785,162	8,150,659	11,290,033	3,189,256
<i>Total Governmental Activities Net Assets</i>	<u>\$160,096,097</u>	<u>\$161,289,848</u>	<u>\$163,304,646</u>	<u>\$165,907,787</u>	<u>\$169,170,181</u>	<u>\$163,375,322</u>	<u>\$148,365,554</u>	<u>\$131,517,844</u>	<u>\$124,702,135</u>
Business Type - Activities									
Invested in Capital Assets,									
Net of Related Debt	\$46,143,739	\$46,710,018	\$49,376,535	\$49,248,305	\$49,079,857	\$46,347,516	\$47,389,915	\$48,489,963	\$52,832,137
Unrestricted	4,299,529	4,998,720	3,897,142	5,485,942	4,679,290	6,027,143	6,497,464	6,328,598	6,117,056
<i>Total Business-Type Activities Net Assets</i>	<u>\$50,443,268</u>	<u>\$51,708,738</u>	<u>\$53,273,677</u>	<u>\$54,734,247</u>	<u>\$53,759,147</u>	<u>\$52,374,659</u>	<u>\$53,887,379</u>	<u>\$54,818,561</u>	<u>\$58,949,193</u>
Primary Government									
Invested in Capital Assets,									
Net of Related Debt	\$182,094,006	\$179,021,490	\$175,158,672	\$192,679,487	\$189,247,017	\$173,926,699	\$173,615,514	\$158,566,568	\$167,585,188
Restricted	14,531,180	16,619,046	24,275,156	11,326,386	15,960,953	24,010,977	13,989,296	10,151,206	6,759,828
Unrestricted	13,914,179	17,358,050	17,144,495	16,636,161	17,721,358	17,812,305	14,648,123	17,618,631	9,306,312
<i>Total Primary Government Net Assets</i>	<u>\$210,539,365</u>	<u>\$212,998,586</u>	<u>\$216,578,323</u>	<u>\$220,642,034</u>	<u>\$222,929,328</u>	<u>\$215,749,981</u>	<u>\$202,252,933</u>	<u>\$186,336,405</u>	<u>\$183,651,328</u>

(1) - Restated

City of Strongsville, Ohio

Changes in Net Assets Accrual Basis of Accounting Last Nine Years

Table 2

	2011	2010 (1)	2009	2008	2007	2006	2005	2004	2003
Program Revenues									
Governmental Activities:									
Charges for Services:									
General Government	\$188,192	\$1,732,960	\$2,317,001	\$2,684,589	\$2,437,564	\$3,515,444	\$2,467,031	\$2,327,997	\$2,074,074
Security of Persons and Property	1,683,289	1,106,800	894,314	885,578	953,819	759,474	1,051,273	798,451	698,320
Public Health Services	44,925	50,778	60,244	48,089	60,876	83,896	50,197	56,605	42,338
Leisure Time Activities	3,068,427	3,126,816	3,151,756	3,138,885	3,008,295	2,836,202	3,017,690	2,870,919	2,884,123
Community Environment	874,340	74,865	57,393	52,172	0	181,432	118,374	115,528	151,180
Basic Utility Services	70,961	0	457	0	0	30,198	0	0	0
Transportation	1,400	25,258	12,793	131,402	57,820	268,943	9,786	28,063	14,901
Subtotal - Charges for Services	<u>5,931,534</u>	<u>6,117,477</u>	<u>6,493,958</u>	<u>6,940,715</u>	<u>6,518,374</u>	<u>7,675,589</u>	<u>6,714,351</u>	<u>6,197,563</u>	<u>5,864,936</u>
Operating Grants and Contributions:									
General Government	0	0	0	0	0	4,722	1,242	10,911	3,304
Security of Persons and Property	58,953	32,195	496,956	196,699	97,091	526,860	217,861	231,514	51,332
Public Health Services	0	0	0	0	0	0	0	0	27,200
Leisure Time Activities	4,176	0	0	728	0	50,811	75,384	4,057	12,795
Community Environment	29,750	3,500	0	102,883	10,000	0	20,401	0	0
Basic Utility Services	0	0	0	0	0	0	7,780	0	64,139
Transportation	1,993,922	1,881,165	1,822,652	1,950,319	1,455,121	1,886,351	1,692,342	1,467,207	1,281,944
Subtotal - Operating Grants and Contributions	<u>2,086,801</u>	<u>1,916,860</u>	<u>2,319,608</u>	<u>2,250,629</u>	<u>1,562,212</u>	<u>2,468,744</u>	<u>2,015,010</u>	<u>1,713,689</u>	<u>1,440,714</u>
Capital Grants and Contributions:									
Security of Persons and Property	0	624,893	0	0	0	0	0	0	0
Leisure Time Activities	486,787	190,500	0	0	0	0	0	0	0
Community Environment	0	0	0	0	170,663	0	0	25,384	0
Basic Utility Services	0	0	300,761	112,682	16,467	980,643	170,069	156,004	47,724
Transportation	5,287,070	4,900,599	620,630	1,563,836	0	203,138	8,350,275	7,387,037	6,804,652
Subtotal - Capital Grants and Contributions	<u>5,773,857</u>	<u>5,715,992</u>	<u>921,391</u>	<u>1,676,518</u>	<u>187,130</u>	<u>1,183,781</u>	<u>8,520,344</u>	<u>7,568,425</u>	<u>6,852,376</u>
Total Governmental Activities Program Revenues	<u>13,792,192</u>	<u>13,750,329</u>	<u>9,734,957</u>	<u>10,867,862</u>	<u>8,267,716</u>	<u>11,328,114</u>	<u>17,249,705</u>	<u>15,479,677</u>	<u>14,158,026</u>
Business-Type Activities:									
Charges for Services:									
Sanitary Sewer	5,225,116	5,420,941	5,104,311	6,027,451	6,113,473	8,947,352	8,818,144	8,470,409	8,229,006
Capital Grants and Contributions									
Sanitary Sewer	<u>538,368</u>	<u>904,765</u>	<u>206,265</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Business-Type Activities Program Revenues	<u>5,763,484</u>	<u>6,325,706</u>	<u>5,310,576</u>	<u>6,027,451</u>	<u>6,113,473</u>	<u>8,947,352</u>	<u>8,818,144</u>	<u>8,470,409</u>	<u>8,229,006</u>
Total Primary Government Program Revenues	<u>\$19,555,676</u>	<u>\$20,076,035</u>	<u>\$15,045,533</u>	<u>\$16,895,313</u>	<u>\$14,381,189</u>	<u>\$20,275,466</u>	<u>\$26,067,849</u>	<u>\$23,950,086</u>	<u>\$22,387,032</u>

Continued

City of Strongsville, Ohio

Changes in Net Assets (continued)

Accrual Basis of Accounting

Last Nine Years

Table 2

	2011	2010 (1)	2009	2008	2007	2006	2005	2004	2003
Expenses									
Governmental Activities:									
General Government	\$5,530,388	\$6,269,187	\$6,508,706	\$7,098,680	\$6,786,628	\$6,733,553	\$5,629,536	\$4,706,740	\$4,774,546
Security of Persons and Property:	21,516,765	19,977,428	19,224,379	19,002,791	18,018,132	15,574,728	15,451,039	14,055,241	13,918,171
Public Health Services	601,590	576,471	664,106	673,737	691,325	1,159,001	791,859	1,531,421	1,702,553
Leisure Time Activities	5,748,672	5,765,092	5,699,830	5,683,148	5,489,674	4,692,170	4,193,433	4,361,827	4,434,228
Community Environment	1,746,987	1,160,407	1,342,951	1,315,155	1,412,973	1,185,523	1,324,095	1,415,563	1,334,952
Basic Utility Services	2,076,197	2,552,751	2,527,962	2,535,449	2,512,831	2,534,684	1,339,811	3,960,528	2,366,707
Transportation	19,356,513	19,202,006	15,647,804	15,736,157	14,221,684	4,964,705	12,091,595	10,795,267	11,343,328
Interest and Fiscal Charges	2,339,292	2,637,914	2,586,722	2,128,048	1,983,198	1,817,551	1,607,729	1,409,310	1,531,385
<i>Total Governmental Activities Expenses</i>	<u>58,916,404</u>	<u>58,141,256</u>	<u>54,202,460</u>	<u>54,173,165</u>	<u>51,116,445</u>	<u>38,661,915</u>	<u>42,429,097</u>	<u>42,235,897</u>	<u>41,405,870</u>
Business-Type Activities									
Sanitary Sewer	7,068,791	6,435,645	6,771,146	7,196,930	7,865,730	10,576,957	9,314,213	9,902,797	9,301,693
<i>Total Business-Type Activities Expenses</i>	<u>7,068,791</u>	<u>6,435,645</u>	<u>6,771,146</u>	<u>7,196,930</u>	<u>7,865,730</u>	<u>10,576,957</u>	<u>9,314,213</u>	<u>9,902,797</u>	<u>9,301,693</u>
<i>Total Primary Government Program Expenses</i>	<u>65,985,195</u>	<u>64,576,901</u>	<u>60,973,606</u>	<u>61,370,095</u>	<u>58,982,175</u>	<u>49,238,872</u>	<u>51,743,310</u>	<u>52,138,694</u>	<u>50,707,563</u>
Net (Expense)/Revenue									
Governmental Activities	(45,124,212)	(44,390,927)	(44,467,503)	(43,305,303)	(42,848,729)	(27,333,801)	(25,179,392)	(26,756,220)	(27,247,844)
Business-Type Activities	<u>(1,305,307)</u>	<u>(109,939)</u>	<u>(1,460,570)</u>	<u>(1,169,479)</u>	<u>(1,752,257)</u>	<u>(1,629,605)</u>	<u>(496,069)</u>	<u>(1,432,388)</u>	<u>(1,072,687)</u>
<i>Total Primary Government Net Expense</i>	<u>(46,429,519)</u>	<u>(44,500,866)</u>	<u>(45,928,073)</u>	<u>(44,474,782)</u>	<u>(44,600,986)</u>	<u>(28,963,406)</u>	<u>(25,675,461)</u>	<u>(28,188,608)</u>	<u>(28,320,531)</u>

Continued

City of Strongsville, Ohio

Changes in Net Assets (continued)

Accrual Basis of Accounting

Last Nine Years

Table 2

	2011	2010 (1)	2009	2008	2007	2006	2005	2004	2003
General Revenues and Other Changes in Net Assets									
Governmental Activities									
Taxes:									
Property Taxes Levied For:									
General Purposes	\$424,295	\$434,211	\$557,971	\$500,118	\$522,343	\$560,017	\$570,936	\$541,604	\$584,274
Other Purposes	5,324,748	5,405,637	5,664,398	4,464,616	4,610,482	4,849,411	4,745,207	3,511,137	3,608,915
Debt Service	3,460,320	3,585,239	3,893,170	3,745,667	3,853,875	3,559,667	3,440,258	3,397,281	3,361,459
Capital Outlay	0	0	0	0	0	0	0	0	38,379
Municipal Income Taxes Levied For:									
General Purposes	26,251,391	22,863,432	23,250,680	24,737,583	24,573,922	24,161,083	24,447,153	19,424,237	16,313,603
Other Purposes	2,625,174	2,622,417	2,680,482	2,880,291	2,831,795	3,247,691	2,443,378	2,583,142	2,020,308
Other Local Taxes Levied For:									
General Purposes	0	722,501	1,237,868	1,105,006	2,385,214	1,423,291	1,387,698	158,290	125,193
Other Purposes	0	318,728	313,231	290,111	317,247	312,444	290,385	341,933	338,262
Hotel Taxes	171,572	0	0	0	0	0	0	0	0
Permissive Motor Vehicle Taxes	325,245	0	0	0	0	0	0	0	0
Franchise Taxes	645,974	0	0	0	0	0	0	0	0
Payments in Lieu of Taxes	848,939	609,562	349,651	0	0	0	0	0	0
Grants and Entitlements not Restricted to									
Specific Programs	3,673,797	4,137,516	3,351,151	3,588,997	2,201,145	1,743,170	2,442,618	3,224,703	2,344,109
Investment Income	174,298	221,886	565,760	740,975	1,765,591	1,488,166	784,251	350,735	180,822
Gain (Loss) on Sale of Capital Assets	0	0	0	116,910	0	0	382,940	55,497	19,935
Miscellaneous	4,708	0	0	17,214	0	100,798	11,175	0	4,200
Transfers	0	650,000	0	0	0	0	0	0	0
Total Governmental Activities	43,930,461	41,571,129	41,864,362	42,187,488	43,061,614	41,445,738	40,945,999	33,588,559	28,939,459
Business-Type Activities									
Investment Income	39,837	0	0	0	0	0	0	0	0
Transfers	0	(650,000)	0	0	0	0	0	0	0
Total Business-Type Activities Expenses	39,837	(650,000)	0	0	0	0	0	0	0
Total Primary Government General Revenues and Other Changes in Net Assets	43,970,298	40,921,129	41,864,362	42,187,488	43,061,614	41,445,738	40,945,999	33,588,559	28,939,459
Change in Net Assets									
Governmental Activities	(1,193,751)	(2,819,798)	(2,603,141)	(1,117,815)	212,885	14,111,937	15,766,607	6,832,339	1,691,615
Business-Type Activities	(1,265,470)	(759,939)	(1,460,570)	(1,169,479)	(1,752,257)	(1,629,605)	(496,069)	(1,432,388)	(1,072,687)
Total Primary Government Change in Net Assets	(\$2,459,221)	(\$3,579,737)	(\$4,063,711)	(\$2,287,294)	(\$1,539,372)	\$12,482,332	\$15,270,538	\$5,399,951	\$618,928

(1) - Restated

City of Strongsville, Ohio

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

Table 3

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General Fund										
Nonspendable	\$87,347	\$356,036	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Committed	1,000,000	6,800	0	0	0	0	0	0	0	0
Assigned	93,058	0	0	0	0	0	0	0	0	0
Unassigned	11,754,185	11,333,325	0	0	0	0	0	0	0	0
Reserved for Inventories, Prepaids, and Encumbrances	0	0	342,856	299,324	272,177	345,796	346,567	426,209	751,086	566,776
Unreserved	0	0	11,161,498	11,537,393	10,809,794	9,633,392	5,461,370	4,602,828	2,650,342	3,584,658
Total General Fund	12,934,590	11,696,161	11,504,354	11,836,717	11,081,971	9,979,188	5,807,937	5,029,037	3,401,428	4,151,434
All Other Governmental Funds										
Nonspendable	788,206	552,153	0	0	0	0	0	0	0	0
Restricted	7,100,443	10,975,566	0	0	0	0	0	0	0	0
Committed	2,772,189	3,059,448	0	0	0	0	0	0	0	0
Unassigned (Deficit)	(5,496,105)	0	0	0	0	0	0	0	0	0
Reserved for Inventories, Prepaids, and Encumbrances	0	0	538,166	498,903	435,090	468,581	529,250	1,002,581	2,823,237	4,266,981
Reserved for Debt Service			2,107,301	2,308,787	2,991,563	2,978,000	3,027,327	2,284,051	1,403,889	820,385
Unreserved, Undesignated, Reported in:										
Special Revenue funds	0	0	7,873,397	8,256,585	8,360,462	10,768,958	6,158,376	4,219,341	1,084,410	994,597
Capital Projects funds	0	0	11,008,764	12,078,222	1,387,781	6,415,873	1,030,393	(2,137,642)	(2,484,163)	187,985
Total All Other Governmental Funds	5,164,733	14,587,167	21,527,628	23,142,497	13,174,896	20,631,412	10,745,346	5,368,331	2,827,373	6,269,948
Total Governmental Funds	\$18,099,323	\$26,283,328	\$33,031,982	\$34,979,214	\$24,256,867	\$30,610,600	\$16,553,283	\$10,397,368	\$6,228,801	\$10,421,382

Note: In 2011, the City implemented GASB Statement No. 54. As a result, the 2010 fund balances were reclassified to reflect the effects of GASB Statement No. 54.

City of Strongsville, Ohio

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

Table 4

	2011 (1)	2010	2009	2008	2007	2006	2005	2004	2003	2002
Revenues										
Municipal Income Taxes	\$28,203,761	\$26,460,113	\$25,926,979	\$27,521,333	\$27,508,910	\$28,107,643	\$25,519,065	\$21,290,278	\$18,619,664	\$18,231,730
Property Taxes	9,327,017	9,474,306	9,895,558	8,930,246	8,928,671	9,002,409	8,880,090	7,417,393	7,295,628	6,258,446
Other Taxes	0	1,041,230	2,265,750	2,236,940	2,404,471	1,343,366	138,452	157,638	463,455	12,027
Hotel Taxes	171,572	0	0	0	0	0	0	0	0	0
Permissive Motor Vehicle Taxes	325,245	0	0	0	0	0	0	0	0	0
Franchise Taxes	645,974	0	0	0	0	0	0	0	0	0
Payment in Lieu of Taxes	848,939	609,562	0	0	0	0	0	0	0	0
Intergovernmental	9,660,513	12,337,923	6,397,976	5,737,481	4,180,607	5,505,589	14,772,386	12,705,263	5,788,063	5,320,907
Special Assessments	181,198	173,606	150,000	145,000	140,000	130,000	120,000	115,000	273,454	239,084
Charges for Services	4,270,678	4,306,774	4,746,566	4,668,474	4,754,916	4,749,111	4,401,014	4,216,975	4,152,963	4,187,303
Fees, Licenses and Permits	829,427	778,914	1,422,755	1,477,214	1,365,786	1,882,449	1,584,620	1,729,275	1,433,608	1,700,618
Fines and Forfeitures	575,280	635,519	0	0	0	0	0	0	0	0
Contributions and Donations	1,744,177	0	0	0	0	0	0	0	0	0
Interest	174,298	221,886	540,955	725,526	1,750,142	1,478,794	780,964	353,545	180,822	382,302
All Other Revenues	259,071	300,964	311,725	1,841,875	441,968	1,093,104	706,707	288,749	261,224	276,005
Total Revenues	57,217,150	56,340,797	51,658,264	53,284,089	51,475,471	53,292,465	56,903,298	48,274,116	38,468,881	36,608,422
Expenditures										
Current:										
General Government	4,684,119	6,023,550	6,384,644	6,699,678	6,478,223	6,591,496	6,051,552	4,206,014	4,255,456	3,863,629
Security of Persons and Property	20,322,032	18,953,918	18,400,681	17,811,396	17,291,565	15,761,969	15,180,804	13,539,845	13,583,133	13,979,738
Public Health Services	606,142	602,857	653,054	667,697	689,121	716,829	1,396,935	1,416,726	1,394,520	1,389,052
Leisure Time Activities	5,412,647	5,149,526	5,084,001	5,075,995	4,943,165	4,470,869	4,237,233	3,823,204	4,283,508	4,935,671
Community Environment	1,716,758	1,112,484	1,334,368	1,277,746	1,517,796	1,328,728	1,318,533	1,364,405	1,347,534	1,425,196
Basic Utility Services	2,076,197	2,552,751	2,527,962	2,535,449	2,512,831	2,534,684	2,544,551	2,608,315	2,366,707	2,123,964
Transportation	13,710,377	12,504,482	8,758,272	8,806,301	7,684,081	8,992,748	9,420,531	6,300,387	5,157,813	5,411,225
Capital Outlay	8,128,639	11,616,943	12,387,291	10,600,177	12,248,397	6,389,425	14,386,155	7,674,935	7,531,660	4,752,158
Debt Service:										
Principal Retirement	2,315,000	2,563,688	19,234,457	2,659,457	2,529,457	4,446,539	8,590,466	1,809,454	1,740,000	1,605,587
Interest and Fiscal Charges	2,336,917	2,690,882	2,870,106	2,022,217	1,965,418	1,738,124	1,614,200	1,414,761	1,557,766	1,766,009
Bond Issuance Costs	241,499	0	0	0	0	204,661	0	0	15,971	0
Advance Refunding Escrow	1,499,540	0	0	0	0	0	0	0	0	0
Total Expenditures	63,049,867	63,771,081	77,634,836	58,156,113	57,860,054	53,176,072	64,740,960	44,158,046	43,234,068	41,252,229

(Continued)

City of Strongsville, Ohio

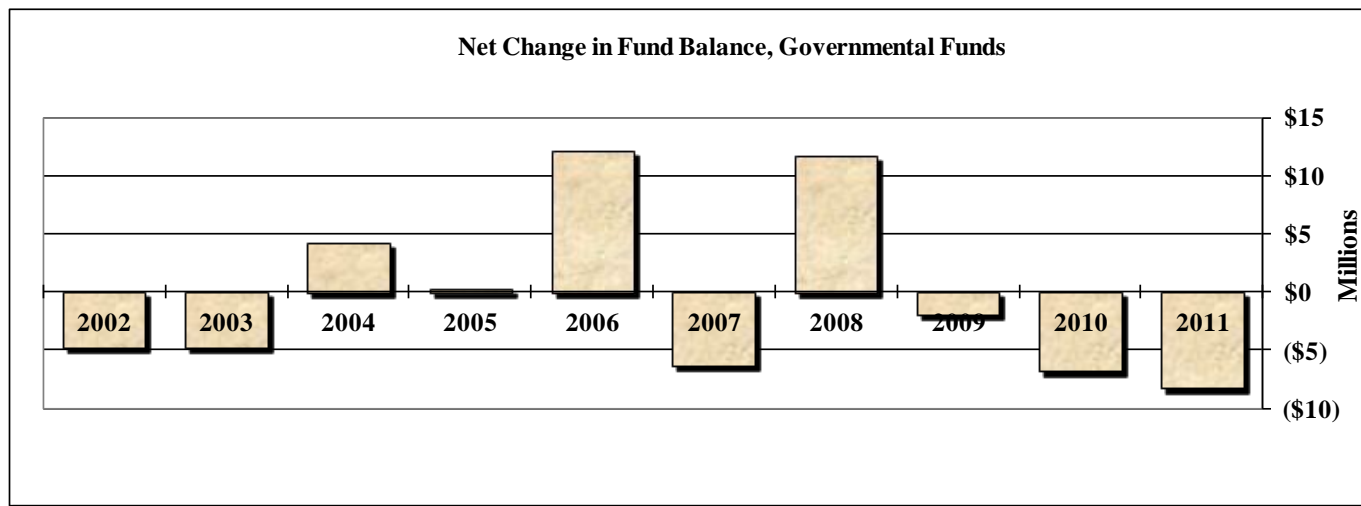
Changes in Fund Balances, Governmental Funds Modified Accrual Basis of Accounting (continued)

Last Ten Years

Table 4

	2011 (1)	2010	2009	2008	2007	2006	2005	2004	2003	2002
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(5,832,717)</u>	<u>(7,430,284)</u>	<u>(25,976,572)</u>	<u>(4,872,024)</u>	<u>(6,384,583)</u>	<u>116,393</u>	<u>(7,837,662)</u>	<u>4,116,070</u>	<u>(4,765,187)</u>	<u>(4,643,807)</u>
Other Financing Sources (Uses)										
Sale of Capital Assets	54,159	31,630	26,320	33,950	30,850	23,223	1,266,830	55,497	19,936	47,031
General Obligation Notes and Bonds Issued	0	0	24,985,000	16,450,000	0	11,740,000	6,685,000	0	0	0
Refunding Bonds Issued	10,735,000	0	0	0	0	0	0	0	0	0
Premium on Debt Issuance	734,553	0	553,020	0	0	243,248	65,749	0	0	0
Payment to Refunded Bond Escrow Account	(13,875,000)	0	(1,535,000)	0	0	0	0	0	0	0
Transfers In	15,045,506	10,000,250	10,324,632	10,434,101	10,625,955	8,775,000	9,318,405	6,977,000	6,351,560	6,818,000
Transfers Out	<u>(15,045,506)</u>	<u>(9,350,250)</u>	<u>(10,324,632)</u>	<u>(10,434,101)</u>	<u>(10,625,955)</u>	<u>(8,775,000)</u>	<u>(9,318,405)</u>	<u>(6,980,000)</u>	<u>(6,351,560)</u>	<u>(6,968,000)</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(2,351,288)</u>	<u>681,630</u>	<u>24,029,340</u>	<u>16,483,950</u>	<u>30,850</u>	<u>12,006,471</u>	<u>8,017,579</u>	<u>52,497</u>	<u>19,936</u>	<u>(102,969)</u>
<i>Net Change in Fund Balances</i>	<u><u>(\$8,184,005)</u></u>	<u><u>(\$6,748,654)</u></u>	<u><u>(\$1,947,232)</u></u>	<u><u>\$11,611,926</u></u>	<u><u>(\$6,353,733)</u></u>	<u><u>\$12,122,864</u></u>	<u><u>\$179,917</u></u>	<u><u>\$4,168,567</u></u>	<u><u>(\$4,745,251)</u></u>	<u><u>(\$4,746,776)</u></u>
Debt Service as a Percentage of Noncapital Expenditures	11.9%	10.1%	33.9%	9.8%	9.9%	13.7%	20.3%	8.8%	9.3%	9.2%

(1) In 2011, the City reclassified several revenues for a more proper presentation.





City of Strongsville, Ohio

Assessed Valuations and Estimated Actual Values of Taxable Property

Last Ten Years

Tax/ Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value
2010/2011	\$1,065,813,650	\$351,694,900	\$4,050,024,429	\$25,230,750	\$28,671,307
2009/2010	1,060,500,060	339,966,540	4,001,333,143	24,348,890	27,669,193
2008/2009	1,144,174,580	340,536,050	4,242,030,371	22,889,670	26,010,989
2007/2008	1,134,046,780	329,271,100	4,180,908,229	21,700,330	24,659,466
2006/2007	1,122,917,950	336,777,870	4,170,559,486	27,670,430	31,443,670
2005/2006	1,007,484,400	287,716,880	3,700,575,086	26,848,990	30,510,216
2004/2005	991,788,180	289,543,040	3,660,946,343	29,864,250	33,936,648
2003/2004	976,303,320	275,532,850	3,576,674,771	30,040,120	34,136,500
2002/2003	890,164,230	263,858,260	3,297,207,114	29,893,180	33,969,523
2001/2002	865,453,230	268,907,340	3,241,030,200	31,858,720	36,203,091

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

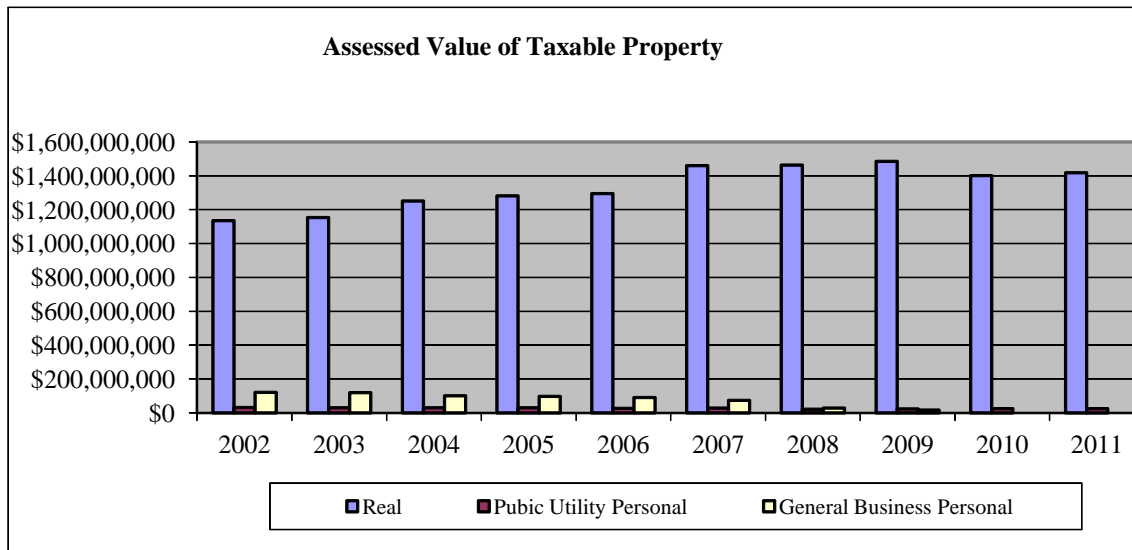
The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General 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 is being phased out beginning in 2006.

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

Source: Ohio Department of Taxation and Office of the County Fiscal Officer, Cuyahoga County, Ohio

Table 5

Tangible Personal Property					
General Business		Total			Direct Tax Rate
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio	
\$0	\$0	\$1,442,739,300	\$4,078,695,736	35.37%	\$9.90
0	0	1,424,815,490	4,029,002,336	35.36	9.90
16,619,271	265,908,336	1,524,219,571	4,533,949,696	33.62	9.90
28,361,669	453,786,704	1,513,379,879	4,659,354,399	32.48	10.10
73,437,883	587,503,064	1,560,804,133	4,789,506,220	32.59	10.10
91,439,271	487,676,112	1,413,489,541	4,218,761,414	33.50	10.60
96,894,867	516,772,624	1,408,090,337	4,211,655,615	33.43	10.60
99,891,928	434,312,730	1,381,768,218	4,045,124,001	34.16	11.60
118,512,051	515,269,787	1,302,427,721	3,846,446,424	33.86	11.60
121,457,704	528,076,974	1,287,676,994	3,805,310,265	33.84	11.60



City of Strongsville, Ohio

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

Last Ten Years

Table 6

	Tax Year 2010	Tax Year 2009	Tax Year 2008	Tax Year 2007	Tax Year 2006	Tax Year 2005	Tax Year 2004	Tax Year 2003	Tax Year 2002	Tax Year 2001
City of Strongsville										
Unvoted Millage										
Permanent Improvement	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.5000
Debt	2.3000	2.3000	2.3000	2.3000	2.3000	2.3000	2.3000	2.3000	2.3000	1.8000
Fire Pension	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
Police Pension	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
Total Unvoted Millage	2.9000	2.9000	2.9000	2.9000	2.9000	2.9000	2.9000	2.9000	2.9000	2.9000
Voted Millage by Levy										
1976 Current Expense	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000
1976 Fire	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	3.0000	3.0000	3.0000
1976 Recreational	0.0000	0.0000	0.0000	0.0000	0.0000	0.5000	0.5000	0.5000	0.5000	0.5000
1976 Southwest Hospital	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
1976 Sewage	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
1979 Fire	0.0000	0.0000	0.0000	1.7000	1.7000	1.7000	1.7000	1.7000	1.7000	1.7000
2000 Bond	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
2004 Fire	2.0000	2.0000	2.0000	2.0000	2.0000	2.0000	2.0000	0.0000	0.0000	0.0000
2008 Fire	1.5000	1.5000	1.5000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Total Voted Millage	7.0000	7.0000	7.0000	7.2000	7.2000	7.7000	7.7000	8.7000	8.7000	8.7000
Total Millage - City	\$9.9000	\$9.9000	\$9.9000	\$10.1000	\$10.1000	\$10.6000	\$10.6000	\$11.6000	\$11.6000	\$11.6000
Overlapping Rates by Taxing District										
<i>Cuyahoga County</i>	13.3200	13.3200	13.3200	13.4200	13.4200	13.5200	13.5200	13.5200	11.7200	11.7200
<i>Strongsville City School District</i>	81.1900	81.2900	81.2000	81.3000	74.8000	74.9000	74.9000	74.9000	73.9000	68.8000
<i>Polaris Joint Vocational School District</i>	2.4000	2.4000	2.4000	2.4000	2.4000	2.4000	2.4000	2.4000	2.4000	2.4000
<i>Cleveland Metroparks</i>	1.8500	1.8500	1.8500	1.8500	1.8500	1.8500	1.8500	1.5500	1.5500	1.5500
<i>Cuyahoga County Library</i>	2.5000	2.5000	2.5000	2.0000	2.0000	2.0000	2.0000	1.4000	1.4000	1.4000
<i>Cuyahoga County Community College</i>	3.1000	2.8000	2.8000	2.8000	2.8000	2.8000	2.8000	2.8000	2.8000	2.8000
<i>Cleveland-Cuyahoga Port Authority</i>	0.1300	0.1300	0.1300	0.1300	0.1300	0.1300	0.1300	0.1300	0.1300	0.1300
Total Millage - Overlapping Governments	104.4900	104.2900	104.2000	103.9000	97.4000	97.6000	97.6000	96.7000	93.9000	88.8000
Grand Total - All Direct and Overlapping Rates	\$114.3900	\$114.1900	\$114.1000	\$114.0000	\$107.5000	\$108.2000	\$108.2000	\$108.3000	\$105.5000	\$100.4000

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

City of Strongsville, Ohio

Property Tax Levies and Collections

Last Ten Years

Table 7

<u>Tax/ Collection Year</u>	<u>Current Tax Levy</u>	<u>Current Tax Collections (1)</u>	<u>Percent of Current Tax Collections To Tax Levy</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collections To Tax Levy</u>	<u>Accumulated Outstanding Delinquent Taxes</u>	<u>Percentage of Delinquent Taxes to Current Tax Levy</u>
2010/2011	\$11,570,511	\$11,092,903	95.87 %	\$246,145	\$11,339,048	98.00 %	\$640,974	5.54 %
2009/2010	11,224,849	10,854,727	96.70	310,180	11,164,907	99.47	645,606	5.75
2008/2009	11,074,911	10,586,349	95.59	215,394	10,801,743	97.53	707,131	6.38
2007/2008	9,754,760	9,499,418	97.38	314,373	9,813,791	100.61	432,154	4.43
2006/2007	9,902,589	9,511,343	96.05	268,047	9,779,390	98.76	706,961	7.14
2005/2006	9,807,320	9,565,093	97.53	263,329	9,828,422	100.22	634,423	6.47
2004/2005	9,966,510	9,645,472	96.78	245,597	9,891,069	99.24	676,067	6.78
2003/2004	8,293,358	8,013,086	96.62	190,163	8,203,249	98.91	664,545	8.01
2002/2003	7,980,840	7,822,902	98.02	254,792	8,077,694	101.21	606,156	7.60
2001/2002	8,092,132	7,543,110	93.22	227,733	7,770,843	96.03	599,721	7.41

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

(1) State reimbursement of rollback and homestead exemptions are included.

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

City of Strongsville, Ohio

Principal Taxpayers – Real Estate Tax

2011

Table 8

Taxpayer	2011 (1)	
	Real Property Assessed Valuation (2)	Percentage of Real Assessed Valuation
Southpark Mall, LLC	\$65,745,630	4.56 %
Cleveland Electric Illuminating Company	20,722,740	1.44
Vam, LTD.	12,512,750	0.87
Firstcal Industrial 2 Acquisition	11,704,760	0.81
Greens of Strongsville, LTD.	8,858,510	0.61
Cherry Street Village	7,972,310	0.55
Polo Club Apartments. LLC.	7,275,880	0.50
Chestnut Lake Apartments	6,627,620	0.46
Wal-Mart Real Estate	5,915,560	0.41
Ohio Commerce Center Investments	5,250,000	0.37
Total	<u>\$152,585,760</u>	<u>10.58 %</u>
Total Assessed Valuation	<u><u>\$1,442,739,300</u></u>	

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

(1) Information prior to 2011 is not available

(2) The amounts presented represent the assessed values upon which 2011 collections were based.

City of Strongsville, Ohio

Income Tax Revenue Base and Collections (Cash Basis)

Last Ten Years

Table 9

<u>Year</u>	<u>Tax Rate</u>	<u>Total Tax Collected</u>	<u>Taxes from Withholding</u>	<u>Percentage of Taxes from Withholding</u>	<u>Taxes From Net Profits</u>	<u>Percentage of Taxes from Net Profits</u>	<u>Taxes (1) From Individuals</u>	<u>Percentage of Taxes from Individuals</u>
2011	2.00 %	\$27,896,316	\$17,701,146	63.45 %	\$2,364,892	8.48 %	\$7,830,278	28.07 %
2010	2.00	26,020,812	17,084,709	65.66	1,721,627	6.62	7,214,476	27.72
2009	2.00	26,215,912	16,980,532	64.77	1,690,117	6.45	7,545,263	28.78
2008	2.00	27,584,664	17,151,422	62.18	2,573,058	9.33	7,860,184	28.49
2007	2.00	27,516,760	17,682,322	64.26	1,955,142	7.11	7,879,296	28.63
2006	2.00	27,017,317	16,997,170	62.91	2,199,879	8.14	7,820,268	28.95
2005	2.00	25,131,216	15,849,436	63.07	1,754,739	6.98	7,527,041	29.95
2004	2.00	20,461,514	14,281,918	69.80	1,165,928	5.70	5,013,668	24.50
2003	2.00	18,633,883	13,858,415	74.37	1,239,778	6.65	3,535,690	18.98
2002	2.00	17,849,289	13,305,337	74.54	890,159	4.99	3,653,793	20.47

Source: Regional Income Tax Agency (RITA)

(1) City implemented an Income Tax Credit Reduction from 100% to 75%, effective April 1, 2004.

Note: The City is prohibited by statute from presenting information regarding individual taxpayers.

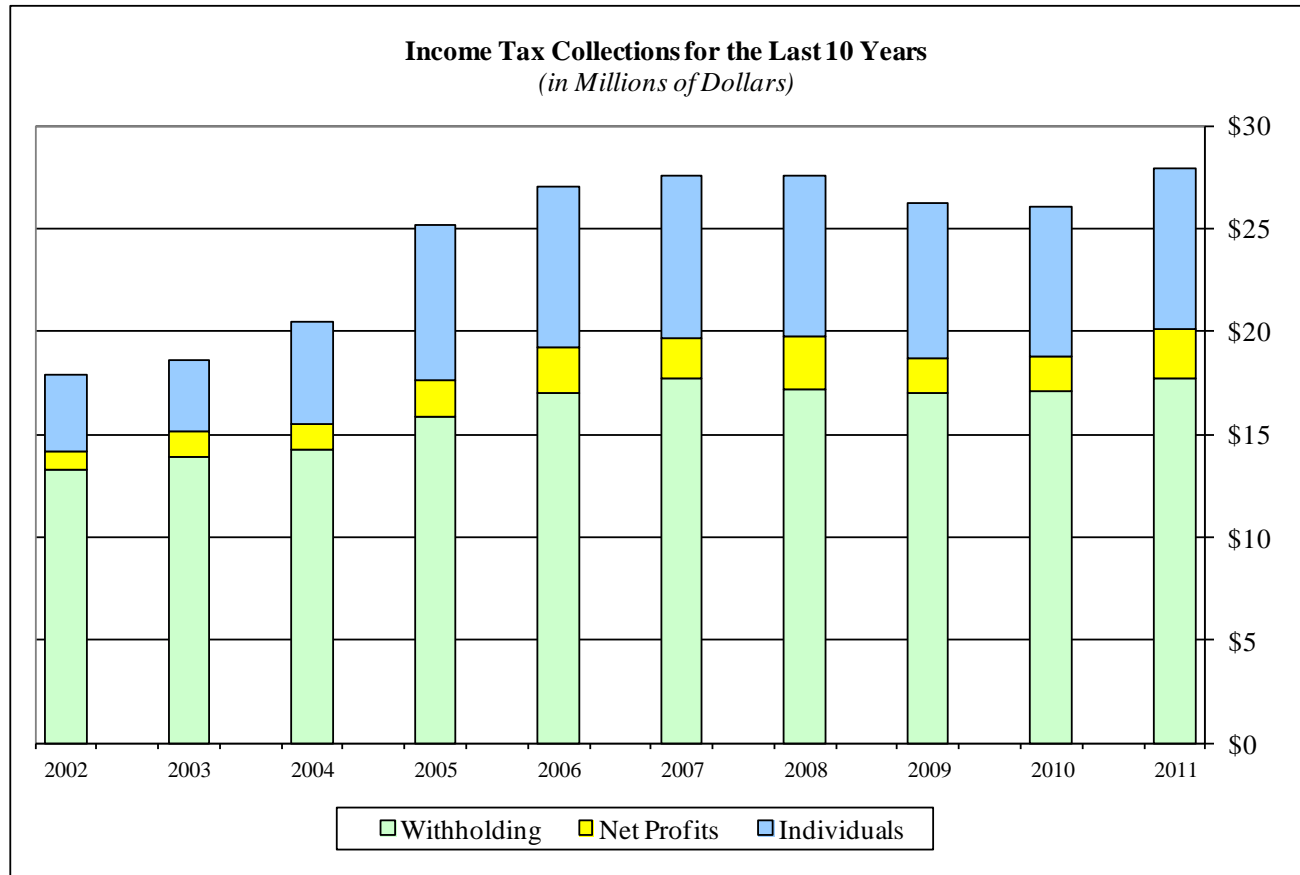
(Continued)

City of Strongsville, Ohio

Income Tax Revenue Base and Collections (Cash Basis) (continued)

Last Ten Years

Table 9



City of Strongsville, Ohio

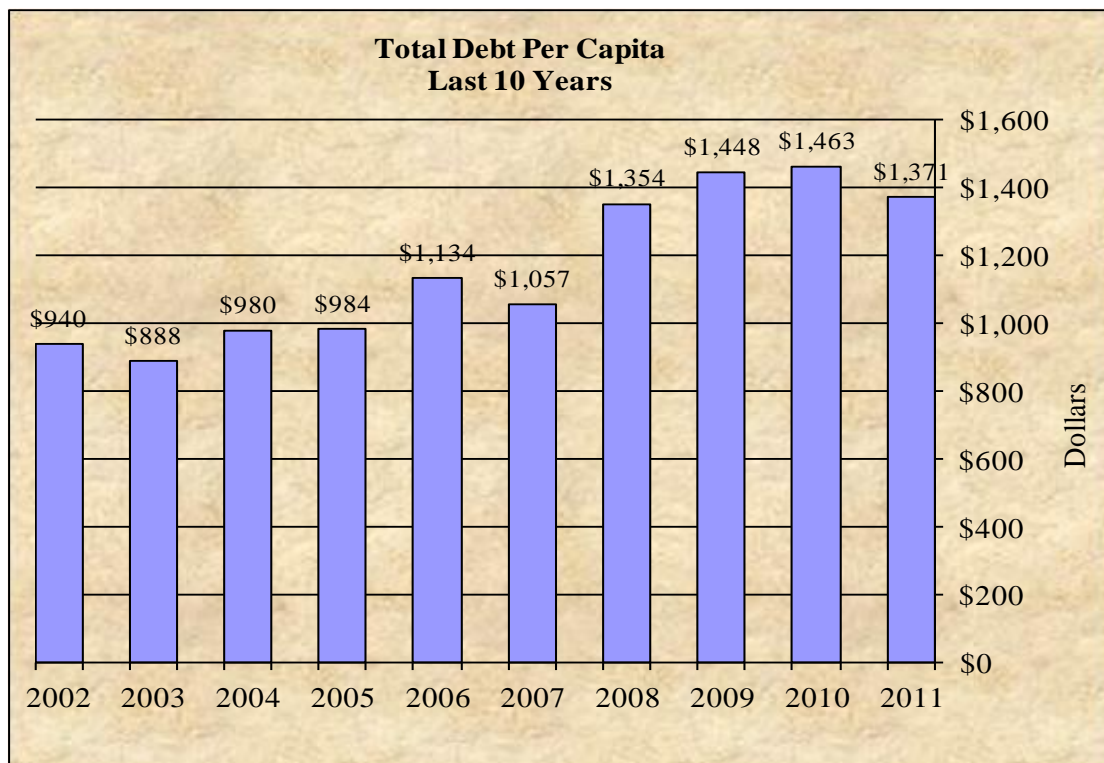
Ratio of Outstanding Debt to Total Personal Income and Debt Per Capita

Last Ten Years

Table 10

Year	Governmental Activities				Business-Type Activities			Total Debt	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Special Assessment Bonds	Bond Anticipation Notes	OPWC Loans	General Obligation Bonds	OWDA Loans	OPWC Loans			
2011	\$49,524,838	\$865,000	\$7,716,240	\$0	\$615,000	\$2,650,708	\$0	\$61,371,786	3.96 %	\$1,371
2010	55,780,684	1,035,000	5,041,458	0	805,000	2,814,500	0	65,476,642	4.22	1,463
2009	57,931,865	1,190,000	0	118,688	990,000	3,177,782	77,946	63,486,281	4.87	1,448
2008	36,167,026	1,340,000	16,450,000	138,145	1,185,000	3,996,756	92,119	59,369,046	4.55	1,354
2007	38,491,528	1,485,000	0	157,602	1,365,000	4,744,483	106,292	46,349,905	3.56	1,057
2006	40,861,030	1,625,000	0	177,059	1,530,000	5,427,460	120,465	49,741,014	3.82	1,134
2005	31,150,532	1,755,000	2,190,000	196,516	1,685,000	6,042,493	134,638	43,154,179	3.31	984
2004	25,965,000	1,875,000	6,750,000	225,700	1,835,000	6,181,730	155,897	42,988,327	3.30	980
2003	27,630,000	1,990,000	2,950,000	245,154	1,965,000	4,016,357	170,070	38,966,581	2.99	888
2002	29,250,000	2,100,000	2,950,000	264,612	2,090,000	4,393,006	184,243	41,231,861	3.16	940

Note: Population and Personal Income data are presented on page S21.



City of Strongsville, Ohio

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

Table 11

Year	Population (1)		Estimated Actual Value of Taxable Property (2)	Gross Bonded Debt (3)	Ratio of Net Bonded Debt to Estimated Actual Value of Taxable Property	Net Bonded Debt Per Capital
2011	44,750	b	\$4,078,695,736	\$50,139,838	1.23 %	\$1,120.44
2010	44,750	b	4,029,002,336	56,585,684	1.40	\$1,264.48
2009	43,858	a	4,533,949,696	58,921,865	1.30	\$1,343.47
2008	43,858	a	4,659,354,399	37,352,026	0.80	\$851.66
2007	43,858	a	4,789,506,220	39,856,528	0.83	\$908.76
2006	43,858	a	4,218,761,414	42,391,030	1.00	\$966.55
2005	43,858	a	4,211,655,615	32,835,532	0.78	\$748.68
2004	43,858	a	4,045,124,001	27,800,000	0.69	\$633.86
2003	43,858	a	3,846,446,424	29,595,000	0.77	\$674.79
2002	43,858	a	3,805,310,265	31,340,000	0.82	\$714.58

Sources:

- (1) U. S. Bureau of Census, Census of Population.
 - (a) 2000 Federal Census
 - (b) 2010 Federal Census
- (2) Office of the County Fiscal Officer, Cuyahoga County, Ohio
- (3) Includes all general obligation bonded debt with the exception of Special Assessment debt.

City of Strongsville, Ohio

Computation of Direct and Overlapping General Obligation Bonded Debt

December 31, 2011

Table 12

<u>Jurisdiction</u>	<u>Governmental Activities Debt Outstanding</u>	<u>Percentage Applicable to City (1)</u>	<u>Amount Applicable to City</u>
Direct - City of Strongsville			
General Obligation Bonds	\$49,524,838	100.00 %	\$49,524,838
Special Assessment Bonds	865,000	100.00	865,000
Bond Anticipation Notes	<u>7,716,240</u>	100.00	<u>7,716,240</u>
<i>Total Direct Debt</i>	<u>58,106,078</u>		<u>58,106,078</u>
Overlapping			
Strongsville City School District	8,309,430	100.00	8,309,430
Cuyahoga County	298,113,842	4.85	14,462,755
Greater Cleveland Regional Transit Authority	<u>142,080,000</u>	4.85	<u>6,892,898</u>
<i>Total Overlapping Debt</i>	<u>448,503,272</u>		<u>29,665,083</u>
Total	<u><u>\$506,609,350</u></u>		<u><u>\$87,771,161</u></u>

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

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

City of Strongsville, Ohio

Legal Debt Margin

Last Ten Years

Table 13

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Total Assessed Property Value	<u>\$1,442,739,300</u>	<u>\$1,424,815,490</u>	<u>\$1,524,219,571</u>	<u>\$1,513,379,879</u>	<u>\$1,560,804,133</u>	<u>\$1,413,489,541</u>	<u>\$1,408,090,337</u>	<u>\$1,381,768,218</u>	<u>\$1,302,427,721</u>	<u>\$1,287,676,994</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>151,487,627</u>	<u>149,605,626</u>	<u>160,043,055</u>	<u>158,904,887</u>	<u>163,884,434</u>	<u>148,416,402</u>	<u>147,849,485</u>	<u>145,085,663</u>	<u>136,754,911</u>	<u>135,206,084</u>
Debt Outstanding:										
General Obligation Bonds (net)-Governmental Activities	\$49,524,838	\$55,780,684	\$57,931,865	\$36,167,026	\$38,491,528	\$40,861,030	\$31,150,532	\$25,965,000	\$27,630,000	\$29,250,000
General Obligation Bonds-Business Type Activities	615,000	805,000	990,000	1,185,000	1,365,000	1,530,000	1,685,000	1,835,000	1,965,000	2,090,000
Special Assessment Bonds	865,000	1,035,000	1,190,000	1,340,000	1,485,000	1,625,000	1,755,000	1,875,000	1,990,000	2,100,000
Bond Anticipation Notes (net)	7,716,240	5,041,458	0	16,450,000	0	0	2,190,000	6,750,000	2,950,000	2,950,000
OPWC Loans	0	0	196,634	230,264	263,894	297,524	331,154	381,597	415,224	448,855
OWDA Loans	2,650,708	2,814,500	3,177,782	3,996,756	4,744,483	5,427,460	6,042,493	6,181,730	4,016,357	4,393,006
Total Gross Indebtedness	<u>61,371,786</u>	<u>65,476,642</u>	<u>63,486,281</u>	<u>59,369,046</u>	<u>46,349,905</u>	<u>49,741,014</u>	<u>43,154,179</u>	<u>42,988,327</u>	<u>38,966,581</u>	<u>41,231,861</u>
Less:										
General Obligation Bonds-Business Type Activities	(615,000)	(805,000)	(990,000)	(1,185,000)	(1,365,000)	(1,530,000)	(1,685,000)	(1,835,000)	(1,965,000)	(2,090,000)
Special Assessment Bonds	(865,000)	(1,035,000)	(1,190,000)	(1,340,000)	(1,485,000)	(1,625,000)	(1,755,000)	(1,875,000)	(1,990,000)	(2,100,000)
OPWC Loans	0	0	(196,634)	(230,264)	(263,894)	(297,524)	(331,154)	(381,597)	(415,224)	(448,855)
OWDA Loans	(2,650,708)	(2,814,500)	(3,177,782)	(3,996,756)	(4,744,483)	(5,427,460)	(6,042,493)	(6,181,730)	(4,016,357)	(4,393,006)
General Obligation Bond Retirement Fund Balance	<u>0</u>	<u>1,568,792</u>	<u>1,265,353</u>	<u>1,805,140</u>	<u>1,603,836</u>	<u>2,521,692</u>	<u>2,310,204</u>	<u>1,844,692</u>	<u>993,267</u>	<u>820,385</u>
Total Net Debt Applicable to Debt Limit	<u>57,241,078</u>	<u>62,390,934</u>	<u>59,197,218</u>	<u>54,422,166</u>	<u>40,095,364</u>	<u>43,382,722</u>	<u>35,650,736</u>	<u>34,559,692</u>	<u>31,573,267</u>	<u>33,020,385</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$94,246,549</u>	<u>\$87,214,692</u>	<u>\$100,845,837</u>	<u>\$104,482,721</u>	<u>\$123,789,070</u>	<u>\$105,033,680</u>	<u>\$112,198,749</u>	<u>\$110,525,971</u>	<u>\$105,181,644</u>	<u>\$102,185,699</u>
Legal Debt Margin as a Percentage of the Debt Limit	62.21%	58.30%	63.01%	65.75%	75.53%	70.77%	75.89%	76.18%	76.91%	75.58%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$79,350,662</u>	<u>\$78,364,852</u>	<u>\$83,832,076</u>	<u>\$83,235,893</u>	<u>\$85,844,227</u>	<u>\$77,741,925</u>	<u>\$77,444,969</u>	<u>\$75,997,252</u>	<u>\$71,633,525</u>	<u>\$70,822,235</u>
Total Gross Indebtedness	61,371,786	65,476,642	63,486,281	59,369,046	46,349,905	49,741,014	43,154,179	42,988,327	38,966,581	41,231,861
Less:										
Voted General Obligation Bonds	0	(4,345,000)	(4,680,000)	(5,005,000)	(5,315,000)	(5,615,000)	(5,905,000)	(6,190,000)	(6,465,000)	(6,730,000)
General Obligation Bonds-Business Type Activities	(615,000)	(805,000)	(990,000)	(1,185,000)	(1,365,000)	(1,530,000)	(1,685,000)	(1,835,000)	(1,965,000)	(2,090,000)
Special Assessment Bonds	(865,000)	(1,035,000)	(1,190,000)	(1,340,000)	(1,485,000)	(1,625,000)	(1,755,000)	(1,875,000)	(1,990,000)	(2,100,000)
OPWC Loans	0	0	(196,634)	(230,264)	(263,894)	(297,524)	(331,154)	(381,597)	(415,224)	(448,855)
OWDA Loans	(2,650,708)	(2,814,500)	(3,177,782)	(3,996,756)	(4,744,483)	(5,427,460)	(6,042,493)	(6,181,730)	(4,016,357)	(4,393,006)
General Obligation Bond Retirement Fund Balance	<u>0</u>	<u>1,568,792</u>	<u>1,265,353</u>	<u>1,805,140</u>	<u>1,603,836</u>	<u>2,521,692</u>	<u>2,310,204</u>	<u>1,844,692</u>	<u>993,267</u>	<u>820,385</u>
Net Debt Within 5 ½ % Limitations	<u>57,241,078</u>	<u>58,045,934</u>	<u>54,517,218</u>	<u>49,417,166</u>	<u>34,780,364</u>	<u>37,767,722</u>	<u>29,745,736</u>	<u>28,369,692</u>	<u>25,108,267</u>	<u>26,290,385</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$22,109,584</u>	<u>\$20,318,918</u>	<u>\$29,314,858</u>	<u>\$33,818,727</u>	<u>\$51,063,863</u>	<u>\$39,974,203</u>	<u>\$47,699,233</u>	<u>\$47,627,560</u>	<u>\$46,525,258</u>	<u>\$44,531,850</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	27.86%	25.93%	34.97%	40.63%	59.48%	51.42%	61.59%	62.67%	64.95%	62.88%

Source: City Financial Records

City of Strongsville, Ohio

Demographic and Economic Statistics

Last Ten Years

Table 14

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)	Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Cuyahoga County Unemployment Rate (3)	Average Sales Price of Residential Property (4)	Total Assessed Property Value (4)
2011	44,750	\$1,551,393,000	\$34,668	\$78,745	44.2	40.70%	6,784	7.10%	\$180,480	\$1,442,739,300
2010	44,750	1,551,393,000	34,668	78,745	44.2	40.70%	6,617	8.60%	191,594	\$1,424,815,490
2009	43,858	1,303,547,476	29,722	68,660	39.1	37.00%	7,003	9.20%	192,630	\$1,524,219,571
2008	43,858	1,303,547,476	29,722	68,660	39.1	37.00%	7,183	6.80%	211,289	\$1,513,379,879
2007	43,858	1,303,547,476	29,722	68,660	39.1	37.00%	7,241	6.10%	224,604	\$1,560,804,133
2006	43,858	1,303,547,476	29,722	68,660	39.1	37.00%	7,394	5.50%	228,636	\$1,413,489,541
2005	43,858	1,303,547,476	29,722	68,660	39.1	37.00%	7,374	6.10%	228,200	\$1,408,090,337
2004	43,858	1,303,547,476	29,722	68,660	39.1	37.00%	7,340	6.30%	211,372	\$1,381,768,218
2003	43,858	1,303,547,476	29,722	68,660	39.1	37.00%	7,214	6.80%	207,143	\$1,302,427,721
2002	43,858	1,303,547,476	29,722	68,660	39.1	37.00%	7,063	6.70%	200,168	\$1,287,676,994

(1) Source: U. S. Census

(a) Years 2002 through 2009 - 2000 Federal Census

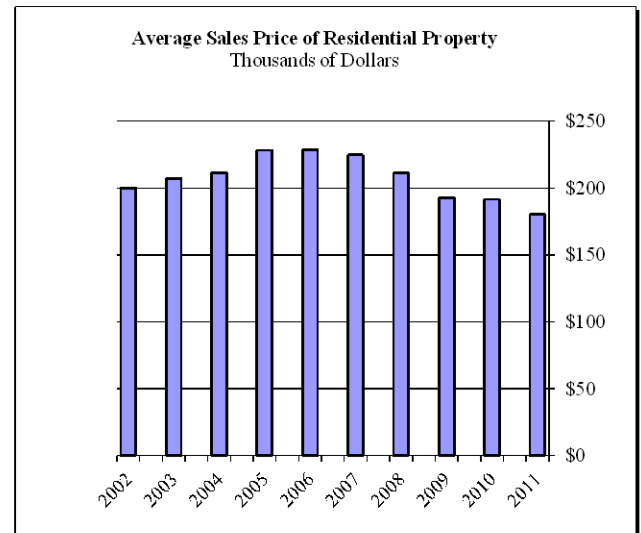
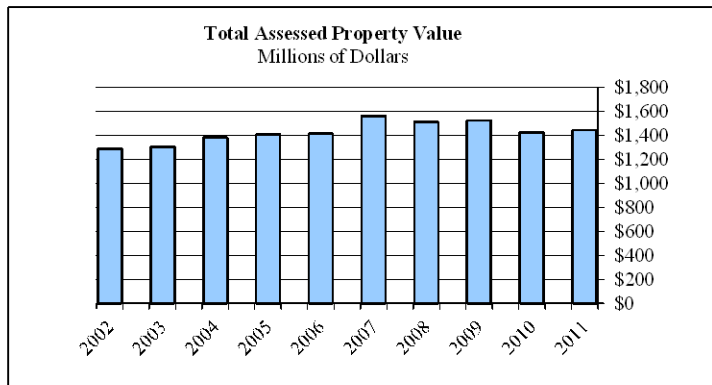
(b) Years 2010 through 2011 - 2010 Federal Census

(2) Source: Treasurer's Office, Strongsville City School District

(3) Source: U.S. Department of Labor/Bureau of Labor Statistics.

(4) Source: Office of the County Fiscal Officer, Cuyahoga County, Ohio

(5) Computation of per capita personal income multiplied by population



City of Strongsville, Ohio

Principal Municipal Income Tax Withholders

Current and Nine Years Ago

Table 15

2011		
Employer	Nature of Activity	Percentage of Total Income Tax
Strongsville Board of Education	Education	3.21%
Akzo Nobel Paints, LLC	U.S. Corporate Headquarters - Paint	2.74%
Medical Mutual of Ohio	IT Business Solutions	2.21%
PNC Bank formally National City Bank	Banking Technology Center	1.98%
City of Strongsville	Municipal Government	1.59%
Lamrite West, Inc.	Corporate Headquarters - Art Supplies	1.48%
The Cleveland Clinic Foundation	Outpatient Medical Facility	1.30%
Momentive Performance Material	Producer of Advanced Ceramics	1.05%
Swagelok Hy-Level	Precision Machine Parts	0.93%
Avery Dennison Corporation	Pressure Sensitive Adhesive Products	0.91%
Total		17.40%
2002		
Employer	Nature of Activity	Percentage of Total Income Tax
Strongsville Board of Education	Education	4.20%
National City Bank	Banking Technology Center	3.07%
Ceres Administrators, LLC.	Insurance Company	2.31%
Lamrite West, Inc.	Corporate Headquarters - Art Supplies	1.97%
City of Strongsville	Municipal Government	1.84%
Akzo Nobel Paints, LLC	U.S. Corporate Headquarters - Paint	1.48%
Avery Dennison Corporation	Pressure Sensitive Adhesive Products	1.22%
The Cleveland Clinic Foundation	Outpatient Medical Facility	0.98%
PPG Industries, Inc.	Powder & Paint Products	0.95%
Eberhard Manufacturing	Vehicle & Industrial Hardware	0.65%
Total		18.67%

Source: Regional Income Tax Agency (RITA)

City of Strongsville, Ohio

Full-Time City Employees by Function/Program

Last Five Years (1)

Table 16

Function/Program	2011	2010	2009	2008	2007
General Government					
Council	2	2	2	2	2
Mayor's Office	4	4	4	2	2
Human Resources	1	1	1	1	1
Finance	5	5	5	7	7
Law	4	4	4	5	5
Communication & Technology	4	4	4	4	4
Mayor's Court	1	1	1	1	1
Security of Persons and Property					
Police	100	106	98	99	101
Fire	65	66	70	72	73
Public Health Services					
Cemetery	1	1	1	1	1
Leisure Time Activities					
Parks	1	1	1	1	1
Recreation	6	6	7	8	9
Senior Services	17	19	20	21	21
Community Environment					
Building	10	10	10	11	12
Planning	1	1	1	1	1
Economic Development	1	1	2	2	2
Transportation					
Administration	6	6	8	9	9
Street Maintenance	39	40	39	42	44
Traffic Control	2	3	3	3	3
Vehicle Maintenance	6	6	6	6	6
Basic Utility Services					
Engineering	6	6	6	7	8
Sanitary Sewer Maintenance	6	6	7	7	7
Totals:	288	299	300	312	320

Source: City of Strongsville Finance Department

(1) Information prior to 2007 is not available

City of Strongsville, Ohio

Operating Indicators by Function/Program

Last Five Years (1)

Table 17

Function/Program	2011	2010	2009	2008	2007
General Government					
<i>Council and Clerk</i>					
Number of Ordinances Passed	166	159	185	194	212
Number of Resolutions Passed	49	50	77	76	47
Number of Planning Commission docket items	38	52	50	84	95
<i>Finance Department</i>					
Agency Ratings - Moody's Financial Services	Aaa	Aaa	Aa1	Aa1	Aa1
Number of AP checks/ vouchers issued	3,734	4,021	6,267	7,839	7,772
Number of AP EFT's/ vouchers issued	3,699	3,304	1,214	0	0
Amount of checks written	\$40,018,865	\$47,302,771	\$48,322,101	\$45,493,374	\$47,032,104
Interest earnings for fiscal year (cash basis)	\$83,575	\$107,520	\$452,252	\$623,179	\$1,609,407
Gross Wages	\$22,210,142	\$21,742,901	\$21,939,433	\$21,807,176	\$20,581,700
Employer Paid:					
Medicare	\$282,545	\$276,169	\$271,242	\$263,184	\$245,987
Ohio Public Employees Retirement System	\$1,467,952	\$1,448,436	\$1,486,056	\$1,527,429	\$1,413,161
Police Pension	\$1,110,376	\$1,110,118	\$1,118,162	\$1,062,918	\$1,034,036
Fire Pension	\$1,243,296	\$1,201,510	\$1,244,986	\$1,142,359	\$1,108,107
Hospitalization	\$3,877,306	\$3,624,183	\$3,972,622	\$3,398,669	\$3,346,390
Worker's Compensation	\$526,800	\$486,400	\$513,064	\$462,445	\$448,993
Unemployment	\$655	\$21,444	\$17,941	\$3,821	\$13,681
Group Life Insurance	\$81,960	\$37,075	\$37,483	\$34,696	\$32,246
Total Salaries and Fringes (cash basis)	<u>\$30,801,032</u>	<u>\$29,948,236</u>	<u>\$30,600,989</u>	<u>\$29,702,697</u>	<u>\$28,224,301</u>
General Fund Receipts (cash basis)	\$30,891,892	\$30,278,694	\$31,976,357	\$33,220,023	\$32,046,240
General Fund Expenditures (cash basis)	\$30,866,872	\$30,605,487	\$32,185,566	\$32,128,179	\$30,987,044
General Fund Cash Balances	\$7,596,631	\$7,571,611	\$7,898,404	\$8,107,613	\$7,015,769
<i>Civil Service</i>					
Number of police entry tests administered	1	0	0	1	0
Number of fire entry tests administered	1	0	0	1	0
Number of police promotional tests administered	0	0	0	1	0
Number of fire promotional tests administered	3	0	0	1	0
Number of hires of Police Officers from certified lists	0	0	0	4	0
Number of hires of Fire/Medics from certified lists	0	0	0	3	0
Number of promotions from police certified lists	0	0	0	6	0
Number of promotions from fire certified lists	2	0	0	5	0
<i>Engineer Contracted Services</i>					
Dollar amount of Construction overseen by Engineer	\$10,400,000	\$8,000,000	\$1,600,000	\$1,700,000	\$1,600,000

(Continued)

City of Strongsville, Ohio

Operating Indicators by Function/Program (continued)

Last Five Years (1)

Table 17

Community Environment

Building Department Indicators

Construction Permits Issued	227	210	292	163	330
Estimated Value of Construction	\$51,675,210	\$45,196,478	\$63,072,070	\$86,170,445	\$77,477,796
Number of permits issued	3,057	3,026	3,192	3,180	2,865
Amount of Revenue generated from permits	\$1,086,089	\$1,034,435	\$1,115,596	\$1,097,810	\$1,216,094
Number of contract registrations issued	1,407	1,438	1,761	1,335	1,694

Leisure Time Activities

Recreation

Number of Memberships	13,823	13,826	13,814	13,798	13,665
Number of Adult Sport League Teams	239	241	228	190	180
Youth Baseball/Softball Participants	1,357	1,530	1,715	1,745	1,766
Youth Basketball Participants	1,343	1,391	1,368	1,234	1,149
Group Exercise/Spinning Participants	18,781	20,161	23,527	22,498	20,953
Youth Day Camp Participants	969	985	722	867	842
Youth Tennis Lessons	139	147	149	130	77
Youth Learn to Swim Participants	2,014	2,157	1,812	2,195	2,078

Public Health and Welfare

Cemetery burials	51	54	29	53	39
Cemetery sale of lots	35	33	41	29	43
Cemetery receipts	\$44,925	\$49,825	\$46,300	\$43,350	\$51,575

Basic Utility Services

Solid Waste Disposal (tonnage)	19,020	21,692	21,902	22,594	24,790
Solid Waste Disposal Costs	\$1,987,709	\$2,502,621	\$2,514,131	\$2,493,878	\$2,507,336
Recycled Materials (tonnage)	9,105	9,720	10,132	5,951	9,462
Recycled Materials as a percentage of Total Waste	32.0%	31.0%	32.0%	21.0%	28.0%
Number of Residential Units	15,680	15,146	15,146	15,146	15,146
Cost per Residential Unit	\$6.01	\$7.55	\$7.55	\$7.33 to \$7.55	\$7.33
Landfill tipping fee (per ton)	\$33.00	\$43.62 to \$45.24	\$43.62 to \$45.24	\$42.71 to \$43.99	\$42.71 to \$42.35

Security of Persons & Property

Police

Number of traffic citations issued	3,450	3,952	4,745	4,631	5,284
Number of parking citations issued	302	261	472	235	333
Number of criminal arrests	1,601	1,226	1,319	1,287	1,351
Number of accident reports completed	1,374	1,398	1,399	1,413	1,406
Part 1 Offenses (major offenses)	1,080	963	985	844	934
Animal Warden service calls responded to per annual report	441	366	457	376	353
DUI Arrests	354	284	273	279	295
Prisoners	1,219	822	734	879	886
Prisoner meal costs	\$17,922	\$20,977	\$24,491	\$29,317	\$35,970
Motor Vehicle Accidents	1,865	1,810	1,758	1,815	1,802
Fatalities from Motor Vehicle Accidents	0	2	2	1	1
Community Diversion Program Youths	98	99	98	N/A	N/A
Community Diversion Program - community service hours	1,435	1,819	1,209	N/A	N/A

(Continued)

City of Strongsville, Ohio

Operating Indicators by Function/Program (continued)

Last Five Years (1)

Table 17

Function/Program	2011	2010	2009	2008	2007
Security of Persons & Property (continued)					
<i>Fire</i>					
EMS Calls	3,246	3,410	3,058	3,055	3,127
Ambulance Billing Collections	\$937,404	\$916,097	\$752,969	\$813,840	\$768,772
Fire Calls	630	471	596	540	576
Fires with Loss	79	92	114	89	147
Fires with Losses exceeding \$10K	6	5	7	6	9
Fire Losses \$	\$301,000	\$767,000	\$3,795,000	\$756,000	\$1,772,777
Fire Safety Inspections	652	727	622	573	389
Number of times Mutual Aid given to Fire and EMS	61	57	53	66	55
Number of times Mutual Aid received for Fire and EMS	20	17	19	14	5
Transportation					
Street Improvements - asphalt overlay (cubic yds)	4,183	7,139	6,490	549	N/A
Street Repair (Curbs, aprons, berms, asphalt) (hours)	22,881	38,226	53,572	29,954	26,722
Guardrail Repair (hours)	16	184	352	56	504
Cold Patch (hours)	4,948	7,324	9,700	4,544	3,520
Snow & Ice Removal (hours)	5,416	7,072	8,728	5,248	5,280
Sewer Crew Calls (hours)	4,088	5,815	7,542	7,152	6,896
Sewer Crew Preventive Maintenance (hours)	9,152	9,934	10,716	6,330	6,386
Sewer Jet & Vactor (hours)	632	2,812	4,992	2,256	2,776
Landscaping Stump-Chipper service (hours)	3,776	8,288	12,800	9,290	15,544
Leaf collection (hours)	3,172	5,812	8,452	4,040	4,504
Holiday Lighting & Special Events setup (hours)	564	883	1,202	496	2,288
Square Repair after Special Events (hours)	4,580	5,090	5,600	2,208	2,808
Equipment & Vehicle Repair (hours)	13,280	19,112	24,944	13,894	11,902
Sign Department (hours)	4,040	6,482	8,924	5,816	5,736
Park Maintenance (hours)	8,658	12,262	15,866	8,118	10,352
Utility Repair (hours)	5,058	7,713	10,368	6,248	4,528
Senior Bus Trips (hours)	526	800	1,074	596	625
Animal Control (hours)	2,389	3,646	4,903	2,362	1,696
Cemetery (hours)	2,679	4,490	6,302	3,192	3,344
Miscellaneous Repairs & Maintenance (hours)	2,760	3,732	4,704	2,560	4,008
Number of Trees Planted per year	225	340	324	278	665
Tons of snow melting salt purchased	14,200	13,400	12,000	19,900	16,100
Cost of salt purchased	\$641,228	\$583,302	\$474,840	\$656,302	\$525,182
Gallons of snow & ice road pretreatment purchased	23,561	7,870	5,080	4,000	8,000
Cost of snow & ice road pretreatment	\$22,854	\$10,791	\$9,499	\$7,480	\$14,986
Unleaded Fuel Average Price per Gallon	\$3.38	\$2.66	\$2.26	\$2.78	\$2.64
Unleaded Fuel Gallons Used	94,605	104,053	107,151	114,035	102,797
Cost of Unleaded Fuel Used	\$319,765	\$276,781	\$242,161	\$317,017	\$271,384
Diesel Fuel Average Price per Gallon	\$3.39	\$2.63	\$2.13	\$3.38	\$2.56
Diesel Fuel Gallons Used	78,118	88,742	82,246	85,102	76,749
Cost of Diesel Fuel Used	\$264,820	\$233,391	\$175,184	\$287,645	\$196,477

(Continued)

City of Strongsville, Ohio

Operating Indicators by Function/Program (continued)

Last Five Years (1)

Table 17

Function/Program	2011	2010	2009	2008	2007
Wastewater Department					
Wastewater Treatment Plants Annual Costs	\$1,594,819	\$1,444,869	\$1,424,765	\$1,363,202	\$1,477,898
Total flow of wastewater treatment plants (Billions of Gallons)	0.787	0.748	0.636	0.627	0.760
Average daily flow (Millions of gallons per day)	2.156	2.031	1.741	1.718	2.081
Tons of dry sludge removed	317.81	303.03	290.39	292.33	316.59

Source: Information is provided by the respective City departments.

(1) Information prior to 2007 is not available

City of Strongsville, Ohio

Capital Assets Statistics by Function/Program

Last Five Years (1)

Table 18

Function/Program	2011	2010	2009	2008	2007
General Government					
Square Footage Occupied	9,334	9,334	9,334	9,334	9,334
Administrative Vehicles	3	3	2	1	1
Buildings & Inspection Vehicles	9	9	9	9	9
Police					
Stations	1	1	1	1	1
Square Footage of Building	60,116	60,116	17,370	17,370	17,370
Vehicles	61	60	60	59	60
Fire					
Stations	4	4	4	4	4
Square Footage of Station # 1	10,651	10,651	10,651	10,651	10,651
Square Footage of Station # 2	5,745	5,745	5,745	5,745	5,745
Square Footage of Station # 3	8,360	8,360	8,360	8,360	8,360
Square Footage of Headquarters	36,194	36,194	36,194	36,194	5,750
Vehicles	20	20	20	20	20
Recreation					
Number of Parks	8	8	7	7	7
Number of Pools	3	3	3	3	3
Number of Tennis Courts	6	6	6	6	6
Number of Baseball Diamonds	18	18	15	15	13
Number of Soccer Fields	18	17	17	17	17
Number of Football Fields	1	1	1	1	0
Recreation Centers	1	1	1	1	1
Recreation Centers Square Footage	149,721	149,721	149,721	149,721	149,721
Vehicles	10	10	10	10	10
Other Public Works					
Streets (Center Line Miles)	202	202	202	202	201
Bridges	1	1	1	1	1
Culverts	187	187	187	187	187
Water Lines (Miles)	194	194	194	193	193
Service Vehicles	67	64	62	62	59
Wastewater					
Wastewater Treatment Plants	2	2	2	2	2
Wastewater Collection Systems	16	15	15	15	15
Wastewater Sewers (Miles)	186	186	186	184	184
Storm Sewers (Miles)	194	190	190	189	189
Vehicles	21	21	21	21	21

Source: City of Strongsville Finance and Engineering Departments

(1) Information prior to 2007 is not available

