

**CITY OF SOUTH EUCLID
CUYAHOGA COUNTY**

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

CITY OF SOUTH EUCLID
CUYAHOGA COUNTY

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

City of South Euclid
Cuyahoga County
1349 South Green Road
South Euclid, Ohio 44121

To the City Council:

We have audited the financial statements of the City of South Euclid, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2000, and have issued our report thereon dated April 27, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the City in a separate letter dated April 27, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the City in a separate letter dated April 27, 2001.

City of South Euclid
Cuyahoga County
Report on Compliance and on Internal Control Required by
Government Auditing Standards
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This report is intended for the information and use of management and City Council, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

April 27, 2001

CITY OF SOUTH EUCLID, OHIO

COMPREHENSIVE

ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2000

ISSUED BY THE DEPARTMENT OF FINANCE

JANET BIHARY, CPA,

FINANCE DIRECTOR

City of South Euclid, Ohio
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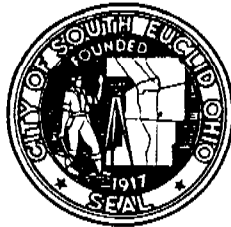
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CITY OF SOUTH EUCLID



FINANCE DEPARTMENT

April 27, 2001

Honorable Citizens of South Euclid
and Members of City Council
South Euclid, Ohio 44121

We are pleased to present the Comprehensive Annual Financial Report of the City of South Euclid for the year ended December 31, 2000. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The Comprehensive Annual Financial Report is presented in three sections as follows:

1. The introductory section includes this transmittal letter, the City's organization chart, a list of elected and appointed City officials, and the GFOA Certificate of Achievement.
2. The financial section begins with the report of independent accountants, and includes the general purpose financial statements and notes that provide an overview of the City's financial position and operating results, and the combining statements and schedules of the individual funds and account groups that provide detailed information relative to the general purpose financial statements.
3. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

Reporting Entity

The City has reviewed its reporting entity definition in order to ensure conformance with the Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity." In evaluating how to define the City for financial reporting purposes, management has considered all agencies, departments and organizations making up the City of South Euclid (the primary government) and its potential component units.

The South Euclid-Lyndhurst City School District, South Euclid-Lyndhurst Regional Branch of the Cuyahoga County Public Library and Northeast Ohio Regional Sewer Council of Governments have not been included in the accompanying financial statements because none have boards appointed by the City, and none are fiscally dependent on the City. The South Euclid Municipal Court has been included in the City's financial

statements as an agency fund. The clerk of courts is an appointed City official who has a fiduciary responsibility for the collection and distribution of the court fees and fines.

The City is a member of the Northern Ohio Risk Management Association (NORMA), a shared risk pool. In addition, the City participates in the Tri-City Consortium on Aging and the South Euclid-Lyndhurst Recreation Commission which have been determined to be joint ventures, and the Northeast Ohio Public Energy Council and the First Suburbs Consortium of Northeast Ohio Council of Governments which are jointly governed organizations. The joint ventures, jointly governed organizations, and the shared risk pool are discussed in Notes 13, 14, and 15.

The City And Form of Government

The City of South Euclid, Ohio, is located in the northeast portion of Cuyahoga County, 10 miles from downtown Cleveland, with the cities of Lyndhurst to the east, Cleveland Heights to the west, University Heights and Beachwood to the south, and Cleveland, Euclid, and Richmond Heights to the north. The City has 23,537 residents, according to the most recent data from the United States Census Bureau.

The City is in the Cleveland Primary Metropolitan Statistical Area, comprised of the four counties of Cuyahoga, Geauga, Lake and Medina, which is the 16th largest of 71 in the United States. The City is also in the Cleveland-Akron-Lorain Consolidated Metropolitan Statistical Area which is the 11th most populous of 20 in the country.

The City operates under and is governed by its Charter which voters first adopted in 1953 and which has been amended from time to time. The last amendment was made in 1997, effective 1998. The City is also subject to certain general laws applicable to all Ohio cities. Under the Ohio Constitution, the City may exercise all local self-government and police powers to the extent that none are in conflict with applicable general laws. The Charter also establishes certain administrative departments.

The Charter provides for a mayor-council form of government. Legislative authority is vested in a seven-member Council. The Council consists of three council members elected at-large and four elected by wards. Council members are elected for a four year term. Each member has a right to vote. The Council fixes compensation of City officials and employees, and enacts ordinances and resolutions relating to the City services, tax levies, appropriations and indebtedness, licensing of regulated businesses and trades, and other municipal purposes. The presiding officer is the President who is elected by Council for a two-year term.

The City's chief executive and administrative officer is the Mayor who is elected by the voters specifically to that office for a four-year term. The other elected official is the Municipal Court Judge, elected to a six-year term.

The Mayor appoints all of the directors of the City departments, including the Directors of Finance, Law, Service, and Community Center, the Zoning Administrator, the City Engineer, and the Community Relations Coordinator. The Mayor also appoints the Chiefs of Police and Fire, and Police and Fire personnel after competitive civil service examinations. The Mayor also appoints members to a number of boards and commissions, and in accordance with civil service requirements, may remove all appointed officials and employees, except Council officers and employees. The Mayor may veto any legislation passed by Council, but Council may override a veto by a vote of five Council members.

In 1994, the responsibilities of Safety Director were transferred to the Mayor. This move was made to establish a stronger bond between the Mayor and the safety forces. The Mayor took on the duties of the Safety Director with no additional remuneration.

The City provides basic services to its residents including police and fire protection, parks and recreation, planning, zoning, street maintenance and repair, refuse collection, municipal court and general administrative services. The City of Cleveland provides water and sewer services to the City's residents.

The South Euclid-Lyndhurst Recreation Commission organizes programs for City residents. This Commission is a governmental joint venture among the City of South Euclid, the City of Lyndhurst and the South Euclid-Lyndhurst City School District. Each entity supports the Commission through funds paid to the Commission, and each has access to the year-round activities and classes.

Economic Condition And Outlook

The City is primarily a residential community with single family homes. The following industries have existed in and contribute to the stable economic condition of the City: Aero Controlex, Division of Transdigm, Inc. is a Fortune 500 company which manufactures custom components for the aerospace industry; Glastic Corporation manufactures thermoset polymers used in appliances; Gent Machine Company manufactures automotive and aircraft components; Eppco Enterprises manufactures rubber mats for trucks and automobiles; Skidmore-Wilhelm Manufacturing Company produces testing equipment for the construction industry; Concrete Services, Inc. are concrete specialists; and Dearing Compressor distributes rebuilt compressors and parts. A major medical facility, University Suburban Health Care, provides quality health care to South Euclid residents as well as the neighboring communities.

Several retail shopping centers in South Euclid are available for the City's residents. Riser Foods, umbrella company of Giant Eagle, is a 76,000 square foot facility in the Mayfield-Green Road retail area. The nearby Mayfield Road-Green Road shopping center houses over 58 retail stores. The center includes a Marc's discount store and Blockbuster Video. In connection with the appropriation award from the U.S. Department of Housing and Urban Development, the first phase of the Mayfield Road renovation occurred. As a result, a new shopping strip at the corner of Mayfield and South Green Roads has been completed. The largest shopping area in the City is located at Cedar Road between Warrensville and Fenwick Roads and features 48 retail stores. Another small shopping center is located in the northern section of the City known as Glengate Shopping Center and houses thirteen retail stores. A smaller strip of stores is located on Cedar and Green Roads.

Although less than two percent of the City's land is vacant and available for new housing, two new homes were built in 2000, totaling \$300,000. In residential areas, home owners carefully maintain their properties which increases property value and enhances the appearance of the City's neighborhoods. To encourage individual upkeep, the City has conducted an exterior residential property maintenance program. By establishing minimum standards governing the maintenance of dwelling structures, the City works to create neighborhoods that are enjoyable to inhabit. Without the support of property owners who have genuine concern for the community, the goals of the program would not be reached. Each year a specific area of the City is targeted for inspection. The area is selected in a systematic way to achieve the program's goal to inspect the entire City every four years and to eliminate selective enforcement of the City Code. During the past year, residents have improved their homes by alterations and additions valued at \$5,722,513. A total of 987 permits were issued in 2000, including 55 commercial permits for additions totaling \$14,987,775.

In its seventh year, the sidewalk program, instituted by the City and supervised by the Building Department, saw that a section of the City was inspected and that sidewalks were marked for improvement. Residents were given the opportunity to repair them or have the City do so and bill the residents. The program will continue until the entire City is inspected and improvements are made.

Major Initiatives

For the Year In 2000, the City of South Euclid continued its commitment to provide quality services and facilities to the City's residents. Emphasis continued to be placed on the maintenance of City streets with the resurfacing of various residential streets. The City was awarded funding through the State of Ohio's Issue II Program for the replacement of the Liberty Road bridge which will be completed in 2001.

The economic development of the City continues to grow with the expansion of a number of commercial properties. University Suburban Health Care is undergoing a major expansion which began in 1998 and is anticipated to be completed in 2001. The acquisition of Riser Foods by Giant Eagle has brought with it substantial renovation of their 76,000-foot facility.

For the Future The City administration is devoted to being proactive in shaping the future of South Euclid. In 2001, commercial redevelopment will be taking place at the corner of Mayfield and Green. The City has also focused on the development of the Cedar Center area by adopting a directional master plan. In addition, the City continues to make flood control a priority. The engineering firm of Burgess and Niple has presented a comprehensive study defining the condition and future needs of the City's sewer system. This information is the basis for discussion between the City and other governmental entities in addressing this common need. An additional flood study has been completed which has assisted the City in identifying problem areas and prioritizing major reconstruction projects. The City was successful in obtaining funding to assist in the financing of the Bexley Drainage Improvement Project, which when completed will provide new sewers, waterlines, and pavement replacement.

Financial Information

In developing the City's accounting system, much consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable but not absolute assurance regarding (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of the financial records for preparing financial statements and maintaining accountability over assets. The concept of reasonable assurance is based on the assumption that the cost of internal accounting controls should not exceed the benefits expected to be derived from their implementation.

Budgetary Controls Detailed provisions for the City's budget, tax levies, and appropriations are set forth in the Ohio Revised Code and the City Charter. With the assistance of the Finance Director, the Mayor is required to submit to Council a tax budget of estimated revenues and expenditures for all funds, except agency funds, of the City for the next succeeding fiscal year by the first Council meeting in July. The legislative body is required to adopt the budget by July 15 and to submit it to the County Budget Commission by July 20 of each year. Based on the tax budget, the Finance Director submits to Council an appropriation ordinance for the next succeeding fiscal year.

Within ninety days of the beginning of the fiscal year covered by such ordinance, Council is required to adopt the appropriation ordinance (the budget) in its original form, or with those revisions as it may find proper. The City maintains budgetary control on a non-GAAP basis by fund and within each fund by department at major object levels, which include personal services, contractual services, supplies and materials, other expenditures, capital outlay, debt service, and operating transfers. For management purposes, the major object level is further defined with budgeted amounts not to exceed the aggregate appropriated by Council.

Budgetary control is maintained by an encumbrance of purchase commitment amounts prior to the release of purchase orders to vendors. Requisitions for the expenditure of monies are submitted to the Mayor for approval and submitted to the Finance Office for the preparation of a purchase order and certification. The purchase order is reviewed for certification of the availability of funds and the estimated expenditure is

encumbered against the available appropriation. Encumbrances which would exceed the available appropriation are not approved or recorded until City Council authorizes additional appropriations. Unencumbered appropriations lapse at the end of each year. The accounting system used by the City provides interim financial reports which detail year-to-date expenditures plus encumbrances versus the original appropriations plus any additional appropriations made to date. The reports permit the Finance Director and other City officials to ascertain the status of a department's appropriations at any time during the year.

During the year, the accounting records are maintained on a cash basis for all fund types. To complete this report, adjusting entries are prepared for the various funds to convert the cash basis records to modified accrual for all governmental and fiduciary fund types. The modified accrual basis of accounting requires that revenues be recognized when both measurable and available. Expenditures are recognized when goods and services are received.

A more detailed explanation of the basis of accounting for the various funds is included in the Notes to the General Purpose Financial Statements located in the Financial Section of this report.

General Government Functions The General Fund encompasses the general government functions of the City and all other functions not accounted for in other funds. Summarized below are General Fund revenues, percentage of total, increases or decreases from 1999 and percent of increase or decrease on a generally accepted accounting principles (GAAP) basis.

	1999 Amount	2000 Amount	Percent of Total	Change	Percent Change
Revenues:					
Property Taxes	\$3,159,971	\$3,140,083	24.85%	(\$19,888)	(0.63)%
Income Taxes	5,404,307	5,385,924	42.62	(18,383)	(0.34)
Other Local Taxes	62,622	204,656	1.62	142,034	226.81
Intergovernmental	2,552,345	2,329,022	18.43	(223,323)	(8.75)
Charges for Services	243,697	137,781	1.09	(105,916)	(43.46)
Fees, Licenses and Permits	138,903	171,630	1.36	32,727	23.56
Fines and Forfeitures	406,820	355,611	2.81	(51,209)	(12.59)
Interest	515,514	697,680	5.52	182,166	35.34
Rent	94,104	94,913	0.75	809	0.86
Other	104,685	120,246	0.95	15,561	14.86
Total Revenues	<u>\$12,682,968</u>	<u>\$12,637,546</u>	<u>100.00%</u>	<u>(\$45,422)</u>	<u>(0.36)%</u>

Other Local Taxes increased \$142,034 or 226.81 percent due to the negotiation of a new cable contract that is generating more revenue to the City.

Intergovernmental decreased by \$223,323 or 8.75 percent due to a decrease in estate tax revenues.

Charges for services decreased by \$105,916 or 43.46 percent due to a decrease in the Regional Income Tax Agency refund.

Fees Licenses and Permits increased \$32,727 or 23.56 percent due to a change in the fee schedule in the Building Department.

Fines and Forfeitures decreased \$51,209 or 12.59 percent due to a change in the allocation of Municipal Court revenues from general to other funds.

Interest income increased by \$182,166 or 35.34 percent due to more City funds available for investment and a change in the allocation of interest revenues into general from other funds.

The following schedule presents a summary of General Fund expenditures, increases or decreases from 1999, percentage of total and percent of increase or decrease on a GAAP basis.

	1999 Amount	2000 Amount	Percent of Total	Change	Percent Change
Expenditures:					
Current:					
Security of Persons and Property	\$5,727,631	\$6,011,907	52.50%	\$284,276	4.96%
Public Health	98,340	91,338	0.80	(7,002)	(7.12)
Leisure Time Activities	349,871	336,039	2.93	(13,832)	(3.95)
Community Environment	501,068	556,553	4.86	55,485	11.07
Basic Utility Services	973,366	1,019,556	8.90	46,190	4.75
Transportation	1,216,945	1,018,111	8.89	(198,834)	(16.34)
General Government	2,314,488	2,399,172	20.95	84,684	3.66
Debt Service:					
Principal Retirement	4,265	4,448	0.04	183	4.29
Interest and Fiscal Charges	15,289	15,102	0.13	(187)	(1.22)
Total Expenditures	<u>\$11,201,263</u>	<u>\$11,452,226</u>	<u>100.00%</u>	<u>\$250,963</u>	2.24%

Security of Persons and Property expenditures increased \$284,276 or 4.96 percent due to increased personnel costs and capital improvements.

Community environment expenditures increased by \$55,485 or 11.07 percent due to increased Building Department costs.

Transportation expenditures decreased by \$198,834 or 16.34 percent due to reallocation of personnel costs from general to other funds.

General Fund Balance The general fund balance increased from \$4,622,997 in 1999 to \$4,941,193 in 2000. This increase of \$318,196 represents a 6.88 percent increase over the prior year due primarily to revenues exceeding expenditures and other financing uses.

Special Revenue Funds The special revenue funds are used to account for certain revenue sources which are restricted by law or other formal action to expenditures for specific purposes. All special revenue funds are subject to an annual budget.

Capital Projects Funds The capital projects funds account for all major capital improvement projects of the City. The primary sources for financing the City's capital improvement program are transfers from the general fund, property taxes, intergovernmental revenues and special assessments. The City evaluates capital improvement needs annually, and the Administration is addressing them in a five-year program. The Issue II Projects Fund has an equity deficit of \$1,090 because of the application of generally accepted accounting

principles to the financial reporting of these funds. The general fund is liable for any deficits in these funds and provides operating transfers when cash is required, not when accruals occur.

Fiduciary Funds The agency funds of the City consist of the Deposits and Municipal Court funds. The agency funds had assets totaling \$471,354 at December 31, 2000.

Debt Administration The debt service funds accumulate resources for the payment of principal and interest on long-term general obligations of the City and special assessment obligations with governmental commitment. The sources of revenue for the bond retirement funds include property taxes, intergovernmental revenues (homestead and rollback) and special assessments. The City maintains an Aa3 rating from Moody's Investors Service, Inc. on general obligation bond issues. Under State statute, the City's debt limitation is 10.5 percent of the total assessed property valuation. As of December 31, 2000, the City's net general obligation debt of \$4,512,718 was well below the legal limit of \$36,578,942 and net general obligation bonded debt per capita equaled \$149.24.

General obligation bonds are retired with overall and unvoted property tax revenues, while special assessment bonds are retired from the assessments applied against specific benefitted property owners. Interest rates on the bonds currently outstanding vary from 4.0 percent to 6.7 percent.

Cash Management Cash management is a vital component of the City's overall financial strategy. The Finance Director maintains an aggressive cash management program. Major considerations are available interest rates and cash flows necessary to pay City liabilities. As City funds become available, they are invested immediately in short-term certificates of deposit or other securities authorized by State statute. Interest earnings are allocated to funds based on the requirements of the Ohio Constitution and State statute.

Interest earnings for 2000 totaled \$703,591. This represents an increase of \$132,613 or 23.23 percent from 1999. All deposits are covered by pooled collateral with a face value equal to at least 105 percent of deposits.

Risk Management The City maintains risk management through a self-insurance pool with nine other cities. The Northern Ohio Risk Management Agency (NORMA) provides for general liability, property, and vehicle insurance. As part of the comprehensive plan, resources are being accumulated in the pool to meet potential losses. In addition, various risk control techniques have been implemented to minimize potential losses. The goal of the pool is to minimize loss potential in all areas of the City's operations while delivering services in the most efficient manner possible. For the year ended December 31, 2000, the City paid to NORMA premiums of \$56,022.

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

Other Information

Independent Audit Included in this report is an unqualified audit opinion rendered on the City's financial statements for the year ended December 31, 2000 by the Office of Jim Petro, Auditor of State. City management plans to continue to subject the financial statements to an annual independent audit as part of the preparation of a Comprehensive Annual Financial Report. An annual audit serves to maintain and strengthen the City's accounting and budgetary controls.

Certificate of Achievement The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of South Euclid for the year ended December 31, 1999. This was the eleventh year that the City of South Euclid received this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized CAFR. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting, and its attainment is a significant accomplishment by a governmental unit.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report will meet the Certificate of Achievement Program's requirements for another certificate, and we are submitting it to the GFOA to determine its eligibility.

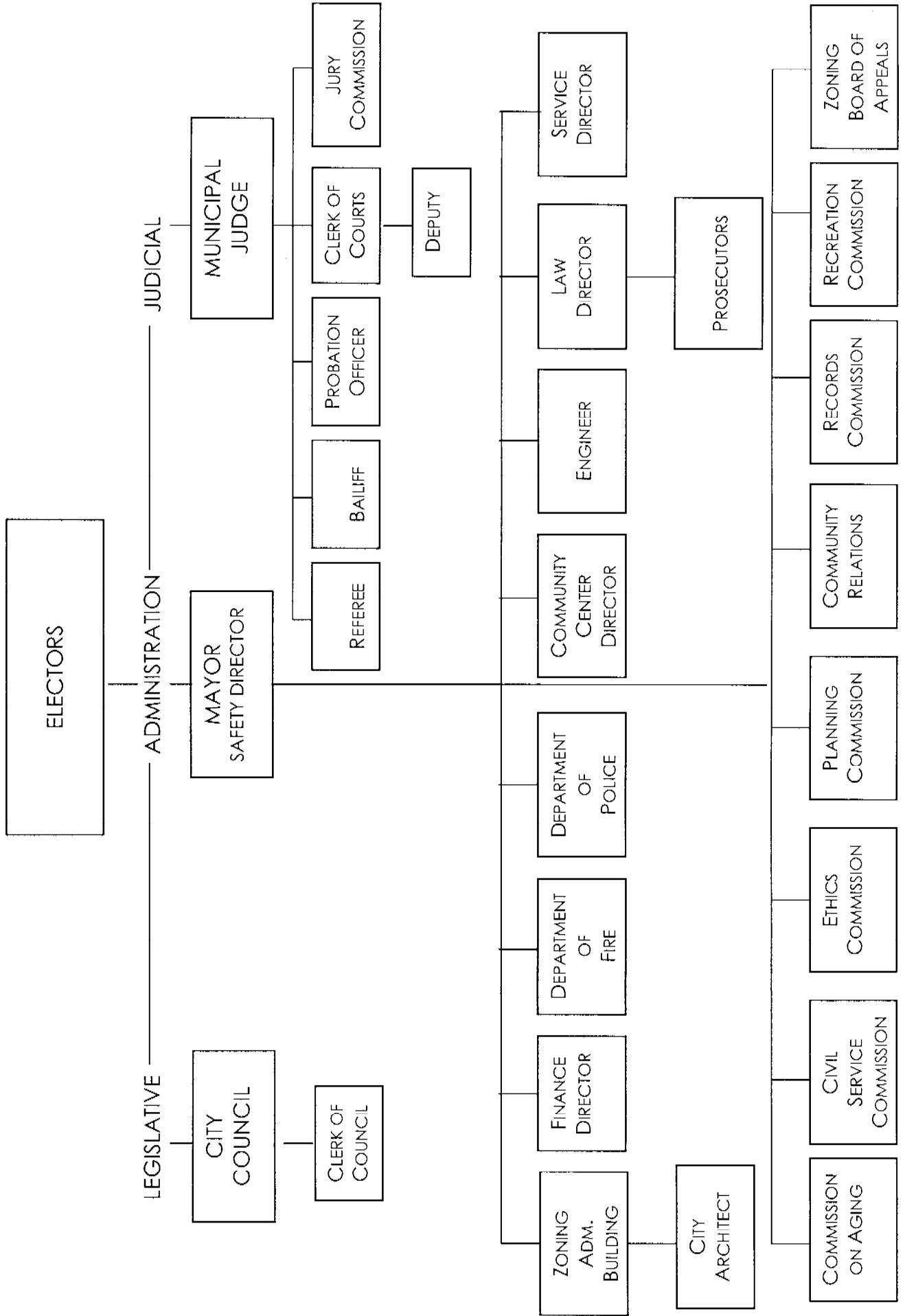
Acknowledgments This Comprehensive Annual Financial Report was prepared by the Finance Department with the efficient and dedicated services of its entire staff. Sincere gratitude goes to Council and to Mayor John T. Kocevar for their enthusiastic support and their granting of funds for this project. Appreciation is also expressed to all City Hall Department Heads and Superintendents for their cooperation and assistance. Special acknowledgment is extended to Local Government Services of the Office of the Auditor of State for their continued guidance in the preparation of this report.

Respectfully submitted,

A handwritten signature in cursive script that reads "Janet Bihary".

Janet Bihary, CPA
Finance Director

**CITY OF SOUTH EUCLID
ORGANIZATION CHART**



CITY OF SOUTH EUCLID

ELECTED AND APPOINTED CITY OFFICIALS

HONORABLE MAYOR JOHN T. KOCEVAR

CITY COUNCIL

Edward A. Icove, President, Ward 3

Chelly Tufts, At Large

James P. Boyle, At Large

Sunny Simon, At Large

Joseph J. Coreno, Ward 1

Modestino Romeo, Ward 2

Ronald L. Rosenfield, Ward 4

MUNICIPAL JUDGE

Patricia A. Kleri

APPOINTED OFFICIALS

Janet Bihary, Director of Finance

Vincent A. Feudo, Director of Law

Kevin P. Lynch, Director of Service

Jack J. Clifford, Building Commissioner

Thomas Lucha, Chief of Police

Thomas Cannell, Chief of Fire

Stephen J. Hovancsek, City Engineer

Marilyn Doehring, Director of Community Center

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of South Euclid,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 1999

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



Anne Spray Kinsey
President

Jeffrey L. Essler
Executive Director

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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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REPORT OF INDEPENDENT ACCOUNTANTS

City of South Euclid
Cuyahoga County
1349 South Green Road
South Euclid, Ohio 44121

To the City Council:

We have audited the accompanying general-purpose financial statements of the City of South Euclid, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2000, as listed in the table of contents. These general-purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of South Euclid, Cuyahoga County, Ohio, as of December 31, 2000, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 27, 2001 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of the City, taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and in our opinion, is fairly presented, in all material respects, in relation to the general-purpose financial statements taken as a whole.

We did not audit the data included in the introductory and statistical sections of this report and therefore express no opinion thereon.

A handwritten signature in black ink, appearing to read "Jim Petro".

Jim Petro
Auditor of State

April 27, 2001

City of South Euclid, Ohio
Combined Balance Sheet
All Fund Types and Account Groups
December 31, 2000

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Assets and Other Debits				
Assets				
Equity in Pooled Cash	\$4,226,472	\$1,460,035	\$491,534	\$5,366,120
Cash in Segregated Accounts	0	0	0	0
Receivables:				
Taxes	4,157,483	211,412	495,140	566,026
Accounts	68,748	0	0	0
Special Assessments	0	985,392	901,176	1,754,936
Intergovernmental	308,068	180,269	0	0
Interfund Receivable	12,200	0	0	0
Materials and Supplies Inventory	27,912	58,682	0	0
Prepaid Items	43,718	0	0	0
Investment in Joint Venture	125,878	0	0	0
Fixed Assets	0	0	0	0
Other Debits				
Amount Available in Debt Service Fund for Retirement of General Obligation Bonds	0	0	0	0
Amount Available in Debt Service Fund for Retirement of Special Assessment Bonds	0	0	0	0
Amount Available in General Fund for Accrued Compensated Absences	0	0	0	0
Amount to be Provided from General Government Resources	0	0	0	0
<i>Total Assets and Other Debits</i>	<u>\$8,970,479</u>	<u>\$2,895,790</u>	<u>\$1,887,850</u>	<u>\$7,687,082</u>

Fiduciary Fund Type	Account Groups			Totals (Memorandum Only)
Agency	General Fixed Assets	General Long-Term Obligations		
\$407,073	\$0	\$0	\$11,951,234	
64,281	0	0	64,281	
0	0	0	5,430,061	
0	0	0	68,748	
0	0	0	3,641,504	
0	0	0	488,337	
0	0	0	12,200	
0	0	0	86,594	
0	0	0	43,718	
0	0	0	125,878	
0	17,817,521	0	17,817,521	
0	0	360,815	360,815	
0	0	130,719	130,719	
0	0	34,668	34,668	
0	0	6,420,952	6,420,952	
<u>\$471,354</u>	<u>\$17,817,521</u>	<u>\$6,947,154</u>	<u>\$46,677,230</u>	

(continued)

City of South Euclid, Ohio
Combined Balance Sheet
All Fund Types and Account Groups (continued)
December 31, 2000

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Liabilities, Fund Equity and Other Credits				
Liabilities				
Accounts Payable	\$160,829	\$108,278	\$0	\$11,195
Contracts Payable	43,839	11,233	0	165,637
Accrued Wages	116,089	10,776	0	0
Compensated Absences Payable	14,247	369	0	0
Interfund Payable	0	10,200	0	2,000
Intergovernmental Payable	44,865	10,501	0	0
Deferred Revenue	3,649,417	1,196,804	1,396,316	2,320,962
Deposits Held and Due to Others	0	0	0	0
Notes Payable	0	0	0	0
Police and Fire Pension Liability	0	0	0	0
General Obligation Bonds Payable	0	0	0	0
OPWC Loans Payable	0	0	0	0
Special Assessment Debt with Governmental Commitment	0	0	0	0
<i>Total Liabilities</i>	<u>4,029,286</u>	<u>1,348,161</u>	<u>1,396,316</u>	<u>2,499,794</u>
Fund Equity and Other Credits				
Investment in General Fixed Assets	0	0	0	0
Fund Balance:				
Reserved for Encumbrances	308,662	72,392	0	291,227
Reserved for Inventory	27,912	58,682	0	0
Unreserved:				
Designated for Accrued Compensated Absences	34,668	0	0	0
Undesignated	4,569,951	1,416,555	491,534	4,896,061
<i>Total Fund Equity and Other Credits</i>	<u>4,941,193</u>	<u>1,547,629</u>	<u>491,534</u>	<u>5,187,288</u>
<i>Total Liabilities, Fund Equity and Other Credits</i>	<u>\$8,970,479</u>	<u>\$2,895,790</u>	<u>\$1,887,850</u>	<u>\$7,687,082</u>

See accompanying notes to the general purpose financial statements

Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)
Agency	General Fixed Assets	General Long-Term Obligations	
\$0	\$0	\$0	\$280,302
0	0	0	220,709
0	0	0	126,865
0	0	847,012	861,628
0	0	0	12,200
12,527	0	311,207	379,100
0	0	0	8,563,499
458,827	0	0	458,827
0	0	1,000,000	1,000,000
0	0	351,997	351,997
0	0	3,873,533	3,873,533
0	0	53,405	53,405
<u>0</u>	<u>0</u>	<u>510,000</u>	<u>510,000</u>
<u>471,354</u>	<u>0</u>	<u>6,947,154</u>	<u>16,692,065</u>
0	17,817,521	0	17,817,521
0	0	0	672,281
0	0	0	86,594
0	0	0	34,668
<u>0</u>	<u>0</u>	<u>0</u>	<u>11,374,101</u>
<u>0</u>	<u>17,817,521</u>	<u>0</u>	<u>29,985,165</u>
<u><u>\$471,354</u></u>	<u><u>\$17,817,521</u></u>	<u><u>\$6,947,154</u></u>	<u><u>\$46,677,230</u></u>

City of South Euclid, Ohio
*Combined Statement of Revenues, Expenditures
and Changes in Fund Balances
All Governmental Fund Types
For the Year Ended December 31, 2000*

	General	Special Revenue
Revenues		
Property Taxes	\$3,140,083	\$188,404
Income Taxes	5,385,924	0
Other Local Taxes	204,656	0
Intergovernmental	2,329,022	1,044,832
Charges for Services	137,781	213,925
Fees, Licenses and Permits	171,630	0
Fines and Forfeitures	355,611	5,365
Special Assessments	0	704,285
Interest	697,680	0
Rent	94,913	0
Other	120,246	36,458
	<u>12,637,546</u>	<u>2,193,269</u>
<i>Total Revenues</i>		
Expenditures		
Current:		
Security of Persons and Property	6,011,907	734,998
Public Health	91,338	0
Leisure Time Activities	336,039	479,377
Community Environment	556,553	0
Basic Utility Services	1,019,556	500,727
Transportation	1,018,111	506,759
General Government	2,399,172	0
Capital Outlay	0	0
Debt Service:		
Principal Retirement	4,448	0
Interest and Fiscal Charges	15,102	0
	<u>11,452,226</u>	<u>2,221,861</u>
<i>Total Expenditures</i>		
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,185,320</u>	<u>(28,592)</u>
Other Financing Sources (Uses)		
Proceeds of Notes	0	0
Proceeds of OPWC Loans	0	0
Operating Transfers In	0	371,300
Operating Transfers Out	(871,300)	0
	<u>(871,300)</u>	<u>371,300</u>
<i>Total Other Financing Sources (Uses)</i>		
<i>Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</i>	314,020	342,708
<i>Fund Balances Beginning of Year</i>	4,622,997	1,220,435
Increase (Decrease) in Reserve for Inventory	4,176	(15,514)
<i>Fund Balances End of Year</i>	<u>\$4,941,193</u>	<u>\$1,547,629</u>

See accompanying notes to the general purpose financial statements

<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>
\$471,013	\$548,360	\$4,347,860
0	0	5,385,924
0	0	204,656
66,154	177,487	3,617,495
0	0	351,706
0	0	171,630
0	0	360,976
73,086	1,078,284	1,855,655
0	5,911	703,591
0	0	94,913
<u>0</u>	<u>10,000</u>	<u>166,704</u>
<u>610,253</u>	<u>1,820,042</u>	<u>17,261,110</u>
0	0	6,746,905
0	0	91,338
0	0	815,416
0	0	556,553
0	0	1,520,283
0	0	1,524,870
0	0	2,399,172
0	2,305,568	2,305,568
1,365,000	0	1,369,448
<u>241,024</u>	<u>0</u>	<u>256,126</u>
<u>1,606,024</u>	<u>2,305,568</u>	<u>17,585,679</u>
<u>(995,771)</u>	<u>(485,526)</u>	<u>(324,569)</u>
1,000,000	0	1,000,000
0	53,405	53,405
0	500,000	871,300
<u>0</u>	<u>0</u>	<u>(871,300)</u>
<u>1,000,000</u>	<u>553,405</u>	<u>1,053,405</u>
4,229	67,879	728,836
487,305	5,119,409	11,450,146
<u>0</u>	<u>0</u>	<u>(11,338)</u>
<u>\$491,534</u>	<u>\$5,187,288</u>	<u>\$12,167,644</u>

City of South Euclid, Ohio
*Combined Statement of Revenues, Expenditures
and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual
All Governmental Fund Types
For the Year Ended December 31, 2000*

	General Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Property Taxes	\$3,135,273	\$3,140,083	\$4,810
Income Taxes	5,350,000	5,369,876	19,876
Other Local Taxes	55,000	204,656	149,656
Intergovernmental	1,681,581	2,242,265	560,684
Charges for Services	186,500	137,781	(48,719)
Fees, Licenses and Permits	136,100	176,936	40,836
Fines and Forfeitures	380,000	363,319	(16,681)
Special Assessments	0	0	0
Interest	500,000	655,221	155,221
Rent	84,000	96,000	12,000
Other	22,200	54,916	32,716
<i>Total Revenues</i>	<u>11,530,654</u>	<u>12,441,053</u>	<u>910,399</u>
Expenditures			
Current:			
Security of Persons and Property	6,618,460	6,296,180	322,280
Public Health	107,876	104,333	3,543
Leisure Time Activities	442,024	340,957	101,067
Community Environment	618,795	586,187	32,608
Basic Utility Services	1,034,524	1,014,601	19,923
Transportation	1,324,883	1,101,273	223,610
General Government	2,858,840	2,510,402	348,438
Capital Outlay	0	0	0
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<i>Total Expenditures</i>	<u>13,005,402</u>	<u>11,953,933</u>	<u>1,051,469</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,474,748)</u>	<u>487,120</u>	<u>1,961,868</u>
Other Financing Sources (Uses)			
Proceeds of Notes	0	0	0
Proceeds of OPWC Loans	0	0	0
Advances In	250,000	250,000	0
Advances Out	(12,200)	(12,200)	0
Operating Transfers In	0	0	0
Operating Transfers Out	(903,600)	(871,300)	32,300
<i>Total Other Financing Sources (Uses)</i>	<u>(665,800)</u>	<u>(633,500)</u>	<u>32,300</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	<u>(2,140,548)</u>	<u>(146,380)</u>	<u>1,994,168</u>
<i>Fund Balances Beginning of Year</i>	3,234,387	3,234,387	0
Prior Year Encumbrances Appropriated	684,178	684,178	0
<i>Fund Balances End of Year</i>	<u>\$1,778,017</u>	<u>\$3,772,185</u>	<u>\$1,994,168</u>

Special Revenue Funds			Debt Service Funds		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$192,138	\$188,404	(3,734)	\$535,345	\$471,013	(\$64,332)
0	0	0	0	0	0
0	0	0	0	0	0
1,082,300	1,046,474	(35,826)	0	66,154	66,154
202,000	215,155	13,155	0	0	0
0	0	0	0	0	0
2,500	5,500	3,000	0	0	0
733,000	704,285	(28,715)	70,000	73,086	3,086
0	0	0	0	0	0
0	0	0	0	0	0
39,000	36,458	(2,542)	0	0	0
<u>2,250,938</u>	<u>2,196,276</u>	<u>(54,662)</u>	<u>605,345</u>	<u>610,253</u>	<u>4,908</u>
887,958	721,939	166,019	0	0	0
0	0	0	0	0	0
513,095	483,114	29,981	0	0	0
0	0	0	0	0	0
591,695	533,524	58,171	0	0	0
711,741	545,920	165,821	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	1,365,000	1,365,000	0
0	0	0	241,895	241,024	871
<u>2,704,489</u>	<u>2,284,497</u>	<u>419,992</u>	<u>1,606,895</u>	<u>1,606,024</u>	<u>871</u>
<u>(453,551)</u>	<u>(88,221)</u>	<u>365,330</u>	<u>(1,001,550)</u>	<u>(995,771)</u>	<u>5,779</u>
0	0	0	1,000,000	1,000,000	0
0	0	0	0	0	0
0	10,200	10,200	0	0	0
(250,000)	(250,000)	0	0	0	0
235,600	371,300	135,700	0	0	0
0	0	0	0	0	0
<u>(14,400)</u>	<u>131,500</u>	<u>145,900</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>0</u>
(467,951)	43,279	511,230	(1,550)	4,229	5,779
1,267,427	1,267,427	0	487,305	487,305	0
31,699	31,699	0	0	0	0
<u>\$831,175</u>	<u>\$1,342,405</u>	<u>\$511,230</u>	<u>\$485,755</u>	<u>\$491,534</u>	<u>\$5,779</u>

(continued)

City of South Euclid, Ohio
*Combined Statement of Revenues, Expenditures
and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual
All Governmental Fund Types (continued)
For the Year Ended December 31, 2000*

	<u>Capital Projects Funds</u>		
	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Property Taxes	\$445,530	\$548,360	\$102,830
Income Taxes	0	0	0
Other Local Taxes	0	0	0
Intergovernmental	170,000	177,487	7,487
Charges for Services	0	0	0
Fees, Licenses and Permits	0	0	0
Fines and Forfeitures	0	0	0
Special Assessments	1,125,000	1,078,284	(46,716)
Interest	10,000	5,911	(4,089)
Rent	0	0	0
Other	0	10,000	10,000
<i>Total Revenues</i>	<u>1,750,530</u>	<u>1,820,042</u>	<u>69,512</u>
Expenditures			
Current:			
Security of Persons and Property	0	0	0
Public Health	0	0	0
Leisure Time Activities	0	0	0
Community Environment	0	0	0
Basic Utility Services	0	0	0
Transportation	0	0	0
General Government	0	0	0
Capital Outlay	5,455,959	2,684,536	2,771,423
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<i>Total Expenditures</i>	<u>5,455,959</u>	<u>2,684,536</u>	<u>2,771,423</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(3,705,429)</u>	<u>(864,494)</u>	<u>2,840,935</u>
Other Financing Sources (Uses)			
Proceeds of Notes	0	0	0
Proceeds of OPWC Loans	776,874	53,405	(723,469)
Advances - In	0	2,000	2,000
Advances - Out	0	0	0
Operating Transfers In	500,000	500,000	0
Operating Transfers Out	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>1,276,874</u>	<u>555,405</u>	<u>(721,469)</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	<u>(2,428,555)</u>	<u>(309,089)</u>	<u>2,119,466</u>
<i>Fund Balances Beginning of Year</i>	3,884,448	3,884,448	0
Prior Year Encumbrances Appropriated	<u>1,331,001</u>	<u>1,331,001</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u>\$2,786,894</u>	<u>\$4,906,360</u>	<u>\$2,119,466</u>

See accompanying notes to the general purpose financial statements

Totals (Memorandum Only)

Revised Budget	Actual	Variance Favorable (Unfavorable)
\$4,308,286	\$4,347,860	\$39,574
5,350,000	5,369,876	19,876
55,000	204,656	149,656
2,933,881	3,532,380	598,499
388,500	352,936	(35,564)
136,100	176,936	40,836
382,500	368,819	(13,681)
1,928,000	1,855,655	(72,345)
510,000	661,132	151,132
84,000	96,000	12,000
61,200	101,374	40,174
<u>16,137,467</u>	<u>17,067,624</u>	<u>930,157</u>
7,506,418	7,018,119	488,299
107,876	104,333	3,543
955,119	824,071	131,048
618,795	586,187	32,608
1,626,219	1,548,125	78,094
2,036,624	1,647,193	389,431
2,858,840	2,510,402	348,438
5,455,959	2,684,536	2,771,423
1,365,000	1,365,000	0
241,895	241,024	871
<u>22,772,745</u>	<u>18,528,990</u>	<u>4,243,755</u>
<u>(6,635,278)</u>	<u>(1,461,366)</u>	<u>5,173,912</u>
1,000,000	1,000,000	0
776,874	53,405	(723,469)
250,000	262,200	12,200
(262,200)	(262,200)	0
735,600	871,300	135,700
(903,600)	(871,300)	32,300
<u>1,596,674</u>	<u>1,053,405</u>	<u>(543,269)</u>
(5,038,604)	(407,961)	4,630,643
8,873,567	8,873,567	0
<u>2,046,878</u>	<u>2,046,878</u>	<u>0</u>
<u>\$5,881,841</u>	<u>\$10,512,484</u>	<u>\$4,630,643</u>

City of South Euclid, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

Note 1 - Description of the City and Reporting Entity

The City of South Euclid (the "City") is a home rule municipal corporation established under the laws of the State of Ohio which operates under its own Charter. The current Charter, which provides for a mayor-council form of government, was adopted November 3, 1953. Legislative authority is vested in a seven-member Council. Council members are elected for a four year term. The Mayor is the chief executive and administrative officer who is elected for a four year term.

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, departments, boards and agencies that are not legally separate from the City. For the City of South Euclid this includes police and fire protection, parks and recreation, planning, zoning, street maintenance and repair, refuse collection, municipal court and general administrative services. The City's departments include a public safety department, a public service department, a street maintenance department, a sanitation system, a parks and recreation department, a planning and zoning department, and a staff to provide support (i.e., payroll processing, accounts payable, and revenue collection) to the service providers. The operation of each of these activities and entities is directly controlled by the City Council through the budgetary process.

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

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

The City is associated with five organizations, two of which are defined as joint ventures, two defined as jointly governed organizations, and one shared risk pool. The joint ventures are the Tri-City Consortium on Aging and the South Euclid-Lyndhurst Recreation Commission (SELREC). The Northeast Ohio Public Energy Council (NOPEC) and the First Suburbs Consortium of Northeast Ohio Council of Governments (Council) are jointly governed organizations. The Northern Ohio Risk Management Association (NORMA) is a shared risk pool. These organizations are presented in Notes 13, 14 and 15 to the general purpose financial statements.

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

City of South Euclid, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

A. Basis of Presentation - Fund Accounting

The City uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain City functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

For financial statement presentation purposes, the various funds of the City are grouped into the following generic fund types under the broad fund categories: governmental and fiduciary.

Governmental Fund Types Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use and balances of the City's expendable financial resources and the related current liabilities are accounted for through governmental funds. The following are the City's governmental fund types:

General Fund This fund is the operating fund of the City and is used to account for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the Charter of the City of South Euclid and/or the general laws of Ohio.

Special Revenue Funds These funds are established to account for the proceeds of specific revenue sources (other than amounts relating to major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Funds These funds are used to account for the accumulation of financial resources for, and the payment of, general and special assessment long-term obligation principal, interest and related costs.

Capital Projects Funds These funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities.

Fiduciary Fund Type Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other government units and /or other funds. The City only utilizes the agency fund type. The City's agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

Account Groups To make a clear distinction between fixed assets related to a specific fund and those of general government, and between long-term liabilities related to specific funds and those of a general nature, the following account groups are used:

General Fixed Assets Account Group This account group accounts for all general fixed assets of the City.

General Long-term Obligations Account Group This account group accounts for all unmatured long-term indebtedness of the City, including special assessment debt for which the City is obligated in some manner.

City of South Euclid, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

B. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made. The basis of accounting and reporting treatment applied to a fund is determined by its measurement focus.

All governmental fund types and agency funds are accounted for using the modified accrual basis of accounting. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. Measurable means the amount of the transaction can be determined and available means collectible within the current year or soon enough thereafter to be used to pay liabilities of the current year. The available period for the City is sixty days after year end.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: income taxes, interest on investments, and State levied locally shared taxes (including motor vehicle license fees, gasoline tax, and local government assistance). Other revenues, including licenses, permits, certain charges for services, and miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received.

The City reports deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet the measurable and available criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Current and delinquent property taxes measurable as of December 31, 2000, whose availability is indeterminate and which are not intended to finance the current period obligations, have been recorded as deferred revenue. Levied special assessments are measurable and have been recorded as a receivable. Since all assessments are due outside of the available period, the entire amount has been deferred.

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

C. Budgetary Data

The budgetary process is prescribed by provision of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations ordinance are subject to amendment throughout the year with the legal restrictions that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The legal level of budgetary control is at the major object level within each department. Budgetary modifications may only be made by resolution of the City Council at the legal level of control.

Advances in and Advances out are not required to be budgeted since they represent a temporary cash flow resource and are intended to be repaid.

City of South Euclid, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

Tax Budget During the first Council meeting in July, the Mayor presents the annual operating budget for the following year to City Council for consideration and passage. The adopted budget is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20th of each year, for the period January 1 to December 31 of the following year.

Estimated Resources The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized property taxes and reviews estimated revenue. The Commission certifies its actions to the City by September 1. As part of this certification, the City receives the official certificate of estimated resources, which states the projected revenue of each fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation ordinance. On or about January 1, the certificate of estimated resources is amended to include unencumbered fund balances at December 31 of the preceding year. The certificate may be further amended during the year if the finance director determines, and the Budget Commission agrees, that an estimate needs to be either increased or decreased. The amounts reported on the budgetary statements reflect the amounts in the final amended official certificate of estimated resources issued during 2000.

Appropriations A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 to December 31. The appropriation ordinance fixes spending authority at the fund, department, and major object level. The appropriation ordinance may be amended during the year as new information becomes available, provided total fund appropriations do not exceed current estimated resources, as certified. The allocation of appropriations among departments and objects within a fund may be modified during the year only by an ordinance of Council. During the year, several supplemental appropriations measures were passed. None, however, were significant in amount. The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all amendments and modifications.

Budgeted Level of Expenditure Administrative control is maintained through the establishment of detailed line-item budgets. Appropriated funds may not be expended for purposes other than those designated in the appropriation ordinance without authority from Council. Expenditures plus encumbrances may not legally exceed appropriations at the level of appropriation adopted by Council. For the general fund and special revenue funds, council appropriations are made by department and major object levels, which include personal services, materials and supplies, contractual services, other expenditures and transfers. The capital projects funds are appropriated by program and object or project. For debt service funds, principal and interest are appropriated. The appropriations set by Council must remain fixed unless amended by Council ordinance.

Encumbrances As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and determine and maintain legal compliance. On the GAAP basis, encumbrances outstanding at year end are reported as a reservation of fund balance for subsequent year expenditures for governmental funds.

Lapsing of Appropriations At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried over for the subsequent year's expenditures and is not reappropriated.

City of South Euclid, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

D. Cash

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

During 2000, investments were limited to Victory Federal Mutual Funds, Federal Agency Securities and U.S. Treasury Bonds.

Investments are reported at fair value which is based on quoted market prices. The fair value of the mutual fund is determined by the fund's December 31, 2000, share price.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2000 amounted to \$697,680, which includes \$452,270 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 in the combined balance sheet as "cash in segregated accounts" since they are not required to be deposited into the City treasury.

For presentation on the combined balance sheet, 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 considered to be cash equivalents. Investments not purchased from the pool with an initial maturity of more than three months are reported as investments.

E. Inventory

Inventory is stated at cost on a first-in, first-out basis. The costs of inventory items are recorded as expenditures in the funds when purchased. Reported materials and supplies inventory is equally offset by a fund balance reserve in the governmental fund which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

F. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2000, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure in the year in which it was consumed.

G. Fixed Assets

The fixed asset values were initially determined at December 31, 1987, by assigning original acquisition costs when such information was available. In cases where information supporting original costs were not practicably determinable, estimated historical costs were developed. For certain fixed assets, the estimates were determined by indexing estimated current costs back to the estimated year of acquisition. Donated fixed assets are capitalized at estimated fair market value on the date donated. The fixed assets threshold has been set at \$500.

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 capitalized. Improvements are capitalized.

City of South Euclid, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. Assets in the general fixed assets account group are not depreciated.

Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems are not capitalized, as these assets are immovable and of value only to the City.

H. Intergovernmental Revenues

In governmental funds, grants awarded on a non-reimbursement basis, shared revenues and entitlements are recorded as intergovernmental receivables and revenues when measurable and available. Reimbursable grants are recorded as receivables and revenues when the related expenditures are made.

I. Interfund Assets and Liabilities

Receivables and payables resulting from transactions between funds for services provided or goods received and agency funds assets due to operating funds are classified as "due from other funds" and "due to other funds" on the combined balance sheet. Short-term interfund loans are classified as "interfund receivables/payables."

J. Compensated Absences

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

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the City has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at December 31, 2000, taking into consideration any limits specified in the City's termination policy.

The current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The remainder is reported in the general long-term obligations account group.

K. Accrued Liabilities and Long-term Obligations

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, claims and judgements, compensated absences, special termination benefits and contractually required pension contributions are reported as a liability in the general long-term obligations account group to the extent that they will not be paid with current expendable available financial resources. Payments made more than sixty days after year end are generally considered not to have been paid with current available financial resources. Bonds, long-term notes and loans are recognized as a liability of the general long-term obligations account group until due.

City of South Euclid, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

Bond anticipation notes that are rolled over prior to the issuance of the financial statements and have a maturity date more than 12 months subsequent to the end of the fiscal year are reported in the general long-term obligations account group.

L. Interfund Transactions

During the normal course of operations, the City has transactions between funds. Quasi-external transactions are accounted for as revenues and expenditures. Transactions that constitute reimbursement to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund, and as reduction of expenditures in the fund that is reimbursed.

Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

M. Fund Equity

Reservations of fund balances are established to identify the existence of assets that, because of their nonmonetary nature or lack of liquidity, represent financial resources not available for current appropriations or expenditures, including amounts legally segregated for future use. Designations represent tentative plans for future use of financial resources. Fund balances are reserved for encumbrances and inventory. A portion of the fund balance of the general fund has been designated for the payment of accrued compensated absences.

N. 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.

O. Totals (Memorandum Only) Columns

Totals columns on the general purpose financial statements are captioned "Totals (Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Note 3 - Legal Compliance

The Issue II Projects capital projects fund had a deficit fund balance of \$1,090 as of December 31, 2000. The deficit is due to adjustments for accrued liabilities. The general fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

Note 4 - Budgetary Basis of Accounting

While reporting financial position, results of operations, and changes in fund balance 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.

City of South Euclid, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

The Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual - All Governmental Fund Types is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget and to demonstrate compliance with State statute. The major differences between the budget basis and the GAAP basis are:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as an expenditure for all funds (budget) rather than as a reservation of fund balance for governmental fund types (GAAP).
4. Unrecorded cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statements.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements on a fund type basis.

Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses All Governmental Fund Types			
	General	Special Revenue	Capital Projects
GAAP Basis	\$314,020	\$342,708	\$67,879
Net Adjustment for			
Revenue Accruals	(167,386)	2,852	0
Fair Value Adjustment for			
Investments	(55,067)	0	0
Advances In	250,000	10,200	2,000
Unrecorded Cash	25,960	155	0
Net Adjustment for			
Expenditure Accruals	(128,447)	54,839	80,792
Advance Out	(12,200)	(250,000)	0
Encumbrances	(373,260)	(117,475)	(459,760)
Budget Basis	(\$146,380)	\$43,279	(\$309,089)

Note 5 - Deposits and Investments

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

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

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

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

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

Interim monies may be deposited or invested in the following securities:

1. United States treasury notes, bills, bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement exceeds the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and
6. The State Treasurer's investment pool (STAROhio).

The City adopted an investment policy on September 23, 1996. The City cannot invest in the following: a fund established by another public body for the purpose of investing public money of other subdivisions unless the fund is either STAR Ohio or a fund created solely for the purpose of acquiring, constructing, owning, leasing or operating municipal utilities as authorized under Revised Code Section 715.02 or Section 4 of Article XVIII of the Ohio Constitution.

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

City of South Euclid, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

Investments may only be made through specified dealers and institutions. Payments for investments may be made 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.

Cash on Hand At year end, the City had \$26,115 in undeposited cash on hand which is included on the balance sheet of the City as part of “equity in pooled cash.”

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, “Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements.”

Deposits At year end, the carrying amount of the City's deposits was \$349,254 and the bank balance was \$610,766. Of the bank balance:

1. \$265,263 was covered by federal depository insurance.
2. \$345,503 was uncollateralized and uninsured. Although the securities were held by the pledging financial institution’s trust department or agent in the financial institution's name and all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

Investments The City’s investments are required to be categorized to give an indication of the level of risk assumed by the City at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the City's name. Victory Federal Mutual Funds are unclassified investments since they are not evidenced by securities that exist in physical or book entry form.

	Category 3	Fair Value
Victory Federal Mutual Funds		\$7,178,067
Federal National Mortgage Notes	\$995,820	995,820
Federal Home Loan Construction Notes	3,466,259	3,466,259
Total Investments	\$4,462,079	\$11,640,146

Note 6 - Receivables

Receivables at December 31, 2000, consisted of taxes, accounts (billings for user charged services), special assessments and intergovernmental receivables arising from grants, entitlements and shared revenues. All receivables are considered fully collectible.

City of South Euclid, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

A. Property Tax

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 2000 for real and public utility property taxes represents collections of 1999 taxes. Property tax payments received during 2000 for tangible personal property (other than public utility property) is for 2000 taxes.

2000 real property taxes are levied after October 1, 2000 on the assessed value as of January 1, 2000, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2000 real property taxes are collected in and intended to finance 2001.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2000 public utility property taxes become a lien December 31, 1999, are levied after October 1, 2000, and are collected in 2001 with real property taxes.

2000 tangible personal property taxes are levied after October 1, 1999, on the value as of December 31, 1999. Collections are made in 2000. Tangible personal property assessments are 25 percent of true value.

The full tax rate for all City operations for the year ended December 31, 2000, was \$15.00 per \$1,000 of assessed values. The assessed values of real and tangible personal property upon which 2000 property tax receipts were based are as follows:

Real Property	\$364,107,910
Public Utility Property	12,641,420
Tangible Personal Property	<u>14,599,814</u>
Total Assessed Values	<u><u>\$391,349,144</u></u>

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

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 semiannually, the first payment is due April 30, with the remainder payable at September 20.

The County Treasurer collects property tax on behalf of all taxing districts within the county, including the City of South Euclid. The County Auditor periodically remits to the City its portion of the taxes. Property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2000. Although total property tax collections for the next fiscal year are measurable, amounts to be received during the available period are not subject to reasonable estimate at December 31, nor are they intended to finance 2000 operations. The receivable is offset by deferred revenue.

B. Income Tax

The City levies an income tax of 1.5 percent on all income earned within the City as well as on income of residents earned outside the City. In the latter case, the City allows a credit of .75 percent on the income earned outside the City and 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

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For the Year Ended December 31, 2000

individual taxpayers are also required to pay estimated tax at least quarterly and file a final return annually. Taxes collected by RITA in one month are remitted to the City on the tenth of the following month. Income tax revenue is credited entirely to the general fund.

C. Intergovernmental Receivables

A summary of the principal items of intergovernmental receivables is as follows:

	Amounts
General Fund:	
Estate Tax	\$233,465
Liquor Licences	2,250
Firing Range Rental	1,755
Bureau of Workers Compensation Refund	70,598
Total General Fund	308,068
Special Revenue Funds:	
COPS Grant	5,587
Street Maintenance	45,568
State Highway	3,694
Permissive Motor Vehicle	9,091
School Based Partnership Grant	12,820
HUD Grant	103,509
Total Special Revenue Funds	180,269
Grand Total	\$488,337

D. Special Assessments

Special assessments include annually assessed service assessments and assessments for debt obligations. Service type special assessments are levied against all property owners which benefit from the provided service while special assessments for debt obligations are levied against specific property owners who primarily benefitted from the project.

Special assessments are payable by the time table 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 service assessments include street lighting, sidewalk repair, sewer maintenance, and sewer rehabilitation which are billed by the County Auditor and collected by the County Treasurer. The County Auditor 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 combined balance sheet.

In addition, the City assesses merchants whose patrons use City-operated parking lots for a portion of the cost of lighting, maintaining and repairing the lots. The merchants are initially billed by the City. Any billed amounts not paid after thirty days are certified to the County Auditor, with interest, and generally collected over a two year period. To properly reflect the actual administration of the overall operation of the parking lots, these special assessment transactions are reported in the parking lots and meters special revenue fund as special assessments revenue.

City of South Euclid, Ohio
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Note 7 - Fixed Assets

Changes in general fixed assets during 2000 were as follows:

	Balance 1/1/00	Additions	Deletions	Balance 12/31/00
Land	\$1,236,074	\$0	\$0	\$1,236,074
Buildings	3,518,578	35,457	0	3,554,035
Improvements other than Buildings	6,302,228	112,272	0	6,414,500
Machinery and Equipment	2,478,888	631,165	84,731	3,025,322
Furniture and Fixtures	392,770	45,317	0	438,087
Vehicles	2,975,202	174,301	0	3,149,503
Total General Fixed Assets	\$16,903,740	\$998,512	\$84,731	\$17,817,521

Note 8 - Long-Term Obligations

Changes in long-term obligations of the City during the year ended December 31, 2000, were as follows:

	Outstanding 12/31/99	Additions	(Reductions)	Outstanding 12/31/00
General Long-Term Obligations				
<i>General Obligation Bonds</i>				
Recreation Improvement 1998 - \$4,744,994 - 4.4%	\$4,181,108	\$32,425	(\$340,000)	\$3,873,533
<i>Special Assessment Bonds</i>				
Stanhope Parking Lot Construction 1994 - \$630,000 - 4.0% - 6.7%	535,000	0	(25,000)	510,000
Total Bond Indebtedness	4,716,108	32,425	(365,000)	4,383,533
<i>Bond Anticipation Notes</i>				
Flood Control Capital Projects Fund 1999 Sewer Improvement 3.32%	1,000,000	0	(1,000,000)	0
2000 Sewer Improvement 4.55%	0	1,000,000	0	1,000,000
Total Bond Anticipation Notes	\$1,000,000	\$1,000,000	(\$1,000,000)	\$1,000,000

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	Outstanding 12/31/99	Additions	(Reductions)	Outstanding 12/31/00
Police and Fire Pension Liability	\$356,445	\$0	(\$4,448)	\$351,997
Compensated Absences	783,658	108,526	(45,172)	847,012
Intergovernmental Payable	329,079	311,207	(329,079)	311,207
OPWC Loan				
2000 - \$53,405 - 0%	0	53,405	0	53,405
<i>Total Other Long-Term Obligations</i>	<u>1,469,182</u>	<u>473,138</u>	<u>(378,699)</u>	<u>1,563,621</u>
<i>Total General Long-Term Obligations</i>	<u>\$7,185,290</u>	<u>\$1,505,563</u>	<u>(\$1,743,699)</u>	<u>\$6,947,154</u>

The City's overall legal debt margin was \$36,578,942 at December 31, 2000. The unvoted legal debt margin was \$20,885,018. Principal and interest requirements to retire the long-term debt obligations outstanding at December 31, 2000, are as follows:

Year	General Obligation Bonds	Special Assessment Bonds	Police And Fire Pension	Totals
2001	\$524,680	\$57,655	\$19,550	\$601,885
2002	515,080	56,380	19,550	591,010
2003	504,355	55,080	19,550	578,985
2004	518,417	58,755	19,550	596,722
2005	506,205	57,135	19,550	582,890
2006-2010	2,666,624	286,840	97,750	3,051,214
2011-2015	570,000	222,495	97,750	890,245
2016-2020	0	0	97,750	97,750
2021-2025	0	0	97,750	97,750
2026-2030	0	0	97,750	97,750
2031-2035	0	0	87,145	87,145
Total Principal and Interest	<u>5,805,361</u>	<u>794,340</u>	<u>673,645</u>	<u>7,273,346</u>
Less: Interest	<u>(1,931,828)</u>	<u>(284,340)</u>	<u>(321,648)</u>	<u>(2,537,816)</u>
Total Principal Outstanding	<u>\$3,873,533</u>	<u>\$510,000</u>	<u>\$351,997</u>	<u>\$4,735,530</u>

General obligation bonds will be repaid from property tax revenues that are receipted into the general obligation bond retirement debt service fund.

Special assessment bonds will be paid from the proceeds of assessments levied against the benefitted property owners. In the event that the property owners fail to make their special assessment payments, the City is responsible for providing the resources to meet the annual principal and interest payments. Special assessment monies will be received in and the debt will be retired through the special assessment bond retirement debt service fund.

City of South Euclid, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

The \$1,000,000 sewer improvement 3.32 percent note rolled over to the \$1,000,000 sewer improvement 4.55 percent note. The bond anticipation note that was rolled over prior to the issuance of the financial statements and has a new maturity beyond the end of the year in which the report is issued, has been reported in the general long-term obligations account group and will be paid from the flood control capital projects fund. This note is backed by the full faith of the City of South Euclid. See Note 19.

The Ohio Public Works Commission (OPWC) loans will be paid from sewer user fees.

Compensated absences reported in the "compensated absences payable" account will be paid from the fund from which the employees salaries are paid.

The intergovernmental payable represents contractually required pension contributions paid outside the available period and will be paid from the fund from which the employee is paid.

The police and fire pension liability represents police and fire pension obligations and will be paid from taxes received in the police and fire pension special revenue funds.

On August 25, 1998, the City issued \$4,744,994 in general obligation bonds with interest rates varying from 4.0 percent to 4.4 percent. Proceeds were used to refund \$4,745,000 of the outstanding 1991 recreation improvement bonds. As of December 31, 2000, \$4,055,000 of outstanding refunded recreation bonds are considered defeased by assets of \$4,207,006 held in an irrevocable trust.

The 1999 general obligation bonds include capital appreciation bonds. This year the addition on these bonds includes \$32,425 which represents the accretion of discounted interest remaining in 2000 on the capital appreciation bonds.

Note 9 - Risk Management

A. Property and Liability

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees and natural disasters. In October 1987, the City joined together with neighboring cities to form the Northern Ohio Risk Management Agency (NORMA), a not-for-profit corporation, for the purpose of obtaining property, liability and vehicle insurance and providing for a formalized, jointly administered self insurance fund. The City pays an annual premium to NORMA for its insurance coverage. The agreement of formation of NORMA provides that NORMA will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of the limits described in the agreement. This coverage is paid from the general fund.

There has not been a significant reduction in coverage from the prior year and claims have not exceeded coverage provided by NORMA in any of the last three years.

B. Worker's Compensation

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

City of South Euclid, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

Note 10 - Defined Benefit Pension Plans

A. Public Employees Retirement System

All City full-time employees, other than non-administrative full-time police officers and firefighters, participate in the Public Employees Retirement System of Ohio (PERS), a cost sharing multiple-employer public employee retirement system administered by the Public Employees Retirement Board. PERS provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised Code. PERS issues a stand-alone financial report which may be obtained by writing to the Public Employees Retirement System, 277 East Town Street, Columbus, Ohio, 43215-4642.

Plan members are required to contribute 8.5 percent of their annual covered salary to fund pension obligations. For calendar year 2000, PERS instituted a temporary employer rate rollback for state and local governments. The 2000 employer pension contribution rate for the City was 6.54 percent of covered payroll, reduced from 9.35 percent in 1999. Contributions are authorized by State statute. The contribution rates are determined actuarially. The City's required contributions to PERS for the years ended December 31, 2000, 1999, and 1998 were \$190,017, \$259,360, and \$237,761, respectively. The full amount has been contributed for 1999 and 1998. 82.6 percent has been contributed for 2000 with the remainder being reported as a liability in the general long-term obligations account group.

B. Ohio Police and Fire Pension Fund

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

Police and firefighters are required to contribute 10 percent of their annual covered salary to fund pension obligations and the City is required to contribute 12.25 percent for police and 16.75 percent for firefighters. For 1999 the City contributions were 12.5 percent for police and 17 percent for firefighters. Contributions are authorized by State statute. The City's contributions to the OP&F for police and firefighters were \$258,301 and \$278,740 for the year ended December 31, 2000, \$254,568 and \$271,398 for the year ended December 31, 1999, and \$239,854 and \$261,754 for the year ended December 31, 1998. The full amount has been contributed for 1999 and 1998. 74.64 percent and 74.75 percent, respectively, have been contributed for 2000 with the remainder being reported as a liability in the general long-term obligations account group.

In addition to current contributions, the City pays installments on the accrued liability incurred when the State of Ohio established the statewide pension system for police and fire fighters in 1967. As of December 31, 2000, the unfunded liability of the City was \$351,997, payable in semi-annual payment through the year 2035. This is an accounting liability of the City which will not vary. The liability is reported in the general long-term obligations account group.

City of South Euclid, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

Note 11 - Postemployment Benefits

A. Public Employees Retirement System

The Public Employees Retirement System of Ohio (PERS) provides postretirement health care coverage to age and service employees with ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in GASB Statement No. 12. A portion of each employer's contribution to PERS is set aside for the funding of postretirement health care based on authority granted by State statute. The 2000 employer contribution rate was 10.84 percent of covered payroll, 4.30 percent was the portion that was used to fund health care for 2000. For 1999, the contribution rate was 13.55 percent of covered payroll; 4.20 percent was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal cost method. Significant actuarial assumptions, based on PERA's latest actuarial review performed as of December 31, 1999, include a rate of return on investments of 7.75 percent, an annual increase in active employee total payroll of 4.75 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .54 percent and 5.1 percent based on additional annual pay increases. Health care premiums were assumed to increase 4.75 percent annually.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets.

The number of active contributing participants was 401,339. The City's actual contributions for 2000 which were used to fund postemployment benefits were \$124,935. The actual contribution and the actuarially required contribution amounts are the same. PERS's net assets available for payment of benefits at December 31, 1999, (the latest information available) were \$10,805.5 million. The actuarially accrued liability and the unfunded actuarial accrued liability were \$12,473.6 million and \$1,668.1 million, respectively.

For 2000, PERS elected to return to an actuarially pre-funded type of disclosure because it is a better presentation of PERS's actual funding methodology. Since 1997, disclosures had been based on a pay-as-you-go funding basis.

B. Ohio Police and Fire Pension Fund

The Ohio Police and Fire Pension Fund (OP&F) provides postretirement health care coverage to any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending school full-time or on a 2/3 basis.

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the Ohio Police and Fire Pension Fund shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 7.25 percent of covered payroll was applied to the postemployment health care program during 2000. For 1999 the percent used to fund healthcare was 7 percent. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment.

City of South Euclid, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

The City's actual contributions for 2000 that were used to fund postemployment benefits were \$152,872 for police and \$120,648 for fire. OP&F's total health care expenses for the year ended December 31, 1999, (the latest information available) were \$95,004,633, which was net of member contributions of \$5,518,098. The number of OP&F participants eligible to receive health care benefits as of December 31, 1999, was 12,467 for police and 9,807 for firefighters.

Note 12 - Other Employee Benefits - Compensated Absences

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Employees earn two to five weeks of vacation per year, depending on length of service. Employees may use accumulated vacation after the completion of one year of service with the City. Accumulated vacation must be used within one year of being earned.

Upon termination of service, an employee is entitled to receive payment for any unused vacation time plus accrued vacation time earned during the year but not yet credited to vacation leave balance. On January 1, an employee is given credit for, and may begin using, vacation time earned during the preceding year.

Employees earn sick leave at a rate of 1.25 days per month of service. Sick leave accumulation is generally limited to 960 hours for all employees except for 1,200 hours for police and dispatchers and 1,248 for firefighters. Upon retirement or death, an employee can be paid one third of the outstanding sick leave accumulated up to the maximum hours allowed. As of December 31, 2000, the total liability for unpaid compensated absences \$861,628.

Note 13 - Joint Ventures

A. Tri-City Consortium on Aging

The Tri-City Consortium on Aging (Consortium) is a joint venture among the Cities of South Euclid, Lyndhurst and Highland Heights, formed for the purpose of coordinating among the cities all matters related to assistance and programs for the aged. Consortium revenues consist of contributions from the member cities and federal grants. The Consortium is controlled by the Council of Governments composed of the Mayors of the Cities of South Euclid, Lyndhurst, and Highland Heights, with the advice of a nine member commission. Continued existence of the Consortium is dependent on the City, however the City of South Euclid has no explicit and measurable equity interest in the Consortium. The Consortium is not accumulating financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the City. In 2000, the City contributed \$147,714, paid from the general fund, which represented twenty-eight percent of Consortium revenues. To obtain a copy of the Consortium's financial statements, write to the Tri-City Consortium on Aging, 1370 Victory Drive, South Euclid, Ohio, 44121.

B. South Euclid-Lyndhurst Recreation Commission

The South Euclid-Lyndhurst Recreation Commission (SELREC) is a joint venture that is jointly owned and operated by the Cities of South Euclid and Lyndhurst, and the South Euclid-Lyndhurst City School District for the purpose of operating the Cities and School District's playgrounds, play fields and indoor recreation centers. Each of these governments supports SELREC through funds that are appropriated in their budgets and each shares in the equity of SELREC.

City of South Euclid, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

The operation of SELREC is controlled by a nine member board consisting of the following: one member appointed by the Mayor of the City of South Euclid and one member appointed by the Mayor of the City of Lyndhurst, three members that are residents of the City of South Euclid, three members that are residents of the City of Lyndhurst, and one member that is a resident of the South Euclid-Lyndhurst City School District and that lives in either the City of South Euclid or the City of Lyndhurst (jointly appointed by the Mayors of the Cities of South Euclid and Lyndhurst). The City has an ongoing financial responsibility because the continued existence of the joint venture depends on the City's contributions. In 2000, the City contributed \$37,424, which represented sixteen percent of SELREC's revenues. The City also has a measurable equity interest in SELREC because the joint venture agreement stipulates that the participants have a claim to assets and sets forth the method of distribution upon dissolution of the joint venture. SELREC has no capital assets. SELREC is audited on a two-year basis, the latest reported is for the fiscal year ended June 30, 1999. Financial statements can be obtained by contacting the fiscal agent, South Euclid-Lyndhurst City School District, 6044 Mayfield Road, Lyndhurst, Ohio 44124.

Note 14 Jointly Governed Organizations

A. 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 92 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. The City of South Euclid did not contribute to NOPEC during 2000. Financial information can be obtained by contacting Dan DiLiberto, Treasurer, 35150 Lakeshore Boulevard, Eastlake, Ohio 44095.

B. First Suburbs Consortium of Northeast Ohio Council of Governments

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

The Council is governed by an Assembly made up of one representative from each member community. The representatives then elect the Governing Board made up of a Chair, Vice Chair and other members elected in annual elections. The Board oversees and manages the council. The degree of control exercised by any participating government is limited to its representation in the Assembly and on the Board. During 2000, the City of South Euclid contributed \$3,000. Financial information can be obtained by contacting First Suburbs Consortium of Northeast Ohio Council of Governments, 40 Severance Circle, Cleveland Heights, Ohio 44118.

City of South Euclid, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

Note 15 - Shared Risk Pool

The Northern Ohio Risk Management Association (NORMA) is a shared risk pool comprised of the Cities of Bedford Heights, Chagrin Falls, Eastlake, Highland Heights, Hudson, Maple Heights, Mayfield Heights, Richmond Heights, Solon and South Euclid. NORMA was formed to enable its members to obtain property and liability insurance, including vehicles, and provide for a formalized, jointly administered self-insurance fund. The members formed a not-for-profit corporation known as NORMA, Inc. to administer the pool. NORMA is governed by a board of trustees that consists of the Mayor from each of the participating members.

Each entity must remain a member for at least three years from the commencement date of October 1, 1987, with the exception of Cities of Eastlake and Solon whose commencement date is October 1, 1989, and the City of Maple Heights, whose commencement date is October 1, 1993. After the initial three years, each City may extend its term in three-year increments.

Each member provides operating resources to NORMA based on actuarially determined rates. In the event of losses, the first \$2,500 of any valid claim will be paid by the member. The next payment, generally a maximum of \$147,500 per occurrence, will come from the self-insurance pool with any excess paid from the stop-loss coverage carried by the pool. Any loss over these amounts would be the obligation of the individual member. If the aggregate claims paid by the pool exceed the available resources, the pool may require the members to make additional supplementary payments up to a maximum of the regular annual payment.

In 2000, the City of South Euclid paid \$56,022 in premiums from the general fund, which represents 10.5 percent of total premiums. Financial information can be obtained by contacting the fiscal agent, the Finance Director at the City of Bedford Heights, 5661 Perkins Road, Bedford Heights, Ohio, 44146.

Note 16 - Contingencies

A. Litigation

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

B. Grants

The City received financial assistance from federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2000.

City of South Euclid, Ohio
Notes to the General Purpose Financial Statements
For the Year Ended December 31, 2000

Note 17 - Interfund Transactions

Interfund balances at December 31, 2000, consist of the following individual fund billings:

	Interfund Receivable	Interfund Payable
General Fund	\$12,200	\$0
School Based Partnership Grant Special Revenue Fund	0	10,200
Issue II Projects Capital Projects Fund	0	2,000
Totals	\$12,200	\$12,200

Note 18 - Outstanding Contractual Commitments

The City has the following outstanding contractual commitments for various projects at December 31, 2000:

Contractor	Project	Amount of Contract	Amount Expended	Amount Remaining
Independence Communications	Communication Renovations	\$146,129	\$116,903	\$29,226
Longo Construction	Bradview / Hillrock Sewer	30,153	29,115	1,038
Pavement Tech	Asphalt Seal Coating	38,760	33,370	5,390
S.S. Construction	Liberty Rd. Bridge	680,070	14,892	665,178
Seal Tech	Crack Sealing	18,990	14,391	4,599
Perk Co.	Parkside Blvd	127,073	122,131	4,942
Totals		\$1,041,175	\$330,802	\$710,373

Note 19 - Subsequent Event

On April 5, 2001, the City rolled over the 2000 sewer improvement note for \$1,000,000 at 4.55% and issued a sewer improvements note for \$4,900,000 at 3.30 percent. The new note matures on April 5, 2002.

*Combining, Individual Fund
and Account Group
Statements and Schedules*

General Fund

The General Fund accounts for resources traditionally associated with the general governmental operations of the City except those required to be accounted for in another fund.

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Property Taxes	\$3,135,273	\$3,140,083	\$4,810
Income Taxes	5,350,000	5,369,876	19,876
Other Local Taxes	55,000	204,656	149,656
Intergovernmental	1,681,581	2,242,265	560,684
Charges for Services	186,500	137,781	(48,719)
Fees, Licenses and Permits	136,100	176,936	40,836
Fines and Forfeitures	380,000	363,319	(16,681)
Interest	500,000	655,221	155,221
Rent	84,000	96,000	12,000
Other	22,200	54,916	32,716
<i>Total Revenues</i>	<u>11,530,654</u>	<u>12,441,053</u>	<u>910,399</u>
Expenditures			
Current:			
Security of Persons and Property:			
Police Department:			
Personal Services	3,402,169	3,201,188	200,981
Materials and Supplies	65,727	59,079	6,648
Contractual Services	54,704	38,578	16,126
Other	501,631	479,709	21,922
Total Police Department	<u>4,024,231</u>	<u>3,778,554</u>	<u>245,677</u>
Fire Department:			
Personal Services	2,249,535	2,204,028	45,507
Materials and Supplies	72,681	58,757	13,924
Contractual Services	37,939	35,485	2,454
Other	207,074	199,718	7,356
Total Fire Department	<u>2,567,229</u>	<u>2,497,988</u>	<u>69,241</u>
Fire Hydrants Department:			
Materials and Supplies	10,000	2,784	7,216
Contractual Services	17,000	16,854	146
Total Fire Hydrants Department	<u>27,000</u>	<u>19,638</u>	<u>7,362</u>
Total Security of Persons and Property	<u>\$6,618,460</u>	<u>\$6,296,180</u>	<u>\$322,280</u>

(continued)

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Public Health:			
County Health Board:			
Contractual Services	<u>\$107,876</u>	<u>\$104,333</u>	<u>\$3,543</u>
Leisure Time Activities:			
Recreation:			
Personal Services	93,037	90,344	2,693
Materials and Supplies	9,000	6,352	2,648
Contractual Services	59,000	42,048	16,952
Other	<u>35,500</u>	<u>8,329</u>	<u>27,171</u>
Total Recreation	<u>196,537</u>	<u>147,073</u>	<u>49,464</u>
Community Center:			
Personal Services	105,587	99,545	6,042
Materials and Supplies	32,500	21,681	10,819
Contractual Services	32,500	29,148	3,352
Other	<u>74,900</u>	<u>43,510</u>	<u>31,390</u>
Total Community Center	<u>245,487</u>	<u>193,884</u>	<u>51,603</u>
Total Leisure Time Activities	<u>442,024</u>	<u>340,957</u>	<u>101,067</u>
Community Environment:			
Boards and Commissions:			
Personal Services	32,550	28,006	4,544
Other	<u>1,500</u>	<u>133</u>	<u>1,367</u>
Total Boards and Commissions	<u>34,050</u>	<u>28,139</u>	<u>5,911</u>
Community Relations:			
Materials and Supplies	1,500	107	1,393
Other	<u>23,450</u>	<u>15,711</u>	<u>7,739</u>
Total Community Relations	<u>\$24,950</u>	<u>\$15,818</u>	<u>\$9,132</u>

(continued)

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Building Department:			
Personal Services	\$465,413	\$459,216	\$6,197
Materials and Supplies	21,260	14,940	6,320
Contractual Services	13,262	12,609	653
Other	59,860	55,465	4,395
Total Building Department	559,795	542,230	17,565
Total Community Environment	618,795	586,187	32,608
Basic Utility Services:			
Refuse Collection and Disposal:			
Contractual Services	883,000	882,962	38
Curbside Recycling:			
Personal Services	94,733	84,621	10,112
Other	56,791	47,018	9,773
Total Curbside Recycling	151,524	131,639	19,885
Total Basic Utility Services	1,034,524	1,014,601	19,923
Transportation:			
Service Department:			
Personal Services	368,110	310,606	57,504
Materials and Supplies	116,627	108,099	8,528
Contractual Services	331,370	253,325	78,045
Other	191,413	146,552	44,861
Total Service Department	1,007,520	818,582	188,938
Service Garage:			
Personal Services	108,977	105,031	3,946
Materials and Supplies	143,486	138,208	5,278
Contractual Services	58,900	37,238	21,662
Other	6,000	2,214	3,786
Total Service Garage	317,363	282,691	34,672
Total Transportation	\$1,324,883	\$1,101,273	\$223,610

(continued)

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
General Government:			
Mayor:			
Personal Services	\$108,774	\$107,731	\$1,043
Materials and Supplies	4,816	2,902	1,914
Other	<u>11,000</u>	<u>8,594</u>	<u>2,406</u>
Total Mayor	<u>124,590</u>	<u>119,227</u>	<u>5,363</u>
Finance:			
Personal Services	189,532	179,811	9,721
Materials and Supplies	6,500	5,427	1,073
Contractual Services	47,500	28,542	18,958
Other	<u>11,500</u>	<u>6,069</u>	<u>5,431</u>
Total Finance	<u>255,032</u>	<u>219,849</u>	<u>35,183</u>
Law Director:			
Personal Services	102,952	96,358	6,594
Materials and Supplies	6,500	6,164	336
Contractual Services	149,500	144,638	4,862
Other	<u>21,750</u>	<u>18,075</u>	<u>3,675</u>
Total Law Director	<u>280,702</u>	<u>265,235</u>	<u>15,467</u>
Council:			
Personal Services	65,174	63,801	1,373
Materials and Supplies	1,450	447	1,003
Other	<u>7,000</u>	<u>6,284</u>	<u>716</u>
Total Council	<u>73,624</u>	<u>70,532</u>	<u>3,092</u>
Municipal Court:			
Personal Services	363,636	309,652	53,984
Materials and Supplies	22,480	19,049	3,431
Contractual Services	3,300	3,218	82
Other	<u>23,433</u>	<u>13,981</u>	<u>9,452</u>
Total Municipal Court	<u>\$412,849</u>	<u>\$345,900</u>	<u>\$66,949</u>

(continued)

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Civil Service:			
Personal Services	\$6,070	\$6,030	\$40
Contractual Services	18,500	17,661	839
Other	500	379	121
	<u>25,070</u>	<u>24,070</u>	<u>1,000</u>
Total Civil Service			
Municipal Complex:			
Personal Services	158,322	147,145	11,177
Materials and Supplies	16,159	11,315	4,844
Contractual Services	319,655	289,268	30,387
Other	87,537	60,369	27,168
	<u>581,673</u>	<u>508,097</u>	<u>73,576</u>
Total Municipal Complex			
Engineering:			
Personal Services	13,850	13,509	341
Other	134,000	96,599	37,401
	<u>147,850</u>	<u>110,108</u>	<u>37,742</u>
Total Engineering			
Mandated:			
Contractual Services	792,450	703,327	89,123
Other	140,000	126,126	13,874
	<u>932,450</u>	<u>829,453</u>	<u>102,997</u>
Total Mandated			
Retirement Benefit:			
Personal Services	25,000	17,931	7,069
	<u>25,000</u>	<u>17,931</u>	<u>7,069</u>
Total Retirement Benefit			
Total General Government	<u>2,858,840</u>	<u>2,510,402</u>	<u>348,438</u>
<i>Total Expenditures</i>	<u>13,005,402</u>	<u>11,953,933</u>	<u>1,051,469</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(\$1,474,748)</u>	<u>\$487,120</u>	<u>\$1,961,868</u>

(continued)

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Other Financing Sources (Uses)			
Advances In	\$250,000	\$250,000	\$0
Advances Out	(12,200)	(12,200)	0
Operating Transfers Out	(903,600)	(871,300)	32,300
<i>Total Other Financing Sources (Uses)</i>	<u>(665,800)</u>	<u>(633,500)</u>	<u>32,300</u>
<i>Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses</i>	(2,140,548)	(146,380)	1,994,168
<i>Fund Balance Beginning of Year</i>	3,234,387	3,234,387	0
Prior Year Encumbrances Appropriated	<u>684,178</u>	<u>684,178</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,778,017</u></u>	<u><u>\$3,772,185</u></u>	<u><u>\$1,994,168</u></u>

Special Revenue Funds

Special Revenue Funds are established to account for the proceeds of specific revenue sources (other than major capital projects) that are restricted by law and administrative action to expenditures for specified purposes.

Operation Home Improvement Fund The Operation Home Improvement Fund is designed to provide financial assistance to home owners with financial need through a non-refundable grant of up to \$2,000 to qualified home owners to make necessary repairs to the exterior of their home. Monies are received from the Federal Government under the Community Development Block Grant Program.

Cops Grant Fund The Cops Grant Fund accounts for monies from the State and Federal governments to be used to establish or expand community policing programs.

Street Maintenance Fund The Street Maintenance Fund accounts for ninety-two and one half percent (92.5%) of the State gasoline tax and motor vehicle registration fees designated for street maintenance and repair.

State Highway Fund The State Highway Fund accounts for seven and one half percent (7.5%) of the State gasoline tax and motor vehicle registration fees designated for maintenance and repair of state highways within the City.

Parking Lots and Meters Fund The Parking Lots and Meters Fund accounts for the operations of the parking lots within the City.

Swimming Pools Fund The Swimming Pools Fund accounts for the operations of the City's three pools.

Permissive Motor Vehicle Fund The Permissive Motor Vehicle Fund accounts for additional motor vehicle registration fees designated for maintenance and repair of streets within the City.

School Based Partnership Grant Fund This grant accounts for monies received from the U.S. Department of Justice to establish a program to address the problem of bullying, threat and intimidation in schools. This program is administered with in the South Euclid-Lyndhurst City School District.

HUD Grant Fund The HUD Grant accounts for grant monies to be expended on certain streets within an improvement target area with in the City.

Court Security Grant Fund The Court Security Grant accounts for grant monies received from the State to be used to enhance the security of the Municipal Court.

Law Enforcement Fund The Law Enforcement Fund accounts for confiscated monies from criminals that are designated, by State statute, for expenditures that would enhance the police department.

Street Lighting Fund The Street Lighting Fund accounts for the special assessment revenue to provide street lighting within the City.

Sewer Rental Fund The Sewer Rental Fund accounts for special assessment revenue that is expended for the maintenance of the sewer system within the City.

Police Pension Fund The Police Pension Fund accounts for the accumulation of property taxes levied for the payment of current employer's pension contributions and the long-term accounting liability.

Fire Pension Fund The Fire Pension Fund accounts for the accumulation of property taxes levied for the payment of current employer's pension contributions and the long-term accounting liability.

City of South Euclid, Ohio
Combining Balance Sheet
All Special Revenue Funds
December 31, 2000

	<u>Operation Home Improvement</u>	<u>Cops Grant</u>	<u>Street Maintenance</u>
Assets			
Equity in Pooled Cash	\$4,919	\$8,626	\$206,033
Receivables:			
Taxes	0	0	0
Special Assessments	0	0	0
Intergovernmental	0	5,587	45,568
Materials and Supplies Inventory	<u>0</u>	<u>0</u>	<u>58,682</u>
<i>Total Assets</i>	<u><u>\$4,919</u></u>	<u><u>\$14,213</u></u>	<u><u>\$310,283</u></u>
Liabilities			
Accounts Payable	\$0	\$0	\$2,656
Contracts Payable	0	0	0
Accrued Wages	0	0	6,275
Compensated Absences Payable	0	0	369
Interfund Payable	0	0	0
Intergovernmental Payable	0	0	4,930
Deferred Revenue	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>14,230</u>
Fund Equity			
Fund Balance:			
Reserved for Encumbrances	0	0	1,198
Reserved for Inventory	0	0	58,682
Unreserved, Undesignated	<u>4,919</u>	<u>14,213</u>	<u>236,173</u>
<i>Total Fund Equity</i>	<u>4,919</u>	<u>14,213</u>	<u>296,053</u>
<i>Total Liabilities and Fund Equity</i>	<u><u>\$4,919</u></u>	<u><u>\$14,213</u></u>	<u><u>\$310,283</u></u>

<u>State Highway</u>	<u>Parking Lots and Meters</u>	<u>Swimming Pools</u>	<u>Permissive Motor Vehicle</u>	<u>School Based Partnership Grant</u>	<u>HUD Grant</u>
\$21,885	\$21,138	\$242,642	\$258,423	\$33	\$0
0	0	0	0	0	0
0	36,952	0	0	0	0
3,694	0	0	9,091	12,820	103,509
0	0	0	0	0	0
<u>\$25,579</u>	<u>\$58,090</u>	<u>\$242,642</u>	<u>\$267,514</u>	<u>\$12,853</u>	<u>\$103,509</u>
\$0	\$2,537	\$1,670	\$17,646	\$0	\$0
0	0	0	0	0	0
294	868	0	0	1,360	0
0	0	0	0	0	0
0	0	0	0	10,200	0
263	818	0	0	782	0
0	36,952	0	0	0	0
<u>557</u>	<u>41,175</u>	<u>1,670</u>	<u>17,646</u>	<u>12,342</u>	<u>0</u>
0	13,794	850	13,358	0	0
0	0	0	0	0	0
<u>25,022</u>	<u>3,121</u>	<u>240,122</u>	<u>236,510</u>	<u>511</u>	<u>103,509</u>
<u>25,022</u>	<u>16,915</u>	<u>240,972</u>	<u>249,868</u>	<u>511</u>	<u>103,509</u>
<u>\$25,579</u>	<u>\$58,090</u>	<u>\$242,642</u>	<u>\$267,514</u>	<u>\$12,853</u>	<u>\$103,509</u>

(continued)

City of South Euclid, Ohio
Combining Balance Sheet
All Special Revenue Funds (continued)
December 31, 2000

	<u>Court Security Grant</u>	<u>Law Enforcement</u>	<u>Street Lighting</u>
Assets			
Equity in Pooled Cash	\$18,514	\$31,558	\$425,837
Receivables:			
Taxes	0	0	0
Special Assessments	0	0	363,464
Intergovernmental	0	0	0
Materials and Supplies Inventory	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Assets</i>	<u><u>\$18,514</u></u>	<u><u>\$31,558</u></u>	<u><u>\$789,301</u></u>
Liabilities			
Accounts Payable	\$0	\$0	\$65,194
Contracts Payable	0	0	0
Accrued Wages	0	0	0
Compensated Absences Payable	0	0	0
Interfund Payable	0	0	0
Intergovernmental Payable	0	732	0
Deferred Revenue	<u>0</u>	<u>0</u>	<u>363,464</u>
<i>Total Liabilities</i>	<u>0</u>	<u>732</u>	<u>428,658</u>
Fund Equity			
Fund Balance:			
Reserved for Encumbrances	17,500	0	0
Reserved for Inventory	0	0	0
Unreserved, Undesignated	<u>1,014</u>	<u>30,826</u>	<u>360,643</u>
<i>Total Fund Equity</i>	<u>18,514</u>	<u>30,826</u>	<u>360,643</u>
<i>Total Liabilities and Fund Equity</i>	<u><u>\$18,514</u></u>	<u><u>\$31,558</u></u>	<u><u>\$789,301</u></u>

<u>Sewer Rental</u>	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Totals</u>
\$157,408	\$31,510	\$31,509	\$1,460,035
0	105,706	105,706	211,412
584,976	0	0	985,392
0	0	0	180,269
0	0	0	58,682
<u>\$742,384</u>	<u>\$137,216</u>	<u>\$137,215</u>	<u>\$2,895,790</u>
\$18,575	\$0	\$0	\$108,278
11,233	0	0	11,233
1,979	0	0	10,776
0	0	0	369
0	0	0	10,200
2,976	0	0	10,501
584,976	105,706	105,706	1,196,804
<u>619,739</u>	<u>105,706</u>	<u>105,706</u>	<u>1,348,161</u>
25,692	0	0	72,392
0	0	0	58,682
96,953	31,510	31,509	1,416,555
<u>122,645</u>	<u>31,510</u>	<u>31,509</u>	<u>1,547,629</u>
<u>\$742,384</u>	<u>\$137,216</u>	<u>\$137,215</u>	<u>\$2,895,790</u>

City of South Euclid, Ohio
*Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Special Revenue Funds
For the Year Ended December 31, 2000*

	Operation Home <u>Improvement</u>	Cops Grant <u> </u>	Street Maintenance <u> </u>
Revenues			
Property Taxes	\$0	\$0	\$0
Intergovernmental	56,005	51,003	455,970
Charges for Services	0	0	0
Fines and Forfeitures	0	0	0
Special Assessments	0	0	0
Other	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Revenues</i>	<u>56,005</u>	<u>51,003</u>	<u>455,970</u>
Expenditures			
Current:			
Security of Persons and Property	0	50,003	0
Leisure Time Activities	0	0	0
Basic Utility Services	63,808	0	0
Transportation	<u>0</u>	<u>0</u>	<u>451,200</u>
<i>Total Expenditures</i>	<u>63,808</u>	<u>50,003</u>	<u>451,200</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(7,803)	1,000	4,770
Other Financing Sources			
Operating Transfers In	<u>1,300</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures</i>	(6,503)	1,000	4,770
<i>Fund Balances (Deficit) Beginning of Year</i>	11,422	13,213	306,797
Decrease in Reserve for Inventory	<u>0</u>	<u>0</u>	<u>(15,514)</u>
<i>Fund Balances End of Year</i>	<u><u>\$4,919</u></u>	<u><u>\$14,213</u></u>	<u><u>\$296,053</u></u>

<u>State Highway</u>	<u>Parking Lots and Meters</u>	<u>Swimming Pools</u>	<u>Permissive Motor Vehicle</u>	<u>School Based Partnership Grant</u>	<u>HUD Grant</u>
\$0	\$0	\$0	\$0	\$0	\$0
36,970	0	0	135,610	131,340	150,000
0	76,117	112,153	0	0	0
0	0	0	0	0	0
0	2,564	0	0	0	0
0	0	36,458	0	0	0
<u>36,970</u>	<u>78,681</u>	<u>148,611</u>	<u>135,610</u>	<u>131,340</u>	<u>150,000</u>
0	0	0	0	63,396	0
0	0	479,377	0	0	0
0	99,634	0	0	0	0
18,917	0	0	36,642	0	0
<u>18,917</u>	<u>99,634</u>	<u>479,377</u>	<u>36,642</u>	<u>63,396</u>	<u>0</u>
18,053	(20,953)	(330,766)	98,968	67,944	150,000
0	20,000	350,000	0	0	0
18,053	(953)	19,234	98,968	67,944	150,000
6,969	17,868	221,738	150,900	(67,433)	(46,491)
0	0	0	0	0	0
<u>\$25,022</u>	<u>\$16,915</u>	<u>\$240,972</u>	<u>\$249,868</u>	<u>\$511</u>	<u>\$103,509</u>

(continued)

City of South Euclid, Ohio
*Combining Statement of Revenues, Expenditures
and Changes in Fund Balances*
All Special Revenue Funds (continued)
For the Year Ended December 31, 2000

	Court Security Grant	Law Enforcement	Street Lighting
	<u> </u>	<u> </u>	<u> </u>
Revenues			
Property Taxes	\$0	\$0	\$0
Intergovernmental	0	1,472	0
Charges for Services	0	0	0
Fines and Forfeitures	0	5,365	0
Special Assessments	0	0	368,858
Other	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Revenues</i>	<u>0</u>	<u>6,837</u>	<u>368,858</u>
Expenditures			
Current:			
Security of Persons and Property	9,611	14,460	397,528
Leisure Time Activities	0	0	0
Basic Utility Services	0	0	0
Transportation	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Expenditures</i>	<u>9,611</u>	<u>14,460</u>	<u>397,528</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(9,611)	(7,623)	(28,670)
Other Financing Sources			
Operating Transfers In	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures</i>	(9,611)	(7,623)	(28,670)
<i>Fund Balances (Deficit) Beginning of Year</i>	28,125	38,449	389,313
Decrease in Reserve for Inventory	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u><u>\$18,514</u></u>	<u><u>\$30,826</u></u>	<u><u>\$360,643</u></u>

<u>Sewer Rental</u>	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Totals</u>
\$0	\$94,202	\$94,202	\$188,404
0	13,231	13,231	1,044,832
25,655	0	0	213,925
0	0	0	5,365
332,863	0	0	704,285
<u>0</u>	<u>0</u>	<u>0</u>	<u>36,458</u>
<u>358,518</u>	<u>107,433</u>	<u>107,433</u>	<u>2,193,269</u>
0	100,000	100,000	734,998
0	0	0	479,377
337,285	0	0	500,727
<u>0</u>	<u>0</u>	<u>0</u>	<u>506,759</u>
<u>337,285</u>	<u>100,000</u>	<u>100,000</u>	<u>2,221,861</u>
21,233	7,433	7,433	(28,592)
<u>0</u>	<u>0</u>	<u>0</u>	<u>371,300</u>
21,233	7,433	7,433	342,708
101,412	24,077	24,076	1,220,435
<u>0</u>	<u>0</u>	<u>0</u>	<u>(15,514)</u>
<u>\$122,645</u>	<u>\$31,510</u>	<u>\$31,509</u>	<u>\$1,547,629</u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Operation Home Improvement Fund
For the Year Ended December 31, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	\$63,000	\$62,671	(\$329)
Expenditures			
Current:			
Basic Utility Services:			
Refuse Collection and Disposal:			
Other	<u>68,600</u>	<u>64,098</u>	<u>4,502</u>
<i>Excess of Revenues Under Expenditures</i>	(5,600)	(1,427)	4,173
Other Financing Sources			
Operating Transfers In	<u>600</u>	<u>1,300</u>	<u>700</u>
<i>Excess of Revenues and Other Financing Sources Under Expenditures</i>	(5,000)	(127)	4,873
<i>Fund Balance Beginning of Year</i>	<u>5,046</u>	<u>5,046</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$46</u></u>	<u><u>\$4,919</u></u>	<u><u>\$4,873</u></u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Cops Grant Fund
For the Year Ended December 31, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	<u>\$80,800</u>	<u>\$45,416</u>	<u>(\$35,384)</u>
Expenditures			
Current:			
Security of Persons and Property:			
Police Department:			
Personal Services	75,817	50,003	25,814
Materials and Supplies	<u>3,695</u>	<u>0</u>	<u>3,695</u>
Total Expenditures	<u>79,512</u>	<u>50,003</u>	<u>29,509</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	1,288	(4,587)	(5,875)
<i>Fund Balance Beginning of Year</i>	<u>13,213</u>	<u>13,213</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$14,501</u></u>	<u><u>\$8,626</u></u>	<u><u>(\$5,875)</u></u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Maintenance Fund
For the Year Ended December 31, 2000

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	<u>\$450,000</u>	<u>\$467,063</u>	<u>\$17,063</u>
Expenditures			
Current:			
Transportation:			
Street Maintenance:			
Personal Services	316,000	296,143	19,857
Materials and Supplies	158,466	146,715	11,751
Contractual Services	36,000	20,516	15,484
Other	<u>6,675</u>	<u>2,547</u>	<u>4,128</u>
<i>Total Expenditures</i>	<u>517,141</u>	<u>465,921</u>	<u>51,220</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(67,141)	1,142	68,283
<i>Fund Balance Beginning of Year</i>	171,898	171,898	0
Prior Year Encumbrances Appropriated	<u>30,141</u>	<u>30,141</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$134,898</u></u>	<u><u>\$203,181</u></u>	<u><u>\$68,283</u></u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
State Highway Fund
For the Year Ended December 31, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	<u>\$35,000</u>	<u>\$37,870</u>	<u>\$2,870</u>
Expenditures			
Current:			
Transportation:			
Street Maintenance:			
Personal Services	34,600	19,999	14,601
Materials and Supplies	<u>10,000</u>	<u>10,000</u>	<u>0</u>
<i>Total Expenditures</i>	<u>44,600</u>	<u>29,999</u>	<u>14,601</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(9,600)	7,871	17,471
<i>Fund Balance Beginning of Year</i>	<u>14,014</u>	<u>14,014</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$4,414</u></u>	<u><u>\$21,885</u></u>	<u><u>\$17,471</u></u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Parking Lots and Meters Fund
For the Year Ended December 31, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Charges for Services	\$81,000	\$77,347	(\$3,653)
Special Assessments	<u>3,000</u>	<u>2,564</u>	<u>(436)</u>
Total Revenues	<u>84,000</u>	<u>79,911</u>	<u>(4,089)</u>
Expenditures			
Current:			
Basic Utility Services:			
Parking Lots and Meters:			
Personal Services	58,650	53,774	4,876
Materials and Supplies	2,600	2,119	481
Contractual Services	52,682	42,475	10,207
Other Expenditures	<u>13,115</u>	<u>13,014</u>	<u>101</u>
<i>Total Expenditures</i>	<u>127,047</u>	<u>111,382</u>	<u>15,665</u>
<i>Excess of Revenues Under Expenditures</i>	(43,047)	(31,471)	11,576
Other Financing Sources			
Operating Transfers In	<u>35,000</u>	<u>20,000</u>	<u>(15,000)</u>
<i>Excess of Revenues and Other Financing Sources Under Expenditures</i>	(8,047)	(11,471)	(3,424)
<i>Fund Balance Beginning of Year</i>	17,470	17,470	0
Prior Year Encumbrances Appropriated	<u>15</u>	<u>15</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$9,438</u>	<u>\$6,014</u>	<u>(\$3,424)</u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Swimming Pools Fund
For the Year Ended December 31, 2000

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues			
Charges for Services	\$111,000	\$112,153	\$1,153
Other	<u>39,000</u>	<u>36,458</u>	<u>(2,542)</u>
Total Revenues	<u>150,000</u>	<u>148,611</u>	<u>(1,389)</u>
Expenditures			
Current:			
Leisure Time Activities:			
Swimming Pool:			
Personal Services	322,400	307,550	14,850
Materials and Supplies	44,000	38,984	5,016
Contractual Services	142,695	134,330	8,365
Other	<u>4,000</u>	<u>2,250</u>	<u>1,750</u>
<i>Total Expenditures</i>	<u>513,095</u>	<u>483,114</u>	<u>29,981</u>
<i>Excess of Revenues Under Expenditures</i>	(363,095)	(334,503)	28,592
Other Financing Sources			
Operating Transfers In	<u>200,000</u>	<u>350,000</u>	<u>150,000</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures</i>	(163,095)	15,497	178,592
<i>Fund Balance Beginning of Year</i>	225,850	225,850	0
Prior Year Encumbrances Appropriated	<u>95</u>	<u>95</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$62,850</u>	<u>\$241,442</u>	<u>\$178,592</u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Permissive Motor Vehicle Fund
For the Year Ended December 31, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	\$100,000	\$137,000	\$37,000
Expenditures			
Current:			
Transportation:			
Street Maintenance:			
Materials and Supplies	<u>150,000</u>	<u>50,000</u>	<u>100,000</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(50,000)	87,000	137,000
<i>Fund Balance Beginning of Year</i>	<u>140,419</u>	<u>140,419</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$90,419</u></u>	<u><u>\$227,419</u></u>	<u><u>\$137,000</u></u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
School Based Partnership Grant Fund
For the Year Ended December 31, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	<u>\$179,000</u>	<u>\$118,520</u>	<u>(\$60,480)</u>
Expenditures			
Current:			
Security of Persons and Property:			
School Based Partnership Grant:			
Personal Services	72,205	49,485	22,720
Materials and Supplies	22,765	15,227	7,538
Contractual Services	9,161	1,334	7,827
Other	<u>590</u>	<u>0</u>	<u>590</u>
<i>Total Expenditures</i>	<u>104,721</u>	<u>66,046</u>	<u>38,675</u>
<i>Excess of Revenues Over Expenditures</i>	<u>74,279</u>	<u>52,474</u>	<u>(21,805)</u>
Other Financing Sources (Uses)			
Advances In	0	10,200	10,200
Advances Out	<u>(100,000)</u>	<u>(100,000)</u>	<u>0</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(100,000)</u>	<u>(89,800)</u>	<u>10,200</u>
<i>Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses</i>	(25,721)	(37,326)	(11,605)
<i>Fund Balance Beginning of Year</i>	37,309	37,309	0
Prior Year Encumbrances Appropriated	<u>50</u>	<u>50</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$11,638</u></u>	<u><u>\$33</u></u>	<u><u>(\$11,605)</u></u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
HUD Grant Fund
For the Year Ended December 31, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	\$150,000	\$150,000	\$0
<i>Total Expenditures</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	150,000	150,000	0
Other Financing Uses			
Advances Out	<u>(150,000)</u>	<u>(150,000)</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures and Other Financing Uses</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Court Security Grant Fund
For the Year Ended December 31, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues	\$0	\$0	\$0
Expenditures			
Current:			
Security of Persons and Property:			
Court Security:			
Contractual Services	<u>28,125</u>	<u>27,111</u>	<u>1,014</u>
<i>Excess of Revenues Under Expenditures</i>	(28,125)	(27,111)	1,014
<i>Fund Balance Beginning of Year</i>	<u>28,125</u>	<u>28,125</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$1,014</u></u>	<u><u>\$1,014</u></u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Law Enforcement Fund
For the Year Ended December 31, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	\$2,500	\$1,472	(\$1,028)
Fines and Forfeitures	<u>2,500</u>	<u>5,500</u>	<u>3,000</u>
<i>Total Revenues</i>	<u>5,000</u>	<u>6,972</u>	<u>1,972</u>
Expenditures			
Current:			
Security of Persons and Property:			
Police Department:			
Materials and Supplies	12,700	12,609	91
Other	<u>7,300</u>	<u>1,119</u>	<u>6,181</u>
<i>Total Expenditures</i>	<u>20,000</u>	<u>13,728</u>	<u>6,272</u>
<i>Excess of Revenues Under Expenditures</i>	(15,000)	(6,756)	8,244
<i>Fund Balance Beginning of Year</i>	<u>38,289</u>	<u>38,289</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$23,289</u></u>	<u><u>\$31,533</u></u>	<u><u>\$8,244</u></u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Lighting Fund
For the Year Ended December 31, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Special Assessments	\$400,000	\$368,858	(\$31,142)
Expenditures			
Current:			
Security of Persons and Property:			
Street Maintenance:			
Contractual Services	455,600	365,051	90,549
<i>Excess of Revenues Over (Under) Expenditures</i>	(55,600)	3,807	59,407
<i>Fund Balance Beginning of Year</i>	422,030	422,030	0
<i>Fund Balance End of Year</i>	\$366,430	\$425,837	\$59,407

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Sewer Rental Fund
For the Year Ended December 31, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Charges for Services	\$10,000	\$25,655	\$15,655
Special Assessments	<u>330,000</u>	<u>332,863</u>	<u>2,863</u>
<i>Total Revenues</i>	<u>340,000</u>	<u>358,518</u>	<u>18,518</u>
Expenditures			
Current:			
Basic Utility Services:			
Sewer Maintenance:			
Personal Services	224,750	219,527	5,223
Materials and Supplies	6,082	5,019	1,063
Contractual Services	162,716	131,615	31,101
Other	<u>2,500</u>	<u>1,883</u>	<u>617</u>
<i>Total Expenditures</i>	<u>396,048</u>	<u>358,044</u>	<u>38,004</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(56,048)	474	56,522
<i>Fund Balance Beginning of Year</i>	105,611	105,611	0
Prior Year Encumbrances Appropriated	<u>1,398</u>	<u>1,398</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$50,961</u></u>	<u><u>\$107,483</u></u>	<u><u>\$56,522</u></u>

City of South Euclid, 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, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Property Taxes	\$96,069	\$94,202	(\$1,867)
Intergovernmental	<u>11,000</u>	<u>13,231</u>	<u>2,231</u>
<i>Total Revenues</i>	107,069	107,433	364
Expenditures			
Current:			
Security of Persons and Property:			
Police Department:			
Contractual Services	<u>100,000</u>	<u>100,000</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	7,069	7,433	364
<i>Fund Balance Beginning of Year</i>	<u>24,077</u>	<u>24,077</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$31,146</u></u>	<u><u>\$31,510</u></u>	<u><u>\$364</u></u>

City of South Euclid, 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, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Property Taxes	\$96,069	\$94,202	(\$1,867)
Intergovernmental	<u>11,000</u>	<u>13,231</u>	<u>2,231</u>
<i>Total Revenues</i>	107,069	107,433	364
Expenditures			
Current:			
Security of Persons and Property:			
Fire Department:			
Contractual Services	<u>100,000</u>	<u>100,000</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	7,069	7,433	364
<i>Fund Balance Beginning of Year</i>	<u>24,076</u>	<u>24,076</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$31,145</u></u>	<u><u>\$31,509</u></u>	<u><u>\$364</u></u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget (Non-GAAP Basis) and Actual
All Special Revenue Funds
For the Year Ended December 31, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Property Taxes	\$192,138	\$188,404	(\$3,734)
Intergovernmental	1,082,300	1,046,474	(35,826)
Charges for Services	202,000	215,155	13,155
Fines and Forfeitures	2,500	5,500	3,000
Special Assessments	733,000	704,285	(28,715)
Other	39,000	36,458	(2,542)
<i>Total Revenues</i>	<u>2,250,938</u>	<u>2,196,276</u>	<u>(54,662)</u>
Expenditures			
Current Operations and Maintenance:			
Security of Persons and Property:			
Cops Grant Fund	79,512	50,003	29,509
School Based Partnership Grant Fund	104,721	66,046	38,675
Court Security Grant Fund	28,125	27,111	1,014
Law Enforcement Fund	20,000	13,728	6,272
Street Lighting Fund	455,600	365,051	90,549
Police Pension Fund	100,000	100,000	0
Fire Pension Fund	100,000	100,000	0
Total Security of Persons and Property	<u>887,958</u>	<u>721,939</u>	<u>166,019</u>
Leisure Time Activities:			
Swimming Pools Fund	513,095	483,114	29,981
Basic Utility Services:			
Operation Home Improvement Fund	68,600	64,098	4,502
Parking Lots and Meters Fund	127,047	111,382	15,665
Sewer Rental Fund	396,048	358,044	38,004
Total Basic Utility Services	<u>591,695</u>	<u>533,524</u>	<u>58,171</u>
Transportation:			
Street Maintenance Fund	517,141	465,921	51,220
State Highway Fund	44,600	29,999	14,601
Permissive Motor Vehicle Fund	150,000	50,000	100,000
Total Transportation	<u>711,741</u>	<u>545,920</u>	<u>165,821</u>
<i>Total Expenditures</i>	<u>2,704,489</u>	<u>2,284,497</u>	<u>419,992</u>
<i>Excess of Revenues Under Expenditures</i>	(\$453,551)	(\$88,221)	\$365,330

(continued)

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget (Non-GAAP Basis) and Actual
All Special Revenue Funds (continued)
For the Year Ended December 31, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Other Financing Sources (Uses)			
Advances In	\$0	\$10,200	\$10,200
Advances Out	(250,000)	(250,000)	0
Operating Transfers In	235,600	371,300	135,700
<i>Total Other Financing Sources (Uses)</i>	<u>(14,400)</u>	<u>131,500</u>	<u>145,900</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	(467,951)	43,279	511,230
<i>Fund Balances Beginning of Year</i>	1,267,427	1,267,427	0
Prior Year Encumbrances Appropriated	<u>31,699</u>	<u>31,699</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u><u>\$831,175</u></u>	<u><u>\$1,342,405</u></u>	<u><u>\$511,230</u></u>

Debt Service Funds

Debt Service Funds are established to account for the accumulation of resources for the payment of debt reported in the general long-term obligations account group.

General Obligation Debt Service Fund The Voted General Obligation Debt Service Fund accounts for the resources that are used for payment of principal and interest and fiscal charges on general obligation debt.

Special Assessment Bond Retirement Fund The Special Assessment Bond Retirement Fund accounts for the retirement of debt issued to finance public improvements deemed to benefit the properties against which special assessments are levied.

City of South Euclid, Ohio
Combining Balance Sheet
All Debt Service Funds
December 31, 2000

	<u>General Obligation Debt Service</u>	<u>Special Assessment Bond Retirement</u>	<u>Totals</u>
Assets			
Equity in Pooled Cash	\$360,815	\$130,719	\$491,534
Receivables:			
Taxes	495,140	0	495,140
Special Assessments	<u>0</u>	<u>901,176</u>	<u>901,176</u>
<i>Total Assets</i>	<u><u>\$855,955</u></u>	<u><u>\$1,031,895</u></u>	<u><u>\$1,887,850</u></u>
Liabilities			
Deferred Revenue	\$495,140	\$901,176	\$1,396,316
Fund Equity			
Fund Balance:			
Unreserved, Undesignated	<u>360,815</u>	<u>130,719</u>	<u>491,534</u>
<i>Total Liabilities and Fund Equity</i>	<u><u>\$855,955</u></u>	<u><u>\$1,031,895</u></u>	<u><u>\$1,887,850</u></u>

City of South Euclid, Ohio
*Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Debt Service Funds
For the Year Ended December 31, 2000*

	General Obligation Debt Service	Special Assessment Bond Retirement	Totals
Revenues			
Property Taxes	\$471,013	\$0	\$471,013
Intergovernmental	66,154	0	66,154
Special Assessments	0	73,086	73,086
<i>Total Revenues</i>	<u>537,167</u>	<u>73,086</u>	<u>610,253</u>
Expenditures			
Debt Service:			
Principal Retirement	1,340,000	25,000	1,365,000
Interest and Fiscal Charges	206,398	34,626	241,024
<i>Total Expenditures</i>	<u>1,546,398</u>	<u>59,626</u>	<u>1,606,024</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,009,231)	13,460	(995,771)
Other Financing Sources			
Proceeds of Notes	1,000,000	0	1,000,000
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures</i>	(9,231)	13,460	4,229
<i>Fund Balances Beginning of Year</i>	<u>370,046</u>	<u>117,259</u>	<u>487,305</u>
<i>Fund Balances End of Year</i>	<u><u>\$360,815</u></u>	<u><u>\$130,719</u></u>	<u><u>\$491,534</u></u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Obligation Debt Service Fund
For the Year Ended December 31, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
	<u> </u>	<u> </u>	<u> </u>
Revenues			
Property Taxes	\$535,345	\$471,013	(\$64,332)
Intergovernmental	<u> 0</u>	<u> 66,154</u>	<u> 66,154</u>
<i>Total Revenues</i>	<u> 535,345</u>	<u> 537,167</u>	<u> 1,822</u>
Expenditures			
Debt Service:			
Principal Retirement	1,340,000	1,340,000	0
Interest and Fiscal Charges	<u> 206,490</u>	<u> 206,398</u>	<u> 92</u>
<i>Total Expenditures</i>	<u> 1,546,490</u>	<u> 1,546,398</u>	<u> 92</u>
<i>Excess of Revenues Under Expenditures</i>	(1,011,145)	(1,009,231)	1,914
Other Financing Sources			
Proceeds of Notes	<u> 1,000,000</u>	<u> 1,000,000</u>	<u> 0</u>
<i>Excess of Revenues and Other Financing Sources Under Expenditures</i>	(11,145)	(9,231)	1,914
<i>Fund Balance Beginning of Year</i>	<u> 370,046</u>	<u> 370,046</u>	<u> 0</u>
<i>Fund Balance End of Year</i>	<u><u> \$358,901</u></u>	<u><u> \$360,815</u></u>	<u><u> \$1,914</u></u>

City of South Euclid, 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, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Special Assessments	<u>\$70,000</u>	<u>\$73,086</u>	<u>\$3,086</u>
Expenditures			
Debt Service:			
Principal Retirement	25,000	25,000	0
Interest and Fiscal Charges	<u>35,405</u>	<u>34,626</u>	<u>779</u>
<i>Total Expenditures</i>	<u>60,405</u>	<u>59,626</u>	<u>779</u>
<i>Excess of Revenues Over Expenditures</i>	9,595	13,460	3,865
<i>Fund Balance Beginning of Year</i>	<u>117,259</u>	<u>117,259</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$126,854</u></u>	<u><u>\$130,719</u></u>	<u><u>\$3,865</u></u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget (Non-GAAP Basis) and Actual
All Debt Service Funds
For the Year Ended December 31, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Property Taxes	\$535,345	\$471,013	(\$64,332)
Intergovernmental	0	66,154	66,154
Special Assessments	70,000	73,086	3,086
<i>Total Revenues</i>	<u>605,345</u>	<u>610,253</u>	<u>4,908</u>
Expenditures			
Debt Service:			
Principal:			
General Obligation Debt Service Fund	1,340,000	1,340,000	0
Special Assessment Bond Retirement Fund	25,000	25,000	0
Total Principal	<u>1,365,000</u>	<u>1,365,000</u>	<u>0</u>
Interest and Fiscal Charges:			
General Obligation Debt Service Fund	206,490	206,398	92
Special Assessment Bond Retirement Fund	35,405	34,626	779
Total Interest and Fiscal Charges	<u>241,895</u>	<u>241,024</u>	<u>871</u>
<i>Total Expenditures</i>	<u>1,606,895</u>	<u>1,606,024</u>	<u>871</u>
<i>Excess of Revenues Under Expenditures</i>	(1,001,550)	(995,771)	5,779
Other Financing Sources			
Proceeds of Notes	<u>1,000,000</u>	<u>1,000,000</u>	<u>0</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures</i>	(1,550)	4,229	5,779
<i>Fund Balances Beginning of Year</i>	<u>487,305</u>	<u>487,305</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u><u>\$485,755</u></u>	<u><u>\$491,534</u></u>	<u><u>\$5,779</u></u>

Capital Projects Funds

Capital Projects Funds are established to account for financial resources to be used for the construction of major capital facilities.

General Capital Improvement Fund The General Capital Improvement Fund accounts for operating transfers from the General Fund designated for capital construction and acquisition of capital assets.

Recreation Improvement Fund The Recreation Improvement Fund accounts for resources set aside for the improvement of City parks.

Road Improvement Fund The Road Improvement Fund accounts for a special property tax levy collected for the improvement of streets and curbs within the City.

Flood Control Fund The Flood Control Fund accounts for resources to complete an eight year project to correct flooding problems within the City.

Sidewalk Improvement Fund The Sidewalk Improvement Fund accounts for resources set aside for the inspection and improvement of City sidewalks.

Stanhope Parking Lot Fund The Stanhope Parking Lot Construction Fund accounts for resources set aside for improving the Stanhope Parking Lot by repaving, striping and making other improvements.

Issue II Projects Fund The Issue II Projects Fund accounts for grant monies received from the Ohio Public Works Commission plus matching funds from the City. Expenditures are restricted to specific projects within the City.

Land Acquisition Fund The Land Acquisition Fund accounts for resources set aside for future economic growth and development.

Special Purpose Grant Fund The Special Purpose Grant Fund accounts for monies for streetscape and landscape improvements.

Sewer Rehabilitation Fund The Sewer Rehabilitation Fund accounts for special assessments that are expended for improvements to the sanitary sewer system within the City which are required by the Environmental Protection Agency.

City of South Euclid, Ohio
Combining Balance Sheet
All Capital Projects Funds
December 31, 2000

	<u>General Capital Improvement</u>	<u>Recreation Improvement</u>	<u>Road Improvement</u>	<u>Flood Control</u>
Assets				
Equity in Pooled Cash	\$2,450,627	\$150,000	\$567,378	\$1,362,429
Receivables:				
Taxes	0	0	566,026	0
Special Assessments	0	0	0	1,754,936
<i>Total Assets</i>	<u><u>\$2,450,627</u></u>	<u><u>\$150,000</u></u>	<u><u>\$1,133,404</u></u>	<u><u>\$3,117,365</u></u>
Liabilities				
Accounts Payable	\$616	\$0	\$2,233	\$8,346
Contracts Payable	29,115	0	14,391	122,131
Interfund Payable	0	0	0	0
Deferred Revenue	0	0	566,026	1,754,936
<i>Total Liabilities</i>	<u><u>29,731</u></u>	<u><u>0</u></u>	<u><u>582,650</u></u>	<u><u>1,885,413</u></u>
Fund Equity				
Fund Balance:				
Reserved for Encumbrances	211,437	0	41,256	38,534
Unreserved, Undesignated (Deficit)	2,209,459	150,000	509,498	1,193,418
<i>Total Fund Equity (Deficit)</i>	<u><u>2,420,896</u></u>	<u><u>150,000</u></u>	<u><u>550,754</u></u>	<u><u>1,231,952</u></u>
<i>Total Liabilities and Fund Equity</i>	<u><u>\$2,450,627</u></u>	<u><u>\$150,000</u></u>	<u><u>\$1,133,404</u></u>	<u><u>\$3,117,365</u></u>

<u>Sidewalk Improvement</u>	<u>Stanhope Parking Lot</u>	<u>Issue II</u>	<u>Land Acquisition</u>	<u>Special Purpose Grant</u>	<u>Sewer Rehabilitation</u>	<u>Totals</u>
\$253,637	\$2,853	\$910	\$325,500	\$180,325	\$72,461	\$5,366,120
0	0	0	0	0	0	566,026
0	0	0	0	0	0	1,754,936
<u>\$253,637</u>	<u>\$2,853</u>	<u>\$910</u>	<u>\$325,500</u>	<u>\$180,325</u>	<u>\$72,461</u>	<u>\$7,687,082</u>
\$0	\$0	\$0	\$0	\$0	\$0	\$11,195
0	0	0	0	0	0	165,637
0	0	2,000	0	0	0	2,000
0	0	0	0	0	0	2,320,962
0	0	2,000	0	0	0	2,499,794
0	0	0	0	0	0	291,227
253,637	2,853	(1,090)	325,500	180,325	72,461	4,896,061
253,637	2,853	(1,090)	325,500	180,325	72,461	5,187,288
<u>\$253,637</u>	<u>\$2,853</u>	<u>\$910</u>	<u>\$325,500</u>	<u>\$180,325</u>	<u>\$72,461</u>	<u>\$7,687,082</u>

City of South Euclid, Ohio
*Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Capital Projects Funds
For the Year Ended December 31, 2000*

	<u>General Capital Improvement</u>	<u>Recreation Improvement</u>	<u>Road Improvement</u>	<u>Flood Control</u>
Revenues				
Property Taxes	\$0	\$0	\$548,360	\$0
Intergovernmental	0	0	164,774	0
Special Assessments	0	0	0	998,587
Interest	0	0	2,194	3,717
Other	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Revenues</i>	0	0	715,328	1,002,304
Expenditures				
Capital Outlay	<u>1,105,723</u>	<u>0</u>	<u>460,702</u>	<u>580,916</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,105,723)</u>	<u>0</u>	<u>254,626</u>	<u>421,388</u>
Other Financing Sources				
Proceeds of OPWC Loans	0	0	0	0
Operating Transfers In	<u>500,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Other Financing Sources</i>	<u>500,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures</i>	(605,723)	0	254,626	421,388
<i>Fund Balances Beginning of Year</i>	<u>3,026,619</u>	<u>150,000</u>	<u>296,128</u>	<u>810,564</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$2,420,896</u></u>	<u><u>\$150,000</u></u>	<u><u>\$550,754</u></u>	<u><u>\$1,231,952</u></u>

<u>Sidewalk Improvement</u>	<u>Stanhope Parking Lot</u>	<u>Issue II</u>	<u>Land Acquisition</u>	<u>Special Purpose Grant</u>	<u>Sewer Rehabilitation</u>	<u>Totals</u>
\$0	\$0	\$0	\$0	\$0	\$0	\$548,360
0	0	0	0	12,713	0	177,487
79,697	0	0	0	0	0	1,078,284
0	0	0	0	0	0	5,911
0	0	0	0	10,000	0	10,000
79,697	0	0	0	22,713	0	1,820,042
93,733	0	54,495	0	9,999	0	2,305,568
(14,036)	0	(54,495)	0	12,714	0	(485,526)
0	0	53,405	0	0	0	53,405
0	0	0	0	0	0	500,000
0	0	53,405	0	0	0	553,405
(14,036)	0	(1,090)	0	12,714	0	67,879
267,673	2,853	0	325,500	167,611	72,461	5,119,409
<u>\$253,637</u>	<u>\$2,853</u>	<u>(\$1,090)</u>	<u>\$325,500</u>	<u>\$180,325</u>	<u>\$72,461</u>	<u>\$5,187,288</u>

City of South Euclid, 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, 2000*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Other	\$0	\$0	\$0
Expenditures			
Capital Outlay:			
General Improvements:			
Contractual Services	<u>2,051,571</u>	<u>1,339,748</u>	<u>711,823</u>
<i>Excess of Revenues Under Expenditures</i>	(2,051,571)	(1,339,748)	711,823
Other Financing Sources			
Operating Transfers In	<u>500,000</u>	<u>500,000</u>	<u>0</u>
<i>Excess of Revenues and Other Financing Sources Under Expenditures</i>	(1,551,571)	(839,748)	711,823
<i>Fund Balance Beginning of Year</i>	1,926,620	1,926,620	0
Prior Year Encumbrances Appropriated	<u>1,122,587</u>	<u>1,122,587</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,497,636</u></u>	<u><u>\$2,209,459</u></u>	<u><u>\$711,823</u></u>

City of South Euclid, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Recreation Improvement Fund
For the Year Ended December 31, 2000*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues	\$0	\$0	\$0
Expenditures			
Capital Outlay:			
Park Improvements:			
Contractual Services	<u>150,000</u>	<u>0</u>	<u>150,000</u>
<i>Excess of Revenues Under Expenditures</i>	(150,000)	0	150,000
<i>Fund Balance Beginning of Year</i>	<u>150,000</u>	<u>150,000</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$150,000</u></u>	<u><u>\$150,000</u></u>

City of South Euclid, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Road Improvement Fund
For the Year Ended December 31, 2000*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Property Taxes	\$445,530	\$548,360	\$102,830
Intergovernmental	170,000	164,774	(5,226)
Interest	5,000	2,194	(2,806)
	<u>620,530</u>	<u>715,328</u>	<u>94,798</u>
<i>Total Revenues</i>			
Expenditures			
Capital Outlay:			
Road Resurfacing:			
Contractual Services	945,465	564,501	380,964
	<u>324,935</u>	<u>150,827</u>	<u>475,762</u>
<i>Excess of Revenues Over (Under) Expenditures</i>			
	(324,935)	150,827	475,762
<i>Fund Balance Beginning of Year</i>	165,439	165,439	0
Prior Year Encumbrances Appropriated	195,465	195,465	0
	<u>195,465</u>	<u>195,465</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$35,969</u>	<u>\$511,731</u>	<u>\$475,762</u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Flood Control Fund
For the Year Ended December 31, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Special Assessments	\$975,000	\$998,587	\$23,587
Interest	<u>5,000</u>	<u>3,717</u>	<u>(1,283)</u>
<i>Total Revenues</i>	980,000	1,002,304	22,304
Expenditures			
Capital Outlay:			
Flood Control:			
Contractual Services	<u>875,049</u>	<u>613,384</u>	<u>261,665</u>
<i>Excess of Revenues Over Expenditures</i>	104,951	388,920	283,969
<i>Fund Balance Beginning of Year</i>	797,615	797,615	0
Prior Year Encumbrances Appropriated	<u>12,949</u>	<u>12,949</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$915,515</u></u>	<u><u>\$1,199,484</u></u>	<u><u>\$283,969</u></u>

City of South Euclid, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Sidewalk Improvement Fund
For the Year Ended December 31, 2000*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Special Assessments	\$150,000	\$79,697	(\$70,303)
Expenditures			
Capital Outlay:			
Sidewalk Program:			
Contractual Services	<u>257,000</u>	<u>99,446</u>	<u>157,554</u>
<i>Excess of Revenues Under Expenditures</i>	(107,000)	(19,749)	87,251
<i>Fund Balance Beginning of Year</i>	<u>273,386</u>	<u>273,386</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$166,386</u></u>	<u><u>\$253,637</u></u>	<u><u>\$87,251</u></u>

City of South Euclid, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Stanhope Parking Lot Fund
For the Year Ended December 31, 2000*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues	\$0	\$0	\$0
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>2,853</u>	<u>2,853</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$2,853</u></u>	<u><u>\$2,853</u></u>	<u><u>\$0</u></u>

City of South Euclid, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Issue II Projects Fund
For the Year Ended December 31, 2000*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues	\$0	\$0	\$0
Expenditures			
Capital Outlay:			
Improvements:			
Contractual Services	<u>776,874</u>	<u>54,495</u>	<u>722,379</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(776,874)</u>	<u>(54,495)</u>	<u>722,379</u>
Other Financing Sources			
Advances In	0	2,000	2,000
Proceeds of OPWC Loans	<u>776,874</u>	<u>53,405</u>	<u>(723,469)</u>
<i>Total Other Financing Sources</i>	<u>776,874</u>	<u>55,405</u>	<u>(721,469)</u>
<i>Excess of Revenues and Other Financing Sources Over Expenditures</i>	0	910	910
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$910</u></u>	<u><u>\$910</u></u>

City of South Euclid, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Land Acquisition Fund
For the Year Ended December 31, 2000*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues	\$0	\$0	\$0
Expenditures			
Capital Outlay:			
Improvements:			
Contractual Services	<u>300,000</u>	<u>0</u>	<u>300,000</u>
<i>Excess of Revenues Under Expenditures</i>	(300,000)	0	300,000
<i>Fund Balance Beginning of Year</i>	<u>325,500</u>	<u>325,500</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$25,500</u></u>	<u><u>\$325,500</u></u>	<u><u>\$300,000</u></u>

City of South Euclid, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Special Purpose Grant Fund
For the Year Ended December 31, 2000*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	\$0	\$12,713	\$12,713
Other	<u>0</u>	<u>10,000</u>	<u>10,000</u>
<i>Total Revenues</i>	0	22,713	22,713
Expenditures			
Capital Outlay:			
Special Purpose:			
Contractual Services	<u>100,000</u>	<u>12,962</u>	<u>87,038</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(100,000)	9,751	109,751
<i>Fund Balance Beginning of Year</i>	<u>170,574</u>	<u>170,574</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$70,574</u></u>	<u><u>\$180,325</u></u>	<u><u>\$109,751</u></u>

City of South Euclid, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Sewer Rehabilitation Fund
For the Year Ended December 31, 2000*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues	\$0	\$0	\$0
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>72,461</u>	<u>72,461</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$72,461</u></u>	<u><u>\$72,461</u></u>	<u><u>\$0</u></u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget (Non-GAAP Basis) and Actual
All Capital Projects Funds
For the Year Ended December 31, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Property Taxes	\$445,530	\$548,360	\$102,830
Intergovernmental	170,000	177,487	7,487
Special Assessments	1,125,000	1,078,284	(46,716)
Interest	10,000	5,911	(4,089)
Other	0	10,000	10,000
<i>Total Revenues</i>	<u>1,750,530</u>	<u>1,820,042</u>	<u>69,512</u>
Expenditures			
Current:			
Capital Outlay:			
General Capital Improvements Fund	2,051,571	1,339,748	711,823
Recreation Improvement Fund	150,000	0	150,000
Road Improvement Fund	945,465	564,501	380,964
Flood Control Fund	875,049	613,384	261,665
Sidewalk Improvement Fund	257,000	99,446	157,554
Issue II Projects Fund	776,874	54,495	722,379
Land Acquisition Fund	300,000	0	300,000
Special Purpose Grant Fund	100,000	12,962	87,038
<i>Total Expenditures</i>	<u>5,455,959</u>	<u>2,684,536</u>	<u>2,771,423</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(3,705,429)</u>	<u>(864,494)</u>	<u>2,840,935</u>
Other Financing Sources			
Proceeds of OPWC Loans	776,874	53,405	(723,469)
Advances In	0	2,000	2,000
Operating Transfers In	500,000	500,000	0
<i>Total Other Financing Sources</i>	<u>1,276,874</u>	<u>555,405</u>	<u>(721,469)</u>
<i>Excess of Revenues and Other Financing Sources Under Expenditures</i>	<u>(2,428,555)</u>	<u>(309,089)</u>	<u>2,119,466</u>
<i>Fund Balances Beginning of Year</i>	3,884,448	3,884,448	0
Prior Year Encumbrances Appropriated	<u>1,331,001</u>	<u>1,331,001</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u>\$2,786,894</u>	<u>\$4,906,360</u>	<u>\$2,119,466</u>

Agency Funds

Agency Funds are used to account for assets held by the City as an agent for individuals, private organizations, other governmental units, and/or other funds.

Deposits Fund The Deposits Fund accounts for deposits from contractors, held by the City, to insure compliance with various City ordinances regarding development within the City.

Municipal Court Fund The Municipal Court Fund accounts for the collection and distribution of court fines and forfeitures.

City of South Euclid, Ohio
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended December 31, 2000

	Balance 1/1/00	Additions	Reductions	Balance 12/31/00
<i>Deposits Fund</i>				
Assets				
Equity in Pooled Cash	\$370,073	\$253,664	\$216,664	\$407,073
Liabilities				
Intergovernmental Payable	\$12,637	\$4,186	\$4,296	\$12,527
Deposits Held and Due to Others	357,436	249,478	212,368	394,546
<i>Total Liabilities</i>	\$370,073	\$253,664	\$216,664	\$407,073
<i>Municipal Court</i>				
Assets				
Cash in Segregated Accounts	\$25,439	\$716,757	\$677,915	\$64,281
Liabilities				
Deposits Held and Due to Others	\$25,439	\$716,757	\$677,915	\$64,281
<i>Total - All Agency Funds</i>				
Assets				
Equity in Pooled Cash	\$370,073	\$253,664	\$216,664	\$407,073
Cash in Segregated Accounts	25,439	716,757	677,915	64,281
<i>Total Assets</i>	\$395,512	\$970,421	\$894,579	\$471,354
Liabilities				
Intergovernmental Payable	\$12,637	\$4,186	\$4,296	\$12,527
Deposits Held and Due to Others	382,875	966,235	890,283	458,827
<i>Total Liabilities</i>	\$395,512	\$970,421	\$894,579	\$471,354

General Fixed Assets Account Group

The General Fixed Assets Account Group is used to account for all land, buildings, improvements other than buildings, machinery and equipment, furniture and fixtures and vehicles.

City of South Euclid, Ohio
Schedule of General Fixed Assets
By Program and Department
December 31, 2000

Program / Department	Total	Land	Buildings	Improvements Other Than Buildings	Machinery And Equipment	Furniture And Fixtures	Vehicles
Security of Persons and Property:							
Police Department	\$1,753,251	\$0	\$4,284	\$0	\$1,241,630	\$84,266	\$423,071
Fire Prevention	1,614,193	0	0	0	351,719	58,331	1,204,143
Total Security of Persons and Property	3,367,444	0	4,284	0	1,593,349	142,597	1,627,214
Leisure Time Activities:							
Recreation	4,073,121	215,722	74,578	3,654,209	111,788	12,189	4,635
Community Center	739,851	180,000	460,431	0	62,791	36,629	0
Swimming Pool	2,540,819	9,467	829,340	1,641,895	16,243	43,874	0
Total Leisure Time Activities	7,353,791	405,189	1,364,349	5,296,104	190,822	92,692	4,635
Community Development:							
Building Department	187,112	0	0	0	68,780	29,391	88,941
Basic Utility Services:							
Sewer Maintenance	52,529	0	0	0	41,377	938	10,214
Parking Lots and Meters	947,986	236,815	0	675,008	20,444	0	15,719
Total Basic Utility Services	1,000,515	236,815	0	675,008	61,821	938	25,933
Transportation:							
Service Department	3,242,707	162,624	854,294	76,193	736,251	24,079	1,389,266
General Government:							
Mayor	43,911	0	0	0	15,363	15,034	13,514
Finance Department	151,645	0	0	0	136,545	15,100	0
Council	1,800	0	0	0	869	931	0
Municipal Court	179,698	0	0	0	110,988	68,710	0
Lands and Buildings	2,288,898	431,446	1,331,108	367,195	110,534	48,615	0
Total General Government	2,665,952	431,446	1,331,108	367,195	374,299	148,390	13,514
Total General Fixed Assets	\$17,817,521	\$1,236,074	\$3,554,035	\$6,414,500	\$3,025,322	\$438,087	\$3,149,503

City of South Euclid, Ohio
Schedule of Changes in General Fund Assets
By Program and Department
For the Year Ended December 31, 2000

Program / Department	<u>Balance 1/1/00</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/00</u>
Security of Persons and Property:				
Police Department	\$1,178,518	\$580,489	\$5,756	\$1,753,251
Fire Prevention	<u>1,657,491</u>	<u>30,699</u>	<u>73,997</u>	<u>1,614,193</u>
Total Security of Persons and Property	<u>2,836,009</u>	<u>611,188</u>	<u>79,753</u>	<u>3,367,444</u>
Leisure Time Activities:				
Recreation	4,071,378	1,743	0	4,073,121
Community Center	740,227	2,442	2,818	739,851
Swimming Pool	<u>2,529,739</u>	<u>11,080</u>	<u>0</u>	<u>2,540,819</u>
Total Leisure Time Activities	<u>7,341,344</u>	<u>15,265</u>	<u>2,818</u>	<u>7,353,791</u>
Community Development:				
Building Department	<u>178,874</u>	<u>8,238</u>	<u>0</u>	<u>187,112</u>
Basic Utility Services:				
Sewer Maintenance	50,957	1,572	0	52,529
Parking Lots and Meters	<u>947,986</u>	<u>0</u>	<u>0</u>	<u>947,986</u>
Total Basic Utility Services	<u>998,943</u>	<u>1,572</u>	<u>0</u>	<u>1,000,515</u>
Transportation:				
Service Department	<u>3,141,994</u>	<u>100,713</u>	<u>0</u>	<u>3,242,707</u>
General Government:				
Mayor	42,674	1,237	0	43,911
Finance Department	150,665	980	0	151,645
Council	1,800	0	0	1,800
Municipal Court	148,055	33,803	2,160	179,698
Lands and Buildings	<u>2,063,382</u>	<u>225,516</u>	<u>0</u>	<u>2,288,898</u>
Total General Government	<u>2,406,576</u>	<u>261,536</u>	<u>2,160</u>	<u>2,665,952</u>
<i>Total General Fixed Assets</i>	<u><u>\$16,903,740</u></u>	<u><u>\$998,512</u></u>	<u><u>\$84,731</u></u>	<u><u>\$17,817,521</u></u>

City of South Euclid, Ohio
Schedule of General Fixed Assets by Source
December 31, 2000

General Fixed Assets:

Land	\$1,236,074
Buildings	3,554,035
Improvements Other than Buildings	6,414,500
Machinery and Equipment	3,025,322
Furniture and Fixtures	438,087
Vehicles	<u>3,149,503</u>

<i>Total General Fixed Assets</i>	<u><u>\$17,817,521</u></u>
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Investment in Fixed Assets From:

General Fund Revenues	\$4,482,795
Special Revenue Funds	3,608,016
Capital Projects Funds:	
Capital Projects Funds Revenues	1,501,879
Voted General Obligation Bond Proceeds	3,485,300
General Fixed Assets Accumulated Prior to December 31, 1988	<u>4,739,531</u>

<i>Total Investment in General Fixed Assets</i>	<u><u>\$17,817,521</u></u>
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City of South Euclid, Ohio
General Fund Expenditures By Function
Last Ten Years

Year	Security of Persons and Property	Public Health	Leisure Time Activities	Community Environment	Basic Utilities Services	Transportation	General Government	Debt Service (1)	Total
2000	\$6,011,907	\$91,338	\$336,039	\$556,553	\$1,019,556	\$1,018,111	\$2,399,172	\$19,550	\$11,452,226
1999	5,727,631	98,340	349,871	501,068	973,366	1,216,945	2,314,488	19,554	11,201,263
1998	5,014,584	85,228	331,323	434,709	871,427	633,427	2,075,908	19,550	9,466,156
1997	5,052,954	84,987	364,539	488,886	837,339	964,821	2,132,607	19,550	9,945,683
1996	4,914,264	77,854	344,972	455,744	786,581	835,956	1,912,153	19,551	9,347,075
1995	4,553,806	76,027	344,521	429,181	845,990	624,688	1,954,589	19,550	8,848,352
1994	4,453,953	69,351	302,758	442,599	944,471	436,612	1,721,099	19,551	8,390,394
1993	4,390,560	72,638	312,951	424,950	850,878	489,997	1,739,051	19,550	8,300,575
1992	4,230,689	71,851	353,079	388,411	847,616	498,427	1,786,358	19,551	8,195,982
1991	4,027,563	49,373	233,715	369,767	764,500	848,787	2,010,050	19,551	8,323,306

Source: City of South Euclid

City of South Euclid, Ohio
General Fund Revenues By Source
Last Ten Years

Year	Property Taxes	Income Taxes	Other Local Taxes	Inter-Governmental	Charges for Services	Fees, Licenses and Permits	Fines and Forfeitures	Interest	Rent	Other	Total
2000	\$3,140,083	\$5,385,924	\$204,656	\$2,329,022	\$137,781	\$171,630	\$355,611	\$697,680	\$94,913	\$120,246	\$12,637,546
1999	3,159,971	5,404,307	62,622	2,552,345	243,697	138,903	406,820	515,514	94,104	104,685	12,682,968
1998	3,095,967	5,337,336	53,988	2,250,465	215,458	134,176	381,024	476,500	83,647	155,453	12,184,014
1997	2,913,243	4,798,369	51,648	2,061,214	236,783	157,234	360,777	430,375	80,512	19,658	11,109,813
1996	2,893,075	4,873,018	85,796	1,771,473	46,759	139,459	363,086	421,016	108,583	61,650	10,763,915
1995	2,949,403	4,935,896	52,870	1,832,653	248,214	118,692	319,440	392,712	65,348	73,672	10,988,900
1994	2,592,474	4,546,288	58,343	1,816,514	193,904	121,917	345,712	257,981	0	13,512	9,946,645
1993	2,560,768	4,498,798	56,206	2,102,304	137,192	88,723	347,485	250,620	0	19,421	10,061,517
1992	2,561,586	4,363,954	52,365	1,502,794	121,474	69,394	300,189	246,372	0	20,615	9,238,743
1991	2,286,995	4,278,465	53,111	1,927,076	106,861	73,431	249,304	371,309	0	19,444	9,365,996

Source: City of South Euclid

City of South Euclid, Ohio
Property Tax Levies and Collections - Real and Public Utility Taxes
Last Ten Years

Year	Current Tax Levy (1)	Delinquent Tax Levy (2)	Total Tax Levy	Percentage of Total Collections		Total Tax Collections	Percentage of Total Collections to Total Tax Levy		Outstanding Delinquent Taxes (2)	Percentage of Outstanding Delinquent Taxes to Total Tax Levy
				Current Tax Collections	Delinquent Tax Collections		Delinquent Tax Collections	Total Tax Collections		
2000	\$4,732,622	\$214,483	\$4,947,105	\$4,245,613	\$135,544	\$4,381,157	88.56%	95.65%	\$170,212	3.44%
1999	4,774,920	213,085	4,988,005	4,640,329	130,754	4,771,083	95.65	95.65	206,341	4.14
1998	4,767,393	185,464	4,952,857	4,665,337	87,469	4,752,806	95.96	95.96	195,074	3.94
1997	4,601,873	147,642	4,749,515	4,514,919	85,671	4,600,590	96.86	96.86	176,597	3.72
1996	4,600,344	130,322	4,730,666	4,536,549	57,711	4,594,260	97.12	97.12	133,715	2.83
1995	4,617,168	126,789	4,743,957	4,541,944	53,735	4,595,679	96.87	96.87	121,278	2.56
1994	4,212,006	172,835	4,384,841	4,147,779	93,955	4,241,734	96.74	96.74	118,553	2.70
1993	4,211,849	166,574	4,378,423	4,146,741	54,814	4,201,555	95.96	95.96	164,201	3.75
1992	4,194,901	158,483	4,353,384	4,117,859	44,985	4,162,844	95.62	95.62	147,455	3.39
1991	3,858,293	130,787	3,989,080	3,807,833	46,513	3,854,346	96.62	96.62	134,625	3.37

Source: Cuyahoga County Auditor

(1) State Reimbursement of Rollback and Homestead Exemptions are included.

(2) Amounts listed include penalties and interest.

City of South Euclid, Ohio
Property Tax Levies and Collections - Tangible Personal Property Taxes
Last Ten Years

Year	Current Tax Levy	Delinquent Tax Levy	Total Tax Levy	Current Tax Collections (1)	Percentage of Current Collections to Current Tax Levy	Delinquent Tax Collections	Total Tax Collections	Percentage of Total Collections to Total Tax Levy	Outstanding Delinquent Taxes	Percentage of Outstanding Delinquent Taxes to Total Tax Levy
2000	\$229,464	\$18,171	\$247,635	\$204,658	89.19%	(\$43)	\$204,615	82.63%	\$45,238	18.27%
1999	215,847	23,774	239,621	213,475	98.90	5,821	219,296	91.52	20,848	8.70
1998	210,829	22,668	233,497	207,893	98.61	7,264	215,157	92.15	19,202	8.22
1997	207,923	32,309	240,232	205,042	98.61	17,072	222,114	92.46	18,710	7.79
1996	183,276	39,225	222,501	178,460	97.37	57,711	236,171	106.14	21,793	9.79
1995	180,219	52,466	232,685	158,977	88.21	21,242	180,219	77.45	40,458	17.39
1994	158,183	19,116	177,299	148,997	94.19	7,942	156,939	88.52	20,263	11.43
1993	160,362	18,925	179,287	158,580	98.89	2,072	160,652	89.61	16,516	9.21
1992	156,826	29,634	186,460	154,795	98.70	13,509	168,304	90.26	17,597	9.44
1991	172,584	33,866	206,450	163,363	94.66	5,542	168,905	81.81	33,219	16.09

Source: Cuyahoga County Auditor

(1) \$10,000 personal property exemption is included.

City of South Euclid, Ohio
Assessed and Estimated Actual Value of Taxable Property
Last Ten Years

Year	Real Property		Public Utility Property		Tangible Personal Property		Total		
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value	
2000	\$364,107,910	\$1,040,308,314	\$12,641,420	\$14,365,250	\$14,599,814	\$58,399,256	\$391,349,144	\$1,113,072,820	35.16%
1999	330,695,520	944,844,343	12,846,360	14,598,136	14,200,467	56,801,868	357,742,347	1,016,244,347	35.20
1998	329,920,160	942,629,029	13,848,620	15,737,068	13,872,483	55,489,932	357,641,263	1,013,856,029	35.28
1997	329,370,380	941,058,229	13,965,180	15,869,523	13,414,431	53,657,724	356,749,991	1,010,585,476	35.30
1996	307,355,840	878,159,500	14,506,220	16,484,340	11,824,270	47,297,080	333,686,330	941,940,920	35.43
1995	307,665,010	876,117,200	15,572,380	16,955,250	10,011,555	46,508,124	333,248,945	939,580,574	35.47
1994	268,032,450	765,807,000	16,142,500	18,343,750	10,149,494	40,957,976	294,324,444	825,108,726	35.67
1993	267,787,150	765,106,143	15,598,150	17,725,170	9,604,730	38,418,920	292,990,030	821,250,233	35.68
1992	268,408,090	766,880,257	15,881,260	18,046,886	10,452,381	40,201,465	294,741,731	825,128,608	35.72
1991	238,656,090	681,874,543	15,351,570	13,351,570	10,894,398	40,349,622	264,902,058	735,575,735	36.01

Source: Cuyahoga County Auditor

(1) This amount is calculated by dividing the assessed value by the assessment percentage. The percentages for 2000 were 35 percent for all real property, 35 percent for public utility real, 88 percent for public utility tangible, and 25 percent for tangible personal.

City of South Euclid, Ohio
Property Tax Rates - Direct and Overlapping Governments
(Per \$1,000 Assessed Value)
Last Ten Years

Year	General Fund	Special Funds (1)	Debt Service (a)	Capital Projects	Total Levy	South Euclid/ Lyndhurst School Districts	Cuyahoga County Commissioner	Special (2) Taxing Districts	Total Tax Levy
2000	\$10.00	\$0.60	\$1.40	\$3.00	\$15.00	\$81.90	\$11.72	\$5.88	\$114.50
1999	10.00	0.60	1.50	3.00	15.10	82.10	10.82	5.88	113.90
1998	10.00	0.60	1.60	3.00	15.20	82.10	10.82	5.88	114.00
1997	10.00	0.60	1.90	3.00	15.50	75.20	16.60	1.40	108.70
1996	10.00	0.60	1.90	3.00	15.50	75.00	12.12	5.88	108.50
1995	10.00	0.60	1.90	3.00	15.50	75.00	16.60	1.40	108.50
1994	10.00	0.60	1.90	3.00	15.50	75.20	12.32	5.88	108.90
1993	10.00	0.60	2.20	3.00	15.80	67.80	12.32	5.48	101.40
1992	10.00	0.60	2.10	3.00	15.70	67.90	12.32	5.48	101.40
1991	9.90	0.60	2.40	3.00	15.90	62.00	12.32	5.48	95.70

(1) Police and Firemen Pension Special Revenue Funds

(2) Metro Parks, Port Authority, County Library, Community College

(a) \$5,575,000 Recreation Construction Bonds

Source: Cuyohoga County Auditor

City of South Euclid, Ohio
Special Assessments Billed and Collected
Last Ten Years

Year	City Assessments (a)				County Assessments (b)				Percentage of Collections to Amount Billed	Total Special Assessments Collected
	Special Assessments Billings	Special Assessments Collected	Special Assessments Certified	Special Assessments Billings	Service Assessments	Debt Service Assessments	Collections	Total Assessments		
2000	\$27,620	\$13,383	\$14,237	\$2,014,660	\$1,782,569	\$73,086	\$1,855,655	\$39,724	92.11%	\$1,869,038
1999	148,581	99,393	49,188	1,816,080	1,902,485	70,817	1,973,302	44,307	108.66	2,072,695
1998	146,080	108,902	37,178	1,847,242	1,912,816	64,204	1,977,020	33,363	107.03	2,085,922
1997	116,453	28,313	88,140	975,436	805,750	193,292	999,042	71,943	102.42	1,027,355
1996	186,953	79,075	107,878	904,833	824,537	74,853	899,390	57,045	99.40	978,465
1995	10,527	9,248	1,279	757,720	835,070	78,276	913,346	0	120.54	922,594
1994	10,497	8,844	1,653	696,058	671,735	42,396	714,131	0	102.60	722,975
1993	10,467	7,593	2,874	619,931	611,762	18,583	630,345	0	101.68	637,938
1992	13,311	8,014	5,297	628,453	577,079	17,149	594,228	34,225	94.55	602,242
1991	10,366	8,015	2,351	1,142,336	1,055,344	20,161	1,075,505	66,831	94.15	1,083,520

Source: Cuyahoga County Auditor

(a) The City initially bills all special assessments except the sewer rental and rehabilitation, street lighting assessments and flood control. The individual or business is given 30 days to pay the assessment in full. If it is not paid at that time, it is certified by the County Auditor for collection.

(b) The County assessments include service assessments and debt service assessments. The debt service assessments include interest.

City of South Euclid, Ohio
Computation of Legal Debt Margin
December 31, 2000

Total assessed valuation		\$391,349,144
Overall debt limitation - 10.5% of assessed valuation		41,091,660
Gross indebtedness	\$5,436,938	
Less debt outside limitation:	<u>563,405</u>	
Debt within 10.5% limitation	4,873,533	
Less amount available in debt service fund (1)	<u>360,815</u>	
Net debt within 10.5% limitation		<u>4,512,718</u>
Overall debt margin within 10.5% limitation		<u><u>\$36,578,942</u></u>
Unvoted debt limitation - 5.5% of assessed valuation		\$21,524,203
Gross indebtedness	\$5,436,938	
Less debt outside limitation:		
Special Assessment Debt	510,000	
Voted General Obligation Bonds	3,873,533	
OPWC Loans	<u>53,405</u>	
Debt within 5.5% limitation	1,000,000	
Less amount available in debt service fund (1)	<u>360,815</u>	
Net debt within 5.5% limitation		<u>639,185</u>
Unvoted debt margin within 5.5% limitation		<u><u>\$20,885,018</u></u>

(1) Excludes balance in special assessment bond retirement fund.

Source: City of South Euclid

City of South Euclid, Ohio
*Ratio of Net General Bonded Debt to Assessed Value
and Net Bonded Debt Per Capita
Last Ten Years*

Year	Net General Bonded Debt (1)	Assessed Value	Population (2)	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2000	\$3,512,718	\$391,349,144	23,537	0.90%	149.24
1999	3,811,062	357,742,347	23,866	1.07	159.69
1998	4,126,860	357,641,263	23,866	1.15	172.92
1997	4,445,470	356,749,991	23,866	1.25	186.27
1996	4,738,513	333,686,330	23,866	1.42	198.55
1995	5,014,135	333,248,945	23,866	1.50	210.10
1994	5,277,804	294,324,444	23,866	1.79	221.14
1993	5,467,392	292,990,030	23,866	1.87	229.09
1992	5,782,325	294,741,731	23,866	1.96	242.28
1991	5,992,250	264,902,058	23,866	2.26	251.08

(1) - Net general bonded debt equals the amount of general obligation bonds outstanding minus the debt service fund balance available to pay general obligation debt.

(2) - Source: "Population Estimates and Projections ", published by the U.S. Department of Commerce, Bureau of the Census.

City of South Euclid, Ohio
*Ratio of Annual Debt Service Expenditures for
 General Bonded Debt to Total General Fund Expenditures
 Last Ten Years*

<u>Year</u>	<u>Principal</u>	<u>Interest and Fiscal Charges</u>	<u>Debt Service on General Obligation Bonded Debt</u>	<u>General Fund Expenditures</u>	<u>Ratio</u>
2000	\$340,000	\$173,280	\$513,280	\$11,452,226	4.48%
1999	330,000	186,480	516,480	11,201,263	4.61
1998	275,000	58,147	333,147	9,466,156	3.52
1997	290,000	341,036	631,036	9,945,683	6.34
1996	265,000	355,640	620,640	9,347,075	6.64
1995	255,000	369,778	624,778	8,848,352	7.06
1994	240,000	383,570	623,570	8,390,394	7.43
1993	230,000	395,063	625,063	8,300,575	7.53
1992	215,000	406,125	621,125	8,195,982	7.58
1991	90,000	226,444	316,444	8,323,306	3.80

Source: City of South Euclid

City of South Euclid, Ohio
Computation of Direct and Overlapping General Obligation Bonded Debt
December 31, 2000

<u>Political Subdivision</u>	<u>Debt Outstanding (1)</u>	<u>Percentage Applicable To County (2)</u>	<u>Amount Applicable to City of South Euclid</u>
City of South Euclid	\$3,512,718	100.00%	\$3,512,718
South Euclid-Lyndhurst City School District	14,855,000	93.13	13,834,462
Cuyahoga County	231,044,636	1.39	3,211,520
Regional Transit Authority	<u>98,030,000</u>	1.39	<u>1,362,617</u>
Totals	<u>\$347,442,354</u>		<u>\$21,921,317</u>

(1) Net debt outstanding equals the amount of general obligation bonds outstanding minus the debt service fund balance available to pay non-special assessment general obligation debt.

(2) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the City by the total assessed valuation of the political subdivision.

Source: Cuyahoga County Auditor

City of South Euclid, Ohio
Demographic Statistics
Last Ten Years

Year	Population (1)	Per Capita Income (1)	School Enrollment (2)	Cuyahoga County Unemployment Rate (3)
2000	23,537	\$16,114	4,482	4.2%
1999	23,866	16,114	4,429	4.5
1998	23,866	16,114	4,344	4.5
1997	23,866	16,114	4,310	4.5
1996	23,866	16,114	4,412	5.0
1995	23,866	16,114	4,407	5.0
1994	23,866	16,114	4,397	5.8
1993	23,866	16,114	4,374	6.8
1992	23,866	13,740	4,314	6.6
1991	23,866	13,288	4,173	5.5

Sources: (1) " Population Estimates and Projections", published by
the Department of Commerce, Bureau of the Census.

(2) South Euclid-Lyndhurst City School District

(3) Ohio Bureau of Employment Services,
Division of Labor Force Research and Statistics.

City of South Euclid, Ohio
Property Tax Levies and Collections - Real and Public Utility Taxes
Last Ten Years

Year	Current Tax Levy (1)	Delinquent Tax Levy (2)	Total Tax Levy	Percentage of Total		Total Tax Collections	Percentage of Total Collections		Outstanding Delinquent Taxes (2)	Percentage of Outstanding Delinquent Taxes to Total Tax Levy
				Current Tax Collections	Delinquent Tax Collections		Total Tax Collections	to Total Tax Levy		
2000	\$4,732,622	\$214,483	\$4,947,105	\$4,245,613	\$135,544	\$4,381,157	88.56%	\$170,212	3.44%	
1999	4,774,920	213,085	4,988,005	4,640,329	130,754	4,771,083	95.65	206,341	4.14	
1998	4,767,393	185,464	4,952,857	4,665,337	87,469	4,752,806	95.96	195,074	3.94	
1997	4,601,873	147,642	4,749,515	4,514,919	85,671	4,600,590	96.86	176,597	3.72	
1996	4,600,344	130,322	4,730,666	4,536,549	57,711	4,594,260	97.12	133,715	2.83	
1995	4,617,168	126,789	4,743,957	4,541,944	53,735	4,595,679	96.87	121,278	2.56	
1994	4,212,006	172,835	4,384,841	4,147,779	93,955	4,241,734	96.74	118,553	2.70	
1993	4,211,849	166,574	4,378,423	4,146,741	54,814	4,201,555	95.96	164,201	3.75	
1992	4,194,901	158,483	4,353,384	4,117,859	44,985	4,162,844	95.62	147,455	3.39	
1991	3,858,293	130,787	3,989,080	3,807,833	46,513	3,854,346	96.62	134,625	3.37	

Source: Cuyahoga County Auditor

(1) State Reimbursement of Rollback and Homestead Exemptions are included.

(2) Amounts listed include penalties and interest.

City of South Euclid, Ohio
Principal Property Taxpayers
December 31, 2000

Taxpayers	Type of Business	Real Estate Assessed Valuation	Tangible Personal Property Assessed Valuation	Total Assessed Valuation	Percent of Total City Assessed Valuation
Cleveland Electric Illuminating	Utility	\$0	\$6,070,880	\$6,070,880	1.55%
University Suburban	Health Center	5,743,190	0	5,743,190	1.47
Ohio Bell Telephone	Utility	598,260	3,018,720	3,616,980	0.92
Glastic Corporation	Manufacturing	952,000	2,232,190	3,184,190	0.81
East Ohio Gas	Utility	0	2,957,680	2,957,680	0.76
Giant Eagle	Food Store Property	2,266,850	490,450	2,757,300	0.70
Transdeigm	Manufacturing	0	2,298,680	2,298,680	0.59
Walgreens	Shopping Center	765,420	709,750	1,475,170	0.38
B. W. S. Properties	Shopping Center	578,830	868,070	1,446,900	0.37
Telarama	Communications	0	981,160	981,160	0.25
Total Top Ten Taxpayers		\$10,904,550	\$19,627,580	\$30,532,130	

Source: Cuyahoga County Auditor

City of South Euclid, Ohio

Miscellaneous Statistics

December 31, 2000

Date of Incorporation:	June 1941	Education: South Euclid-Lyndhurst City	
Effective Date of Charter:	November 3, 1953	School District	
Form of Government:	Mayor/Council	Elementary Schools	6
Area:	4.57 Sq. Miles	Upper Elementary Schools	1
Miles of Streets:	61.49 Miles	Secondary Schools	2
Number of Street Lights:	2,282	Number of Teachers	
Number of Traffic Signs:	3,545	Elementary Instructors	99
Number of Traffic Lights:	47	Secondary Instructors	<u>142</u>
Miles of Sanitary Sewers:	56.46 Miles	Total Teachers	241
Miles of Storm Sewers:	56.02 Miles	Number of Teachers with	
Miles of Water Distribution:	60.56 Miles	Master's degree or Above	132.5
Fire Protection:		1999/00 Student Enrollment	
Number of Stations	1	Elementary Enrollment	2,207
Number of Firemen and Officers	32	Secondary Enrollment	<u>2,275</u>
Number of Paramedics	19	Total Enrollment	4,482
Hours of Training	5,043	Teacher/Student Ratio	1 to 16.5
Number of Alarms	2,945	Recreation and Culture:	
Total Fire Loss	\$251,750	Number of Parks	3
Police Protection		Number of Playgrounds	2
Number of Stations	1	Number of Swimming Pools	3
Number of Policemen and Officers	38	Number of Tennis Courts	8
Number of School Guards	17	Number of Community Centers	1
Hours of Training	2,400	Acreage of Parks	39.411
Persons Arrested	813	Public Libraries	1
Traffic Violations	4,144	Public Transportation:	
Parking Violations - Arrest	3,872	Cuyahoga Regional Transit Authority	
City Employees			
Number of Full Time Employees	65		
Number of Part Time Employees	34		
Number of Seasonal Part Time Employees	116		

Municipal Water Department: Served by the City of Cleveland

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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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CITY OF SOUTH EUCLID

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MAY 17, 2001**