



**CITY OF EUCLID
CUYAHOGA COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2006



Mary Taylor, CPA
Auditor of State

**CITY OF EUCLID
CUYAHOGA COUNTY**

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**CITY OF EUCLID
CUYAHOGA COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2006**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Direct Program:			
Community Development Block Grants/Entitlement Grants		14.218	\$ 1,040,721
Total U.S. Department of Housing and Urban Development			<u>\$ 1,040,721</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Direct Program:			
Edward Byrne Memorial State and Local Law Enforcement Assistance		16.580	21,518
Local Law Enforcement Block Grants Program		16.592	38,686
Community Capacity Development Office		16.595	98,275
Bulletproof Vest Partnership Program		16.607	1,130
Total U.S. Department of Justice			<u>\$ 159,609</u>
<u>U.S. DEPARTMENT OF HIGHWAY ADMINISTRATION</u>			
Pass Through the Ohio Department of Transportation Highway Planning and Construction	TLC1-06-J	20.205	29,292
Total U.S. Department of Highway Administration			<u>\$ 29,292</u>
<u>FEDERAL EMERGENCY MANAGEMENT AGENCY</u>			
Direct Program:			
Assistance to Firefighters Grant		97.044	6,551
Total Federal Emergency Management Agency			<u>\$ 6,551</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Pass Through the Western Reserve Area Agency on Aging Special Program for the Aging Title III, Part C - Nutrition Services	FY06	93.045	53,319
Total U.S. Department of Health and Human Services			<u>\$ 53,319</u>
Total Federal Assistance			<u>\$ 1,289,492</u>

See the accompanying notes to the Federal Award Expenditures Schedule

**CITY OF EUCLID
CUYAHOGA COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
FISCAL YEAR ENDED DECEMBER 31, 2006**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Expenditures Schedule (the Schedule) summarizes activity of the City of Euclid's federal award programs. The schedule has been prepared on the cash basis of accounting.

CFDA – Catalog of Federal Domestic Assistance



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

City of Euclid
Cuyahoga County
585 East 222nd Street
Euclid, Ohio 44123

To the City Council:

We have audited the financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of City of Euclid, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2006, which collectively comprise the City's basic financial statements and have issued our report thereon dated November 2, 2007, wherein we noted the City restated January 1, 2006 net assets in the governmental and business type activities and the water enterprise fund due to an understatement of construction in progress. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the City's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the City's internal control over financial reporting.

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the City's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

We consider the following deficiencies described in the accompanying schedule of findings to be significant deficiencies in internal control over financial reporting as items 2006-002 and 2006-003.

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Telephone: (216) 787-3665 (800) 626-2297 Fax: (216) 787-3361
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A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the City's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. We believe none of the significant deficiencies described above are material weaknesses.

We also noted certain internal control matters that we reported to the City's management in a separate letter dated November 2, 2007.

Compliance and Other Matters

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed an instance of noncompliance or other matters that we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2006-001.

We also noted certain noncompliance or other matters not requiring inclusion in this report that we reported to the City's management in a separate letter dated November 2, 2007.

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the City's responses and, accordingly, we express no opinion on them.

We intend this report solely for the information and use of the management, City Council and federal awarding agencies and pass-through entities. We intend it for no one other than these specified parties.



Mary Taylor, CPA
Auditor of State

November 2, 2007



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO ITS MAJOR FEDERAL PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

City of Euclid
Cuyahoga County
585 East 222nd Street
Euclid, Ohio 44123

To the City Council:

Compliance

We have audited the compliance of City of Euclid, Cuyahoga County, Ohio, (the City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to its major federal program for the year ended December 31, 2006. The summary of auditor's results section of the accompanying schedule of findings identifies the City's major federal program. The City's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City of Euclid complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended December 31, 2006.

Internal Control Over Compliance

The City's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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A *control deficiency* in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that the entity's internal control will not prevent or detect more-than-inconsequential noncompliance with a federal program compliance requirement.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the City's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements.

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

Federal Awards Expenditures Schedule

We have also audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of City of Euclid, Cuyahoga County, Ohio, as of and for the year ended December 31, 2006, and have issued our report thereon dated November 2, 2007, wherein we noted the City restated January 1, 2006 net assets in the governmental and business type activities and the water enterprise fund due to an understatement of construction in process. Our audit was performed to form opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying federal awards expenditures schedule provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

We intend this report solely for the information and use of management, City Council, and federal awarding agencies and pass-through entities. It is not intended for anyone other than these specified parties.



Mary Taylor, CPA
Auditor of State

November 2, 2007

CITY OF EUCLID
CUYAHOGA COUNTY

SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2006

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	CDBG #14.218 Community Development Block Grant
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

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

FINDING NUMBER 2006-001

TIMELY DEPOSIT

Ohio Revised Code Section 9.38 states that public money must be deposited with the treasurer of the public office or to a designated depository on the business day following the day of receipt. If the amount of daily receipts does not exceed \$1,000 and the receipts can be safeguarded, the legislative body may adopt a policy permitting their money to be held past the next business day, but the deposit must be made no later than three business days after receiving the deposit. The policy must include provisions and procedures to safeguard the money during the intervening period. If the amount exceeds \$1,000 or a lesser amount cannot be safeguarded, the public official must then deposit the money on the next business day.

**CITY OF EUCLID
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2006
(Continued)**

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

FINDING NUMBER 2006-001 (Continued)

TIMELY DEPOSIT (Continued)

During testing we noted seven out of sixty golf course receipts and eleven out of sixty-one recreation department receipts, which totaled \$5,175 out of \$73,422 or 7% of the amount tested and \$11,674 out of \$52,104 or 22% of the amount tested, respectively, were not deposited to the designated depository within one day of collection. We noted the City has not established a policy in force during the audit period that would allow for monies to be held past the next business day.

We recommend the receipts obtained for the golf course and recreation department be deposited with the designated depository within twenty-four hours after collection, or the City adopt a policy in accordance with the guidelines in the Ohio Revised Code Section noted above that includes provisions and procedures to safeguard money that will not be deposited the next business day.

SIGNIFICANT DEFICIENCIES

FINDING NUMBER 2006-002

TIMELY POSTING OF RECEIPTS AND ESTABLISHMENT OF POLICY

The City has not established a formal policy regarding the timely posting of their receipts and during our testing we noted twelve out of sixty of the golf course receipts and nine out of sixty-one of the recreation receipts, which totaled \$12,885 out of \$73,422 or 18% and \$7,408 out of \$52,104 or 14% of the amount tested, respectively, were not timely posted to the City's revenue ledger. While the City does post their receipts, it was not done on a timely basis. Failure to timely post this activity increases the possibility that receipts would not be posted and misstatements may occur. It could also affect the monthly reconciliations and year end balances.

We recommend the City of Euclid post their receipts on a timely basis and the City Council establish a policy regarding posting of receipts to their revenue ledger.

FINDING NUMBER 2006-003

DAILY CASH RECEIPTS DEPOSIT SUMMARY

We noted during our testing twenty-nine out of sixty golf course receipts, which totaled \$35,647 out of \$73,422 or 48% of the amount tested, the Golf Pro/Course Manager did not initial the Daily Cash Receipts Deposit Summary which indicates the daily cash register tape, receipts and deposit slip are in agreement and accurate. Also noted during our testing, sixteen out of sixty golf course receipts, which totaled \$17,011 out of \$73,422 or 23% of the amount tested, the Assistant Manager/Cashier did not initial the Daily Cash Receipts Deposit Summary which indicates that they prepared the summary.

We recommend the Daily Cash Receipts Deposit Summary be properly initialed by the Golf Pro/Course Manager and the Assistant Manager/Cashier.

**CITY OF EUCLID
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2006
(Continued)**

Official's Response:

These were brought to our attention in late 2006. While we discussed these with responsible employees, there were instances of occurrences earlier in the year. We will continue to remind employees of their responsibilities.

3. FINDINGS FOR FEDERAL AWARDS

None

**CITY OF EUCLID
CUYAHOGA COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A -133 § .315 (b)
DECEMBER 31, 2006**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2005-001	ORC 5705.39 Appropriations exceeding Estimated Resources	No	Comment reissued in the Management Letter.
2005-002	ORC 705.25 Wedding Receipts	Yes	
2005-003	Timely posting of receipts and establishment of policy.	No	Comment reissued as 2006-002.

CITY OF EUCLID, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2006

Issued by the Finance Department

Jack Johnson, Director of Finance

CITY OF EUCLID, OHIO

EUCLID, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2006

**ISSUED BY: FINANCE DEPARTMENT
JACK JOHNSON, DIRECTOR OF FINANCE**

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INTRODUCTORY SECTION

CITY OF EUCLID, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2006

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November 2, 2007

Members of Euclid City Council and
Residents of the City of Euclid

We are pleased to submit to you the City of Euclid's Comprehensive Annual Financial Report (CAFR). This CAFR represents the official report of the City of Euclid's operations and financial position for the year ended December 31, 2006, and has been developed to accurately detail the status of the City's finances to Euclid residents and elected officials, investment institutions and underwriters, rating agencies, and other interested parties. This report is compiled in compliance with GASB Statement No. 34, *Basic Financial Statements and Management Discussion and Analysis - for State and Local Governments*.

This report has been prepared in conformity with generally accepted accounting principles (GAAP) and guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA). Responsibility for the accuracy of the presented 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 is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

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

PROFILE OF THE GOVERNMENT

The City

The City of Euclid (the City) is a municipal corporation and political subdivision of the State of Ohio. It is located on the southern shore of Lake Erie and in Cuyahoga County.

The City, which covers 10.3 square miles, is situated in the industrial Midwest and is bounded on the west by the City of Cleveland, on the north by Lake Erie and on the south and east by other smaller cities.

City Government

The City was incorporated as a Village in 1903, became incorporated as a City in 1931, and then became a Charter City in 1951. The form of government established by the Charter is the Mayor/Council form. The executive power of the City is vested in the Mayor, who is elected for a term of four (4) years. The legislative power of the City is vested in a Council of nine (9) members elected for a term of two (2) years. The judicial power of the City is vested in the Municipal Court Judge, elected to a six (6) year term. The Mayor appoints the Directors of Administration, Finance, Police, Fire, Community Service and Economic Development, Law, Parks and Recreation, and Public Service.

City Services

The City offers its citizens a full range of municipal services that include a municipal court, police and fire protection, sanitation, street maintenance and improvements, health and welfare, community and economic development, a civic cultural center, and a community center that is home to many senior citizen organizations and community activities. In addition, the City's recreational facilities include an 18-hole municipal golf course, an indoor ice skating rink, several swimming pools, and a variety of sports fields which provide opportunities for competitive sports. Fine health care is available in the City for people living and working in the City, due to the presence of Euclid Hospital, affiliated with the Cleveland Clinic, and University Mednet's Clinic.

The City operates three enterprises, Waste Water Treatment Plant, the Water Line Construction and the Briardale Greens Golf Course. All are accounted for in the City's enterprise funds. The City provides waste water treatment for the cities of Wickliffe, Willowick, Willoughby Hills, and parts of Richmond Heights, Ohio. Each of these communities depends in whole or in part on the City's sanitary sewer system for transportation of their waste water to the City's waste water treatment plant.

The maintenance of the sanitary sewer system within each community is the responsibility of each individual community. The firm of DMG-Maximus, Inc. determines annually and independently the revenues required to provide waste water services and recommends a rate structure that would equitably recover these costs from the system users.

The City provides aggregation programs for City residents for both electricity and natural gas. Shell Energy is the natural gas provider and WPS Energy is the electricity provider. For those residents who choose not to participate in the aggregation programs, First Energy Corporation and Dominion East Ohio Gas Company, both independent, publicly-owned utilities, provide electricity and natural gas, respectively. Cleveland Public Power, a municipally owned electric utility, serves a small portion of the community and the Regional Transit Authority, a county wide transit system, provides bus service within the City.

Reporting Entity

The City has reviewed its reporting entity definition in order to ensure compliance and conformance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*. For financial reporting definition purposes, City management has considered all agencies, departments, and organizations comprising the City, the primary government and its potential component units.

The Euclid City School District has not been included in the accompanying financial statement. The Board is not appointed by the City, nor is it fiscally dependent on the City.

The Euclid Development Corporation (EDCOR) is presented as a component unit. This matter is discussed in more detail later in the notes to the basic financial statements.

FACTORS AFFECTING FINANCIAL CONDITION

Economic Condition and Outlook

City Council and the Administration are committed to protecting the level of services afforded all of the commercial and residential citizenry of the City and to implement projects and programs designed to improve economic and operational efficiency of the City Government. Through effective financial management, the City is striving to maintain tax rates at current levels, an action that should continue to draw new businesses and home buyers to the City.

The City currently maintains an “A 1” long-term bond rating with Moody’s Investor Service. This rating demonstrates the City’s high level of performance as it relates to management and administration of government resources, effective debt management with moderately low levels, vibrant and diverse local economy, and strong finances.

During 2006, the economy in northeast Ohio, and especially in the City of Euclid, finally evidenced signs of ending a recession.

During 2006, the following Economic Development projects came to the forefront:

The downtown Euclid business district has weathered many recessions, changes in population, and urban sprawl. The district, while still viable, is in need of plans and redevelopment for the future.

The City is also blessed to have a large, defined industrial corridor. The heart of the industrial corridor is serviced by East 222nd Street with Euclid Avenue, Tungsten Road, St. Clair Avenue, and South Lakeland Boulevard serving as veins throughout the industrial corridor.

Over 50 businesses employing over 5,000 individuals utilize East 222nd Street. These businesses have many worldwide visitors and the East 222nd Street Industrial Corridor represents the first impression of the City. Mayor Cervenik and the Economic Development Department met with representatives of the various businesses to present the City’s strategy to prepare improvement plans for the Industrial Corridor. The scope of the project includes specific roadway improvements to aid traffic flow, as well as urban design elements that will enhance the appearance of the physical environment and provide a sense of identity to the Corridor.

The nearly \$3 million modernization of the East 222nd Street Corridor will involve lowering the pavement under the CSX railroad bridge to allow for better truck access, widening and adding of a turning lane on the south-east side of East 222nd Street and St. Clair Avenue, and the alignment of all traffic lanes for more uniform truck and commuter traffic flow. In addition, new modern street lighting, signage and graphics, and streetscape enhancements will all add the finishing touches, giving the entire area the look of a contemporary industrial park. The project is slated for construction during calendar year 2007.

In conjunction with the roadway improvements, the Lincoln Electric Company has actively pursued the expansion and modernization of its Machine Robotics Division. The Company reviewed two out-of-state locations, as well as one out of the country. The City worked closely with Lincoln to assure that they would expand in Euclid next to its existing Corporate Campus. The Company acquired the 115,000 square foot Hitachi Building located just east of, and adjacent to, the Company's Headquarters Campus, which is being renovated to become a state-of-the-art Machine/Robotics Division. This project will retain over 80 highly skilled employment positions and 800 related plan employees at the Headquarters Campus and will showcase the advanced robotic welding technology development at the Company's Euclid Headquarters Campus and will be marketed to customers worldwide. The total capital expenditures for renovating the facility and other related Campus improvements will be in the area of \$40 million.

In partnering with the Lincoln Electric Company, the City provided Real/Personal Property Tax abatements, a \$2,000,000 Incentive Grant, and a \$3,000,000 Roadway Improvement Project, the County provided a \$1,000,000 Brownfield Development Loan/Grant; and the State of Ohio provided a \$500,000 "429" Industrial Development Grant, and a \$500,000 ISIF Grant.

H. C. Starck is a global organization providing solutions to manage thermal, electrical, radiation, and chemical challenges facing today's industry through the use of high performance refractory metals. The Corporation is located on Tungsten Road just west of East 222nd Street and purchased the vacant 180,000 square foot Motch building on East 222nd Street for the purpose of expansion, as well as consolidating out of the State branches into the City of Euclid. As a result, the Corporation will be investing \$17.5 million in the project, which will include \$2.1 million in building renovations and \$14.3 million in new machinery and equipment to expand its manufacturing operations. The Corporation will be retaining 113 positions, but will also be bringing an additional 130 jobs to the City. It is estimated that the new jobs along will bring in an additional \$5.95 million in new payroll, with a corresponding \$170,000 of new income tax for the City.

Hose Master, Inc. is an industrial manufacturer of corrugated and strip-wound metal hose, as well as metal bellows and expansion joints and is the only manufacturer in the United States able to form corrugated metal hose hydrostatically. The Corporation has committed to the creation of 30 new full-time positions at its expanding facility and will maintain its operations in the City of Euclid for at least another fourteen years. The Corporation's expansion involves the purchase of the vacant building adjacent to its existing facility and will be making a fixed-asset investment of at least \$300,000 in machinery and equipment. The Corporation currently has 192 full-time positions and, with this expansion, an additional 30 full-time jobs will be created.

FINANCIAL INFORMATION

Summary of Accounting Policies and Budgetary Control

The City's accounting system is organized and operated on a fund basis. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. The types of funds to be used are determined by General Accepted Accounting Principles (GAAP) and the number of individual funds established is determined by sound financial administration. Each fund is a separate accounting entity with its own self-balancing set of accounts, assets, liabilities, and fund balance. The City's governmental funds include the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds. The City's Proprietary Funds are its Enterprise Funds that provide services to the general public, including utilities and recreation, and Internal Service Funds that provide services to City departments, divisions and other governments. The City also maintains Fiduciary Funds to account for assets held by the City as an agent or in a trust capacity for individuals, private organizations and other governments.

Except for budgetary purposes, the basis of accounting used by the City conforms to GAAP as applicable to governmental units. All governmental funds are accounted for using current financial resources-current assets and current liabilities-measurement focus. The modified accrual basis of accounting is utilized for governmental funds. Revenues are recognized in the accounting period when they become both measurable and available. Expenditures are recognized when the liability is incurred, if measurable, except for interest on general obligation debt, which is recognized when due.

The measurement focus of the City's proprietary and internal service funds is on the flow of total economic resources. The accrual basis of accounting is utilized of the proprietary and internal service funds. Revenues are recognized when earned and expenses are recognized when incurred.

The City's basis of accounting for budgetary purposes differs from GAAP in that revenues are recognized when received, rather than when susceptible to accrual (measurable and available), and encumbrances are included as expenditures rather than included in fund balances.

For the year ended December 31, 2003, the City changed its financial reporting to comply with GASB Statement No. 34, *Basic Financial Statements and Management' Discussion and Analysis for State and Local Governments*. Accordingly, government-wide financial statements, which include all governmental and proprietary funds, are presented on the full accrual basis of accounting. As part of the implementation of GASB Statement No. 34, the City has opted to fully implement retroactive infrastructure reporting. In doing so, the historical cost of infrastructure assets (retroactive to 1980) is included as part of the governmental capital assets. Thus, the depreciated value of construction costs for the roadway network, including streets, sidewalks, curbs and gutters, guard rails, traffic lights, signals, parking meters and the bridge network is reported in the government-wide statement of net assets. In conjunction with the implementation of GASB 34, the City has also adopted GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, which rescinds some and modifies other financial statement disclosure requirements.

The City's budgeting process is governed by Ohio law and is divided between the City's Mayor and Finance Director (who prepares the tax budget), Council, the Cuyahoga County Budget Commission (consisting of the County Auditor, County Treasurer and County Prosecutor) and the County Auditor. Major documents associated with budget preparation include: the Cuyahoga County Tax Budget, the Certificate of Estimated Resources (filed with the Cuyahoga County Auditor) and the Appropriation Ordinance. All budget documents are prepared in compliance with the budgetary basis of accounting. Both the Certificate of Estimated Resources and the Appropriation Ordinance are subject to revision and amendment throughout the year; both are subject to the restriction that current appropriations cannot exceed estimated resources as disclosed on the Certificate of Estimated Resources. In accordance with State law, all funds, with the exception of agency funds, are legally required to be budgeted and appropriated. Council controls appropriations at the personal services and other expenditures object level within each department for all funds. Modifications or amendments to control levels in the Appropriation Ordinance require Council approval; internal City financial policies permit fund transfers within control levels with approval by the Mayor and Finance Director. The Cuyahoga County Auditor must certify that the City's appropriation measure does not exceed the amounts set forth in the County Budget Commission's Certificate of Estimated Resources.

The City employs an encumbrance system documenting purchase commitment amounts prior to generation and release of official City purchase orders. Purchasing practices within the City require departmental review and authorization of all purchase requisitions. Where applicable, proposed purchases in excess of administrative approval limits are subject to competitive bid requirements of Council and are awarded subsequent to approved legislation authorizing the procurement of goods or services. The Finance Director certifies all purchase orders for availability of funds and the estimated expenditure is encumbered against the appropriate departmental or fund appropriation. These encumbrances are reported as a reservation of fund balance at December 31, 2006. Unencumbered appropriations lapse at year-end and become available for future appropriations.

Internal Accounting and Reporting Control

The Mayor and administrators are responsible for implementing an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse. The internal control structure ensures that accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgements by management. All internal controls are designed within the above framework. Accordingly, we believe the City's system of internal accounting controls is adequate to safeguard assets and provide reasonable assurance of proper recording of transactions.

The City receives federal financial assistance through various federal grant programs. An audit in accordance with the Single Audit Act of 1996, and U.S. Office of Management and Budget (OMB) Circular A133, *Audits of State and Local Governments and Non-Profit Organizations*, and *Government Auditing Standards*, issued by the Comptroller General of the United States has been performed for the fiscal year ended December 31, 2006. The required reports on supplementary information, compliance, and internal controls along with various supplementary schedules are included in a separate report.

Cash Management

The City believes that appropriate cash management activities are integral to the City's overall financial well being. Forecasting of receipts and expenditures, cash budgeting and on-going variance analysis allow prudent optimization of investment maturities and interest income.

The primary objective of the City's investment activity is the protection of investment principal. With that in mind, the City's investment practice attempts to maximize earnings while maintaining liquidity necessary to meet day to day financial obligations. In addition to the security of the investment, a major consideration is the timing of needed cash to pay City liabilities. Cash resources of all City funds are combined for maximum return and invested in accordance with the Ohio Revised Code. Allowable deposits and investments include certificates of deposit, savings accounts, State Treasurer's Investment Pool (STAROhio), manuscript bonds, U.S. Treasury Notes, federal agency securities, and repurchase agreements.

Risk Management

In 1988, the City undertook and implemented its own self-funded insurance plan that covers all areas of Risk Management, including general liability and vehicle coverage. The City has traditional premium based coverage on property and large equipment. The City instituted a medical self-insurance program in 1989 designed to provide City employees with maximum health care benefits while controlling the increasing cost of health insurance. Individual funds are charged for the per-capita cost of specific claims and administration. The level of risk assumed is limited by the City's purchase of specific stop-loss coverage per employee.

The City participates in a retrospective rating program for workers' compensation insurance. The program was initiated in conjunction with various safety and loss control programs designed to reduce the level of risk. Under the retrospective rating program, the City agrees to pay an administrative premium based on a percentage of gross payroll from the previous year, which is a fraction of the premium it would normally pay, while accepting the responsibility of reimbursing workers' compensation claims as they come due. The City expects to realize a reduction in workers' compensation costs through this plan, not only through lower initial premiums, but also from the cash flow accumulation the City realizes. The level of risk assumed by the City is limited to a maximum of two times the actual annual premium.

Pension Obligations

The employees of the City belong to one of two state sponsored pension systems. Police and Fire are members of the Ohio Police and Fire Pension Fund ("OP&F"). All other employees are members of the Public Employees Retirement System of Ohio ("OPERS"). Both OPERS and OP&F are cost sharing multiple employer public retirement systems. More detailed information on both pension systems can be found in the notes to the basic financial statements in the Financial Section of this report.

OTHER INFORMATION

Independent Audit

In accordance with Ohio law, an annual independent audit is required to be performed on all financial operations of the City. The Auditor of the State of Ohio performed the 2006 audit. The independent accountants' unqualified opinion has been included in this report. The administration plans to continue this audit procedure as required by law as part of the preparation of a Comprehensive Annual Financial Report. The annual audit and management letter submitted by the Auditor of State of Ohio provides information to the City to enable it to maintain and strengthen the City's accounting and budgeting controls.

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to those governments who qualify. A Certificate of Achievement is valid for a period of one year only. We believe this, our Comprehensive Annual Financial Report, meets the high standards set by the GFOA for a Certificate of Achievement for Excellence in Financial Reporting and we are submitting it to the GFOA.

In closing, we would especially like to recognize the staff of the City of Euclid, all of whom exhibited dedication and professionalism throughout the many hours required in preparing this report.

Respectfully submitted,

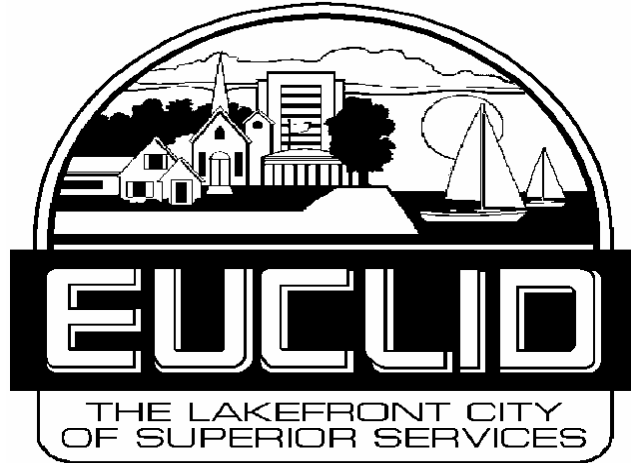
Jack Johnson
Director of Finance

Bill Cervenik
Mayor

CITY OF EUCLID, OHIO

"A City of Superior Services"

Mayor
BILL CERVENIK



Directors & Chiefs

CHRIS FREY - *Law*

HENRY E. GULICH - *Public Service*

JACK JOHNSON - *Finance & Administration*

KATHY WILL - *Recreation*

FRANK PIETRAVOIA - *Community Services*

CHIEF JAMES REPICKY - *Police*

& Economic Development

CHIEF THOMAS COSGRIFF - *Fire*

DEBORAH LEBARRON - *Judge Municipal Court*

Euclid City Council

ED GUDENAS - *President of Council*

MARY JO MINARIK - *Ward I*

JOHN CONWAY - *At-Large*

DARYL LANGMAN - *Ward II*

PATRICK DELANEY - *At-Large*

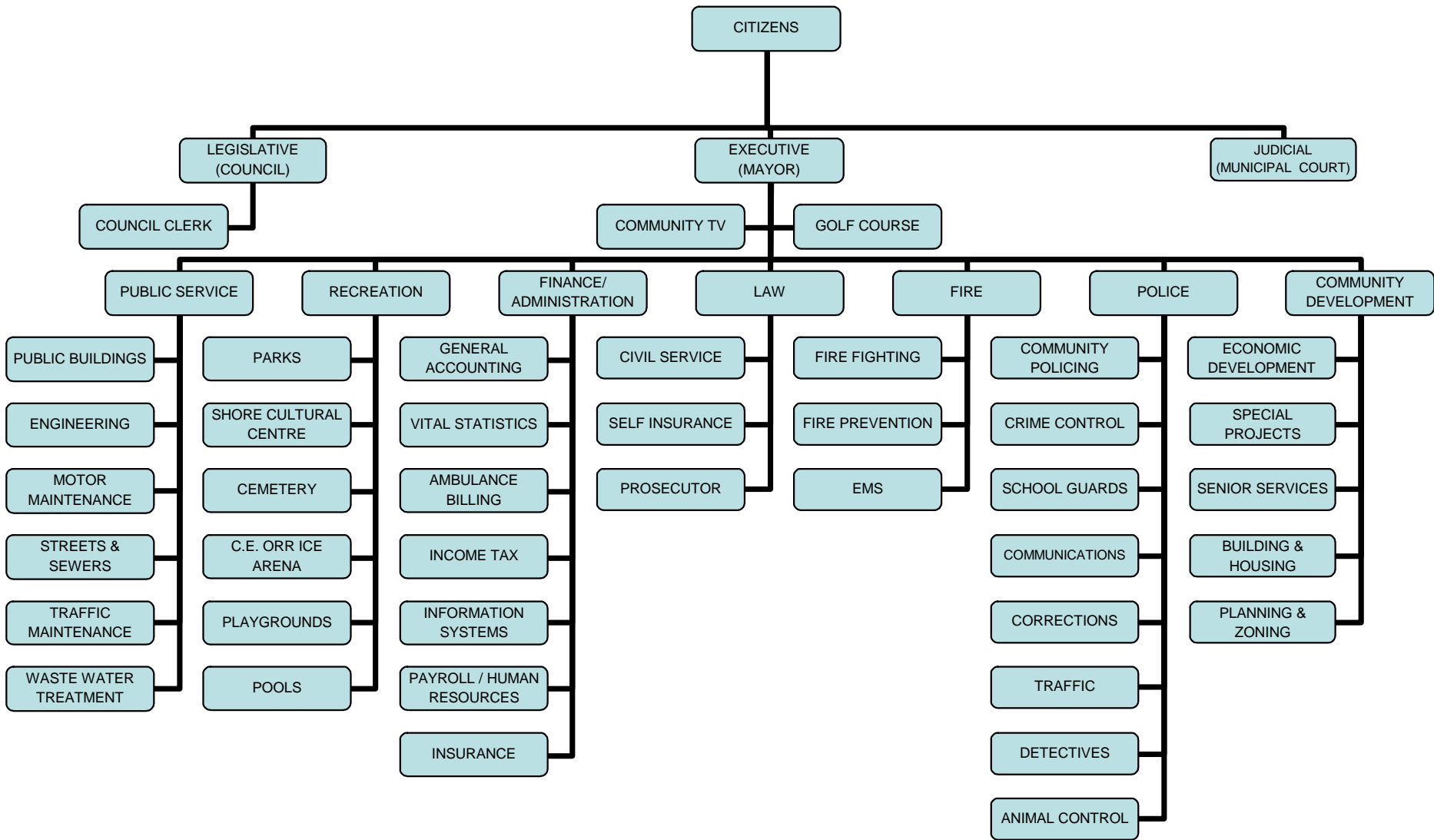
BERNADETTE WALSH - *Ward III*

CHARLENE MANCUSO - *At-Large*

CHRISTOPHER GRUBER - *Ward IV*

FREDERICK J. LISY - *At-Large*

**CITY OF EUCLID, OHIO
ORGANIZATIONAL CHART
DECEMBER 31, 2006**



FINANCIAL SECTION



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

City of Euclid
Cuyahoga County
585 East 222nd Street
Euclid, Ohio 44123

To the City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Euclid, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2006, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Euclid, Cuyahoga County, Ohio, as of December 31, 2006, and the respective changes in financial position, and where applicable, cash flows, thereof and the budgetary comparison for the General fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, the City restated January 1, 2006 net assets in the governmental activities and business type activities, and the water enterprise fund due to an understatement of construction in progress.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 2, 2007, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Lausche Building / 615 Superior Ave., NW / Twelfth Floor / Cleveland, OH 44113-1801
Telephone: (216) 787-3665 (800) 626-2297 Fax: (216) 787-3361
www.auditor.state.oh.us

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquires of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund statements and schedules and statistical tables provide additional information and are not a required part of the basic financial statements. We subjected the combining and individual nonmajor fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

November 2, 2007

CITY OF EUCLID, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006
Unaudited

The discussion and analysis of the City of Euclid's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2006. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter and the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2006 are as follows:

- Total assets of the City exceeded liabilities at the close of 2006 by \$70,551,610 compared to \$61,626,795 at the end of 2005. Of this amount, \$19,369,316 (2006) and \$11,350,719 (2005) may be used to meet the City's ongoing obligations to its citizens and creditors, provided it is expended or transferred according to the Charter of the City and/or the general laws of the State of Ohio.
- Total current assets increased by \$9,681,995, with Governmental Activities increasing by \$6,305,286 and Business-Type Activities increasing by \$3,376,709. This is reflected primarily in increased equity in pooled cash and cash equivalents. Total revenues increased for all activities by \$9,634,659 from \$55,783,342 to \$65,418,001.
- Municipal income revenue for 2006 was \$26,227,696 versus \$22,004,837 in 2005. This increase of \$4,222,859 represented the largest single increase in revenue for 2006. This was the result of the City bringing the function of income tax collections in-house and accelerating the receipts by one month.
- An additional \$1,919,494 in property taxes represents the second largest increase in revenues in Governmental Activities. Together, municipal income taxes and property taxes accounted for \$33,618,861 in revenue, or 67.82 percent, of all revenues in Governmental Activities.
- Charges for Services in Business-Type Activities increased by \$3,060,253 from \$11,031,295 in 2005 to \$14,091,548 in 2006, a 27.7 percent increase.
- The City's total debt, including Compensated Absences, increased by \$2,822,811 during 2006. The key factor in the increase of \$2,219,445 in Governmental Activities was the issuance of Various Purpose General Obligation Bond Anticipatory Notes in the amount of \$3,816,000. The key factors in the increase of \$603,366 in Business-Type Activities were the issuance of \$1,188,900 for various Sewer Improvement Projects with OPWC and a Bond Anticipatory Note in the amount of \$3,000,000 for water line improvements. Part of the water line proceeds were used to retire \$1,000,000 of maturing note. Of the \$1,188,900 issuance of OPWC, only \$824,816 was received in 2006.

CITY OF EUCLID, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006
Unaudited

- Capital assets of Business-Type Activities increased by \$1,132,963, which represents an increase of 1.97 percent over 2005. This is primarily due to waterline additions in 2006. Total Invested in Capital Assets, Net of Debt, decreased from \$42,543,110 to \$41,161,981, or \$1,381,129, a 3.25 percent decrease from 2005. This decrease is due to the accumulated depreciation expense charged against these assets.

Overview of the Financial Statements

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

Government-wide financial statements. The government-wide financial statements, which begin on page 17, are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business.

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City principally include: general government, public service, public safety, community development, public health, parks and recreation, and economic development. The business-type activities of the City principally include: waste water treatment, water line, and the golf course operations.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

CITY OF EUCLID, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006
Unaudited

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

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

The City maintains 23 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund and the general obligation bond retirement fund, which are considered to be major funds. Data from the other 21 governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its general fund, special revenue funds, debt service fund, capital projects funds, enterprise funds, and internal service funds. The general fund budgetary comparison has been provided as a separate financial statement to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 19 through 23 of this report.

Proprietary funds. The City maintains two different types of proprietary funds: enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City used enterprise funds to account for its waste water treatment facility and sewer maintenance, water line construction, and golf course operations. Internal service funds are an accounting device used to accumulate and allocate costs internally throughout the City's various functions. The City uses an internal service fund to account for its self-insurance for general liability function. Because this service predominantly benefits governmental rather than business-type functions, this have been included within governmental activities in the government-wide financial statements.

CITY OF EUCLID, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006
Unaudited

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the waste water treatment facility, water line construction, and the Briardale Greens Golf Course, all of which are considered to be major funds of the City.

The basic proprietary fund financial statements can be found on pages 24 through 26 of this report.

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

The basic fiduciary fund financial statement can be found on page 27 of this report.

Notes to the financial statements. The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29 through 69 of this report.

Government-Wide Financial Analysis

This is the fourth year for the City in implementing Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments*. This statement requires a comparative analysis of government-wide data in the Management Discussion and Analysis section. As this is the fourth year of implementing the new standard, comparative data is now available. Information regarding the government-wide net assets of the City is presented in the following table.

Table 1 - Net Assets

	Governmental Activities		Business-Type Activities		Totals	
	2006	2005	2006	2005	2006	2005
Assets						
Current and Other Assets	\$ 34,308,469	\$ 28,003,183	\$ 14,688,476	\$ 11,311,767	\$ 48,996,945	\$ 39,314,950
Capital Assets	43,905,801	43,805,467	58,609,063	57,476,100	102,514,864	101,281,567
Total Assets	\$ 78,214,270	\$ 71,808,650	\$ 73,297,539	\$ 68,787,867	\$151,511,809	\$140,596,517
Liabilities						
Current and Other Liabilities	\$ 8,362,923	\$ 8,423,983	\$ 1,376,722	\$ 1,677,042	\$ 9,739,645	\$ 10,101,025
Long-Term Liabilities:						
Due Within One Year	8,165,874	4,322,596	5,565,994	2,391,584	13,731,868	6,714,180
Due in More than One Year	33,409,628	35,033,461	24,079,058	26,650,102	57,488,686	61,683,563
Total Liabilities	49,938,425	47,780,040	31,021,774	30,718,728	80,960,199	78,498,768
Net Assets						
Invested in Capital Assets, Net of Debt	12,190,259	13,335,911	28,971,722	29,207,199	41,161,981	42,543,110
Restricted for:						
Capital Projects	5,166,780	891,816	0	0	5,166,780	891,816
Debt Service	2,882,741	4,617,366	0	0	2,882,741	4,617,366
Other Purpose	1,970,792	2,223,784	0	0	1,970,792	2,223,784
Unrestricted (Deficit)	6,065,273	2,959,733	13,304,043	8,390,986	19,369,316	11,350,719
Total Net Assets	\$ 28,275,845	\$ 24,028,610	\$ 42,275,765	\$ 37,598,185	\$ 70,551,610	\$ 61,626,795

CITY OF EUCLID, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006
Unaudited

As noted earlier, net assets may serve, over time, as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$70,551,610 at the close of the most recent fiscal year.

By far the largest portion of the City's net assets, 58.3 percent, reflects its investment in capital assets (e.g. land, land improvements, buildings and improvements, infrastructure, and furniture, fixtures and equipment), net of accumulated depreciation, less any related, still outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, those assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other resources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the City's net assets represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets of may be used to meet the City's ongoing obligations to citizens and creditors.

Changes in net assets for the current fiscal year are reflected in the table below and correspond to the Statement of Activities.

**CITY OF EUCLID, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006
Unaudited**

Table 2 - Changes in Net Assets

	Governmental Activities		Business-Type Activities		Totals	
	2006	2005	2006	2005	2006	2005
Revenues						
Program Revenues:						
Charges for Services	\$ 7,209,742	\$ 6,132,895	\$ 14,091,548	\$ 11,031,295	\$ 21,301,290	\$ 17,164,190
Operating Grants and Contributions	3,569,776	3,326,731	814,589	0	4,384,365	3,326,731
Capital Grants and Contributions	29,860	50,986	121,449	0	151,309	50,986
General Revenues:						
Property Taxes and Other Local Taxes	7,391,165	5,471,671	767,977	670,778	8,159,142	6,142,449
Income Taxes	26,227,696	22,004,837	0	0	26,227,696	22,004,837
Grants and Entitlements	3,846,566	5,745,954	0	614,188	3,846,566	6,360,142
Investment Earnings	1,163,865	663,536	48,163	351	1,212,028	663,887
Payment in Lieu of Taxes	68,730	59,293	0	0	68,730	59,293
Miscellaneous	66,875	10,827	0	0	66,875	10,827
Total Revenues	49,574,275	43,466,730	15,843,726	12,316,612	65,418,001	55,783,342
Expenses						
General Government	12,352,031	11,114,592	0	0	12,352,031	11,114,592
Security of Persons and Property	21,466,024	21,544,601	0	0	21,466,024	21,544,601
Refuse Collection and Disposal	2,013,501	1,777,289	0	0	2,013,501	1,777,289
Public Health	257,280	256,582	0	0	257,280	256,582
Leisure Time Services	2,109,410	1,924,054	0	0	2,109,410	1,924,054
Community and Economic Development	3,173,312	2,619,435	0	0	3,173,312	2,619,435
Transportation	2,695,350	4,446,355	0	0	2,695,350	4,446,355
Interest and Fiscal Charges	1,546,588	1,566,775	0	0	1,546,588	1,566,775
Briardale Golf Course	0	0	996,359	1,206,580	996,359	1,206,580
Waste Water Treatment	0	0	9,438,610	10,732,693	9,438,610	10,732,693
Water Line Improvement	0	0	915,675	557,637	915,675	557,637
Total Expenses	45,613,496	45,249,683	11,350,644	12,496,910	56,964,140	57,746,593
Increase (Decrease) in Net Assets before Transfers	3,960,779	(1,782,953)	4,493,082	(180,298)	8,453,861	(1,963,251)
Transfers	286,456	(625,806)	(286,456)	625,806	0	0
Change in Net Assets	4,247,235	(2,408,759)	4,206,626	445,508	8,453,861	(1,963,251)
Net Assets (Deficit) Beginning of Year, as Restated	24,028,610	26,437,369	38,069,139	37,152,677	62,097,749	63,590,046
Net Assets (Deficit) End of Year	\$ 28,275,845	\$ 24,028,610	\$ 42,275,765	\$ 37,598,185	\$ 70,551,610	\$ 61,626,795

Governmental Activities

Several revenue sources fund the City's governmental activities with income tax revenue being the largest source. The City levies a municipal income tax of 2.85 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 100 percent on the income earned outside of the City and paid to another municipality.

A summary of governmental activity expenses and the net cost of providing these services (excluding general revenues) is presented below.

**CITY OF EUCLID, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006
Unaudited**

Table 3 - Governmental Activities

	Total Cost of Services 2006	Total Cost of Services 2005	Net Cost of Services 2006	Net Cost of Services 2005
General Government	\$ 12,352,031	\$ 11,114,592	\$ 10,885,606	\$ 9,208,456
Security of Persons and Property	21,466,024	21,544,601	16,350,775	18,645,641
Refuse Collection and Disposal	2,013,501	1,777,289	2,013,501	1,545,768
Public Health	257,280	256,582	164,358	223,158
Leisure Time Services	2,109,410	1,924,054	1,258,240	1,251,869
Community and Economic Development	3,173,312	2,619,435	1,813,958	970,398
Transportation	2,695,350	4,446,355	771,092	2,327,006
Interest and Fiscal Charges	1,546,588	1,566,775	1,546,588	1,566,775
Total Cost of Services	\$ 45,613,496	\$ 45,249,683	\$ 34,804,118	\$ 35,739,071

Public safety expenses totaled \$21,466,024 or 47.06 percent of total 2006 expenses. A significant portion of these expenses can be attributed to salaries, wages, and employee benefits for police officers and firefighters. As of December 31, 2006, the City employed 96 full time police officers and 79 full time firefighters. General Government and Community and Economic Development expenses increased by \$1,237,439 and \$553,877, respectively, mostly due to a full year of income tax being collected by the City and implementation of an Economic and Community Development program to help offset a loss of State and Federal funding. Transportation expenses decreased in 2006 by \$1,751,005, due to completion of several outstanding street projects during the year.

Business-type Activities

Business-type activities are principally accounted for in the City's enterprise funds. The City operates three principal enterprise funds, which include a waste water treatment plant, a water line fund and a public golf course (Briardale Greens). The operating results of these three enterprise funds are discussed below.

Waste Water Treatment Plant: The Waste Water Treatment Fund accounts for the operation of the City's sanitary sewer and waste water treatment system which not only services the City, but several other surrounding communities. The firm of DMG-Maximus, Inc., to date, has completed their thirteenth (13th) rate study analysis concerning the adequacy of user rates. Upon their recommendations, user fees rate increases went into effect April 1, 2000 for all users. The rate increase was earmarked to fund the United States Environmental Protection Agency court-mandated projects and provide the necessary operating funds for this enterprise fund. DMG-Maximus, Inc. has been retained to evaluate the User Charge System annually.

Water Line Construction Fund: The Water Line Construction fund accounts for distribution of treated water to individual and commercial users in various parts of the City.

Briardale Greens Golf Course: The Briardale Greens Golf Course is a public golf course built upon land that was the site of a World War II housing project and is situated on the north side of the City. The golf course, despite unfavorable weather conditions, continues to operate with a surplus.

**CITY OF EUCLID, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006
Unaudited**

Financial Analysis of the Government's Funds

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

Governmental Funds The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current year, the City's total governmental funds reported ending fund balances of \$15,653,898, an increase of \$2,294,617 from the prior year. Of the total, \$8,175,552 is the general fund's ending fund balance, a \$315,769 increase over 2005. The general obligation bond retirement fund decreased by \$108,597 to \$2,947,437. All other governmental funds showed an increase in fund balances of \$2,087,445 to \$4,530,909.

The general fund is the primary operating fund of the City and traditionally accounts for most of the general governmental revenue and expenditures. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Undesignated General Fund balance represents 22.72 percent of total general fund expenditures, while total fund balance represents 23.00 percent of that same amount.

Analysis of General Fund Revenues

Municipal Income Taxes

Ohio law authorizes the levy of a municipal income tax at a rate not to exceed 1 percent by an act of Council, solely, without a vote of the electors. Municipal income taxes at a rate in excess of 1 percent must first be approved by a vote of the electors and be for a specified purpose. The City's municipal income tax rate has slowly increased to its present rate of 2.85 percent. On July 1, 1968, the tax rate levied by the City and approved by Council was increased to 1 percent per annum. The tax rate was increased from 1 percent to 1.5 percent per annum based upon a vote of the electors on June 7, 1977. On July 1, 1982, after a vote of the electors, an additional .5 percent was levied to raise the tax rate to 2 percent and then in 1994 the electors voted in an increase of .85 percent joint tax to be split between the City and the Euclid Board of Education. Presently, the .85 percent increase in the income tax rate is allocated .47 percent to the Euclid Board of Education and .38 percent to the City. The 2.0 percent remaining is solely for the City.

The City's income tax is levied upon the net income of corporations and other business entities and on the wages, salaries, and compensation of individuals. In 2006, the transfer of the function of administrating income tax collections was completed from being contracted with the Central Collection Agency to the City's tax department.

**CITY OF EUCLID, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006
Unaudited**

Property Taxes

Taxes collected from real property in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year. Taxes collected from tangible personal property in one calendar year are levied in the same calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of the current calendar year, and at the rates determined in the preceding year. Beginning in tax year 2006, tangible personal property tax assessment rates, and therefore revenue, will decline by approximately 25 percent per year. As the assessment rates on tangible personal property decline, reimbursements from the State of Ohio will phase in. Local governments will be held harmless until tax year 2011. After 2011, reimbursements on levies still in place will decline until tax year 2018. Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year. Under Ohio law tangible personal property used in business (except for the public utility business) is assessed at 18.75 percent (from 23 percent) of true value (in general, true value is net book value) for inventory and 18.75 percent (from 25 percent) for machinery and equipment.

The “assessed valuation” of real property is fixed at 35 percent of true value and is determined pursuant to rules of the State Tax Commissioner. An exception is that real property devoted exclusively to agricultural used to be assessed at not more than 35 percent of its current agricultural use value. Real property devoted exclusively to forestry or timber growing is taxed at 50 percent of the local tax rate multiplied by the assessed value.

The details of property tax valuations and tax rates relating to collections for the last three years can be found in the following table:

Table 4 - Tax Rates (Per \$1,000 of Assessed Valuation)

Purpose	2006	2005	2004
General Fund	\$ 6.72	\$ 6.72	\$ 6.72
Recreation Operating	1.30	1.30	1.30
Bond Retirement	3.88	3.88	3.88
Capital Improvements	1.70	1.70	1.70
Sewers	2.00	2.00	2.00
Total	<u>\$ 15.60</u>	<u>\$ 15.60</u>	<u>\$ 15.60</u>
Assessed Valuation	<u>\$904,712,543</u>	<u>\$833,249,133</u>	<u>\$865,435,613</u>

CITY OF EUCLID, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006
Unaudited

State Local Government Funds and Other Shared Revenues

State Local Government Funds and other shared revenues include taxes levied and collected by the State of Ohio or counties are partially redistributed to the City and other political subdivisions. Other shared revenues include state income, sales, corporate franchise, public utility, estate, and cigarette taxes as well as liquor fees. State Local Government Funds and other shared revenues have been frozen since 2003 due to the State budget cuts to the State Local Government funding. Since 1993, the State Local Government Fund ("LGF") and Local Government Revenue Assistance Fund ("LGRAF") have been the City's largest source of non-tax general fund revenue. Through these funds, Ohio subdivisions share in a portion of the State's collection of the sales tax, use tax, personal income tax, corporate franchise tax, and public utilities excise tax. The percentages of the five taxes supporting these funds have varied over the years. At times, the dollar amount in the funds have been capped at specific levels.

Pursuant to statutory law in Ohio, State LGF revenues are divided into county and municipal portions. The county portion, the larger of the two, is distributed to each of the State's 88 counties and is allocated based upon a statutory formula utilizing county population and county municipal property values. Once received by a county, the funds can either be distributed to all subdivisions using the statutory formula or the county and its subdivisions may agree upon an alternate method for allocating the funds. Cuyahoga County and its recipient communities have chosen the latter method which is comprised of a base allocation and an excess allocation. The excess allocation takes into account such factors as assessed value per capita, per capita income, population density, and the number of individuals receiving public assistance. The municipal portion of the LGF is distributed directly by the State to those municipalities that collect an income tax. A municipality receives its share of the funds based upon its percentage of total municipal income taxes collected throughout the State in a given year.

The LGRAF, which was created in 1989, is distributed to all counties based upon population. Either the statutory allocation method or an agreed upon alternative method is used to apportion the funds. Cuyahoga County allocates LGRAF funds using the same method as is used to distribute LGF monies. LGRAF funding has fluctuated over the course of the last few years. Distributions from the State of Ohio and Cuyahoga County (as a conduit between the State and the City) have decreased since 2000.

Proprietary Funds. The City's proprietary fund financial statements provide the same type of information found in the government-wide financial statements, but in more detail.

CITY OF EUCLID, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006
Unaudited

Capital Assets and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of December 31, 2006, amounts to \$102,514,864. This investment in capital assets includes land, construction in progress, land improvements, buildings and improvements, infrastructure, and furniture, fixtures and equipment. A summary of the City's capital assets at December 31, 2006 is reflected in the table which follows.

Table 5 - Capital Assets at December 31 (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Totals	
	2006	2005	2006	2005	2006	2005
Land	\$ 9,003,250	\$ 9,003,250	\$ 7,428,126	\$ 7,428,126	\$ 16,431,376	\$ 16,431,376
Construction in Progress	429,760	179,760	2,796,901	235,477	3,226,661	415,237
Land Improvements	471,677	519,988	226,433	258,407	698,110	778,395
Buildings and Improvements	7,675,578	7,658,410	6,031,083	6,138,024	13,706,661	13,796,434
Furniture, Fixtures and Equipment	3,403,857	2,778,411	483,213	539,995	3,887,070	3,318,406
Infrastructure:						
Streets	22,921,679	23,665,648	0	32,843	22,921,679	23,698,491
Sewer Lines	0	0	32,723,762	34,526,193	32,723,762	34,526,193
Water Lines	0	0	8,919,545	8,317,035	8,919,545	8,317,035
Total Capital Assets, Net	<u>\$43,905,801</u>	<u>\$ 43,805,467</u>	<u>\$ 58,609,063</u>	<u>\$ 57,476,100</u>	<u>\$102,514,864</u>	<u>\$101,281,567</u>

Major events during the current fiscal year affecting the City's capital assets included the following:

- **Construction in Progress** - additions in both the governmental activities and business-type activities consist of the following:

Chatworth Drive Sewer Separation - Peterson Truck Line	\$1,048,801
Brandywine Pump Station Replacement	\$ 789,949
Babbitt Road Sanitary Sewer Replacement	\$ 958,151
2006 Water System Improvements	\$ 628,772
Traffic Resignalization - Phase II	\$ 110,000
East 222 nd Rebuild (Includes Issue 2 payments)	\$ 140,000

Additional information on the City's capital assets can be found in Note 9.

Debt. The City's outstanding General Obligation debt is currently rated "A 1" by Moody's Investors Service. This rating was affirmed in 2006 with an upgrade of the City's general obligations limited tax debt from negative to stable. This higher investment grade rating is attributed to the City's improved financial practices and policies that have resulted in improved liquidity, moderately growing tax base with a slowly recovering economy, and a manageable debt profile. Maintaining its credit rating enables the City to obtain short term and long term financing at the lowest possible interest rates. As of December 31, 2006, the City's General Obligation Bonded debt totaled \$31,906,848.

**CITY OF EUCLID, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006
Unaudited**

A summary of outstanding long-term debt at December 31, 2006 follows.

Table 6 - Outstanding Debt at December 31

	Governmental Activities		Business-Type Activities		Totals	
	2006	2005	2006	2005	2006	2005
General Obligation Bonds	\$ 25,043,297	\$ 27,264,455	\$ 6,863,551	\$ 7,165,193	\$ 31,906,848	\$ 34,429,648
Special Assessment Bonds	1,305,000	1,375,000	0	0	1,305,000	1,375,000
Notes Payable	3,816,000	100,000	3,000,000	1,000,000	6,816,000	1,100,000
Industrial Revenue Bond	1,440,000	1,530,000	0	0	1,440,000	1,530,000
OWDA Loans	0	0	11,915,515	13,389,914	11,915,515	13,389,914
OPWC Loans	98,000	0	6,515,556	6,069,001	6,613,556	6,069,001
Total Outstanding Debt	\$31,702,297	\$ 30,269,455	\$ 28,294,622	\$ 27,624,108	\$59,996,919	\$57,893,563

The special assessment bonds will be paid from the proceeds of special assessments levied against benefitted property owners. The various improvement notes will be paid out of the bond retirement fund. See Note 10 in the financial statements for more information regarding the City's outstanding debt.

Debt Capacity: The City is well within statutory limitations for both voted and not voted debt. The computation of the legal debt margins at December 31, 2006 is included in the Statistical Section of this report under the heading "Legal Debt Margin", along with other related computations and ratios relevant to the City's note and bonded debt. The City's overall legal debt margin was \$66,345,698 and the unvoted debt margin was \$21,110,071 at December 31, 2006.

The ratio of net general bonded debt to assessed valuation and the amount of net bonded debt per capita provide useful information concerning the level of the City's debt to management and investors. The information as of December 31, 2006 for the City is as follows:

	Amount	Ratio of Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
Net General Obligation Debt (Bonded)	\$ 24,870,563	2.75%	\$ 471.78

Factors Expected to Affect the City's Future Financial Position or Results of Operations

The City, like all municipalities both local and national, continues to face the challenge of economic recession. Basic operating costs continue to rise due to negotiated salary increases, higher benefit costs, and federal and state mandates being placed upon municipalities at the same time federal and state funding is being reduced.

The City has seen significant reductions in funding from the Federal and State governments. We are combating these reductions by stimulating economic and community development throughout our business districts and neighborhoods.

For the first time starting in 2004, the City began to project budgets over a three year period. The initial report issued to Council in June 2004, will help to begin long-term planning for general operations as well as capital projects.

**CITY OF EUCLID, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006
Unaudited**

Contacting the City's Financial Department

This financial report is designed to provide a general overview of the City's finance and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Jack Johnson, Finance Director at the City of Euclid, 585 East 222nd Street, Euclid, Ohio 44123, 216-289-2850, or e-mail at jjohnson@ci.euclid.oh.us

Basic Financial Statements

CITY OF EUCLID, OHIO
STATEMENT OF NET ASSETS
DECEMBER 31, 2006

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	Euclid Development Corporation
<u>ASSETS</u>				
Equity in Pooled Cash and Cash Equivalents	\$ 10,271,360	\$ 11,674,983	\$ 21,946,343	\$ 612,313
Cash and Cash Equivalents in Segregated Accounts	9,653	0	9,653	0
Materials and Supplies Inventory	275,360	67,968	343,328	0
Accrued Interest Receivable	169,268	17,894	187,162	0
Accounts Receivable	1,580,601	2,434,124	4,014,725	201
Intergovernmental Receivable	2,747,974	168,517	2,916,491	0
Prepaid Items	74,096	24,320	98,416	200
Income Taxes Receivable	8,577,307	0	8,577,307	0
Property Taxes Receivable	7,342,424	266,324	7,608,748	0
Notes Receivable	1,714,224	0	1,714,224	0
Loans Receivable	0	0	0	1,720,980
Special Assessments Receivable	1,233,070	0	1,233,070	0
Deferred Charges	313,132	34,346	347,478	0
Non-Depreciable Capital Assets	9,433,010	10,225,027	19,658,037	0
Depreciable Capital Assets, net	34,472,791	48,384,036	82,856,827	0
Total Assets	78,214,270	73,297,539	151,511,809	2,333,694
<u>LIABILITIES</u>				
Accounts Payable	515,484	425,426	940,910	20
Accrued Wages and Benefits	56,804	58,318	115,122	1,931
Intergovernmental Payable	950,954	151,754	1,102,708	0
Accrued Interest Payable	106,736	373,902	480,638	0
Retainage Payable	5,511	247,671	253,182	0
Claims Payable	1,039,428	0	1,039,428	0
Unearned Revenue	5,644,849	119,651	5,764,500	0
Mature Compensated Absences	43,157	0	43,157	0
Long-Term Liabilities:				
Due Within One Year	8,165,874	5,565,994	13,731,868	0
Due in More Than One Year	33,409,628	24,079,058	57,488,686	0
Total Liabilities	49,938,425	31,021,774	80,960,199	1,951
<u>NET ASSETS</u>				
Invested in Capital Assets, Net of Related Debt	12,190,259	28,971,722	41,161,981	0
Restricted for Debt Service	5,166,780	0	5,166,780	0
Restricted for Capital Outlay	2,882,741	0	2,882,741	0
Restricted for Other Purposes	1,970,792	0	1,970,792	0
Unrestricted	6,065,273	13,304,043	19,369,316	2,331,743
Total Net Assets	\$ 28,275,845	\$ 42,275,765	\$ 70,551,610	\$ 2,331,743

CITY OF EUCLID, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2006

	Program Revenues				Net(Expense)Revenue and Changes in Net Assets			Component Units
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Euclid Development Corporation
Governmental Activities								
General Government	\$ 12,352,031	\$ 1,019,146	\$ 428,589	\$ 18,690	\$ (10,885,606)	\$ 0	\$ (10,885,606)	\$ 0
Security of Persons and Property	21,466,024	4,975,827	139,422	0	(16,350,775)	0	(16,350,775)	0
Refuse Collection and Disposal	2,013,501	0	0	0	(2,013,501)	0	(2,013,501)	0
Public Health	257,280	92,922	0	0	(164,358)	0	(164,358)	0
Lesiure Time Services	2,109,410	796,916	43,084	11,170	(1,258,240)	0	(1,258,240)	0
Community and Economic Development	3,173,312	236,343	1,123,011	0	(1,813,958)	0	(1,813,958)	0
Transportation	2,695,350	88,588	1,835,670	0	(771,092)	0	(771,092)	0
Interest and Fiscal Charges	1,546,588	0	0	0	(1,546,588)	0	(1,546,588)	0
Total Governmental Activities	45,613,496	7,209,742	3,569,776	29,860	(34,804,118)	0	(34,804,118)	0
Business-Type Activities								
Briardale Golf Course	996,359	987,636	0	121,449	0	112,726	112,726	0
Waste Water Treatment	9,438,610	11,498,677	814,589	0	0	2,874,656	2,874,656	0
Water Line Improvement	915,675	1,605,235	0	0	0	689,560	689,560	0
Total Business-Type Activities	11,350,644	14,091,548	814,589	121,449	0	3,676,942	3,676,942	0
Totals	\$ 56,964,140	\$ 21,301,290	\$ 4,384,365	\$ 151,309	(34,804,118)	3,676,942	(31,127,176)	0
Component Unit								
Euclid Development Corporation	\$ 208,213	\$ 92,009	\$ 0	\$ 0	0	0	0	(116,204)
General Revenues								
Taxes:								
Property Taxes Levied for General Purposes					2,580,406	0	2,580,406	0
Property Taxes Levied for Debt Service					3,677,364	0	3,677,364	0
Property Taxes Levied for Capital Outlay					652,705	0	652,705	0
Property Taxes Levied for Other Purposes					480,690	767,977	1,248,667	0
Income Taxes					26,227,696	0	26,227,696	0
Payments in Lieu of Taxes					68,730	0	68,730	0
Grants and Entitlements not Restricted to Specific Programs					3,846,566	0	3,846,566	0
Investment Earnings					1,163,865	48,163	1,212,028	0
Miscellaneous					66,875	0	66,875	245,687
Transfers					286,456	(286,456)	0	0
Total General Revenues and Transfers					39,051,353	529,684	39,581,037	245,687
Change in Net Assets					4,247,235	4,206,626	8,453,861	129,483
Net Assets Beginning of Year					24,028,610	38,069,139	62,097,749	2,202,260
Net Assets End of Year					\$ 28,275,845	\$ 42,275,765	\$ 70,551,610	\$ 2,331,743

CITY OF EUCLID, OHIO
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2006

	General	General Obligation Bond Retirement	All Other Governmental Funds	Total Governmental Funds
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$ 3,127,173	\$ 2,442,741	\$ 4,559,161	\$ 10,129,075
Cash and Cash Equivalents in Segregated Accounts	9,653	0	0	9,653
Materials and Supplies Inventory	85,348	0	190,012	275,360
Accrued Interest Receivable	111,042	45,106	13,120	169,268
Accounts Receivable	1,345,388	13,544	214,713	1,573,645
Interfund Receivable	26,375	448,000	0	474,375
Intergovernmental Receivable	1,758,795	125,027	864,152	2,747,974
Prepaid Items	69,536	0	4,560	74,096
Income Taxes Receivable	8,577,307	0	0	8,577,307
Property Taxes Receivable	2,278,195	3,635,493	1,428,736	7,342,424
Notes Receivable	1,714,224	0	0	1,714,224
Special Assessments Receivable	0	1,233,070	0	1,233,070
Total Assets	\$ 19,103,036	\$ 7,942,981	\$ 7,274,454	\$ 34,320,471
<u>Liabilities</u>				
Accounts Payable	\$ 443,357	\$ 1,733	\$ 63,125	\$ 508,215
Accrued Wages and Benefits	29,942	0	26,862	56,804
Intergovernmental Payable	871,393	221	79,340	950,954
Retainage Payable	0	0	5,511	5,511
Interfund Payable	0	0	474,375	474,375
Claims Payable	628,713	0	0	628,713
Deferred Revenue	8,910,922	4,993,590	2,094,332	15,998,844
Early Retirement Incentive Payable	43,157	0	0	43,157
Total Liabilities	10,927,484	4,995,544	2,743,545	18,666,573
<u>Fund Balances</u>				
Reserved:				
Reserved for Encumbrances	75,959	0	346,199	422,158
Reserved for Unclaimed Monies	23,298	0	0	23,298
Unreserved, Undesignated, Reported in:				
General Fund	8,076,295	0	0	8,076,295
Special Revenue Funds	0	0	1,684,898	1,684,898
Debt Service Funds	0	2,947,437	0	2,947,437
Capital Projects Funds	0	0	2,499,812	2,499,812
Total Fund Balances	8,175,552	2,947,437	4,530,909	15,653,898
Total Liabilities and Fund Balances	\$ 19,103,036	\$ 7,942,981	\$ 7,274,454	\$ 34,320,471

CITY OF EUCLID, OHIO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2006

Total Governmental Fund Balances		\$ 15,653,898
<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds		43,905,801
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds:		
Property and Other Taxes	\$ 1,697,575	
Municipal Income Tax	5,026,495	
Intergovernmental	1,744,830	
Special Assessments	1,233,070	
Charges for Services	652,025	
Total	10,353,995	10,353,995
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.		
Net Assets	(284,479)	
Compensated Absences	15,202	
Claims	534	
Total	(268,743)	(268,743)
Bond issuance costs will be amortized over the life of the bonds on the statement of net assets.		313,132
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		(106,736)
Long-term liabilities, including bonds payable and compensated absences payable, are not due and payable in the current period and therefore are not reported in the funds:		
General Obligation Bonds	(24,936,560)	
Special Assessment bonds	(1,305,000)	
Industrial Development Revenue Bonds	(1,440,000)	
Premium on Bonds	(106,737)	
Compensated Absences	(7,767,597)	
Long-Term Notes Payable	(3,816,000)	
Claims	(368,933)	
Capital Leases	(1,736,675)	
OPWC Loans	(98,000)	
Total	(41,575,502)	(41,575,502)
Net Assets of Governmental Activities		\$ 28,275,845

See accompanying notes to the basic financial statements.

CITY OF EUCLID, OHIO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>General</u>	<u>General Obligation Bond Retirement</u>	<u>All Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues				
Property Taxes	\$ 2,259,497	\$ 2,945,340	\$ 1,008,703	\$ 6,213,540
Income Taxes	23,084,613	0	0	23,084,613
Payments in Lieu of Taxes	0	0	68,730	68,730
Special Assessments	0	171,614	19,020	190,634
Charges for Services	3,648,759	10	708,644	4,357,413
Licenses and Permits	45,638	0		45,638
Fines and Forfeitures	1,600,184	0	160,129	1,760,313
Intergovernmental	4,502,375	297,136	3,324,191	8,123,702
Interest	862,063	255,269	44,700	1,162,032
Rent	256,380	28,000	85,806	370,186
Contributions and Donations	8,204	0	136,492	144,696
Other	37,840	0	29,035	66,875
Total Revenues	<u>36,305,553</u>	<u>3,697,369</u>	<u>5,585,450</u>	<u>45,588,372</u>
Expenditures				
Current:				
General Government	10,941,547	130,297	295,983	11,367,827
Security of Persons and Property	19,815,012	0	292,614	20,107,626
Refuse Collection & Disposal	1,857,975	0	0	1,857,975
Public Health	257,651	0	0	257,651
Lesiure Time Services	819,706	0	1,016,664	1,836,370
Community and Economic Development	1,439,706	0	1,303,766	2,743,472
Transportation	0	0	2,096,922	2,096,922
Capital Outlay	0	0	2,780,690	2,780,690
Debt Service:				
Principal Retirements	235,257	2,399,000	292,753	2,927,010
Interest and Fiscal Charges	184,942	1,276,669	57,057	1,518,668
Total Expenditures	<u>35,551,796</u>	<u>3,805,966</u>	<u>8,136,449</u>	<u>47,494,211</u>
Excess of Revenues Over (Under) Expenditures	<u>753,757</u>	<u>(108,597)</u>	<u>(2,550,999)</u>	<u>(1,905,839)</u>
Other Financing Sources (Uses)				
Transfers In	286,456	0	799,444	1,085,900
Notes Issued	0	0	3,816,000	3,816,000
Proceeds of OPWC Loans	0	0	98,000	98,000
Transfers Out	(724,444)	0	(75,000)	(799,444)
Total Other Financing Sources (Uses)	<u>(437,988)</u>	<u>0</u>	<u>4,638,444</u>	<u>4,200,456</u>
Net Change in Fund Balance	315,769	(108,597)	2,087,445	2,294,617
Fund Balance at Beginning of Year	<u>7,859,783</u>	<u>3,056,034</u>	<u>2,443,464</u>	<u>13,359,281</u>
Fund Balance at End of Year	<u>\$ 8,175,552</u>	<u>\$ 2,947,437</u>	<u>\$ 4,530,909</u>	<u>\$ 15,653,898</u>

CITY OF EUCLID, OHIO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2006

Net Change in Fund Balances - Total Governmental Funds \$ 2,294,617

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Capital Asset Additions	\$ 2,084,729	
Current Year Depreciation	<u>(1,953,675)</u>	
Total		131,054

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (30,720)

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

Delinquent Property Taxes	1,177,625	
Municipal Income Taxes	3,143,083	
Intergovernmental	(853,689)	
Special Assessments	(141,930)	
Charges for Services	<u>652,025</u>	
Total		3,977,114

Other financing sources in the governmental funds increase long-term liabilities in the statement of net assets.

Proceeds of OPWC Loans	(98,000)	
Proceeds of Notes	<u>(3,816,000)</u>	
Total		(3,914,000)

Repayment of bond, note, and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

Repayment of Bond and Note	2,489,000	
Repayment of Capital Leases	<u>438,110</u>	
Total		2,927,010

In the statement of activities, interest accrued on outstanding bonds, bond premium, and bond issuance costs are amortized over the terms of the bonds, whereas in the governmental funds, the expenditure is reported when the bonds are issued.

Accrued Interest	(2,681)	
Amortization of Bond Premium	7,318	
Amortization of Bond Issuance Costs	(17,397)	
Amortization of Gain on Refunding	<u>(15,160)</u>	
Total		(27,920)

Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures.

Compensated Absences	(1,153,164)	
Claims	<u>(71,449)</u>	
Total		(1,224,613)

The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the entity-wide statement of activities. Governmental expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities:

Change in Net Assets	110,208	
Compensated Absences	3,951	
Claims	<u>534</u>	
Total		<u>114,693</u>

Change in Net Assets of Governmental Activities **\$ 4,247,235**

See accompanying notes to the basic financial statements.

CITY OF EUCLID, OHIO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Postiive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<u>Revenues</u>				
Property Taxes	\$ 2,030,453	\$ 2,179,077	\$ 2,259,497	\$ 80,420
Income Taxes	24,862,792	24,862,792	23,916,975	(945,817)
Charges for Services	3,395,966	3,415,966	3,359,058	(56,908)
Licenses and Permits	112,600	112,600	145,863	33,263
Fines and Forfeitures	1,500,013	1,500,013	1,479,161	(20,852)
Intergovernmental	5,069,465	5,069,465	4,700,626	(368,839)
Interest	370,000	370,000	713,001	343,001
Rent	140,500	220,500	253,146	32,646
Other	30,000	30,000	37,840	7,840
Total Revenues	<u>37,511,789</u>	<u>37,760,413</u>	<u>36,865,167</u>	<u>(895,246)</u>
<u>Expenditures</u>				
Current:				
General Government	11,348,412	11,772,701	11,224,958	547,743
Security of Persons and Property	20,172,645	20,146,455	19,833,358	313,097
Refuse Collection and Disposal	1,956,322	1,956,322	1,867,266	89,056
Public Health	257,360	258,860	258,014	846
Lesiure Time Services	687,926	879,926	821,239	58,687
Community and Economic Development	1,432,269	1,451,969	1,392,237	59,732
Debt Service:				
Principal Retirements	90,000	90,000	90,000	0
Interest and Fiscal Charges	126,225	126,225	126,225	0
Total Expenditures	<u>36,071,159</u>	<u>36,682,458</u>	<u>35,613,297</u>	<u>1,069,161</u>
Excess of Revenues Over(Under) Expenditures	<u>1,440,630</u>	<u>1,077,955</u>	<u>1,251,870</u>	<u>173,915</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	286,456	286,456	286,456	0
Transfers Out	(228,844)	(724,444)	(724,444)	0
Total Other Financing Sources (Uses)	<u>57,612</u>	<u>(437,988)</u>	<u>(437,988)</u>	<u>0</u>
Net Change in Fund Balance	1,498,242	639,967	813,882	173,915
Fund Balance at Beginning of Year	1,938,039	1,938,039	1,938,039	0
Prior Year Encumbrances Appropriated	78,751	78,751	78,751	0
Fund Balance at End of Year	<u>\$ 3,515,032</u>	<u>\$ 2,656,757</u>	<u>\$ 2,830,672</u>	<u>\$ 173,915</u>

CITY OF EUCLID, OHIO
STATEMENT OF FUND NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2006

	<u>Water Line Improvement</u>	<u>Waste Water Treatment</u>	<u>Briardale Golf Course</u>	<u>Totals</u>	<u>Governmental Activities Internal Service Funds</u>
<u>Assets</u>					
Current Assets:					
Equity in Pooled Cash and Cash Equivalents	\$ 3,410,619	\$ 8,124,110	\$ 140,254	\$ 11,674,983	\$ 142,285
Materials and Supplies Inventory	0	52,382	15,586	67,968	0
Accrued Interest Receivable	17,894	0	0	17,894	0
Accounts Receivable	344,182	2,089,942	0	2,434,124	6,956
Intergovernmental Receivable	0	168,517	0	168,517	0
Prepaid Items	0	18,625	5,695	24,320	0
Property Taxes Receivable	0	266,324	0	266,324	0
Total Current Assets	<u>3,772,695</u>	<u>10,719,900</u>	<u>161,535</u>	<u>14,654,130</u>	<u>149,241</u>
Noncurrent Assets:					
Deferred Charges	0	34,346	0	34,346	0
Non-Depreciable Capital Assets	0	2,953,501	7,271,526	10,225,027	0
Depreciable Capital Assets, net	8,919,545	37,859,363	1,605,128	48,384,036	0
Total Noncurrent Assets	<u>8,919,545</u>	<u>40,847,210</u>	<u>8,876,654</u>	<u>58,643,409</u>	<u>0</u>
Total Assets	<u>12,692,240</u>	<u>51,567,110</u>	<u>9,038,189</u>	<u>73,297,539</u>	<u>149,241</u>
<u>Liabilities</u>					
Current Liabilities:					
Accounts Payable	292,068	130,603	2,755	425,426	7,269
Accrued Wages and Benefits	0	56,341	1,977	58,318	0
Intergovernmental Payable	0	148,249	3,505	151,754	0
Accrued Interest Payable	17,045	356,857	0	373,902	0
Retainage Payable	80,450	167,221	0	247,671	0
Claims Payable	0	38,658	3,429	42,087	411,087
Deferred Revenue	0	119,651	0	119,651	0
Notes Payable	3,000,000	0	0	3,000,000	0
Compensated Absences Payable	0	129,494	17,433	146,927	11,783
General Obligation Bonds Payable	220,000	96,000	0	316,000	0
Capital Leases Payable	0	86,545	9,629	96,174	0
OPWC Loans Payable	141,380	236,882	0	378,262	0
OWDA Loans Payable	0	1,586,544	0	1,586,544	0
Total Current Liabilities	<u>3,750,943</u>	<u>3,153,045</u>	<u>38,728</u>	<u>6,942,716</u>	<u>430,139</u>
Noncurrent Liabilities:					
Claims Payable - net of current portion	0	16,792	1,489	18,281	162
Compensated Absences Payable - net of current portion	0	510,394	91,847	602,241	3,419
General Obligation Bonds Payable - net of current portion	3,890,000	2,657,551	0	6,547,551	0
Capital Leases Payable - net of current portion	0	422,982	21,738	444,720	0
OPWC Loans Payable - net of current portion	1,969,178	4,168,116	0	6,137,294	0
OWDA Loans Payable - net of current portion	0	10,328,971	0	10,328,971	0
Total Noncurrent Liabilities	<u>5,859,178</u>	<u>18,104,806</u>	<u>115,074</u>	<u>24,079,058</u>	<u>3,581</u>
Total Liabilities	<u>9,610,121</u>	<u>21,257,851</u>	<u>153,802</u>	<u>31,021,774</u>	<u>433,720</u>
<u>Net Assets</u>					
Invested in Capital Assets, Net of Related Debt	740,097	19,440,172	8,791,453	28,971,722	0
Unrestricted	2,342,022	10,869,087	92,934	13,304,043	(284,479)
Total Net Assets	<u>\$ 3,082,119</u>	<u>\$ 30,309,259</u>	<u>\$ 8,884,387</u>	<u>\$ 42,275,765</u>	<u>\$ (284,479)</u>

CITY OF EUCLID, OHIO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS -
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Enterprise Funds</u>				<u>Governmental</u>
	<u>Water Line</u>	<u>Waste Water</u>	<u>Briardale Golf</u>	<u>Totals</u>	<u>Activities</u>
	<u>Improvement</u>	<u>Treatment</u>	<u>Course</u>		<u>Internal Service</u>
					<u>Fund</u>
<u>Operating Revenues</u>					
Charges for Services	\$ 1,605,235	\$ 11,450,255	\$ 987,636	\$ 14,043,126	\$ 306,956
Tap-In Fees	0	48,422	0	48,422	0
Total Operating Revenues	<u>1,605,235</u>	<u>11,498,677</u>	<u>987,636</u>	<u>14,091,548</u>	<u>306,956</u>
<u>Operating Expenses</u>					
Personal Services	0	3,925,356	620,877	4,546,233	35,397
Contractual Services	407,599	618,482	51,172	1,077,253	124,026
Materials and Supplies	0	1,851,008	151,710	2,002,718	208
Claims	0	0	0	0	38,950
Depreciation	261,739	2,122,637	123,101	2,507,477	0
Other	0	37,898	47,379	85,277	0
Total Operating Expenses	<u>669,338</u>	<u>8,555,381</u>	<u>994,239</u>	<u>10,218,958</u>	<u>198,581</u>
Operating Income (Loss)	<u>935,897</u>	<u>2,943,296</u>	<u>(6,603)</u>	<u>3,872,590</u>	<u>108,375</u>
<u>Non-Operating Revenues (Expenses)</u>					
Interest	40,434	7,651	78	48,163	1,833
Intergovernmental	0	814,589	0	814,589	0
Capital Grants and Contributions	0	0	121,449	121,449	0
Property Taxes	0	767,977	0	767,977	0
Interest and Fiscal Charges	(246,337)	(883,229)	(2,120)	(1,131,686)	0
Total Non-Operating Revenues (Expenses)	<u>(205,903)</u>	<u>706,988</u>	<u>119,407</u>	<u>620,492</u>	<u>1,833</u>
Income (Loss) Before Contributions and Transfers	<u>729,994</u>	<u>3,650,284</u>	<u>112,804</u>	<u>4,493,082</u>	<u>110,208</u>
Transfers Out	0	(286,456)	0	(286,456)	0
Change in Net Assets	<u>729,994</u>	<u>3,363,828</u>	<u>112,804</u>	<u>4,206,626</u>	<u>110,208</u>
Net Assets (Deficit) at Beginning of Year	<u>2,352,125</u>	<u>26,945,431</u>	<u>8,771,583</u>	<u>38,069,139</u>	<u>(394,687)</u>
Net Assets (Deficit) at End of Year	<u>\$ 3,082,119</u>	<u>\$ 30,309,259</u>	<u>\$ 8,884,387</u>	<u>\$ 42,275,765</u>	<u>\$ (284,479)</u>

CITY OF EUCLID, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Water Line</u>	<u>Waste Water</u>	<u>Briardale Greens Golf Course</u>	<u>Totals</u>	<u>Internal Service Funds</u>
<i>Increase (Decrease) in Cash and Cash Equivalents</i>					
<u>Cash Flows from Operating Activities</u>					
Cash Received from Customers	\$ 1,472,283	\$ 11,044,074	\$ 988,267	\$ 13,504,624	\$ 300,000
Cash Payments to Suppliers for Goods and Services	(37,032)	(2,437,518)	(325,507)	(2,800,057)	(150,481)
Cash Paid to Employees	(19,239)	(3,856,930)	(618,459)	(4,494,628)	(31,446)
Cash Paid for Claims	0	0	0	0	(90,201)
Other Operating Cash Payments	0	(37,898)	(47,379)	(85,277)	0
Net Cash Provided by (Used by) Operating Activities	<u>1,416,012</u>	<u>4,711,728</u>	<u>(3,078)</u>	<u>6,124,662</u>	<u>27,872</u>
<u>Cash Flows from Noncapital Financing Activities</u>					
Receipts from Operating Grants	0	674,567	0	674,567	0
Receipts for Property Taxes	0	672,469	0	672,469	0
Transfers Out	0	(286,456)	0	(286,456)	0
Net Cash Provided by Noncapital Financing Activities	<u>0</u>	<u>1,060,580</u>	<u>0</u>	<u>1,060,580</u>	<u>0</u>
<u>Cash Flows from Capital and Related Financing Activities</u>					
Payments for Capital Acquisition	(628,772)	(2,852,783)	(37,436)	(3,518,991)	0
Proceeds from OPWC	0	824,816	0	824,816	0
Proceeds from Notes	3,000,000	0	0	3,000,000	0
Principal Paid on Notes	(1,000,000)	0	0	(1,000,000)	0
Principal Paid on General Obligation Bonds	(215,000)	(86,000)	0	(301,000)	0
Interest Paid on General Obligation Bonds	(246,964)	(129,888)	0	(376,852)	0
Principal Paid on OWDA Loans	0	(1,474,399)	0	(1,474,399)	0
Interest Paid on OWDA Loans	0	(750,059)	0	(750,059)	0
Principal Paid on OPWC Loans	(141,380)	(236,881)	0	(378,261)	0
Principal Paid on Capital Leases	0	(134,297)	(18,052)	(152,349)	0
Interest Paid on Capital Leases	0	(46,443)	(2,120)	(48,563)	0
Net Cash Provided by (Used by) Capital and Related Financing Activities	<u>767,884</u>	<u>(4,885,934)</u>	<u>(57,608)</u>	<u>(4,175,658)</u>	<u>0</u>
<u>Cash Flows from Investing Activities</u>					
Interest on Investments	22,540	7,651	78	30,269	1,833
Total Cash Flows from Investing Activities	<u>22,540</u>	<u>7,651</u>	<u>78</u>	<u>30,269</u>	<u>1,833</u>
Net Increase (Decrease) in Cash and Cash Equivalents	2,206,436	894,025	(60,608)	3,039,853	29,705
Cash and Cash Equivalents Beginning of Year	1,204,183	7,230,085	200,862	8,635,130	112,580
Cash and Cash Equivalents End of Year	<u>\$ 3,410,619</u>	<u>\$ 8,124,110</u>	<u>\$ 140,254</u>	<u>\$ 11,674,983</u>	<u>\$ 142,285</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</u>					
Operating Income (Loss)	\$ 935,897	\$ 2,943,296	\$ (6,603)	\$ 3,872,590	\$ 108,375
Adjustments:					
Depreciation	261,739	2,122,637	123,101	2,507,477	0
(Increase) Decrease in Assets:					
Accounts Receivable	(132,952)	(454,603)	631	(586,924)	(6,956)
Prepaid Items	0	(3,281)	(4,450)	(7,731)	0
Materials and Supplies Inventory	0	12,192	(2,847)	9,345	0
Increase (Decrease) in Liabilities:					
Accounts Payable	290,117	44,826	586	335,529	7,269
Contracts Payable	0	(235,454)	(2,892)	(238,346)	(33,399)
Retainage Payable	80,450	104,297	(113,928)	70,819	0
Compensated Absences Payable	0	93,552	(1,868)	91,684	3,951
Matured Compensated Absences	0	(37,117)	0	(37,117)	0
Accrued Wages	0	4,154	(632)	3,522	0
Intergovernmental Payable	0	109,392	906	110,298	(117)
Claims Payable	(19,239)	7,837	4,918	(6,484)	(51,251)
Total Adjustments	<u>480,115</u>	<u>1,768,432</u>	<u>3,525</u>	<u>2,252,072</u>	<u>(80,503)</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ 1,416,012</u>	<u>\$ 4,711,728</u>	<u>\$ (3,078)</u>	<u>\$ 6,124,662</u>	<u>\$ 27,872</u>

Noncash Activities

During 2006, the Briardale Golf Course received \$121,449 in contributions from other funds.

See accompanying notes to the basic financial statements.

CITY OF EUCLID, OHIO
STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
DECEMBER 31, 2006

	<u>Agency Fund</u>
<u>Assets</u>	
<u>Current Assets</u>	
Equity in Pooled Cash and Cash Equivalents	\$ 771,631
Accounts Receivable	<u>500</u>
Total Current Assets	<u>772,131</u>
Total Assets	<u>\$ 772,131</u>
<u>Liabilities</u>	
<u>Current Liabilities</u>	
Accounts Payable	\$ 334,397
Deposits Held and Due to Others	<u>437,734</u>
Total Current Liabilities	<u>772,131</u>
Total Liabilities	<u>\$ 772,131</u>

Notes to the Basic Financial Statements

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 1: DESCRIPTION OF THE CITY AND REPORTING ENTITY

The City of Euclid, Ohio (the City) was incorporated in 1931 and includes an area of approximately 10.3 square miles. The City operates under an elected Mayor/Council (nine members) administrative/legislative form of government and provides services to its more than 54,000 residents. The City established a formal charter in 1951 which governs its operations.

Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading.

The primary government of the City consists of all funds, departments, boards and agencies that are not legally separate from the City. For the City of Euclid, this includes police and fire protection, parks and recreation, planning, zoning, public safety, public service, street maintenance, sanitation system, 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.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations 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 one component unit, Euclid Development Corporation.

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(CONTINUED)

NOTE 1: **DESCRIPTION OF THE CITY AND REPORTING ENTITY** (Continued)

Reporting Entity (Continued)

Euclid Development Corporation (EDCOR) The Euclid Development Corporation (EDCOR) is a legally separate, non-profit organization served by a self-appointed board of trustees. EDCOR was formed under Chapter 1702 of the Ohio Revised Code, for the purpose of providing administrative program assistance to the Community Development Department while combating deterioration and lessening the burdens of government by advancing, encouraging, and promoting residential and commercial redevelopment and revitalization in the City. The City subsidizes EDCOR's entire operation from its Community Development Block Grant. Based on the significant services and resources provided by the City to EDCOR and EDCOR's administrative program assistance to the community development program of the City, EDCOR is reflected as a component unit of the City. EDCOR operates on a fiscal year ending December 31. Separately issued financial statements can be obtained from the Euclid Development Corporation, 585 East 222nd Street, Euclid, Ohio 44123.

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

A. Basis of Presentation

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

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(CONTINUED)

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

A. **Basis of Presentation** (Continued)

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

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

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

B. **Fund Accounting**

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

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(CONTINUED)

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

B. **Fund Accounting** (Continued)

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

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 of Euclid for any purpose provided it is expended or transferred according to the general laws of Ohio.

General Obligation Bond Retirement Fund This fund is used to account for the tax levies and transfers in that are utilized for the repayment of general obligation bond debt.

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

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

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

Waste Water Treatment Fund This fund is used to account for revenues and expenses related to the operation and maintenance of Euclid's sewage treatment plant and the construction and maintenance of the City's sanitary and storm sewers.

Water Line Fund This fund accounts for the provision of distribution to its residential and commercial users located within the City.

Briardale Greens Golf Course Fund This fund is used to account for the operations of the City owned golf course.

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(CONTINUED)

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

B. **Fund Accounting** (Continued)

Internal Service Fund The internal service fund account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's internal service fund reports on a self-insurance program to insure the City, its properties, and its officers and employees against liability, expense, loss and damage which arise, or is claimed to have arisen, from the performance or nonperformance of official duties.

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

C. **Measurement Focus**

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

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

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(CONTINUED)

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

C. **Measurement Focus** (Continued)

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

D. **Basis of Accounting**

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

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 7). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(CONTINUED)

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

D. **Basis of Accounting** (Continued)

Revenues – Exchange and Nonexchange Transactions (Continued)

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

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

Property taxes for which there is an enforceable legal claim as of December 31, 2006, but which were levied to finance year 2007 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

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

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

E. **Budgetary Process**

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations resolution is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the personal services and other expenditures

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(CONTINUED)

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

E. **Budgetary Process** (Continued)

object levels within each department for all funds. Budgetary modifications at the personal service and other expenditures level may only be made by ordinance of City Council. The Finance Director has been given the authority to allocate appropriations to the specific object levels within each department and fund.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Finance Director. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources in effect when final appropriations were passed by Council.

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

F. **Cash and Cash Equivalents**

To improve cash management, cash received by the City is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the City's records. Interest in the pool is presented as "equity in pooled cash and cash equivalents."

The general fund made an advance to the community development block grant special revenue fund to cover a deficit cash balance. The community development block grant special revenue fund has an interfund payable for the amount received from the general fund and the general fund has an interfund receivable for the same amount on the balance sheet.

The City has segregated bank accounts for monies held separate from the City's bank accounts. These interest-bearing deposits accounts are presented on the combined balance sheet as "cash and cash equivalents in segregated accounts" since they are not required to be deposited into the City's treasury. The cash of the recreation activity is included in this line item.

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(CONTINUED)

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

F. **Cash and Cash Equivalents** (Continued)

Investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the City are presented on the financial statements as cash equivalents. Investments with an original maturity of more than three months, not purchased from the pool, are reported as investments.

During 2006, the City invested in Federal Home Loan Bank Bonds, Federal National Mortgage Association Discount Notes, Federal Home Loan Bank Discount Notes, Federal Home Loan Mortgage Corporation Discount Notes, and the State Treasury Asset Reserve of Ohio (STAROhio). Investments are reported at fair value, which is based on quoted market prices.

STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on December 31, 2006.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2006 amounted to \$862,063, which includes \$488,715 assigned from other City funds.

G. **Inventory**

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

H. **Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2006 are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(CONTINUED)

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

I. Capital Assets

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

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

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

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	20-40 Years
Building and Improvements	20-40 Years
Furniture, Fixtures, and Equipment	3-10 Years
Infrastructure	25-50 Years

For 2006, the City's infrastructure consists of streets, and water and sewer lines. The City plans to phase in the reporting of the remaining infrastructure assets consisting of storm sewers and bridges in future years.

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(CONTINUED)

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

J. Interfund Balances

In fund financial statements, outstanding interfund loans are reported as “interfund receivables/payables.” Interfund loans which do not represent available expendable resources are offset by a fund balance reserve account. Interfund balance amounts are eliminated in the statement of net assets, except for any residual amounts due between governmental and business-type activities, which are presented as internal balances.

K. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. The City records a liability for all accumulated unused vacation time when earned for all employees who pass the probationary period.

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 year end taking into consideration any limits specified in the City's termination policy.

In the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the amount “Matured Compensated Absences Payable” in the fund or funds from which they employees who have accumulated the leave are paid.

L. Accrued Liabilities and Long-Term Obligations

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

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(CONTINUED)

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

L. **Accrued Liabilities and Long-Term Obligations** (Continued)

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

M. **Fund Balance Reserves**

The City reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent expendable resources and therefore are not available for appropriation or expenditure. As a result, encumbrances and unclaimed monies are recorded as a reservation of fund balance. Under Ohio law, unclaimed monies are not available for appropriation until they have remained unclaimed for five years.

N. **Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The government-wide statement of net assets reports \$10,020,313 of restricted net assets, none of which is restricted by enabling legislation.

Net assets restricted for other purposes include resources restricted for court computerization, court special projects and other grant funds.

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

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(CONTINUED)

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

O. Operating Revenue and Expenses

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

P. Interfund Activity

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

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

Q. Bond Issuance Costs

On the government-wide financial statements, bond issuance costs are deferred and amortized over the term of the applicable bonds using the effective interest method. Within the governmental fund statements, bond issuance cost are expended when incurred.

R. Bond Premium

On the government-wide financial statement, bond premiums are deferred and amortized over the term of the bonds using the effective interest method. Bond premiums are presented as an increase of the face amount of the bonds payable. On the governmental fund statements, bond premiums are receipted in the year the bonds are issued.

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(CONTINUED)

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

S. **Gain/Loss on Refunding**

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

T. **Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence.

U. **Estimates**

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

NOTE 3: **CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF PRIOR YEAR'S FUND BALANCE/NET ASSETS**

A. **Change in Accounting Principles**

For 2006, the City has implemented GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, GASB Statement No. 44, *Economic Condition Reporting: the Statistical Section*, GASB Statement No. 46, *Net Assets Restricted by Enabling Legislation*, and GASB Statement No. 47, *Accounting for Termination Benefits*.

GASB Statement No. 43 provides guidance on reporting on stewardship of plan assets by a trustee or plan administrator that is a government entity. The implementation of GASB Statement No. 43 did not have an effect on the financial statements of the City.

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(CONTINUED)

NOTE 3: CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF PRIOR YEAR'S FUND BALANCE/NET ASSETS (Continued)

A. Change in Accounting Principles (Continued)

GASB Statement No. 44 provides guidance on the tables and narrative explanations in the statistical section. The implementation of GASB Statement No. 44 did not have an effect on the financial statements of the City.

GASB Statement No. 46 defines enabling legislation and specifies how net assets should be reported in the financial statements when there are changes in such legislation. The Statement also requires governments to disclose in the notes to the financial statements that amount of net assets restricted by enabling legislation. The implementation of GASB Statement No. 46 did not have an effect on the financial statements of the City.

GASB Statement No. 47 provides guidance on how employers should account for benefits associated with either voluntary or involuntary terminations. The implementation of GASB Statement No. 47 did not have an effect on the financial statements of the City.

In 2004, the GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*, which addresses how State and local governments should account for and report their costs and obligations related to postemployment health care and other non-pension benefits. Collectively, these benefits are commonly referred to as "other postemployment benefits", or OPEB. GASB Statement No. 45 will not be effective for the City until 2009 and, therefore, the City has not determined the impact, if any, that this statement will have on the financial statements.

B. Prior Period Adjustment

During the year ended December 31, 2006, it was determined the December 31, 2005 Construction-in Progress account in the governmental activities and the Water Fund Enterprise Fund were understated. The adjustments had the following effect on the January 1, 2006 net assets:

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(CONTINUED)

NOTE 3: CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF PRIOR YEAR'S FUND BALANCE/NET ASSETS (Continued)

B. Prior Period Adjustment (Continued)

	<u>Water Fund</u>
Net Assets at December 31, 2005, as reported	\$2,116,648
Capital Assets - Construction-in-Progress	<u>235,477</u>
Net Assets at January 1, 2006, as Restated	<u>\$ 2,352,125</u>

The changes to the beginning net assets had the following effect on the governmental activities and the business-type activities beginning net assets:

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>
Net Assets at December 31, 2005, as reported	\$ 23,848,850	\$ 37,833,662
Adjustments:		
Capital Assets - Construction-in-Progress	<u>179,760</u>	<u>235,477</u>
Net Assets at January 1, 2006, as Restated	<u>\$ 24,028,610</u>	<u>\$ 38,069,139</u>

NOTE 4: COMPLIANCE AND ACCOUNTABILITY

A. Legal Compliance

The City had a negative cash balance in the Community Development Block Grant Special Revenue Fund of \$25,783. Revenue from the General Fund was used to pay obligations of this fund, contrary to Ohio Revised Code Section 5705.10. In order to eliminate these deficits, the City will be closely monitoring the drawdown of grant funds and make advances during the year.

Contrary to Section 5705.39, Ohio Revised Code, the following funds had original appropriations in excess of estimated resources plus beginning balances:

<u>Special Revenue</u>	<u>Estimated Revenue Plus Beginning Balances</u>	<u>Appropriations</u>	<u>Excess</u>
Community Development Block Grant	\$ 1,416,892	\$ 1,597,958	\$ 181,066

Management has indicated that appropriations will be closely monitored to ensure no future violations occur.

Contrary to Section 9.39, Ohio Revised Code, the Golf Course and the Recreation Department did not deposit in a timely manner. Management has indicated that these receipts will be closely monitored to ensure no future violations occur.

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(CONTINUED)

NOTE 4: **COMPLIANCE AND ACCOUNTABILITY** (Continued)

B. Fund Deficits

The following nonmajor funds had deficit fund balances or deficit net assets as of December 31, 2006:

Special Revenue Funds

Community Development Block Grant	\$ 63,826
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The deficits in the special revenue resulted from recognition of accrued liabilities. The general fund is responsible to cover deficit fund balances by means of a transfer. However, this is done when cash is needed rather when accruals occur.

NOTE 5: **BUDGETARY BASIS OF ACCOUNTING**

While the City is reporting financial position, results of operations, and changes in fund balances/retained earnings on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are as follows:

- Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
- Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
- Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).
- Unrecorded cash represents amounts received but not included as revenue on the budgetary statements, but is reported on the operating statements prepared using GAAP.
- Investments are reported at fair value (GAAP basis) rather than cost (budget basis).

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(CONTINUED)

NOTE 5: BUDGETARY BASIS OF ACCOUNTING (Continued)

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund.

GAAP Basis	\$ 315,769
Net Adjustment for Revenue Accruals	559,614
Net Adjustment for Expenditure Accruals	18,458
Encumbrances	<u>(79,959)</u>
Budget Basis	<u>\$ 813,882</u>

NOTE 6: 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 City treasury. Active monies must be maintained either as cash in the City treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

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

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

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

- United States Treasury notes, bills, bonds, notes 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;
- 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;

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(CONTINUED)

NOTE 6: **DEPOSITS AND INVESTMENTS** (Continued)

- Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- Bonds and other obligations of the State of Ohio;
- No-load money market mutual funds consisting exclusively of obligations described in the first two sections above;
- the obligations described in the second section above 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,
- The State Treasurer's investment pool (STAROhio).

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

- Bonds of the State of Ohio;
- Bonds of any municipal corporation, village, county, township, or other political subdivision of this State, as to which there is no default of principal, interest or coupons; and,
- Obligations of the City.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Investments may only be made through specified dealers and institutions.

Deposits

Custodial Credit Risk Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in possession of an outside party. At year-end, the carrying amount of the City's deposits was \$3,327,087 and the bank balance was \$2,143,600. Of the bank balance, \$400,000 was covered by Federal depository insurance and \$1,743,600 was exposed to custodial credit risk because it was uninsured and uncollateralized. Although the securities were held by the pledging institution's trust department and all statutory requirements for the investment of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(CONTINUED)

NOTE 6: **DEPOSITS AND INVESTMENTS** (Continued)

Deposits (Continued)

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

Investments

Investments are reported at fair value. As of December 31, 2006, the City had the following investments:

	<u>Fair Value</u>	<u>Average Maturity</u>
Federal Home Loan Bank Bonds	\$ 4,992,520	567 days
Federal National Mortgage Discount Notes	3,933,920	304 days
Federal Home Loan Bank Discount Note	1,979,920	234 days
Federal Home Loan Mortgage Company Discount Notes	3,927,680	251 days
STAROhio	<u>4,525,000</u>	21 days
Total	<u>\$19,359,040</u>	

Interest Rate Risk As a means of limiting its exposure to fair value losses caused by rising interest rates, the City's investment policy requires that operating funds be invested primarily in short-term investments maturing within five years from the date of purchase and that the City's investment portfolio be structured so that the securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity. To date, no investments have been purchased with a life greater than two years.

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Federal Farm Credit Bank Bonds, Federal Home Loan Bank Bonds, Federal National Mortgage Association Discount Notes, Federal National Mortgage Association Notes and the Federal Home Loan Mortgage Corporation Discount Notes are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent but not in the City's name. The City has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the finance director or qualified trustee.

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(CONTINUED)

NOTE 6: **DEPOSITS AND INVESTMENTS** (Continued)

Investments (Continued)

Credit Risk All investments carry a rating of AAA by Standard & Poor's with the exception of STAROhio which carries a rating of AAAM by Standard and Poor's. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service. The City has no investment policy that would further limit its investment choices.

Concentration of Credit Risk The City places no limit on the amount it may invest in any one issuer. The following is the City's allocation as of December 31, 2006:

Percentage of Investment Investments	
Federal Home Loan Bank Bonds	25.79%
Federal National Mortgage Association Discount Notes	20.32%
Federal Home Loan Bank Discount Notes	10.23%
Federal Home Loan Mortgage Corporation Discount Notes	20.29%
STAROhio	23.37%

Component Unit - Euclid Development Corporation (EDCOR)

Custodial Credit Risk Custodial credit risk for deposits is the risk that in the event of bank failure, EDCOR will not be able to recover deposits or collateral securities that are in possession of an outside party. At year-end, the carrying amount of EDCOR's deposits was \$612,288 and the bank balance was \$627,318. Of the bank balance \$130,758 was covered by Federal depository insurance and \$496,623 was exposed to custodial credit risk because it was uninsured and uncollateralized. Although the securities were held by the pledging institution's trust department and all statutory requirements for the investment of money had been followed, noncompliance with Federal requirements could potentially subject EDCOR to a successful claim by the FDIC.

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

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(CONTINUED)

NOTE 7: RECEIVABLES

Receivables at December 31, 2006 consisted primarily of municipal income taxes, property and other taxes, accounts (billings for utility services), special assessments, accrued interest on investments, and intergovernmental receivables arising from entitlements and shared revenues. All receivables are deemed collectible in full. Special assessments due in more than one year are \$1,235,000 and delinquent special assessments outstanding are \$29,684.

No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant.

A. Property Taxes

Property taxes include amounts levied against all real, public utility and tangible personal property located in the City. Property tax revenue received during 2006 for real and public utility property taxes represents collections of 2005 taxes. Property tax payments received during 2006 for tangible personal property (other than public utility property) are for 2006 taxes.

2006 real property taxes are levied after October 1, 2006 on the assessed value as of January 1, 2006, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2006 real property taxes are collected in and intended to finance 2007.

Public utility real and tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2006 public utility property taxes which become a lien December 31, 2005, are levied after October 1, 2006, and are collected in 2007 with real property taxes.

Tangible personal property tax revenue received during calendar 2006 (other than public utility property) represents the collection of 2005 taxes. Tangible personal property taxes received in calendar year 2006 were levied in after April 1, 2005, on the value as of December 31, 2005. In prior years, tangible personal property was assessed at twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory. The tangible personal property tax is being phased out-the assessment for percentage for all property including inventory for 2007 is 12.5 percent. This will be reduced to 6.25 percent for 2008 and zero for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the City prior to June 30.

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(CONTINUED)

NOTE 7: **RECEIVABLES** (Continued)

A. **Property Taxes** (Continued)

The full tax rate for all City operations for the year ended December 31, 2006 was \$15.60 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2006 property tax receipts were based are as follows:

Real Property	\$ 801,943,110
Public Utility Property	20,998,380
Tangible Personal Property	<u>81,771,053</u>
Total Valuation	<u>\$ 904,712,543</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 June 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 semi-annually, the first payment is due April 30, with the remainder payable at September 20.

The Cuyahoga County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Euclid. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2006, and for which there is an enforceable legal claim. In the governmental funds, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2006 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is deferred.

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(CONTINUED)

NOTE 7: **RECEIVABLES** (Continued)

B. Income Tax

The City levies a municipal income tax of 2.85 percent on substantially all income earned within in the City. The .85 percent collected is to be split between the City and the school board at a ratio of .38 percent for the City and .47 percent for the schools. In addition, residents are required to pay City income tax on income earned outside the City; however, a 100 percent credit is allowed for income taxes paid to other municipalities. During 2006, the City completed the process of leaving its agent, CCA (Central Collection Agency), in order to establish its own collection division within the City. As a result, during 2006, municipal income taxes were received by both CCA and the City's newly created lockbox account.

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. Income tax proceeds are received by the General Fund.

C. Intergovernmental Receivables

A summary of the principal items of intergovernmental receivables follows:

<u>Governmental Activities</u>	<u>Amount</u>
Local Government	\$1,565,071
Gasoline Tax	690,675
Homestead and Rollback	234,121
Estate Tax	110,576
Fines, Licenses, and Fees	7,717
Motor Vehicle Tax	<u>139,814</u>
Total Governmental Activities	<u>\$2,747,974</u>
<u>Business-Type Activities</u>	
Homestead and Rollback	\$ 22,450
OPWC Grants	<u>146,067</u>
Total Business-Type Activities	<u>\$ 168,517</u>

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(CONTINUED)

NOTE 7: **RECEIVABLES** (Continued)

D Loans Receivable

General fund loans receivable represent amounts loaned to a major corporation in connection with an economic development and rehabilitation project. These notes will be paid back to the City over 30 years by the corporation at an interest rate of 2 percent. The City will incur interest charges at a rate of 8.25 percent on the bonds that had been issued by the City in conjunction with this program. The difference in the interest rates is a subsidy which will be funded by nontax revenue sources.

Component unit notes receivable represent low interest loans for home improvements granted to eligible City residents through Euclid Development Corporation (EDCOR) under the Federal Community Development Block Grant program. The loans bear interest at annual rate of 3 percent. The loans are to be repaid over periods ranging from 5 to 15 years.

NOTE 8: **CONTINGENCIES**

A. Grants

The City received financial assistance from federal and state agencies in the form of grants. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are 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.

B. Litigation

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

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(CONTINUED)

NOTE 9: CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2006, was as follows:

	Balance 12/31/2005	Additions	Deletions	Balance 12/31/2006
<u>Governmental Activities</u>				
<i>Capital Assets, Not Being Depreciated</i>				
Land	\$ 9,003,250	\$ 0	\$ 0	\$ 9,003,250
Construction-in-Progress	179,760	250,000	0	429,760
<i>Total Capital Assets, Not Being Depreciated</i>	<u>9,183,010</u>	<u>250,000</u>	<u>0</u>	<u>9,433,010</u>
<i>Capital Assets Being Depreciated</i>				
Land Improvements	2,413,498	27,000	0	2,440,498
Buildings and Improvements	13,120,338	286,204	0	13,406,542
Furniture, Fixtures, and Equipment	9,412,817	1,521,525	(258,798)	10,675,544
Infrastructure:				
Streets	29,758,784	0	0	29,758,784
<i>Total Capital Assets Being Depreciated</i>	<u>54,705,437</u>	<u>1,834,729</u>	<u>(258,798)</u>	<u>56,281,368</u>
<i>Less Accumulated Depreciation</i>				
Land Improvements	(1,893,510)	(75,311)	0	(1,968,821)
Buildings and Improvements	(5,461,928)	(269,036)	0	(5,730,964)
Furniture, Fixtures, and Equipment	(6,634,406)	(865,359)	228,078	(7,271,687)
Infrastructure:				
Streets	(6,093,136)	(743,969)	0	(6,837,105)
<i>Total Accumulated Depreciation</i>	<u>(20,082,980)</u>	<u>(1,953,675)</u>	<u>228,078</u>	<u>(21,808,577)</u>
Total Capital Assets Being Depreciated, Net	<u>34,622,457</u>	<u>(118,946)</u>	<u>(30,720)</u>	<u>34,472,791</u>
Governmental Activities Capital Assets, Net	<u>\$ 43,805,467</u>	<u>\$ 131,054</u>	<u>\$ (30,720)</u>	<u>\$ 43,905,801</u>
<u>Business-Type Activities</u>				
<i>Capital Assets, Not Being Depreciated</i>				
Land	\$ 7,428,126	\$ 0	\$ 0	\$ 7,428,126
Construction in Progress	235,477	3,425,673	(864,249)	2,796,901
<i>Capital Assets Not Being Depreciated</i>	<u>7,663,603</u>	<u>3,425,673</u>	<u>(864,249)</u>	<u>10,225,027</u>
<i>Capital Assets Being Depreciated</i>				
Land Improvements	1,380,304	14,160	0	1,394,464
Buildings and Improvements	9,612,274	129,829	0	9,742,103
Furniture, Fixtures, and Equipment	2,066,945	70,777	0	2,137,722
Infrastructure:				
Streets	34,571	0	(34,571)	0
Sewer	73,535,723	34,572	0	73,570,295
Water Lines	9,360,409	864,249	0	10,224,658
<i>Total Capital Assets Being Depreciated</i>	<u>95,990,226</u>	<u>1,113,587</u>	<u>(34,571)</u>	<u>97,069,242</u>
<i>Less Accumulated Depreciation</i>				
Land Improvements	(1,121,897)	(46,134)	0	(1,168,031)
Buildings and Improvements	(3,474,250)	(236,770)	0	(3,711,020)
Furniture, Fixtures, and Equipment	(1,526,950)	(127,559)	0	(1,654,509)
Infrastructure:				
Streets	(1,728)	0	1,728	0
Sewer	(39,009,530)	(1,837,001)	0	(40,846,531)
Water Lines	(1,043,374)	(261,741)	0	(1,305,115)
<i>Total Accumulated Depreciation</i>	<u>(46,177,729)</u>	<u>(2,509,205)</u>	<u>1,728</u>	<u>(48,685,206)</u>
Total Capital Assets Being Depreciated, Net	<u>49,812,497</u>	<u>(1,395,618)</u>	<u>(32,843)</u>	<u>48,384,036</u>
Business-Type Activities Capital Assets, Net	<u>\$ 57,476,100</u>	<u>\$ 2,030,055</u>	<u>\$ (897,092)</u>	<u>\$ 58,609,063</u>

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(CONTINUED)

NOTE 9: **CAPITAL ASSETS** (Continued)

* Depreciation expense was charged to governmental functions as follows:

General Government	\$ 296,023
Security of Persons and Property	502,014
Leisure Time Services	128,336
Community and Economic Development	143,844
Transportation	883,458
Total	<u>\$ 1,953,675</u>

NOTE 10: **LONG-TERM OBLIGATIONS**

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

<u>Debt Issue</u>	<u>Interest Rate</u>	<u>Original Issue Date</u>	<u>Original Issue Amount</u>	<u>Date of Maturity</u>
<i>General Obligation Bonds:</i>				
Various Purpose Refunding-1998	4.8-6.625%	1998	\$ 12,730,000	2018
Various Purpose - 1995	3.70-5.55%	1995	8,400,000	2015
Various Purpose - 1998	3.80-4.90%	1998	6,360,000	2018
Various Purpose - 2001	3.25-5.50%	2001	7,235,000	2020
Various Purpose - 2004	2.50-5.00%	2004	8,709,000	2025
Various Purpose Refunding-2004	2.50-5.00%	2004	4,388,000	2025
<i>Industrial Development Revenue Bonds:</i>				
Lincoln Electric Industrial Development	8.25%	1996	2,135,000	2016
<i>Ohio Public Works Commission:</i>				
East 222 nd Reconstruction - 2006	0.00%	2006	1,257,200	2029
<i>Special Assessment Bonds with Government Commitment</i>				
Heritage Drive Improvements - 1999	4.35-5.60%	1999	1,715,000	2019
<i>Long-Term Notes Payable:</i>				
Various Purpose - 2006	4.50%	2006	3,816,000	2007
<i>Enterprise General Obligation Bonds:</i>				
Peterson Waterline - 1998	3.80-5.125%	1998	2,145,000	2018
Various Purpose Refunding - 2004	3.80-5.125%	1998	1,025,000	2018
Waterline Improvement - 1998	3.25-5.50%	2001	4,260,000	2020
Waterline Improvement - 2001	2.50-5.00%	2004	1,243,000	2025
<i>Enterprise OWDA Loans:</i>				
Wastewater Treatment and Collection Systems - 1993	5.20%	1993	9,842,765	2014
Wastewater Treatment and Collections Systems - 1994	4.56%	1994	2,397,760	2014
Sewer Improvement - 1991	11.19%	1991	6,093,465	2011

(Continued)

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(CONTINUED)

NOTE 10: LONG-TERM OBLIGATIONS (Continued)

<u>Debt Issue</u>	<u>Interest Rate</u>	<u>Original Issue Date</u>	<u>Original Issue Amount</u>	<u>Date of Maturity</u>
<i>Enterprise OPWC Loans:</i>				
Newton Avenue Improvements - 2000	0.00%	2000	\$ 1,468,836	2019
East 225 th Street/Edgecliff - 2003	0.00%	2003	1,528,108	2023
East 197 th Street - 2001	0.00%	2001	759,025	2020
East 255 th Street - 2002	0.00%	2002	400,534	2022
East 216 th Street - 2004	0.00%	2004	581,131	2024
Brandywine Pump Station - 2005	0.00%	2006	408,000	2028
Chatworth Drive Sanitary - 2005	0.00%	2006	240,000	2028
Euclid Avenue/Babbitt Road - 2005	0.00%	2006	540,900	2028
Miller Avenue - 2001	0.00%	2001	1,689,900	2020
East 222 nd Street - 2003	0.00%	2003	874,958	2023
East 214 th Street - 2001	0.00%	2001	262,735	2020
<i>Enterprise Long-Term Notes Payable:</i>				
Waterline Improvement	4.00%	2006	3,000,000	2007

Changes in bonds and other long-term obligations of the City during 2006 were as follows:

	<u>Principal Outstanding at 12/31/2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>Principal Outstanding at 12/31/2006</u>	<u>Due Within One Year</u>
Governmental Activities					
<i>General Obligation Bonds:</i>					
Various Purpose Refunding - 1998	\$ 1,515,000	\$ 0	\$ 450,000	\$ 1,065,000	\$ 200,000
Various Purpose - 1995	2,840,000	0	655,000	2,185,000	690,000
Various Purpose - 1998	4,295,000	0	315,000	3,980,000	330,000
Various Purpose - 2001	5,555,000	0	345,000	5,210,000	350,000
Various Purpose - 2004	8,709,000	0	109,000	8,600,000	112,000
Unamortized Premium	86,321	0	4,544	81,777	0
Various Purpose Refunding - 2004	4,388,000	0	355,000	4,033,000	362,000
Unamortized Premium	27,734	0	2,774	24,960	0
Unamortized Gain on Refunding	(151,600)	0	(15,160)	(136,440)	0
Total General Obligation Bonds	27,264,455	0	2,221,158	25,043,297	2,044,000
<i>Special Assessment Bonds with Government Commitment:</i>					
Heritage Drive Improvements - 1999	1,375,000	0	70,000	1,305,000	70,000
<i>Notes Payable:</i>					
Various Purpose - 2006	0	3,816,000	0	3,816,000	3,816,000
HVAC Improvements - 2005	100,000	0	100,000	0	0
Total Notes Payable	100,000	3,816,000	100,000	3,816,000	3,816,000
<i>Industrial Development Revenue Bonds:</i>					
Lincoln Electric Industrial Development	1,530,000	0	90,000	1,440,000	100,000
<i>Ohio Public Works Commission:</i>					
East 222 nd St. - 2006	0	98,000	0	98,000	0
<i>Other Obligations:</i>					
Capital Leases	2,174,685	0	438,010	1,736,675	340,239
Claims	297,484	71,449	0	368,933	260,292
Compensated Absences	6,614,433	5,371,461	4,218,297	7,767,597	1,535,343
Total Other Obligations	9,086,602	5,442,910	4,656,307	9,873,205	2,135,874
Total Governmental Activities	\$ 39,356,057	\$ 9,356,910	\$ 7,137,465	\$ 41,575,502	\$ 8,165,874

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(CONTINUED)

NOTE 10: LONG-TERM OBLIGATIONS (Continued)

	Principal Outstanding at 12/31/2005	Additions	Deletions	Principal Outstanding at 12/31/2006	Due Within One Year
Business-Type Activities					
<i>General Obligation Bonds:</i>					
Wastewater Fund:					
Peterson Waterline-1998 \$	1,585,000	\$ 0	\$ 85,000	\$ 1,500,000	\$ 95,000
Various Purpose					
Refunding - 2004	1,243,000	0	1,000	1,242,000	1,000
Unamortized Premium	12,193	0	642	11,551	0
Waterline Fund:					
Waterline Improvement-1998	765,000	0	45,000	720,000	45,000
Waterline Improvement-2001	3,560,000	0	170,000	3,390,000	175,000
<i>Total General Obligation Bonds</i>	<u>7,165,193</u>	<u>0</u>	<u>301,642</u>	<u>6,863,551</u>	<u>316,000</u>
<i>Notes Payable:</i>					
Waterline Improvements-2006	0	3,000,000	0	3,000,000	3,000,000
Waterline Improvements-2005	1,000,000	0	1,000,000	0	0
<i>Total Notes Payable</i>	<u>1,000,000</u>	<u>3,000,000</u>	<u>1,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>
<i>OWDA Loans:</i>					
Wastewater Fund:					
Wastewater Treatment and Collection Systems-1993	7,349,028	0	707,640	6,641,388	744,916
Wastewater Treatment and Collection Systems-1994	1,803,201	0	166,164	1,637,037	173,827
Sewer Improvement-1991	4,237,685	0	600,595	3,637,090	667,801
<i>Total OWDA Loans</i>	<u>13,389,914</u>	<u>0</u>	<u>1,474,399</u>	<u>11,915,515</u>	<u>1,586,544</u>
<i>OPWC Loans:</i>					
Wastewater Fund:					
Newton Ave. Improvements- 2000	1,028,185	0	73,441	954,744	73,442
East 228 th Street/Edgecliff- 2003	1,337,094	0	76,405	1,260,689	76,405
East 197 th Street - 2001	569,269	0	37,951	531,318	37,951
East 225 th Street - 2002	330,440	0	20,027	310,413	20,027
East 216 th Street - 2004	552,075	0	29,057	523,018	29,057
Brandywine Pump Station - 2006	0	246,965	0	246,965	0
Chatworth Drive Sanitary Sewer - 2006	0	133,161	0	133,161	0
Euclid Avenue/Babbitt Road - 2006	0	444,690	0	444,690	0
<i>Total Wastewater Fund</i>	<u>3,817,063</u>	<u>824,816</u>	<u>236,881</u>	<u>4,404,998</u>	<u>236,882</u>
Waterline Fund					
Miller Avenue - 2001	1,267,425	0	84,495	1,182,930	84,495
East 222 nd Street - 2003	787,462	0	43,748	743,714	43,748
East 214 th Street - 2001	197,051	0	13,137	183,914	13,137
<i>Total Waterline Fund</i>	<u>2,251,938</u>	<u>0</u>	<u>141,380</u>	<u>2,110,558</u>	<u>141,380</u>
<i>Total OPWC Loans</i>	<u>6,069,001</u>	<u>824,816</u>	<u>378,261</u>	<u>6,515,556</u>	<u>378,262</u>
<i>Other Obligations:</i>					
Capital Leases	693,242	0	152,349	540,893	142,124
Claims Payable	66,852	0	6,483	60,369	42,087
Compensated Absences	657,484	758,165	666,481	749,168	146,927
<i>Total Other Obligations</i>	<u>1,417,578</u>	<u>758,165</u>	<u>825,313</u>	<u>1,350,430</u>	<u>331,138</u>
Total Business-Type Activities	<u>\$ 29,041,686</u>	<u>\$ 4,582,981</u>	<u>\$ 3,979,615</u>	<u>\$ 29,645,052</u>	<u>\$ 5,611,944</u>

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(CONTINUED)

NOTE 10: **LONG-TERM OBLIGATIONS** (Continued)

General obligation bonds will be paid from the general obligation bond retirement debt service fund. Special assessment bonds will be paid from the proceeds of special assessments levied against benefitted property owners. In the event that a property owner would fail to pay the assessment, payment would be made by the City. The industrial development revenue bonds are paid from the general fund. The HVAC note was paid from the General Debt Service Fund. The 2006 Various Purpose note will be paid from the General Debt Service Fund.

In 2004, the City issued \$7,181,000 in general obligation bonds which were used to pay off outstanding notes payable in 2005. Of this amount, \$5,981,000 was sent to an escrow agent to pay the notes. The long-term notes payable will be paid from the general permanent improvement capital projects fund and the waterline enterprise fund.

Capital leases will be paid from the general fund, streets and highways, culture recreation and community development special revenue funds, general permanent improvement capital projects fund, and the sewer and golf course enterprise funds.

The City participates in the State Worker's Compensation retrospective rating and payment system. This plan involves the payment of a minimum premium for administrative services and stop-loss coverage plus the actual claim costs for injured employees. The maintenance of these benefits is accounted for in the Workers' Compensation internal service fund. Claims will be paid from the funds from which the employees are paid.

Compensated absences will be paid from the general fund, the court computerization, court special projects, animal shelter, street construction, maintenance and repair, community television, recreation operating, community development block grant, and other grants special revenue funds, the recreation capital projects fund and the sewer and golf course enterprise funds.

The general obligation bonds for the waterline improvement, OPWC waterline loans, long-term notes payable and capital leases for machinery and equipment will be paid from water usage charges. The general obligation bonds for sewer improvements, ODWA wastewater treatment and collections loans, OPWC wastewater improvement loans and capital leases for equipment will be paid from the sewer user charges.

The City has four outstanding projects from OPWC for the East 222nd Street, the Brandywine Pump Station, the Chatworth Drive Sanitary, and the Euclid Avenue/Babbitt Road Sanitary Relief Sewer. The East 222nd Street project is recorded in the governmental activities, while the remaining projects are reported in business-type

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(CONTINUED)

NOTE 10: LONG-TERM OBLIGATIONS (Continued)

activities. As of December 31, 2006, the full loan amount for these four projects has not been received, but are reported in the following amortization schedules.

Refunded Bonds

In prior years, the City has defeased various bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. Government Securities that were placed in the trust fund. The investment and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the City's government-wide financial statements. As of December 31, 2006, the amount of defeased debt outstanding but removed from the government-wide financial statements amounted to \$3,830,000.

Governmental Activities

Year	General Obligation Bonds		Special Assessment Bonds		Revenue Bonds		OPWC Loan
	Principal	Interest	Principal	Interest	Principal	Interest	Principal
2007	\$ 2,044,000	\$ 1,104,884	\$ 70,000	\$ 71,925	\$ 100,000	\$ 118,800	\$ 0
2008	2,119,000	1,017,909	75,000	68,425	105,000	110,550	0
2009	2,209,000	924,692	80,000	64,600	115,000	101,888	62,860
2010	1,938,000	822,802	85,000	60,480	125,000	92,400	62,860
2011	1,831,000	749,024	90,000	55,720	135,000	82,088	62,860
2012-2016	7,740,000	2,610,548	520,000	198,520	860,000	223,988	314,300
2017-2021	4,804,000	1,128,724	385,000	43,960	0	0	314,300
2022-2026	2,388,000	270,185	0	0	0	0	314,300
2027-2031	0	0	0	0	0	0	125,720
Total	<u>\$25,073,000</u>	<u>\$ 8,628,768</u>	<u>\$ 1,305,000</u>	<u>\$ 563,630</u>	<u>\$ 1,440,000</u>	<u>\$ 729,714</u>	<u>\$ 1,257,200</u>

Year	Total	
	Principal	Interest
2007	\$ 2,214,000	\$ 1,295,609
2008	2,299,000	1,196,884
2009	2,466,860	1,091,180
2010	2,210,860	975,682
2011	2,118,860	886,832
2012-2016	9,434,300	3,033,056
2017-2021	5,503,300	1,172,684
2022-2026	2,702,300	270,185
2027-2031	125,720	0
Total	<u>\$29,075,200</u>	<u>\$9,922,112</u>

Business-Type Activities

Year	General Obligation Bonds		OWDA Loans		OPWC Loans	Total	
	Principal	Interest	Principal	Interest	Principal	Principal	Interest
2007	\$ 316,000	\$ 329,210	\$ 1,586,545	\$ 815,473	\$ 378,261	\$ 2,280,806	\$ 1,144,683
2008	326,000	315,657	1,708,525	693,490	437,726	2,472,251	1,009,147
2009	346,000	301,417	1,841,308	560,708	437,726	2,625,034	862,125
2010	417,000	286,025	1,985,951	416,066	437,726	2,840,677	702,091
2011	439,000	267,935	1,606,040	258,581	437,726	2,482,766	526,516
2012-2016	2,530,000	997,004	3,187,146	254,175	2,188,632	7,905,778	1,251,179
2017-2021	2,086,000	333,258	0	0	1,906,166	3,992,166	333,258
2022-2026	392,000	44,290	0	0	596,612	988,612	44,290
2027-2031	0	0	0	0	59,465	59,465	0
Total	<u>\$ 6,852,000</u>	<u>\$ 2,874,796</u>	<u>\$11,915,515</u>	<u>\$ 2,998,493</u>	<u>\$6,880,040</u>	<u>\$25,647,555</u>	<u>\$5,873,289</u>

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(CONTINUED)

NOTE 11: COMPENSATED ABSENCES

The criteria for determining the vacation and sick leave liabilities are derived from negotiated agreements and City ordinances. Full-time employees earn 10 to 30 vacation days per year, depending upon length of service. Unused vacation balances that can be carried over to the next year vary according to the employee's classification. All non-union employees may carry over vacation for a maximum of two years. Union employees may not carry over vacation from one year to the next. Police and fire department employees may convert any unused vacation to comp time. Accumulated, unused vacation, compensatory time, and holidays are paid upon termination of employment.

All employees of the City earn sick leave at the rate of 1.25 days per month of work completed except for school guards and certain part-time employees who accrue sick leave at a rate of 4.6 hours per 80 hours of work completed. Full-time fire employees earn 1.5 days of sick leave per month. Sick leave accumulation is unlimited.

Upon retirement of non-union employees, total payment is determined by multiplying the hourly rate by the maximum number of hours allowed, depending on the years of service as of January 1, 2005:

<u>Years of Service as of January 1, 2005</u>	<u>Upon Retirement Sick Hours Max Out at:</u>
Hired after January 1, 2005	240
5 or less years	320
6-10	480
11-15	640
16-20	800
Over 20 years	960

Upon retirement of union employees, individuals with less than 1,200 hours will have sick leave paid out at the accrued number of hours multiplied by the hourly rate. Individuals with more than 1,200 hours will have the first 1,200 hours multiplied by the hourly rate and any hours over 1,200 multiplied by \$2.50.

The City developed this policy in order to limit the amount of sick time it will pay out in the future for retirees.

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(CONTINUED)

NOTE 12: RISK MANAGEMENT

A. Property and Liability

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Since 1988, the City of Euclid is self-funded with regard to general liability. An internal service fund is used to process claims against the City. The City's administrative code included provisions that the council shall annually appropriate funds to cover the costs of this fund.

During 2006, the City negotiated with Love Insurance Company for commercial insurance coverage relating to property, boiler, and machinery insurance. The cost of the current coverage was \$66,031 for 2006. The City carries a commercial package property insurance policy for blanket coverage in excess of \$88,000,000. The policy coverage includes loss of business income for specific locations, personal property, securities and property in the open. Included in this blanket is coverage for equipment breakdown with its own \$5,000 deductible. Additionally the City carries inland marine insurance of \$5,479,301 with a \$1,000 deductible, fire rescue and heavy vehicles coverage of \$2,686,635 with a \$5,000 deductible and a crime shield coverage of \$25,000 with a \$500 deductible.

Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years and there was no significant change in insurance coverage from the prior year.

The claims liability of \$410,715 reported in the self insurance internal service fund at December 31, 2006 is based on an estimate of costs relating to incurred but not reported claims. Changes in the funds claims liability amount for the last two years follow:

	Balance at Beginning <u>of Year</u>	Current <u>Year Claims</u>	Claim <u>Payments</u>	Balance at <u>End of Year</u>
2005	\$ 675,000	\$ 79,068	\$ 291,568	\$ 462,500
2006	\$ 462,500	\$ 37,509	\$ 89,294	\$ 410,715

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(CONTINUED)

NOTE 12: **RISK MANAGEMENT** (Continued)

B. Health Insurance Benefits

The City provides health insurance coverage for employees of the City through a self-funded program. A third party administrator, Medical Mutual is used to evaluate individual claims and costs. Coverage includes health, prescription drug benefits and dental care.

The City structured its health care plan through a cost sharing program that includes yearly deductible amounts as well as co-pays. For covered individuals, the yearly deductible amount is \$200 and for families the yearly deductible is \$300. In addition to this, covered employees or family members have a required co-pay of \$10 per office visit or \$50 per emergency care visit. If admitted, the \$50 co-pay is waived. Upon meeting the required employee contributions as well as staying within medical mutual provider, maximum coverage is provided by the plan parameters. However, if an individual seeks care at a non-medical mutual provider, then 80 percent of the cost would be covered. Furthermore, the plan allows for catastrophic (stop-loss) coverage of \$150,000 per occurrence. Employee medical benefits are charged to the respective fund in which the individual's salary is paid.

The claims liability of \$628,713 reported in the general fund at December 31, 2006 is based on an estimate of costs relating to incurred but not reported claims. Changes in the funds claims liability amount for the last two years follows:

	Balance at Beginning <u>of Year</u>	Current <u>Year Claims</u>	Claim <u>Payments</u>	Balance at <u>End of Year</u>
2005	\$ 552,502	\$ 3,586,992	\$ 3,567,985	\$ 571,509
2006	\$ 571,509	\$ 2,928,051	\$ 2,870,847	\$ 628,713

NOTE 13 **DEFINED BENEFIT PENSION PLANS**

A. Ohio Public Employee Retirement System

The City participates in the Ohio Public Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(CONTINUED)

NOTE 13 DEFINED BENEFIT PENSION PLANS

A. Ohio Public Employee Retirement System (Continued)

value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report which may be obtained by writing OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

For the year ended December 31, 2006, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 9 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1 percent of their annual covered salary; members in public safety contributed 9 percent. The City's contribution rate for pension benefits for 2006 was 13.7 percent (9.2 percent was set aside for pension obligations), except for those plan members in law enforcement or public safety. For those classifications, the City's pension contributions were 16.93 percent (12.43 percent was set aside for pension obligations) of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The City's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2006, 2005, and 2004, were \$1,171,478, \$1,129,838, and \$1,189,609, respectively; 90.1 percent has been contributed for 2006 and 100 percent for 2005 and 2004. Contributions to the member-directed plan for 2006 were \$12,388 made by the City and \$8,138 made by plan members.

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(CONTINUED)

NOTE 13 **DEFINED BENEFIT PENSION PLANS** (Continued)

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

Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations while the City is required to contribute 19.5 percent (11.75 percent for pension obligations) for police officers and 24 percent (16.25 percent for pension obligations) for firefighters. Contributions are authorized by State statute. The City's contributions to OP&F for police for the years ended December 31, 2006, 2005, and 2004 were \$771,903, \$733,690, and \$1,152,116, respectively. The City's contributions to OP&F for fire for the years ended December 31, 2006, 2005, and 2004 were \$847,543, \$847,375, and \$1,352,483, respectively. The full amount for both the police and fire departments has been contributed for 2005 and 2004. 99.74 percent for the police department and 100.00 percent for the fire department have been contributed for 2006.

NOTE 14: **POSTEMPLOYMENT BENEFITS**

A. Ohio Public Employees Retirement System (OPERS)

The Ohio Public Employees Retirement System of Ohio (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. 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 the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2006 local government employer contribution rate was 13.70 percent of covered payroll (16.93 percent for public safety and law enforcement); 4.5 percent was the portion that was used to fund health care.

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(CONTINUED)

NOTE 14: **POSTEMPLOYMENT BENEFITS** (Continued)

A. **Ohio Public Employees Retirement System (OPERS)** (Continued)

Benefits are advanced-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2005, include a rate of return on investments of 6.5 percent, an annual increase in active employee total payroll of 4.0 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care costs were assumed to increase between 0.50 and 6.00 percent annually for the next nine years and 4.00 percent annually after nine years.

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 annually, not to exceed a 12 percent corridor.

The number active contributing participants in the traditional and combined plans were 369,214. Actual employer contributions for 2006 which were used to fund postemployment benefits were \$573,006. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2005 were \$11.1 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$31.3 billion and \$20.2 billion, respectively (the latest information available).

On September 9, 2004, the OPERS Retirement Board adopted the Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs. Member and employer contribution rates increased as of January 1, 2006 and January 1, 2007, which will allow additional funds to be allocated to the health care plan.

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 service, disability or survivor 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.

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(CONTINUED)

NOTE 14: **POSTEMPLOYMENT BENEFITS** (Continued)

B. Ohio Police and Fire Pension Fund (Continued)

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 cost paid from the funds of OP&F 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 rate is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24.0 percent of covered payroll, of which 7.75 percent of covered payroll was applied to the postemployment health care program during 2006 and 2005. In addition, since July 1, 1992, most retirees and survivors have been required to contribute a portion of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The City's actual contributions for 2006 that were used to fund postemployment benefits were \$509,127 for police and \$404,117 for firefighters. The OP&F's total health care expense for the year ended December 31, 2005 was \$108,039,449, which was net of member contributions of \$55,271,881. The number of OP&F participants eligible to receive health care benefits as of December 31, 2005, was 13,922 for police and 10,537 for firefighters (the latest information available).

NOTE 15: **CAPITAL LEASES**

In prior years, the City entered into leases for the acquisition of postage meter, phone system, Honeywell retroprofits, snow plow truck, a sweeper, office equipment, and mowers. The City's lease obligations meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards Board No. 13, *Accounting for Leases*. Capital lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements. These expenditures are reflected as program/function expenditures on a budgetary basis.

Capital assets acquired by lease have been capitalized and depreciated as follows as of December 31, 2006:

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(CONTINUED)

NOTE 15: **CAPITAL LEASES** (Continued)

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>
<i>Capital Assets being Depreciated:</i>		
Furniture, Fixtures, and Equipment	\$ 3,251,205	\$ 1,056,042
Less Accumulated Depreciation:		
Furniture, Fixtures, and Equipment	<u>(957,616)</u>	<u>(445,377)</u>
<i>Total Capital Assets Being Depreciated</i>	<u>\$ 2,293,589</u>	<u>\$ 610,665</u>
Year Ending		
<u>December 31</u>		
2007	\$ 464,164	\$ 122,622
2008	426,782	122,622
2009	424,652	122,622
2010	152,220	111,594
2011	152,220	111,594
2012-2013	<u>304,439</u>	<u>82,397</u>
Total Minimum Lease Payments	1,924,477	673,451
Less: Amount Representing Interest	<u>(187,802)</u>	<u>(132,557)</u>
Present Value of Minimum Lease Payments	<u>\$1,736,675</u>	<u>\$ 540,894</u>

NOTE 16: **INTERFUND TRANSFERS AND BALANCES**

A. **Transfers**

Transfers are primarily from the general fund or wastewater treatment fund to various funds within the City. Transfers made from the general fund typically cover general operating and project costs. Transfers from the wastewater treatment fund are reimbursements to the general fund, as specified by City ordinance. Transfers to and from non-major funds include general operating and project costs.

Transfers made during the year ended December 31, 2006 were as follows:

	<u>Governmental Activities</u>		<u>Business-Type</u> <u>Activities</u>	<u>Totals</u>
	<u>General Fund</u>	<u>Nonmajor</u>	<u>Wastewater</u>	
General Fund	\$ 0	\$ 0	\$ 286,456	\$ 286,456
Nonmajor	<u>724,444</u>	<u>75,000</u>	<u>0</u>	<u>799,444</u>
Totals	<u>\$ 724,444</u>	<u>\$ 75,000</u>	<u>\$ 286,456</u>	<u>\$ 1,085,900</u>

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006
(CONTINUED)

NOTE 16: **INTERFUND TRANSFERS AND BALANCES** (Continued)

B. Balances

As of December 31, 2006, the general fund had a \$26,375 interfund receivable. The Community Development Block Grant Special Revenue Fund had an interfund payable of \$26,375 due to negative cash. \$448,000 interfund receivable in the General Obligation Bond Retirement Debt Service Fund is from manuscript notes from Recreation Capital, Capital Projects and General Permanent Improvement Capital Projects.

NOTE 17: **SUBSEQUENT EVENT**

On January 16, 2007, City Council authorized the Mayor to enter into three agreements with the City of Cleveland. The three agreements are: a Joint Economic Development Zone Agreement, an Amendment to Water Service Agreement, and an Asset Transfer Agreement.

On May 30, 2007, the City issued \$488,000 in notes for Shore Cultural Centre and Henn Mansion improvements. The notes have an interest rate of 4 percent and mature May 29, 2008.

On May 30, 2007, the City issued \$6,846,000 in notes for various purposes. The notes have an interest rate of 4 percent and mature May 29, 2008.

On August 1, 2007, the City issued \$50,000 in notes for renovations to the Shore Cultural Centre. The notes have an interest rate of 3.75 percent and mature May 29, 2008.

*Combining Statements
and Individual Fund Schedules*

CITY OF EUCLID, OHIO

COMBINING STATEMENTS - NONMAJOR FUNDS

Nonmajor Special Revenue Funds

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

Street Construction, Maintenance and Repair Fund - This fund accounts for that portion of State gasoline tax and motor vehicle registration fees used for the maintenance and repair of dedicated streets within in the City.

State Highway Fund - This fund accounts for that portion of State gasoline tax and motor vehicle registration fees designated for State highways maintenance within the City.

Indigent Drivers Fund - This fund accounts for fees collected by the municipal court from persons whose driver's license or permit was suspended for driving under the influence of alcohol. By order of the court, this fund will provide for the cost of rehabilitation for those deemed to be indigent.

Court Computerization Fund - This fund accounts for court fees collected by the municipal court to be used for equipment, computers and improvements for the court.

Court Special Projects Fund - This fund accounts for court fees collected by the municipal court designated for the hiring of security bailiffs for the Euclid Municipal Court.

Animal Shelter Fund - This fund accounts for revenues and expenditures related to the Euclid Animal Shelter.

Nuisance Abatement Fund - This fund accounts for services provided and assessments collected for the abatement of neighborhood nuisances.

Community Television Fund - This fund accounts cable franchise tax used for the operating activities of community television.

Recreation Operating Fund - This fund accounts for operations and maintenance of all recreational facilities within the City as well as City sponsored recreation programs which are funded by participation fees and facility rentals.

Community Development Block Grant Fund - This fund accounts for revenues received from the federal government related to the United States Department of Housing and Urban Development.

Litter Control Fund - This fund accounts for grants used for recycling and composting activities in the City.

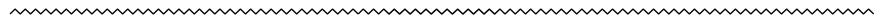
CITY OF EUCLID, OHIO

COMBINING STATEMENTS - NONMAJOR FUNDS

Nonmajor Special Revenue Funds

Law Enforcement Trust Fund - This fund accounts for monies received from fines from convictions related to drug cases used for the education of the community.

Other Grant Funds - This fund accounts for grant monies received from the federal and state government.



Nonmajor Capital Projects Funds

Capital Projects funds are used to account for financial resources restricted for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

General Permanent Improvement Fund - This fund accounts for tax revenues and grants expended for various capital projects of the City.

Recreation Capital Fund - This fund accounts for tax revenues for the ongoing maintenance and construction of all recreational facilities.

Sidewalk Repair Fund - This fund accounts for the collection of assessments for costs associated with the construction and improvement of City sidewalks.

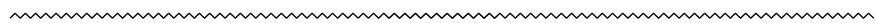
Public Building Construction Fund - This fund accounts for tax revenues used for the construction of public buildings.

Euclid Endowment Fund - This fund accounts for proceeds of sales of City property used for the expenditures for economic development.

Sims Park Fund - This fund accounts for the erosion control project.

Bennington Hamlet Fund - This fund accounts for the collection of assessments for cost associated with economic development.

CMP Properties- This fund accounts for the collection of assessments for cost associated with economic development.



**CITY OF EUCLID, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2006**

	Nonmajor Special Revenue	Nonmajor Capital Projects	Total
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$ 1,321,421	\$ 3,237,740	\$ 4,559,161
Materials and Supplies Inventory	190,012	0	190,012
Accrued Interest Receivable	0	13,120	13,120
Accounts Receivable	214,713	0	214,713
Intergovernmental Receivable	845,089	19,063	864,152
Prepaid Items	4,560	0	4,560
Property Taxes Receivable	440,735	988,001	1,428,736
Total Assets	\$ 3,016,530	\$ 4,257,924	\$ 7,274,454
<u>Liabilities</u>			
Accounts Payable	\$ 52,872	\$ 10,253	\$ 63,125
Accrued Wages and Benefits	26,041	821	26,862
Intergovernmental Payable	52,667	26,673	79,340
Retainage Payable	0	5,511	5,511
Interfund Payable	26,375	448,000	474,375
Deferred Revenue	1,087,268	1,007,064	2,094,332
Total Liabilities	1,245,223	1,498,322	2,743,545
<u>Fund Balances</u>			
Reserved:			
Reserved for Encumbrances	86,409	259,790	346,199
Unreserved, Undesignated, Reported in:			
Special Revenue Funds	1,684,898	0	1,684,898
Capital Projects Funds	0	2,499,812	2,499,812
Total Fund Balances	1,771,307	2,759,602	4,530,909
Total Liabilities and Fund Balances	\$ 3,016,530	\$ 4,257,924	\$ 7,274,454

CITY OF EUCLID, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006

	Nonmajor Special Revenue	Nonmajor Capital Projects	Total
<u>Revenues</u>			
Property Taxes	\$ 437,104	\$ 571,599	\$ 1,008,703
Payments in Lieu of Taxes	0	68,730	68,730
Special Assessments	17,211	1,809	19,020
Charges for Services	649,530	59,114	708,644
Fines and Forfeitures	160,129	0	160,129
Intergovernmental	3,289,610	34,581	3,324,191
Interest	11,108	33,592	44,700
Rent	85,806	0	85,806
Contributions and Donations	136,492	0	136,492
Other	28,535	500	29,035
Total Revenues	4,815,525	769,925	5,585,450
<u>Expenditures</u>			
Current:			
General Government	295,983	0	295,983
Security of Persons and Property	292,614	0	292,614
Lesiure Time Services	1,016,664	0	1,016,664
Community and Economic Development	1,279,311	24,455	1,303,766
Transportation	2,096,922	0	2,096,922
Capital Outlay	0	2,780,690	2,780,690
Debt Service:			
Principal Retirements	33,216	259,537	292,753
Interest and Fiscal Charges	7,828	49,229	57,057
Total Expenditures	5,022,538	3,113,911	8,136,449
Excess of Revenues Over(Under) Expenditures	(207,013)	(2,343,986)	(2,550,999)
<u>Other Financing Sources (Uses)</u>			
Transfers In	326,844	472,600	799,444
Notes Issued	0	3,816,000	3,816,000
Proceeds of OPWC Loans	0	98,000	98,000
Transfers Out	0	(75,000)	(75,000)
Total Other Financing Sources (Uses)	326,844	4,311,600	4,638,444
Net Change in Fund Balance	119,831	1,967,614	2,087,445
Fund Balance at Beginning of Year	1,651,476	791,988	2,443,464
Fund Balance at End of Year	\$ 1,771,307	\$ 2,759,602	\$ 4,530,909

**CITY OF EUCLID, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2006**

	Street Construction, Maintenance, and Repair	State Highway	Indigent Drivers	Court Computerization	Court Special Projects	Animal Shelter	Nuisance Abatement
Assets							
Equity in Pooled Cash and							
Cash Equivalents	\$ 461,070	\$ 211,063	\$ 46,418	\$ 94,944	\$ 63,409	\$ 3,555	\$ 27,546
Materials and Supplies Inventory	186,898	0	0	0	0	0	0
Accounts Receivable	46,800	0	0	5,497	7,820	2,215	0
Intergovernmental Receivable	768,203	62,287	0	0	0	0	0
Prepaid Items	0	0	0	0	0	0	0
Property Taxes Receivable	0	0	0	0	0	0	0
Total Assets	<u>\$ 1,462,971</u>	<u>\$ 273,350</u>	<u>\$ 46,418</u>	<u>\$ 100,441</u>	<u>\$ 71,229</u>	<u>\$ 5,770</u>	<u>\$ 27,546</u>
Liabilities							
Accounts Payable	\$ 6,344	\$ 0	\$ 0	\$ 0	\$ 500	\$ 0	\$ 1,725
Accrued Wages and Benefits	18,370	3,513	0	0	338	376	0
Intergovernmental Payable	27,963	5,348	0	0	514	1,484	0
Interfund Payable	0	0	0	0	0	0	0
Deferred Revenue	584,539	47,395	0	0	0	0	0
Total Liabilities	<u>637,216</u>	<u>56,256</u>	<u>0</u>	<u>0</u>	<u>1,352</u>	<u>1,860</u>	<u>1,725</u>
Fund Balances							
Reserved:							
Reserved for Encumbrances	7,294	35,203	0	0	0	0	5,696
Unreserved, Undesigned, Reported in:							
Special Revenue Funds	818,461	181,891	46,418	100,441	69,877	3,910	20,125
Total Fund Balances	<u>825,755</u>	<u>217,094</u>	<u>46,418</u>	<u>100,441</u>	<u>69,877</u>	<u>3,910</u>	<u>25,821</u>
Total Liabilities and Fund Balances	<u>\$ 1,462,971</u>	<u>\$ 273,350</u>	<u>\$ 46,418</u>	<u>\$ 100,441</u>	<u>\$ 71,229</u>	<u>\$ 5,770</u>	<u>\$ 27,546</u>

(Continued)

**CITY OF EUCLID, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2006
(CONTINUED)**

	<u>Community Television</u>	<u>Recreation Operating</u>	<u>Community Development Block Grant</u>	<u>Litter Control</u>	<u>Law Enforcement Trust</u>	<u>Other Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
<u>Assets</u>							
Equity in Pooled Cash and							
Cash Equivalents	\$ 96,161	\$ 98,315	\$ 0	\$ 2,361	\$ 90,964	\$ 125,615	\$ 1,321,421
Materials and Supplies Inventory	0	3,114	0	0	0	0	190,012
Accounts Receivable	0	0	0	0	84,394	67,987	214,713
Intergovernmental Receivable	0	14,599	0	0	0	0	845,089
Prepaid Items	0	4,560	0	0	0	0	4,560
Property Taxes Receivable	0	440,735	0	0	0	0	440,735
Total Assets	<u>\$ 96,161</u>	<u>\$ 561,323</u>	<u>\$ 0</u>	<u>\$ 2,361</u>	<u>\$ 175,358</u>	<u>\$ 193,602</u>	<u>\$ 3,016,530</u>
<u>Liabilities</u>							
Accounts Payable	\$ 0	\$ 6,720	\$ 36,781	\$ 0	\$ 0	\$ 802	\$ 52,872
Accrued Wages and Benefits	0	3,219	225	0	0	0	26,041
Intergovernmental Payable	0	14,695	445	0	0	2,218	52,667
Interfund Payable	0	0	26,375	0	0	0	26,375
Deferred Revenue	0	455,334	0	0	0	0	1,087,268
Total Liabilities	<u>0</u>	<u>479,968</u>	<u>63,826</u>	<u>0</u>	<u>0</u>	<u>3,020</u>	<u>1,245,223</u>
<u>Fund Balances</u>							
Reserved:							
Reserved for Encumbrances	0	6,027	16,147	0	0	16,042	86,409
Unreserved, Undesigned, Reported in:							
Special Revenue Funds	96,161	75,328	(79,973)	2,361	175,358	174,540	1,684,898
Total Fund Balances	<u>96,161</u>	<u>81,355</u>	<u>(63,826)</u>	<u>2,361</u>	<u>175,358</u>	<u>190,582</u>	<u>1,771,307</u>
Total Liabilities and Fund Balances	<u>\$ 96,161</u>	<u>\$ 561,323</u>	<u>\$ 0</u>	<u>\$ 2,361</u>	<u>\$ 175,358</u>	<u>\$ 193,602</u>	<u>\$ 3,016,530</u>

CITY OF EUCLID, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006

	Street Construction, Maintenance, and Repair	State Highway	Indigent Drivers	Court Computerization	Court Special Projects	Animal Shelter	Nuisance Abatement
Revenues							
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Special Assessments	0	0	0	0	0	0	17,211
Charges for Services	88,588	0	0	0	0	26,483	10,150
Fines and Forfeitures	0	0	5,479	64,071	90,579	0	0
Intergovernmental	1,713,498	118,060	0	0	0	0	0
Interest	0	6,125	0	0	0	0	0
Rent	0	0	0	0	0	36,996	0
Contributions and Donations	0	0	0	0	0	0	0
Other	28,425	0	0	0	0	0	0
Total Revenues	<u>1,830,511</u>	<u>124,185</u>	<u>5,479</u>	<u>64,071</u>	<u>90,579</u>	<u>63,479</u>	<u>27,361</u>
Expenditures							
Current:							
General Government	0	0	0	0	0	0	0
Security of Persons and Property	0	0	0	62,355	52,187	68,019	0
Leisure Time Services	0	0	0	0	0	0	0
Community and Economic Development	0	0	0	0	0	0	115,227
Transportation	2,017,961	78,961	0	0	0	0	0
Debt Service:							
Principal Retirements	7,105	0	0	0	0	0	0
Interest and Fiscal Charges	1,610	0	0	0	0	0	0
Total Expenditures	<u>2,026,676</u>	<u>78,961</u>	<u>0</u>	<u>62,355</u>	<u>52,187</u>	<u>68,019</u>	<u>115,227</u>
Excess of Revenues Over (Under) Expenditures	<u>(196,165)</u>	<u>45,224</u>	<u>5,479</u>	<u>1,716</u>	<u>38,392</u>	<u>(4,540)</u>	<u>(87,866)</u>
Other Financing Sources (Uses)							
Transfers In	0	0	33,844	0	0	8,000	75,000
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>33,844</u>	<u>0</u>	<u>0</u>	<u>8,000</u>	<u>75,000</u>
Net Change in Fund Balance	(196,165)	45,224	39,323	1,716	38,392	3,460	(12,866)
Fund Balance (Deficit) at Beginning of Year	<u>1,021,920</u>	<u>171,870</u>	<u>7,095</u>	<u>98,725</u>	<u>31,485</u>	<u>450</u>	<u>38,687</u>
Fund Balance (Deficit) at End of Year	<u>\$ 825,755</u>	<u>\$ 217,094</u>	<u>\$ 46,418</u>	<u>\$ 100,441</u>	<u>\$ 69,877</u>	<u>\$ 3,910</u>	<u>\$ 25,821</u>

(Continued)

CITY OF EUCLID, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006
(CONTINUED)

	<u>Community Television</u>	<u>Recreation Operating</u>	<u>Community Development Block Grant</u>	<u>Litter Control</u>	<u>Law Enforcement Trust</u>	<u>Other Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
Revenues							
Property Taxes	\$ 0	\$ 437,104	\$ 0	\$ 0	\$ 0	\$ 0	\$ 437,104
Special Assessments	0	0	0	0	0	0	17,211
Charges for Services	0	524,309	0	0	0	0	649,530
Fines and Forfeitures	0	0	0	0	0	0	160,129
Intergovernmental	0	24,685	1,037,796	866	131,218	263,487	3,289,610
Interest	0	0	0	0	4,983	0	11,108
Rent	0	48,810	0	0	0	0	85,806
Contributions and Donations	85,215	3,800	0	0	0	47,477	136,492
Other	110	0	0	0	0	0	28,535
Total Revenues	<u>85,325</u>	<u>1,038,708</u>	<u>1,037,796</u>	<u>866</u>	<u>136,201</u>	<u>310,964</u>	<u>4,815,525</u>
Expenditures							
Current:							
General Government	0	0	0	14,625	0	281,358	295,983
Security of Persons and Property	0	0	0	0	110,053	0	292,614
Leisure Time Services	0	1,016,664	0	0	0	0	1,016,664
Community and Economic Development	114,575	0	1,049,509	0	0	0	1,279,311
Transportation	0	0	0	0	0	0	2,096,922
Debt Service:							
Principal Retirements	0	18,534	7,577	0	0	0	33,216
Interest and Fiscal Charges	0	5,866	352	0	0	0	7,828
Total Expenditures	<u>114,575</u>	<u>1,041,064</u>	<u>1,057,438</u>	<u>14,625</u>	<u>110,053</u>	<u>281,358</u>	<u>5,022,538</u>
Excess of Revenues Over (Under) Expenditures	<u>(29,250)</u>	<u>(2,356)</u>	<u>(19,642)</u>	<u>(13,759)</u>	<u>26,148</u>	<u>29,606</u>	<u>(207,013)</u>
Other Financing Sources (Uses)							
Transfers In	115,000	95,000	0	0	0	0	326,844
Total Other Financing Sources (Uses)	<u>115,000</u>	<u>95,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>326,844</u>
Net Change in Fund Balance	85,750	92,644	(19,642)	(13,759)	26,148	29,606	119,831
Fund Balance (Deficit) at Beginning of Year	<u>10,411</u>	<u>(11,289)</u>	<u>(44,184)</u>	<u>16,120</u>	<u>149,210</u>	<u>160,976</u>	<u>1,651,476</u>
Fund Balance (Deficit) at End of Year	<u>\$ 96,161</u>	<u>\$ 81,355</u>	<u>\$ (63,826)</u>	<u>\$ 2,361</u>	<u>\$ 175,358</u>	<u>\$ 190,582</u>	<u>\$ 1,771,307</u>

**CITY OF EUCLID, OHIO
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2006**

	<u>General Permanent Improvement</u>	<u>Recreation Capital</u>	<u>Sidewalk Repair</u>	<u>Public Building Construction</u>	<u>Euclid Endowment</u>
<u>Assets</u>					
Equity in Pooled Cash and Cash Equivalents	\$ 2,142,659	\$ 140,024	\$ 104,085	\$ 7,633	\$ 566,505
Accrued Interest Receivable	13,120	0	0	0	0
Intergovernmental Receivable	11,212	7,851	0	0	0
Property Taxes Receivable	338,991	649,010	0	0	0
Total Assets	<u>\$ 2,505,982</u>	<u>\$ 796,885</u>	<u>\$ 104,085</u>	<u>\$ 7,633</u>	<u>\$ 566,505</u>
<u>Liabilities</u>					
Accounts Payable	\$ 3,292	\$ 3,300	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits	0	821	0	0	0
Intergovernmental Payable	0	2,218	0	0	24,455
Retainage Payable	5,511	0	0	0	0
Interfund Payable	318,000	130,000	0	0	0
Deferred Revenue	350,203	656,861	0	0	0
Total Liabilities	<u>677,006</u>	<u>793,200</u>	<u>0</u>	<u>0</u>	<u>24,455</u>
<u>Fund Balances</u>					
Reserved:					
Reserved for Encumbrances	234,246	15,085	0	0	8,600
Unreserved, Undesignated, Reported in:					
Capital Projects Funds	1,594,730	(11,400)	104,085	7,633	533,450
Total Fund Balances	<u>1,828,976</u>	<u>3,685</u>	<u>104,085</u>	<u>7,633</u>	<u>542,050</u>
Total Liabilities and Fund Balances	<u>\$ 2,505,982</u>	<u>\$ 796,885</u>	<u>\$ 104,085</u>	<u>\$ 7,633</u>	<u>\$ 566,505</u>

(Continued)

**CITY OF EUCLID, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 DECEMBER 31, 2006
 (CONTINUED)**

	<u>Sims Park</u>	<u>Bennington Hamlet</u>	<u>CMP Properties</u>	<u>Total Nonmajor Capital Projects</u>
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$ 131,182	\$ 77,438	\$ 68,214	\$ 3,237,740
Accrued Interest Receivable	0	0	0	13,120
Intergovernmental Receivable	0	0	0	19,063
Property Taxes Receivable	0	0	0	988,001
Total Assets	<u>\$ 131,182</u>	<u>\$ 77,438</u>	<u>\$ 68,214</u>	<u>\$ 4,257,924</u>
<u>Liabilities</u>				
Accounts Payable	\$ 0	\$ 3,661	\$ 0	\$ 10,253
Accrued Wages and Benefits	0	0	0	821
Intergovernmental Payable	0	0	0	26,673
Retainage Payable	0	0	0	5,511
Interfund Payable	0	0	0	448,000
Deferred Revenue	0	0	0	1,007,064
Total Liabilities	<u>0</u>	<u>3,661</u>	<u>0</u>	<u>1,498,322</u>
<u>Fund Balances</u>				
Reserved:				
Reserved for Encumbrances	0	0	1,859	259,790
Unreserved, Undesignated, Reported in:				
Capital Projects Funds	131,182	73,777	66,355	2,499,812
Total Fund Balances	<u>131,182</u>	<u>73,777</u>	<u>68,214</u>	<u>2,759,602</u>
Total Liabilities and Fund Balances	<u>\$ 131,182</u>	<u>\$ 77,438</u>	<u>\$ 68,214</u>	<u>\$ 4,257,924</u>

CITY OF EUCLID, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006

	General Permanent Improvement	Recreation Capital	Sidewalk Repair	Public Building Construction	Euclid Endowment
Revenues					
Property Taxes	\$ 336,234	\$ 235,365	\$ 0	\$ 0	\$ 0
Payments in Lieu of Taxes	0	0	0	0	0
Special Assessments	1,373	0	436	0	0
Charges for Services	14,090	0	0	0	45,024
Intergovernmental	21,289	13,292	0	0	0
Interest	25,942	0	0	1,528	6,122
Other	500	0	0	0	0
Total Revenues	<u>399,428</u>	<u>248,657</u>	<u>436</u>	<u>1,528</u>	<u>51,146</u>
Expenditures					
Current:					
Community and Economic Development	0	0	0	0	24,455
Capital Outlay	2,375,567	184,973	4	131,449	23,323
Debt Service:					
Principal Retirements	259,537	0	0	0	0
Interest and Fiscal Charges	49,229	0	0	0	0
Total Expenditures	<u>2,684,333</u>	<u>184,973</u>	<u>4</u>	<u>131,449</u>	<u>47,778</u>
Excess of Revenues Over (Under) Expenditures	<u>(2,284,905)</u>	<u>63,684</u>	<u>432</u>	<u>(129,921)</u>	<u>3,368</u>
Other Financing Sources (Uses)					
Transfers In	0	0	0	0	472,600
Notes Issued	3,816,000	0	0	0	0
Proceeds of OPWC Loans	98,000	0	0	0	0
Transfers Out	0	0	(75,000)	0	0
Total Other Financing Sources (Uses)	<u>3,914,000</u>	<u>0</u>	<u>(75,000)</u>	<u>0</u>	<u>472,600</u>
Net Change in Fund Balance	1,629,095	63,684	(74,568)	(129,921)	475,968
Fund Balance (Deficit) at Beginning of Year	<u>199,881</u>	<u>(59,999)</u>	<u>178,653</u>	<u>137,554</u>	<u>66,082</u>
Fund Balance (Deficit) at End of Year	<u>\$ 1,828,976</u>	<u>\$ 3,685</u>	<u>\$ 104,085</u>	<u>\$ 7,633</u>	<u>\$ 542,050</u>

(Continued)

CITY OF EUCLID, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006
(CONTINUED)

	<u>Sims Park</u>	<u>Bennington Hamlet</u>	<u>CMP Properties</u>	<u>Total Nonmajor Capital Projects</u>
Revenues				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 571,599
Payments in Lieu of Taxes	0	27,372	41,358	68,730
Special Assessments	0	0	0	1,809
Charges for Services	0	0	0	59,114
Intergovernmental	0	0	0	34,581
Interest	0	0	0	33,592
Other	0	0	0	500
Total Revenues	<u>0</u>	<u>27,372</u>	<u>41,358</u>	<u>769,925</u>
Expenditures				
Current:				
Community and Economic Development	0	0	0	24,455
Capital Outlay	29,193	16,206	19,975	2,780,690
Debt Service:				
Principal Retirements	0	0	0	259,537
Interest and Fiscal Charges	0	0	0	49,229
Total Expenditures	<u>29,193</u>	<u>16,206</u>	<u>19,975</u>	<u>3,113,911</u>
Excess of Revenues Over (Under) Expenditures	<u>(29,193)</u>	<u>11,166</u>	<u>21,383</u>	<u>(2,343,986)</u>
Other Financing Sources (Uses)				
Transfers In	0	0	0	472,600
Notes Issued	0	0	0	3,816,000
Proceeds of OPWC Loans	0	0	0	98,000
Transfers Out	0	0	0	(75,000)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,311,600</u>
Net Change in Fund Balance	(29,193)	11,166	21,383	1,967,614
Fund Balance (Deficit) at Beginning of Year	<u>160,375</u>	<u>62,611</u>	<u>46,831</u>	<u>791,988</u>
Fund Balance (Deficit) at End of Year	<u>\$ 131,182</u>	<u>\$ 73,777</u>	<u>\$ 68,214</u>	<u>\$ 2,759,602</u>

CITY OF EUCLID, OHIO

COMBINING STATEMENTS - NONMAJOR FUNDS

Fiduciary Fund

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

Agency Funds

Municipal Court Fund - This fund accounts for funds that flow through the Municipal Court office.

Retirees' Insurance Fund - This fund accounts for payments by retirees that retain a life insurance policy.

Building Deposits Fund - This fund accounts for deposits from various contractors, developers or individuals to insure compliance with City Ordinances. These monies are returned when the work is completed.

Street Opening Fund - This fund accounts for collection of monies and the distribution of these monies that go into opening a new street.

Revolving Fund - This fund accounts for the City's income tax holding account.

Temporary Suspense - This fund accounts for the City's property tax holding account.

CITY OF EUCLID, OHIO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<u>Municipal Court</u>				
<i>Assets</i>				
Equity in Pooled Cash and Cash Equivalents	\$ 256,262	\$ 3,134,715	\$ 3,208,980	\$ 181,997
<i>Total Assets</i>	<u>\$ 256,262</u>	<u>\$ 3,134,715</u>	<u>\$ 3,208,980</u>	<u>\$ 181,997</u>
<i>Liabilities</i>				
Deposits Held and Due to Others	\$ 256,262	\$ 3,134,715	\$ 3,208,980	\$ 181,997
<i>Total Liabilities</i>	<u>\$ 256,262</u>	<u>\$ 3,134,715</u>	<u>\$ 3,208,980</u>	<u>\$ 181,997</u>
<u>Retirees' Insurance Payments</u>				
<i>Assets</i>				
Equity in Pooled Cash and Cash Equivalents	\$ 3,686	\$ 33,179	\$ 32,671	\$ 4,194
<i>Total Assets</i>	<u>\$ 3,686</u>	<u>\$ 33,179</u>	<u>\$ 32,671</u>	<u>\$ 4,194</u>
<i>Liabilities</i>				
Deposits Held and Due to Others	\$ 3,686	\$ 33,179	\$ 32,671	\$ 4,194
<i>Total Liabilities</i>	<u>\$ 3,686</u>	<u>\$ 33,179</u>	<u>\$ 32,671</u>	<u>\$ 4,194</u>
<u>Building Deposits</u>				
<i>Assets</i>				
Equity in Pooled Cash and Cash Equivalents	\$ 42,042	\$ 51,700	\$ 33,927	\$ 59,815
<i>Total Assets</i>	<u>\$ 42,042</u>	<u>\$ 51,700</u>	<u>\$ 33,927</u>	<u>\$ 59,815</u>
<i>Liabilities</i>				
Accounts Payable	\$ 0	\$ 2,000	\$ 0	\$ 2,000
Deposits Held and Due to Others	42,042	49,700	33,927	57,815
<i>Total Liabilities</i>	<u>\$ 42,042</u>	<u>\$ 51,700</u>	<u>\$ 33,927</u>	<u>\$ 59,815</u>
<u>Street Opening</u>				
<i>Assets</i>				
Equity in Pooled Cash and Cash Equivalents	\$ 26,475	\$ 14,000	\$ 2,000	\$ 38,475
<i>Total Assets</i>	<u>\$ 26,475</u>	<u>\$ 14,000</u>	<u>\$ 2,000</u>	<u>\$ 38,475</u>
<i>Liabilities</i>				
Deposits Held and Due to Others	\$ 26,475	\$ 14,000	\$ 2,000	\$ 38,475
<i>Total Liabilities</i>	<u>\$ 26,475</u>	<u>\$ 14,000</u>	<u>\$ 2,000</u>	<u>\$ 38,475</u>
<u>Revolving</u>				
<i>Assets</i>				
Equity in Pooled Cash and Cash Equivalents	\$ 175,235	\$30,351,573	\$30,041,732	\$ 485,076
Accounts Receivable	0	500	0	500
<i>Total Assets</i>	<u>\$ 175,235</u>	<u>\$30,352,073</u>	<u>\$30,041,732</u>	<u>\$ 485,576</u>
<i>Liabilities</i>				
Accounts Payable	\$ 0	\$ 330,323	\$ 0	\$ 330,323
Deposits Held and Due to Others	175,235	30,021,750	30,041,732	155,253
<i>Total Liabilities</i>	<u>\$ 175,235</u>	<u>\$30,352,073</u>	<u>\$30,041,732</u>	<u>\$ 485,576</u>

(Continued)

CITY OF EUCLID, OHIO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<u>Temporary Suspense</u>				
<i>Assets</i>				
Equity in Pooled Cash and Cash Equivalents	\$ 0	\$ 74,440	\$ 72,366	\$ 2,074
<i>Total Assets</i>	<u>\$ 0</u>	<u>\$ 74,440</u>	<u>\$ 72,366</u>	<u>\$ 2,074</u>
<i>Liabilities</i>				
Accounts Payable	\$ 0	\$ 2,074	\$ 0	\$ 2,074
<i>Total Liabilities</i>	<u>\$ 0</u>	<u>\$ 2,074</u>	<u>\$ 0</u>	<u>\$ 2,074</u>
<u>Totals</u>				
<i>Assets</i>				
Equity in Pooled Cash and Cash Equivalents	\$ 503,700	\$33,659,607	\$33,391,676	\$ 771,631
Accounts Receivable	0	500	0	500
<i>Total Assets</i>	<u>\$ 503,700</u>	<u>\$33,660,107</u>	<u>\$33,391,676</u>	<u>\$ 772,131</u>
<i>Liabilities</i>				
Accounts Payable	\$ 0	\$ 334,397	\$ 0	\$ 334,397
Deposits Held and Due to Others	503,700	33,253,344	33,319,310	437,734
<i>Total Liabilities</i>	<u>\$ 503,700</u>	<u>\$33,587,741</u>	<u>\$33,319,310</u>	<u>\$ 772,131</u>

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

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original Budget</u>	<u>Final Budget</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
<u>Revenues</u>				
Property Taxes	\$ 2,030,453	\$ 2,179,077	\$ 2,259,497	\$ 80,420
Income Taxes	24,862,792	24,862,792	23,916,975	(945,817)
Charges for Services	3,395,966	3,415,966	3,359,058	(56,908)
Licenses and Permits	112,600	112,600	145,863	33,263
Fines and Forfeitures	1,500,013	1,500,013	1,479,161	(20,852)
Intergovernmental	5,069,465	5,069,465	4,700,626	(368,839)
Interest	370,000	370,000	713,001	343,001
Rent	140,500	220,500	253,146	32,646
Other	30,000	30,000	37,840	7,840
Total Revenues	<u>37,511,789</u>	<u>37,760,413</u>	<u>36,865,167</u>	<u>(895,246)</u>
<u>Expenditures</u>				
Current:				
General Government:				
Municipal Court:				
Personal Services	725,279	725,279	631,020	94,259
Contractual Services	53,765	41,015	32,261	8,754
Materials and Supplies	38,350	51,150	49,628	1,522
Capital Outlay	0	275	275	0
Other	6,300	5,975	5,722	253
Total Municipal Court	<u>823,694</u>	<u>823,694</u>	<u>718,906</u>	<u>104,788</u>
Mayor:				
Personal Services	238,074	238,074	234,641	3,433
Materials and Supplies	3,050	3,450	2,544	906
Other	1,000	600	533	67
Total Mayor	<u>242,124</u>	<u>242,124</u>	<u>237,718</u>	<u>4,406</u>
Legislative:				
Personal Services	163,056	157,556	156,336	1,220
Contractual Services	0	100,000	98,391	1,609
Materials and Supplies	1,500	1,727	1,492	235
Capital Outlay	300	300	116	184
Other	1,600	1,373	567	806
Total Legislative	<u>166,456</u>	<u>260,956</u>	<u>256,902</u>	<u>4,054</u>
Finance:				
Personal Services	813,558	827,265	801,622	25,643
Contractual Services	105,915	89,100	70,509	18,591
Materials and Supplies	66,334	79,974	45,884	34,090
Other	30,425	21,893	12,092	9,801
Total Finance	<u>1,016,232</u>	<u>1,018,232</u>	<u>930,107</u>	<u>88,125</u>
Law:				
Personal Services	472,657	472,657	428,165	44,492
Contractual Services	30,000	28,500	25,008	3,492
Materials and Supplies	20,600	21,600	19,277	2,323
Other	2,500	2,500	1,310	1,190
Total Law	<u>525,757</u>	<u>525,257</u>	<u>473,760</u>	<u>51,497</u>

(Continued)

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2006
(CONTINUED)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
General Government Buildings:				
Personal Services	1,442,761	1,438,779	1,418,491	20,288
Contractual Services	130,049	138,027	129,804	8,223
Materials and Supplies	395,366	442,625	430,177	12,448
Capital Outlay	9,000	8,900	8,597	303
Other	11,960	13,043	10,620	2,423
Total General Government Buildings	<u>1,989,136</u>	<u>2,041,374</u>	<u>1,997,689</u>	<u>43,685</u>
Administration:				
Personal Services	211,729	214,729	211,223	3,506
Contractual Services	103,729	96,901	102,938	(6,037)
Materials and Supplies	13,100	22,955	16,838	6,117
Other	700	973	973	0
Total Administration	<u>329,258</u>	<u>335,558</u>	<u>331,972</u>	<u>3,586</u>
Other Departments:				
Personal Services	4,083,576	4,182,835	4,057,874	124,961
Contractual Services	285,024	349,370	310,084	39,286
Materials and Supplies	1,448,656	1,453,912	1,428,472	25,440
Other	438,499	539,389	481,474	57,915
Total Other Departments	<u>6,255,755</u>	<u>6,525,506</u>	<u>6,277,904</u>	<u>247,602</u>
Total General Government	<u>11,348,412</u>	<u>11,772,701</u>	<u>11,224,958</u>	<u>547,743</u>
Security of Persons and Property:				
Police:				
Personal Services	10,307,436	10,286,155	10,143,146	143,009
Contractual Services	122,453	125,299	124,996	303
Materials and Supplies	101,539	107,414	107,194	220
Capital Outlay	1,570	1,872	1,871	1
Other	21,685	20,171	20,167	4
Total Police	<u>10,554,683</u>	<u>10,540,911</u>	<u>10,397,374</u>	<u>143,537</u>
Fire:				
Personal Services	7,374,891	7,365,759	7,344,787	20,972
Contractual Services	30,850	22,660	14,304	8,356
Materials and Supplies	34,109	41,088	39,674	1,414
Capital Outlay	5,000	4,900	2,329	2,571
Other	6,500	4,525	2,028	2,497
Total Fire	<u>7,451,350</u>	<u>7,438,932</u>	<u>7,403,122</u>	<u>35,810</u>
Corrections:				
Personal Services	1,718,472	1,615,806	1,484,677	131,129
Contractual Services	120,815	206,540	206,459	81
Materials and Supplies	325,300	342,291	339,776	2,515
Other	2,025	1,975	1,950	25
Total Corrections	<u>2,166,612</u>	<u>2,166,612</u>	<u>2,032,862</u>	<u>133,750</u>
Total Security of Persons and Property	<u>20,172,645</u>	<u>20,146,455</u>	<u>19,833,358</u>	<u>313,097</u>

(Continued)

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2006
(CONTINUED)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original Budget</u>	<u>Final Budget</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Refuse Collection and Disposal:				
Contractual Services	1,952,972	1,952,972	1,864,016	88,956
Other	3,350	3,350	3,250	100
Total Refuse Collection and Disposal	<u>1,956,322</u>	<u>1,956,322</u>	<u>1,867,266</u>	<u>89,056</u>
Public Health:				
Personal Services	34,396	35,896	35,602	294
Contractual Services	177,044	177,407	176,602	805
Materials and Supplies	45	139	111	28
Other	45,875	45,418	45,699	(281)
Total Public Health	<u>257,360</u>	<u>258,860</u>	<u>258,014</u>	<u>846</u>
Lesiure Time Services:				
Recreation:				
Personal Services	146,899	188,489	134,496	53,993
Contractual Services	9,317	63,073	63,255	(182)
Materials and Supplies	14,541	109,337	109,094	243
Other	5,347	7,205	7,204	1
Total Recreation	<u>176,104</u>	<u>368,104</u>	<u>314,049</u>	<u>54,055</u>
Parks:				
Personal Services	478,822	478,194	476,656	1,538
Contractual Services	10,000	8,600	6,838	1,762
Materials and Supplies	22,300	24,650	22,997	1,653
Other	700	378	699	(321)
Total Parks	<u>511,822</u>	<u>511,822</u>	<u>507,190</u>	<u>4,632</u>
Total Lesiure Time Services	<u>687,926</u>	<u>879,926</u>	<u>821,239</u>	<u>58,687</u>
Community and Economic Development:				
Unclaimed Monies:				
Other	10,000	10,000	0	10,000
Total Unclaimed Monies	<u>10,000</u>	<u>10,000</u>	<u>0</u>	<u>10,000</u>
Protective Inspection:				
Personal Services	664,053	683,903	675,747	8,156
Contractual Services	145,238	174,238	154,602	19,636
Materials and Supplies	15,800	15,800	4,542	11,258
Other	16,500	16,350	8,975	7,375
Total Protective Inspection	<u>841,591</u>	<u>890,291</u>	<u>843,866</u>	<u>46,425</u>
Economic Development:				
Personal Services	150,899	150,899	150,699	200
Contractual Services	0	800	438	362
Materials and Supplies	3,395	3,245	2,254	991
Other	2,000	5,350	4,377	973
Total Economic Development	<u>156,294</u>	<u>160,294</u>	<u>157,768</u>	<u>2,526</u>

(Continued)

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2006
(CONTINUED)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Economic Opportunity:				
Personal Services	420,514	389,084	388,601	483
Contractual Services	2,500	180	175	5
Materials and Supplies	1,370	2,120	1,827	293
Total Economic Opportunity	<u>424,384</u>	<u>391,384</u>	<u>390,603</u>	<u>781</u>
Total Community and Economic Development	<u>1,432,269</u>	<u>1,451,969</u>	<u>1,392,237</u>	<u>59,732</u>
Debt Service:				
Principal Retirement	90,000	90,000	90,000	0
Interest and Fiscal Charges	126,225	126,225	126,225	0
Total - Debt Service	<u>216,225</u>	<u>216,225</u>	<u>216,225</u>	<u>0</u>
Total Expenditures	<u>36,071,159</u>	<u>36,682,458</u>	<u>35,613,297</u>	<u>1,069,161</u>
Excess of Revenues Over(Under) Expenditures	<u>1,440,630</u>	<u>1,077,955</u>	<u>1,251,870</u>	<u>173,915</u>
<u>Other Financing Sources and Uses</u>				
Transfers In	286,456	286,456	286,456	0
Transfers Out	(228,844)	(724,444)	(724,444)	0
Total Other Financing Sources and Uses	<u>57,612</u>	<u>(437,988)</u>	<u>(437,988)</u>	<u>0</u>
Net Change in Fund Balance	1,498,242	639,967	813,882	173,915
Fund Balance (Deficit) at Beginning of Year	1,938,039	1,938,039	1,938,039	0
Prior Year Encumbrances Appropriated	<u>78,751</u>	<u>78,751</u>	<u>78,751</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ 3,515,032</u>	<u>\$ 2,656,757</u>	<u>\$ 2,830,672</u>	<u>\$ 173,915</u>

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
GENERAL OBLIGATION BOND RETIREMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original Budget</u>	<u>Final Budget</u>		Final Budget Positive (Negative)
Revenues				
Property Taxes	\$ 2,811,669	\$ 2,897,482	\$ 2,945,340	\$ 47,858
Special Assessments	154,200	154,200	171,614	17,414
Charges for Services	2,500	2,500	10	(2,490)
Intergovernmental	264,860	264,860	290,593	25,733
Interest	100,000	100,000	220,344	120,344
Rent	35,000	35,000	20,999	(14,001)
Total Revenues	<u>3,368,229</u>	<u>3,454,042</u>	<u>3,648,900</u>	<u>194,858</u>
Expenditures				
Current:				
General Government:				
Personal Services	59,190	59,328	58,420	908
Contractual Services	85,013	84,875	70,198	14,677
Total General Government	<u>144,203</u>	<u>144,203</u>	<u>128,618</u>	<u>15,585</u>
Debt Service:				
Principal Retirement:				
Interest and Fiscal Charges	1,354,180	1,354,180	1,276,669	77,511
Principal Retirement	2,399,000	2,399,000	2,399,000	0
Total Principal Retirement	<u>3,753,180</u>	<u>3,753,180</u>	<u>3,675,669</u>	<u>77,511</u>
Total Debt Service	<u>3,753,180</u>	<u>3,753,180</u>	<u>3,675,669</u>	<u>77,511</u>
Total Expenditures	<u>3,897,383</u>	<u>3,897,383</u>	<u>3,804,287</u>	<u>93,096</u>
Excess of Revenues Over (Under) Expenditures	<u>(529,154)</u>	<u>(443,341)</u>	<u>(155,387)</u>	<u>287,954</u>
Other Financing Sources (Uses)				
Notes Issued	1,100,000	1,100,000	0	(1,100,000)
Advances Out	0	0	(318,000)	(318,000)
Total Other Financing Sources (Uses)	<u>1,100,000</u>	<u>1,100,000</u>	<u>(318,000)</u>	<u>(1,418,000)</u>
Net Change in Fund Balance	570,846	656,659	(473,387)	(1,130,046)
Fund Balance at Beginning of Year	<u>2,849,021</u>	<u>2,849,021</u>	<u>2,849,021</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ 3,419,867</u>	<u>\$ 3,505,680</u>	<u>\$ 2,375,634</u>	<u>\$(1,130,946)</u>

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
WASTE WATER TREATMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2006

	Budgeted Amounts		Actual	Variance with
	Original Budget	Final Budget		Final Budget Positive (Negative)
Revenues				
Charges for Services	\$10,762,665	\$10,812,665	\$10,990,676	\$ 178,011
Tap-In Fees	20,000	20,000	48,422	28,422
Intergovernmental	1,864,055	1,864,055	820,634	(1,043,421)
Property Taxes	602,600	646,833	672,469	25,636
Proceeds from OPWC Loans	678,749	678,749	678,749	0
Interest	0	0	7,651	7,651
Total Revenues	<u>13,928,069</u>	<u>14,022,302</u>	<u>13,218,601</u>	<u>(803,701)</u>
Expenses				
Personal Services	3,987,578	3,971,366	3,810,835	160,531
Contractual Services	1,383,734	1,297,538	1,257,403	40,135
Materials and Supplies	2,628,899	2,645,563	2,371,627	273,936
Capital Outlay	4,108,962	5,848,088	2,541,317	3,306,771
Other	60,800	60,800	43,284	17,516
Interest and Fiscal Charges	879,947	879,949	879,948	1
Principal Retirement	1,803,290	1,803,289	1,797,280	6,009
Total Expenses	<u>14,853,210</u>	<u>16,506,593</u>	<u>12,701,694</u>	<u>3,804,899</u>
Excess of Revenues Over (Under) Expenditures	<u>(925,141)</u>	<u>(2,484,291)</u>	<u>516,907</u>	<u>3,001,198</u>
Other Financing Sources (Uses)				
Transfers Out	<u>(286,456)</u>	<u>(286,456)</u>	<u>(286,456)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(286,456)</u>	<u>(286,456)</u>	<u>(286,456)</u>	<u>0</u>
Change in Net Assets	(1,211,597)	(2,770,747)	230,451	3,001,198
Net Assets at Beginning of Year	6,408,191	6,408,191	6,408,191	0
Prior Year Encumbrances Appropriated	<u>819,190</u>	<u>819,190</u>	<u>819,190</u>	<u>0</u>
Net Assets at End of Year	<u>\$ 6,015,784</u>	<u>\$ 4,456,634</u>	<u>\$ 7,457,832</u>	<u>\$ 3,001,198</u>

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
WATER LINE FUND
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>		
<u>Revenues</u>				
Charges for Services	\$ 1,650,000	\$ 1,050,000	\$ 1,470,332	\$ 420,332
Notes Issued	1,800,000	4,500,000	3,000,000	(1,500,000)
Interest	<u>0</u>	<u>0</u>	<u>5,642</u>	<u>5,642</u>
Total Revenues	<u>3,450,000</u>	<u>5,550,000</u>	<u>4,475,974</u>	<u>(1,074,026)</u>
<u>Expenses</u>				
Contractual Services	1,785,277	2,285,277	1,971,800	313,477
Interest and Fiscal Charges	276,680	276,680	246,964	29,716
Principal Retirement	<u>356,380</u>	<u>1,356,380</u>	<u>1,356,380</u>	<u>0</u>
Total Expenses	<u>2,418,337</u>	<u>3,918,337</u>	<u>3,575,144</u>	<u>343,193</u>
Change in Net Assets	1,031,663	1,631,663	900,830	(730,833)
Net Assets at Beginning of Year	714,232	714,232	714,232	0
Prior Year Encumbrances Appropriated	<u>484,976</u>	<u>484,976</u>	<u>484,976</u>	<u>0</u>
Net Assets (Deficit) at End of Year	<u>\$ 2,230,871</u>	<u>\$ 2,830,871</u>	<u>\$ 2,100,038</u>	<u>\$ (730,833)</u>

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
BRIARDALE GREENS GOLF COURSE FUND
FOR THE YEAR ENDED DECEMBER 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Charges for Services	\$ 1,131,350	\$ 1,131,350	\$ 991,299	\$ (140,051)
Interest	0	0	144	144
Total Revenues	<u>1,131,350</u>	<u>1,131,350</u>	<u>991,443</u>	<u>(139,907)</u>
Expenses				
Personal Services	658,714	635,922	618,118	17,804
Contractual Services	60,301	62,525	60,481	2,044
Materials and Supplies	297,055	314,484	283,601	30,883
Capital Outlay	29,050	43,342	22,579	20,763
Other	49,400	47,578	46,079	1,499
Interest and Fiscal Charges	2,000	2,120	2,120	0
Principal Retirement	15,000	16,650	16,608	42
Total Expenses	<u>1,111,520</u>	<u>1,122,621</u>	<u>1,049,586</u>	<u>73,035</u>
Change in Net Assets	19,830	8,729	(58,143)	66,872
Net Assets at Beginning of Year	191,708	191,708	191,708	0
Prior Year Encumbrances Appropriated	<u>6,122</u>	<u>6,122</u>	<u>6,122</u>	<u>0</u>
Net Assets at End of Year	<u>\$ 217,660</u>	<u>\$ 206,559</u>	<u>\$ 139,687</u>	<u>\$ 66,872</u>

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
STREET CONSTRUCTION, MAINTENANCE, AND REPAIR FUND
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original Budget</u>	<u>Final Budget</u>		Final Budget Positive (Negative)
<u>Revenues</u>				
Charges for Services	\$ 248,000	\$ 248,000	\$ 86,549	\$ (161,451)
Intergovernmental	1,580,000	1,580,000	1,765,132	185,132
Other	<u>4,000</u>	<u>4,000</u>	<u>5,547</u>	<u>1,547</u>
Total Revenues	<u>1,832,000</u>	<u>1,832,000</u>	<u>1,857,228</u>	<u>25,228</u>
<u>Expenditures</u>				
Current:				
Transportation:				
Personal Services	1,438,140	1,457,278	1,430,235	27,043
Contractual Services	60,497	51,132	41,635	9,497
Materials and Supplies	520,180	516,578	433,124	83,454
Capital Outlay	28,367	111,868	97,163	14,705
Other	<u>75</u>	<u>403</u>	<u>388</u>	<u>15</u>
Total Expenditures	<u>2,047,259</u>	<u>2,137,259</u>	<u>2,002,545</u>	<u>134,714</u>
Net Change in Fund Balance	(215,259)	(305,259)	(145,317)	159,942
Fund Balance at Beginning of Year	589,678	589,678	589,678	0
Prior Year Encumbrances Appropriated	<u>8,296</u>	<u>8,296</u>	<u>8,296</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 382,715</u>	<u>\$ 292,715</u>	<u>\$ 452,657</u>	<u>\$ 159,942</u>

CITY OF 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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original Budget</u>	<u>Final Budget</u>		Final Budget Positive (Negative)
<u>Revenues</u>				
Intergovernmental	\$ 106,000	\$ 106,000	\$ 183,369	\$ 77,369
Interest	<u>1,000</u>	<u>1,000</u>	<u>6,125</u>	<u>5,125</u>
Total Revenues	<u>107,000</u>	<u>107,000</u>	<u>189,494</u>	<u>82,494</u>
<u>Expenditures</u>				
Current:				
Transportation:				
Personal Services	0	56,000	14,805	41,195
Materials and Supplies	<u>168,094</u>	<u>112,094</u>	<u>100,928</u>	<u>11,166</u>
Total Expenditures	<u>168,094</u>	<u>168,094</u>	<u>115,733</u>	<u>52,361</u>
Net Change in Fund Balance	(61,094)	(61,094)	73,761	134,855
Fund Balance at Beginning of Year	91,005	91,005	91,005	0
Prior Year Encumbrances Appropriated	<u>11,094</u>	<u>11,094</u>	<u>11,094</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 41,005</u>	<u>\$ 41,005</u>	<u>\$ 175,860</u>	<u>\$ 134,855</u>

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
INDIGENT DRIVERS FUND
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original Budget</u>	<u>Final Budget</u>		Final Budget Positive (Negative)
<u>Revenues</u>				
Fines and Forfeitures	\$ 39,000	\$ 5,000	\$ 7,165	\$ 2,165
Total Revenues	<u>39,000</u>	<u>5,000</u>	<u>7,165</u>	<u>2,165</u>
<u>Expenditures</u>				
Current:				
Security of Persons and Property:				
Judicial				
Other	38,000	38,000	0	38,000
Total Judicial	<u>38,000</u>	<u>38,000</u>	<u>0</u>	<u>38,000</u>
Total Security of Persons and Property	<u>38,000</u>	<u>38,000</u>	<u>0</u>	<u>38,000</u>
Total Expenditures	<u>38,000</u>	<u>38,000</u>	<u>0</u>	<u>38,000</u>
Excess of Revenues Over (Under) Expenditures	<u>1,000</u>	<u>(33,000)</u>	<u>7,165</u>	<u>40,165</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	33,844	33,844	33,844	0
Total Other Financing Sources (Uses)	<u>33,844</u>	<u>33,844</u>	<u>33,844</u>	<u>0</u>
Net Change in Fund Balance	34,844	844	41,009	40,165
Fund Balance at Beginning of Year	<u>5,409</u>	<u>5,409</u>	<u>5,409</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 40,253</u>	<u>\$ 6,253</u>	<u>\$ 46,418</u>	<u>\$ 40,165</u>

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
COURT COMPUTERIZATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original Budget</u>	<u>Final Budget</u>		Final Budget Positive (Negative)
<u>Revenues</u>				
Fines and Forfeitures	\$ 60,000	\$ 60,000	\$ 63,522	\$ 3,522
Total Revenues	<u>60,000</u>	<u>60,000</u>	<u>63,522</u>	<u>3,522</u>
<u>Expenditures</u>				
Current:				
Security of Persons and Property:				
Judicial:				
Personal Services	44,578	44,578	40,889	3,689
Contractual Services	70,000	60,000	17,607	42,393
Materials and Supplies	2,000	12,000	3,859	8,141
Total Judicial	<u>116,578</u>	<u>116,578</u>	<u>62,355</u>	<u>54,223</u>
Total Security of Persons and Property	<u>116,578</u>	<u>116,578</u>	<u>62,355</u>	<u>54,223</u>
Total Expenditures	<u>116,578</u>	<u>116,578</u>	<u>62,355</u>	<u>54,223</u>
Net Change in Fund Balance	(56,578)	(56,578)	1,167	57,745
Fund Balance at Beginning of Year	<u>93,777</u>	<u>93,777</u>	<u>93,777</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 37,199</u>	<u>\$ 37,199</u>	<u>\$ 94,944</u>	<u>\$ 57,745</u>

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
COURT SPECIAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original Budget</u>	<u>Final Budget</u>		Final Budget Positive (Negative)
<u>Revenues</u>				
Fines and Forfeitures	\$ 50,000	\$ 50,000	\$ 89,635	\$ 39,635
Total Revenues	<u>50,000</u>	<u>50,000</u>	<u>89,635</u>	<u>39,635</u>
<u>Expenditures</u>				
Current:				
Security of Persons and Property:				
Judicial:				
Personal Services	41,434	40,934	40,353	581
Contractual Services	5,013	2,413	1,240	1,173
Materials and Supplies	6,500	9,000	8,412	588
Capital Outlay	2,800	2,800	0	2,800
Other	1,000	1,600	1,575	25
Total Judicial	<u>56,747</u>	<u>56,747</u>	<u>51,580</u>	<u>5,167</u>
Total Security of Persons and Property	<u>56,747</u>	<u>56,747</u>	<u>51,580</u>	<u>5,167</u>
Total Expenditures	<u>56,747</u>	<u>56,747</u>	<u>51,580</u>	<u>5,167</u>
Net Change in Fund Balance	(6,747)	(6,747)	38,055	44,802
Fund Balance at Beginning of Year	<u>25,354</u>	<u>25,354</u>	<u>25,354</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 18,607</u>	<u>\$ 18,607</u>	<u>\$ 63,409</u>	<u>\$ 44,802</u>

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
ANIMAL SHELTER FUND
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original Budget</u>	<u>Final Budget</u>		Final Budget Positive (Negative)
<u>Revenues</u>				
Charges for Services	\$ 26,000	\$ 26,000	\$ 26,062	\$ 62
Rent	36,996	36,996	36,996	0
Contributions and Donations	<u>7,000</u>	<u>7,000</u>	<u>0</u>	<u>(7,000)</u>
Total Revenues	<u>69,996</u>	<u>69,996</u>	<u>63,058</u>	<u>(6,938)</u>
<u>Expenditures</u>				
Current:				
Security of Persons and Property:				
Animal Control				
Personal Services	62,156	61,320	61,057	263
Contractual Services	0	339	306	33
Materials and Supplies	500	0	0	0
Other	<u>6,150</u>	<u>7,147</u>	<u>6,200</u>	<u>947</u>
Total Animal Control	<u>68,806</u>	<u>68,806</u>	<u>67,563</u>	<u>1,243</u>
Total Security of Persons and Property	<u>68,806</u>	<u>68,806</u>	<u>67,563</u>	<u>1,243</u>
Total Expenditures	<u>68,806</u>	<u>68,806</u>	<u>67,563</u>	<u>1,243</u>
Excess of Revenues Over (Under) Expenditures	<u>1,190</u>	<u>1,190</u>	<u>(4,505)</u>	<u>(5,695)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	<u>0</u>	<u>8,000</u>	<u>8,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>8,000</u>	<u>8,000</u>	<u>0</u>
Net Change in Fund Balance	1,190	9,190	3,495	(5,695)
Fund Balance at Beginning of Year	<u>60</u>	<u>60</u>	<u>60</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ 1,250</u>	<u>\$ 9,250</u>	<u>\$ 3,555</u>	<u>\$ (5,695)</u>

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
NUISANCE ABATEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original Budget</u>	<u>Final Budget</u>		Final Budget Positive (Negative)
<u>Revenues</u>				
Special Assessments	\$ 14,000	\$ 14,000	\$ 17,211	\$ 3,211
Charges for Services	<u>5,000</u>	<u>5,000</u>	<u>10,150</u>	<u>5,150</u>
Total Revenues	<u>19,000</u>	<u>19,000</u>	<u>27,361</u>	<u>8,361</u>
<u>Expenditures</u>				
Current:				
Community and Economic Development:				
Nuisance Abatement:				
Contractual Services	<u>125,000</u>	<u>125,000</u>	<u>119,198</u>	<u>5,802</u>
Total Nuisance Abatement	<u>125,000</u>	<u>125,000</u>	<u>119,198</u>	<u>5,802</u>
Total Community and Economic Development	<u>125,000</u>	<u>125,000</u>	<u>119,198</u>	<u>5,802</u>
Total Expenditures	<u>125,000</u>	<u>125,000</u>	<u>119,198</u>	<u>5,802</u>
Excess of Revenues Over (Under) Expenditures	<u>(106,000)</u>	<u>(106,000)</u>	<u>(91,837)</u>	<u>(14,163)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>0</u>
Net Change in Fund Balance	(31,000)	(31,000)	(16,837)	14,163
Fund Balance at Beginning of Year	<u>38,687</u>	<u>38,687</u>	<u>38,687</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 7,687</u>	<u>\$ 7,687</u>	<u>\$ 21,850</u>	<u>\$ 14,163</u>

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
COMMUNITY TELEVISION FUND
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original Budget</u>	<u>Final Budget</u>		Final Budget Positive (Negative)
<u>Revenues</u>				
Contributions and Donations	\$ 15,200	\$ 5,200	\$ 85,215	\$ 80,015
Other	<u>0</u>	<u>0</u>	<u>110</u>	<u>110</u>
Total Revenues	<u>15,200</u>	<u>5,200</u>	<u>85,325</u>	<u>80,125</u>
<u>Expenditures</u>				
Current:				
Community and Economic Development:				
Community Television:				
Personal Services	118,222	117,215	106,074	11,141
Contractual Services	500	500	313	187
Materials and Supplies	1,500	1,707	1,637	70
Capital Outlay	6,000	7,947	5,767	2,180
Other	<u>2,850</u>	<u>1,703</u>	<u>1,203</u>	<u>500</u>
Total Community Television	<u>129,072</u>	<u>129,072</u>	<u>114,994</u>	<u>14,078</u>
Total Community and Economic Development	<u>129,072</u>	<u>129,072</u>	<u>114,994</u>	<u>14,078</u>
Total Expenditures	<u>129,072</u>	<u>129,072</u>	<u>114,994</u>	<u>14,078</u>
Excess of Revenues Over (Under) Expenditures	<u>(113,872)</u>	<u>(123,872)</u>	<u>(29,669)</u>	<u>94,203</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	<u>115,000</u>	<u>115,000</u>	<u>115,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>115,000</u>	<u>115,000</u>	<u>115,000</u>	<u>0</u>
Net Change in Fund Balance	1,128	(8,872)	85,331	94,203
Fund Balance at Beginning of Year	<u>10,830</u>	<u>10,830</u>	<u>10,830</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 11,958</u>	<u>\$ 1,958</u>	<u>\$ 96,161</u>	<u>\$ 94,203</u>

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
RECREATION OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original Budget</u>	<u>Final Budget</u>		Final Budget Positive (Negative)
Revenues				
Property Taxes	\$ 388,141	\$ 416,893	\$ 437,104	\$ 20,211
Charges for Services	555,000	555,000	526,419	(28,581)
Intergovernmental	34,763	34,763	24,685	(10,078)
Rent	40,000	40,000	48,810	8,810
Contributions and Donations	5,000	5,000	3,800	(1,200)
Total Revenues	<u>1,022,904</u>	<u>1,051,656</u>	<u>1,040,818</u>	<u>(10,838)</u>
Expenditures				
Current:				
Leisure Time Services:				
Recreation Operating:				
Personal Services	594,766	616,806	598,171	18,635
Contractual Services	52,688	60,977	52,566	8,411
Materials and Supplies	411,790	400,941	370,596	30,345
Capital Outlay	601	1,529	1,492	37
Other	44,220	38,813	36,029	2,784
Total Recreation Operating	<u>1,104,065</u>	<u>1,119,066</u>	<u>1,058,854</u>	<u>60,212</u>
Total Leisure Time Services	<u>1,104,065</u>	<u>1,119,066</u>	<u>1,058,854</u>	<u>60,212</u>
Total Expenditures	<u>1,104,065</u>	<u>1,119,066</u>	<u>1,058,854</u>	<u>60,212</u>
Excess of Revenues Over (Under) Expenditures	<u>(81,161)</u>	<u>(67,410)</u>	<u>(18,036)</u>	<u>49,374</u>
Other Financing Sources (Uses)				
Transfers In	<u>80,000</u>	<u>95,000</u>	<u>95,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>80,000</u>	<u>95,000</u>	<u>95,000</u>	<u>0</u>
Net Change in Fund Balance	(1,161)	27,590	76,964	49,374
Fund Balance at Beginning of Year	10,486	10,486	10,486	0
Prior Year Encumbrances Appropriated	<u>534</u>	<u>534</u>	<u>534</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 9,859</u>	<u>\$ 38,610</u>	<u>\$ 87,984</u>	<u>\$ 49,374</u>

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original Budget</u>	<u>Final Budget</u>		Final Budget Positive (Negative)
<u>Revenues</u>				
Intergovernmental	\$ 1,439,000	\$ 1,619,000	\$ 1,037,796	\$ (581,204)
Total Revenues	<u>1,439,000</u>	<u>1,619,000</u>	<u>1,037,796</u>	<u>(581,204)</u>
<u>Expenditures</u>				
Current:				
Community and Economic Development:				
Community Development Block Grant:				
Personal Services	772,472	788,567	701,186	87,381
Contractual Services	224,809	228,384	123,760	104,624
Materials and Supplies	151,226	140,292	98,390	41,902
Capital Outlay	188,500	122,997	14,446	108,551
Other	<u>260,951</u>	<u>259,861</u>	<u>125,046</u>	<u>134,815</u>
Total Community Development Block Grant	<u>1,597,958</u>	<u>1,540,101</u>	<u>1,062,828</u>	<u>477,273</u>
Total Community and Economic Development	<u>1,597,958</u>	<u>1,540,101</u>	<u>1,062,828</u>	<u>477,273</u>
Total Expenditures	<u>1,597,958</u>	<u>1,540,101</u>	<u>1,062,828</u>	<u>477,273</u>
Net Change in Fund Balance	(158,958)	78,899	(25,032)	(103,931)
Fund Balance (Deficit) at Beginning of Year	(114,023)	(114,023)	(114,023)	0
Prior Year Encumbrances Appropriated	<u>91,915</u>	<u>91,915</u>	<u>91,915</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ (181,066)</u>	<u>\$ 56,791</u>	<u>\$ (47,140)</u>	<u>\$ (103,931)</u>

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
LITTER CONTROL FUND
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original Budget</u>	<u>Final Budget</u>		Final Budget Positive (Negative)
<u>Revenues</u>				
Intergovernmental	\$ 0	\$ 0	\$ 866	\$ 866
Total Revenues	<u>0</u>	<u>0</u>	<u>866</u>	<u>866</u>
<u>Expenditures</u>				
Current:				
General Government:				
Litter:				
Personal Services	0	442	440	2
Materials and Supplies	<u>1,240</u>	<u>15,798</u>	<u>15,665</u>	<u>133</u>
Total Litter	<u>1,240</u>	<u>16,240</u>	<u>16,105</u>	<u>135</u>
Total General Government	<u>1,240</u>	<u>16,240</u>	<u>16,105</u>	<u>135</u>
Total Expenditures	<u>1,240</u>	<u>16,240</u>	<u>16,105</u>	<u>135</u>
Net Change in Fund Balance	(1,240)	(16,240)	(15,239)	1,001
Fund Balance (Deficit) at Beginning of Year	16,360	16,360	16,360	0
Prior Year Encumbrances Appropriated	<u>1,240</u>	<u>1,240</u>	<u>1,240</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ 16,360</u>	<u>\$ 1,360</u>	<u>\$ 2,361</u>	<u>\$ 1,001</u>

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
LAW ENFORCEMENT TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2006

	Budgeted Amounts		Actual	Variance with
	Original Budget	Final Budget		Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 0	\$ 35,000	\$ 46,824	\$ 11,824
Interest	4,500	4,500	4,983	483
Total Revenues	<u>4,500</u>	<u>39,500</u>	<u>51,807</u>	<u>12,307</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Contractual Services	0	24,555	24,555	0
Materials and Supplies	0	15,322	974	14,348
Capital Outlay	36,900	144,116	86,157	57,959
Other	0	3,750	0	3,750
Total Police	<u>36,900</u>	<u>187,743</u>	<u>111,686</u>	<u>76,057</u>
Total Security of Persons and Property	<u>36,900</u>	<u>187,743</u>	<u>111,686</u>	<u>76,057</u>
Total Expenditures	<u>36,900</u>	<u>187,743</u>	<u>111,686</u>	<u>76,057</u>
Net Change in Fund Balance	(32,400)	(148,243)	(59,879)	88,364
Fund Balance (Deficit) at Beginning of Year	113,943	113,943	113,943	0
Prior Year Encumbrances Appropriated	<u>36,900</u>	<u>36,900</u>	<u>36,900</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ 118,443</u>	<u>\$ 2,600</u>	<u>\$ 90,964</u>	<u>\$ 88,364</u>

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
OTHER GRANTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original Budget</u>	<u>Final Budget</u>		Final Budget Positive (Negative)
<u>Revenues</u>				
Intergovernmental	\$ 427,000	\$ 492,058	\$ 195,500	\$ (296,558)
Contributions and Donations	35,000	35,000	47,477	12,477
Total Revenues	<u>462,000</u>	<u>527,058</u>	<u>242,977</u>	<u>(284,081)</u>
<u>Expenditures</u>				
Current:				
General Government:				
Other Grants:				
Personal Services	232,958	266,053	147,553	118,500
Contractual Services	171,755	183,021	85,195	97,826
Materials and Supplies	61,310	72,566	27,673	44,893
Capital Outlay	74,273	83,339	36,308	47,031
Other	5,800	6,175	5,700	475
Total Other Grants	<u>546,096</u>	<u>611,154</u>	<u>302,429</u>	<u>308,725</u>
Total General Government	<u>546,096</u>	<u>611,154</u>	<u>302,429</u>	<u>308,725</u>
Total Expenditures	<u>546,096</u>	<u>611,154</u>	<u>302,429</u>	<u>308,725</u>
Net Change in Fund Balance	(84,096)	(84,096)	(59,452)	24,644
Fund Balance at Beginning of Year	153,443	153,443	153,443	0
Prior Year Encumbrances Appropriated	14,780	14,780	14,780	0
Fund Balance at End of Year	<u>\$ 84,127</u>	<u>\$ 84,127</u>	<u>\$ 108,771</u>	<u>\$ 24,644</u>

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
GENERAL PERMANENT IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original Budget</u>	<u>Final Budget</u>		Final Budget Positive (Negative)
Revenues				
Property Taxes	\$ 300,979	\$ 323,096	\$ 336,234	\$ 13,138
Special Assessments	0	0	1,373	1,373
Charges for Services	37,000	37,000	14,090	(22,910)
Intergovernmental	24,331	24,331	21,289	(3,042)
Interest	0	0	1,589	1,589
Other	0	0	500	500
Total Revenues	<u>362,310</u>	<u>384,427</u>	<u>375,075</u>	<u>(9,352)</u>
Expenditures				
Capital Outlay:				
Contractual Services	975	406,406	308,521	97,885
Materials and Supplies	0	7,878	7,614	264
Capital Outlay	220,025	5,172,296	2,294,552	2,877,744
Other	5,772	41,492	40,288	1,204
Total Capital Outlay	<u>226,772</u>	<u>5,628,072</u>	<u>2,650,975</u>	<u>2,977,097</u>
Debt Service:				
Interest and Fiscal Charges	53,080	53,080	49,229	3,851
Principal Retirement	293,673	293,673	259,537	34,136
Total Debt Service	<u>346,753</u>	<u>346,753</u>	<u>308,766</u>	<u>37,987</u>
Total Expenditures	<u>573,525</u>	<u>5,974,825</u>	<u>2,959,741</u>	<u>3,015,084</u>
Excess of Revenues Over (Under) Expenditures	<u>(211,215)</u>	<u>(5,590,398)</u>	<u>(2,584,666)</u>	<u>3,005,732</u>
Other Financing Sources (Uses)				
Notes Issued	0	4,133,100	3,816,000	(317,100)
Proceeds of OPWC Loans	0	1,257,200	98,000	(1,159,200)
Advances In	0	0	318,000	318,000
Total Other Financing Sources (Uses)	<u>0</u>	<u>5,390,300</u>	<u>4,232,000</u>	<u>(1,158,300)</u>
Net Change in Fund Balance	(211,215)	(200,098)	1,647,334	1,847,432
Fund Balance at Beginning of Year	31,829	31,829	31,829	0
Prior Year Encumbrances Appropriated	<u>211,215</u>	<u>211,215</u>	<u>211,215</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 31,829</u>	<u>\$ 42,946</u>	<u>\$ 1,890,378</u>	<u>\$ 1,847,432</u>

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
RECREATION CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original Budget</u>	<u>Final Budget</u>		Final Budget Positive (Negative)
<u>Revenues</u>				
Property Taxes	\$ 211,742	\$ 227,224	\$ 235,365	\$ 8,141
Intergovernmental	15,975	15,975	13,292	(2,683)
Total Revenues	<u>227,717</u>	<u>243,199</u>	<u>248,657</u>	<u>5,458</u>
<u>Expenditures</u>				
Capital Outlay:				
Personal Services	63,609	64,109	63,111	998
Contractual Services	34,920	36,435	31,131	5,304
Materials and Supplies	5,000	5,000	3,376	1,624
Capital Outlay	119,682	118,667	96,971	21,696
Other	5,246	4,246	3,318	928
Total Capital Outlay	<u>228,457</u>	<u>228,457</u>	<u>197,907</u>	<u>30,550</u>
Total Expenditures	<u>228,457</u>	<u>228,457</u>	<u>197,907</u>	<u>30,550</u>
Net Change in Fund Balance	(740)	14,742	50,750	36,008
Fund Balance at Beginning of Year	70,696	70,696	70,696	0
Prior Year Encumbrances Appropriated	193	193	193	0
Fund Balance at End of Year	<u>\$ 70,149</u>	<u>\$ 85,631</u>	<u>\$ 121,639</u>	<u>\$ 36,008</u>

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
SIDEWALK REPAIR FUND
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original Budget</u>	<u>Final Budget</u>		Final Budget Positive (Negative)
<u>Revenues</u>				
Special Assessments	\$ 0	\$ 0	\$ 436	\$ 436
Total Revenues	<u>0</u>	<u>0</u>	<u>436</u>	<u>436</u>
<u>Expenditures</u>				
Capital Outlay:				
Other	<u>5,013</u>	<u>5,013</u>	<u>4</u>	<u>5,009</u>
Total Capital Outlay	<u>5,013</u>	<u>5,013</u>	<u>4</u>	<u>5,009</u>
Total Expenditures	<u>5,013</u>	<u>5,013</u>	<u>4</u>	<u>5,009</u>
Excess of Revenues Over (Under) Expenditures	<u>(5,013)</u>	<u>(5,013)</u>	<u>432</u>	<u>5,445</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	<u>(75,000)</u>	<u>(75,000)</u>	<u>(75,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(75,000)</u>	<u>(75,000)</u>	<u>(75,000)</u>	<u>0</u>
Net Change in Fund Balance	<u>(80,013)</u>	<u>(80,013)</u>	<u>(74,568)</u>	<u>5,445</u>
Fund Balance at Beginning of Year	<u>178,653</u>	<u>178,653</u>	<u>178,653</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 98,640</u>	<u>\$ 98,640</u>	<u>\$ 104,085</u>	<u>\$ 5,445</u>

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
PUBLIC BUILDING CONSTRUCTION FUND
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original Budget</u>	<u>Final Budget</u>		Final Budget Positive (Negative)
<u>Revenues</u>				
Interest	\$ 0	\$ 0	\$ 1,528	\$ 1,528
Total Revenues	<u>0</u>	<u>0</u>	<u>1,528</u>	<u>1,528</u>
<u>Expenditures</u>				
Capital Outlay	<u>139,815</u>	<u>139,815</u>	<u>134,601</u>	<u>5,214</u>
Total Capital Outlay	<u>139,815</u>	<u>139,815</u>	<u>134,601</u>	<u>5,214</u>
Total Expenditures	<u>139,815</u>	<u>139,815</u>	<u>134,601</u>	<u>5,214</u>
Net Change in Fund Balance	(139,815)	(139,815)	(133,073)	6,742
Fund Balance at Beginning of Year	10,891	10,891	10,891	0
Prior Year Encumbrances Appropriated	<u>129,815</u>	<u>129,815</u>	<u>129,815</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 891</u>	<u>\$ 891</u>	<u>\$ 7,633</u>	<u>\$ 6,742</u>

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
EUCLID ENDOWMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original Budget</u>	<u>Final Budget</u>		Final Budget Positive (Negative)
<u>Revenues</u>				
Charges for Services	\$ 0	\$ 93,000	\$ 95,024	\$ 2,024
Interest	<u>0</u>	<u>0</u>	<u>6,122</u>	<u>6,122</u>
Total Revenues	<u>0</u>	<u>93,000</u>	<u>101,146</u>	<u>8,146</u>
<u>Expenditures</u>				
Capital Outlay:				
Contractual Services	15,000	37,400	31,923	5,477
Other	<u>0</u>	<u>8,600</u>	<u>0</u>	<u>8,600</u>
Total Capital Outlay	<u>15,000</u>	<u>46,000</u>	<u>31,923</u>	<u>14,077</u>
Total Expenditures	<u>15,000</u>	<u>46,000</u>	<u>31,923</u>	<u>14,077</u>
Excess of Revenues Over (Under) Expenditures	<u>(15,000)</u>	<u>47,000</u>	<u>69,223</u>	<u>22,223</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	<u>0</u>	<u>0</u>	<u>472,600</u>	<u>472,600</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>472,600</u>	<u>472,600</u>
Net Change in Fund Balance	(15,000)	47,000	541,823	494,823
Fund Balance at Beginning of Year	<u>16,082</u>	<u>16,082</u>	<u>16,082</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,082</u>	<u>\$ 63,082</u>	<u>\$ 557,905</u>	<u>\$ 494,823</u>

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
SIMS PARK FUND
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original Budget</u>	<u>Final Budget</u>		Final Budget Positive (Negative)
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
<u>Expenditures</u>				
Capital Outlay:				
Contractual Services	41,000	41,000	29,193	11,807
Capital Outlay	<u>8,000</u>	<u>8,000</u>	<u>0</u>	<u>8,000</u>
Total Capital Outlay	<u>49,000</u>	<u>49,000</u>	<u>29,193</u>	<u>19,807</u>
Total Expenditures	<u>49,000</u>	<u>49,000</u>	<u>29,193</u>	<u>19,807</u>
Net Change in Fund Balance	(49,000)	(49,000)	(29,193)	19,807
Fund Balance at Beginning of Year	<u>160,375</u>	<u>160,375</u>	<u>160,375</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 111,375</u>	<u>\$ 111,375</u>	<u>\$ 131,182</u>	<u>\$ 19,807</u>

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
BENNINGTON HAMLET FUND
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original Budget</u>	<u>Final Budget</u>		Final Budget Positive (Negative)
<u>Revenues</u>				
Payment in Lien of Taxes	\$ 20,000	\$ 20,000	\$ 27,372	\$ 7,372
Total Revenues	<u>20,000</u>	<u>20,000</u>	<u>27,372</u>	<u>7,372</u>
<u>Expenditures</u>				
Capital Outlay:				
Contractual Services	<u>82,102</u>	<u>82,102</u>	<u>12,545</u>	<u>69,557</u>
Total Capital Outlay	<u>82,102</u>	<u>82,102</u>	<u>12,545</u>	<u>69,557</u>
Total Expenditures	<u>82,102</u>	<u>82,102</u>	<u>12,545</u>	<u>69,557</u>
Net Change in Fund Balance	(62,102)	(62,102)	14,827	76,929
Fund Balance at Beginning of Year	35,509	35,509	35,509	0
Prior Year Encumbrance Appropriated	<u>27,102</u>	<u>27,102</u>	<u>27,102</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 509</u>	<u>\$ 509</u>	<u>\$ 77,438</u>	<u>\$ 76,929</u>

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
CMP PROPERTIES FUND
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>		
<u>Revenues</u>				
Payment in Lien of Taxes	\$ 32,000	\$ 32,000	\$ 41,358	\$ 9,358
Total Revenues	<u>32,000</u>	<u>32,000</u>	<u>41,358</u>	<u>9,358</u>
<u>Expenditures</u>				
Capital Outlay:				
Contractual Services	<u>78,247</u>	<u>78,247</u>	<u>21,834</u>	<u>56,413</u>
Total Capital Outlay	<u>78,247</u>	<u>78,247</u>	<u>21,834</u>	<u>56,413</u>
Total Expenditures	<u>78,247</u>	<u>78,247</u>	<u>21,834</u>	<u>56,413</u>
Net Change in Fund Balance	(46,247)	(46,247)	19,524	65,771
Fund Balance at Beginning of Year	7,584	7,584	7,584	0
Prior Year Encumbrance Appropriated	<u>39,247</u>	<u>39,247</u>	<u>39,247</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 584</u>	<u>\$ 584</u>	<u>\$ 66,355</u>	<u>\$ 65,771</u>

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
SELF-INSURANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original Budget</u>	<u>Final Budget</u>		Final Budget Positive (Negative)
<u>Revenues</u>				
Charges for Services	\$ 400,000	\$ 300,000	\$ 300,000	\$ 0
Interest	<u>1,800</u>	<u>1,800</u>	<u>1,833</u>	<u>33</u>
Total Revenues	<u>401,800</u>	<u>301,800</u>	<u>301,833</u>	<u>33</u>
<u>Expenses</u>				
Personal Services	31,378	31,378	30,377	1,001
Contractual Services	155,000	205,000	152,249	52,751
Materials and Supplies	1,000	1,000	208	792
Claims	<u>220,000</u>	<u>170,000</u>	<u>89,294</u>	<u>80,706</u>
Total Expenses	<u>407,378</u>	<u>407,378</u>	<u>272,128</u>	<u>135,250</u>
Net Change in Fund Balance	(5,578)	(105,578)	29,705	135,283
Net Assets at Beginning of Year	<u>112,580</u>	<u>112,580</u>	<u>112,580</u>	<u>0</u>
Net Assets at End of Year	<u>\$ 107,002</u>	<u>\$ 7,002</u>	<u>\$ 142,285</u>	<u>\$ 135,283</u>

STATISTICAL SECTION

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
<i>Financial Trends</i>	
These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changes over time.	S2-S7
<i>Revenue Capacity</i>	
These schedules contain information to help the reader assess the City’s most significant local revenue sources, the municipal income tax and the property tax.	S8-S13
<i>Debt Capacity</i>	
These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	S14-S18
<i>Demographic and Economic Information</i>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.	S19-S21
<i>Operating Information</i>	
These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the government provides and the activities it performs.	S22-S27

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2003. Schedules presenting government-wide information begin in that year.

CITY OF EUCLID, OHIO
NET ASSETS BY COMPONENT
LAST FOUR YEARS
(Accrual Basis of Accounting)

	2006	2005 Restated	2004	2003
<u>Governmental Activities</u>				
Invested in Capital Assets, Net of Related Debt	\$ 12,190,259	\$ 13,335,911	\$ 9,441,514	\$ 16,919,428
Restricted:				
Capital Outlay	2,882,741	891,816	3,896,532	0
Debt Service	5,166,780	4,617,366	8,899,900	2,764,898
Other Purposes	1,970,792	2,223,784	1,597,871	1,253,520
Unrestricted	6,065,273	2,959,733	2,339,507	6,910,033
Total Governmental Activities Net Assets	\$ 28,275,845	\$ 24,028,610	\$ 26,175,324	\$ 27,847,879
<u>Business Type - Activities</u>				
Invested in Capital Assets, Net of Related Debt	\$ 28,971,722	\$ 29,207,199	\$ 29,795,176	\$ 28,646,313
Restricted:				
Debt Service	0	0	1,200,000	0
Unrestricted	13,304,043	8,390,986	4,378,060	6,786,523
Total Business-Type Activities Net Assets	\$ 42,275,765	\$ 37,598,185	\$ 35,373,236	\$ 35,432,836
<u>Primary Government</u>				
Invested in Capital Assets, Net of Related Debt	\$ 41,161,981	\$ 42,543,110	\$ 39,236,690	\$ 45,565,741
Restricted	10,020,313	7,732,966	15,594,303	4,018,418
Unrestricted	19,369,316	11,350,719	6,717,567	13,696,556
Total Primary Government Net Assets	\$ 70,551,610	\$ 61,626,795	\$ 61,548,560	\$ 63,280,715

**CITY OF EUCLID, OHIO
CHANGES IN NET ASSETS
LAST FOUR YEARS
(Accrual Basis of Accounting)**

	2006	2005 Restated	2004	2003
<u>Program Revenues</u>				
Governmental Activities:				
Charges for Services:				
General Government	\$ 1,019,146	\$ 1,630,952	\$ 2,101,899	\$ 2,074,682
Security of Persons and Property	4,975,827	2,897,560	2,150,294	2,645,843
Public Health and Welfare	92,922	33,424	85,666	85,730
Leisure Time Activities	796,916	615,674	755,333	660,437
Community Development	236,343	532,403	323,664	268,828
Refuse Collection and Disposal	0	231,521	942,743	1,083,386
Transportation	88,588	191,361	459,799	444,152
Subtotal - Charges for Services	<u>7,209,742</u>	<u>6,132,895</u>	<u>6,819,398</u>	<u>7,263,058</u>
Operating Grants and Contributions:				
General Government	428,589	243,965	0	0
Security of Persons and Property	139,422	1,400	91,319	123,014
Leisure Time Activities	43,084	36,744	0	0
Community Development	1,123,011	1,116,634	87,740	379,087
Transportation	1,835,670	1,927,988	0	0
Subtotal - Operating Grants and Contributions	<u>3,569,776</u>	<u>3,326,731</u>	<u>179,059</u>	<u>502,101</u>
Capital Grants and Contributions:				
General Government	18,690	31,219	0	0
Community Development	0	0	1,320,553	1,435,493
Leisure Time Activities	11,170	19,767	0	90,146
Subtotal - Capital Grants and Contributions	<u>29,860</u>	<u>50,986</u>	<u>1,320,553</u>	<u>1,525,639</u>
Total Governmental Activities Program Revenues	<u>10,809,378</u>	<u>9,510,612</u>	<u>8,319,010</u>	<u>9,290,798</u>
<u>Business-Type Activities</u>				
Charges for Services:				
Water Line	1,605,235	840,218	0	0
Wastewater	11,498,677	9,396,074	9,730,420	12,383,945
Briardale Golf Course	987,636	795,003	786,232	780,200
Operating Grants and Contributions:				
Wastewater Treatment	814,589	0	0	0
Capital Grants and Contributions				
Briardale Golf Course	121,449	0	0	250,488
Total Business-Type Activities Program Revenues	<u>15,027,586</u>	<u>11,031,295</u>	<u>10,516,652</u>	<u>13,414,633</u>
Total Primary Government Program Revenues	<u>\$ 25,836,964</u>	<u>\$ 20,541,907</u>	<u>\$ 18,835,662</u>	<u>\$ 22,705,431</u>

(Continued)

CITY OF EUCLID, OHIO
CHANGES IN NET ASSETS
LAST FOUR YEARS
(Accrual Basis of Accounting)
(CONTINUED)

	2006	2005 Restated	2004	2003
<u>Expenses</u>				
Governmental Activities:				
General Government	\$ 12,352,031	\$ 11,114,592	\$ 11,965,470	\$ 12,180,369
Security of Persons and Property:	21,466,024	21,544,601	21,147,901	19,842,460
Public Health and Welfare	257,280	256,582	234,887	287,591
Leisure Time Activities	2,109,410	1,924,054	4,077,885	1,914,797
Community Development	3,173,312	2,619,435	478,828	965,181
Refuse Collection and Disposal	2,013,501	1,777,289	1,912,089	1,848,221
Transportation	2,695,350	4,446,355	1,489,045	1,432,019
Interest and Fiscal Charges	1,546,588	1,566,775	2,069,348	1,913,236
Total Governmental Activities Expenses	45,613,496	45,249,683	43,375,453	40,383,874
<u>Business-Type Activities</u>				
Water Line Improvement	915,675	557,637	0	0
Wastewater Treatment	9,438,610	10,732,693	10,313,927	12,131,189
Briardale Golf Course	996,359	1,206,580	770,115	716,146
Total Business-Type Activities Expenses	11,350,644	12,496,910	11,084,042	12,847,335
Total Primary Government Program Expenses	56,964,140	57,746,593	54,459,495	53,231,209
<u>Net (Expense)/Revenue</u>				
Governmental Activities	(34,804,118)	(35,739,071)	(35,056,443)	(31,093,076)
Business-Type Activities	3,676,942	(1,465,615)	(567,390)	567,298
Total Primary Government Net Expense	(31,127,176)	(37,204,686)	(35,623,833)	(30,525,778)

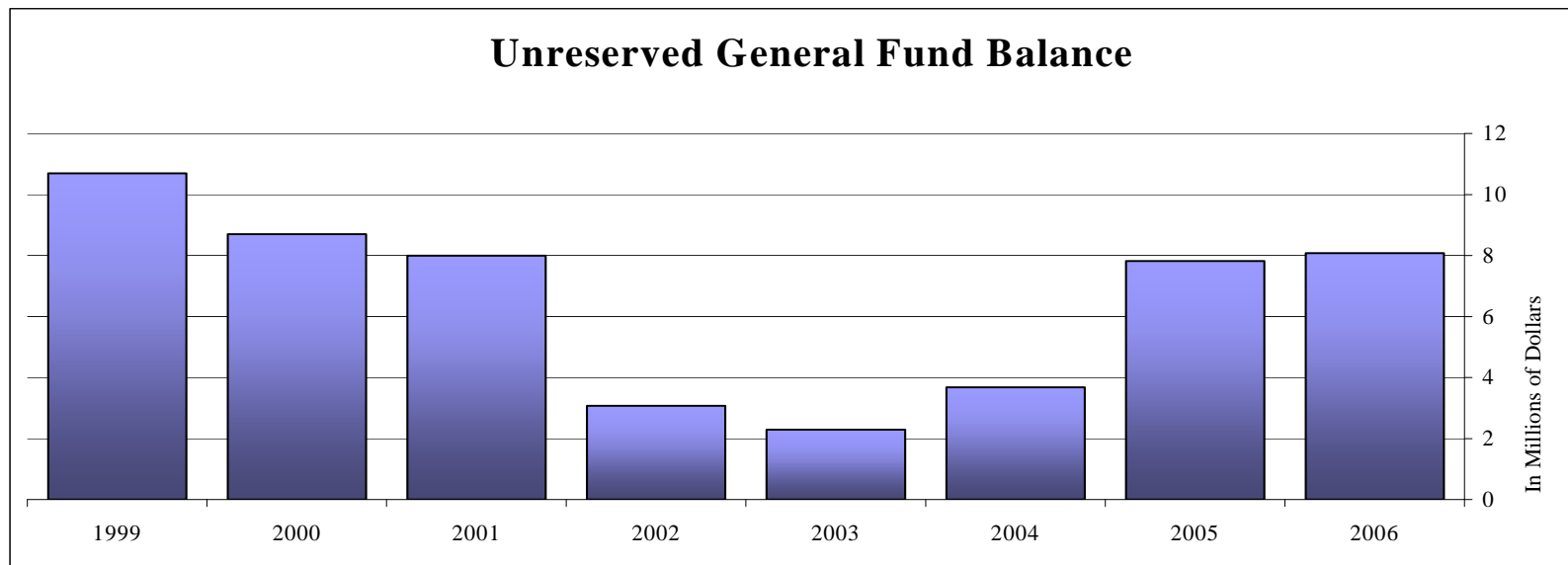
(Continued)

CITY OF EUCLID, OHIO
CHANGES IN NET ASSETS
LAST FOUR YEARS
(Accrual Basis of Accounting)
(CONTINUED)

	2006	2005 Restated	2004	2003
<u>General Revenues and Other Changes in Net Assets</u>				
Governmental Activities				
Property Taxes Levied For:				
General Purposes	2,580,406	1,942,869	3,676,438	3,868,351
Other Purposes	480,690	378,408	2,729,486	2,543,752
Debt Service	3,677,364	2,657,665	3,318,558	3,102,471
Capital Outlay	652,705	492,729	0	0
Municipal Income Taxes levied for:				
General Purposes	26,227,696	22,004,837	20,213,175	18,311,962
Grants and Entitlements not Restricted to				
Specific Programs	3,846,566	5,745,954	3,208,030	3,540,576
Payments in Lieu of Taxes	68,730	59,293	0	0
Investment Income	1,163,865	663,536	398,378	257,951
Gain/Loss on Sale of Capital Assets	0	0	0	(48,192)
Miscellaneous	66,875	10,827	53,367	0
Transfers	286,456	(625,806)	286,456	286,456
Total Governmental Activities	39,051,353	33,330,312	33,883,888	31,863,327
Business-Type Activities				
Property Taxes Levied For:				
Other Purposes	767,977	670,778	609,316	776,352
Grants and Entitlements not Restricted to				
Specific Programs	0	614,188	183,912	0
Investment Income	48,163	351	1,018	987
Transfers	(286,456)	625,806	(286,456)	(286,456)
Total Business-Type Activities	529,684	1,911,123	507,790	490,883
Total Primary Government General Revenues and Other Changes in Net Assets	39,581,037	35,241,435	34,391,678	32,354,210
<u>Change in Net Assets</u>				
Governmental Activities	4,247,235	(2,408,759)	(1,172,555)	770,251
Business-Type Activities	4,206,626	445,508	(59,600)	1,058,181
Total Primary Government Change in Net Assets	\$ 8,453,861	\$ (1,963,251)	\$ (1,232,155)	\$ 1,828,432

CITY OF EUCLID, OHIO
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST EIGHT YEARS
(Modified Accrual Basis of Accounting)

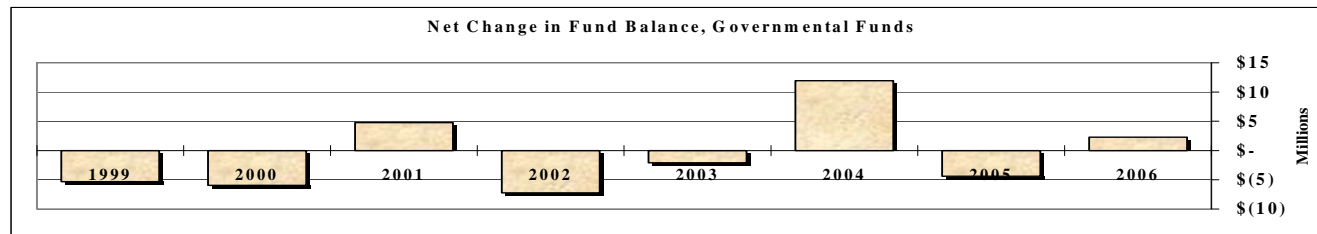
	2006	2005	2004	2003	2002	2001	2000	1999
<u>General Fund</u>								
Reserved	\$ 99,257	\$ 37,934	\$ 3,837,679	\$ 1,909,424	\$ 2,021,963	\$ 2,227,337	\$ 2,253,161	\$ 2,287,392
Unreserved	8,076,295	7,821,849	3,678,477	2,288,627	3,075,721	7,994,663	8,696,957	10,691,840
Total General Fund	8,175,552	7,859,783	7,516,156	4,198,051	5,097,684	10,222,000	10,950,118	12,979,232
<u>All Other Governmental Funds</u>								
Reserved	346,199	522,175	5,739,842	3,206,235	904,389	1,675,870	2,150,041	379,574
Unreserved, Undesignated, Reported in:								
Special Revenue funds	1,684,898	1,520,080	1,180,356	982,576	(365,426)	(51,760)	(1,391,338)	1,204,612
Debt Service funds	2,947,437	3,056,034	3,008,900	2,764,898	3,024,670	3,533,956	4,755,832	4,563,786
Capital Projects funds	2,499,812	401,209	2,558,005	(3,112,551)	866,054	1,358,973	(4,154,328)	(891,038)
Total All Other Governmental Funds	7,478,346	5,499,498	12,487,103	3,841,158	4,429,687	6,517,039	1,360,207	5,256,934
Total Governmental Funds	\$ 15,653,898	\$ 13,359,281	\$ 20,003,259	\$ 8,039,209	\$ 9,527,371	\$ 16,739,039	\$ 12,310,325	\$ 18,236,166



CITY OF EUCLID, OHIO
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST EIGHT YEARS
(Modified Accrual Basis of Accounting)

	2006	2005	2004	2003	2002	2001	2000	1999
Revenues								
Property and Other Taxes	\$ 6,213,540	\$ 5,893,239	\$ 29,815,540	\$ 27,489,246	\$ 26,810,629	\$ 30,368,310	\$ 31,501,707	\$ 31,266,768
Municipal Income Taxes	23,084,613	23,029,224	0	0	0	0	0	0
Charges for Services	4,357,413	4,201,706	4,709,566	4,769,455	4,149,742	4,642,160	4,062,852	4,113,440
Fees, Licenses and Permits	45,638	241,899	572,019	436,977	305,921	303,514	259,928	240,531
Fines and Forfeitures	1,760,313	1,350,888	1,488,128	1,443,538	1,363,606	1,506,379	1,464,585	1,608,146
Payments in Lieu of Taxes	68,730	59,293	0	0	0	0	0	0
Intergovernmental	8,123,702	8,401,874	4,725,839	5,272,087	5,344,993	5,717,660	5,251,766	5,192,251
Special Assessments	190,634	88,111	270,469	232,264	287,221	258,963	342,700	276,387
Rentals	370,186	329,315	300,078	277,330	268,929	1,058,189	280,874	220,947
Contributions and Donations	144,696	35,280	0	0	0	0	0	0
Interest	1,162,032	663,536	397,135	252,601	246,511	293,649	1,649,780	1,724,345
Miscellaneous	66,875	10,827	186,241	248,911	74,088	251,664	222,102	100,550
Total Revenues	45,588,372	44,305,192	42,465,015	40,422,409	38,851,640	44,400,488	45,036,294	44,743,365
Expenditures								
Current:								
General Government	11,367,827	10,527,754	12,064,453	9,980,456	11,056,302	11,948,092	13,567,309	14,922,100
Security of Persons and Property	20,107,626	18,582,973	20,605,101	19,574,377	20,583,109	21,246,143	21,053,341	20,640,384
Public Health and Welfare	257,651	257,846	235,365	287,592	445,574	482,245	716,270	409,636
Leisure Time Activities	1,836,370	1,662,926	3,858,686	2,946,549	2,317,867	2,739,069	2,723,594	2,983,011
Community and Economic Development	2,743,472	2,277,566	2,039,604	2,473,339	2,666,776	3,611,075	2,517,605	2,184,926
Refuse Collection and Disposal	1,857,975	1,786,082	1,912,089	1,848,221	1,870,822	1,861,473	1,736,867	2,210,387
Transportation	2,096,922	1,587,855	1,589,464	1,819,574	4,331,625	5,612,092	4,898,168	5,367,946
Capital Outlay	2,780,690	3,227,405	0	0	0	0	0	0
Debt Service:								
Principal Retirement	2,927,010	8,711,529	6,861,073	2,697,510	2,387,632	2,398,902	2,300,908	2,168,811
Interest and Fiscal Charges	1,518,668	1,568,293	2,086,281	1,928,585	1,876,224	2,244,424	1,986,533	1,786,862
Total Expenditures	47,494,211	50,190,229	51,252,116	43,556,203	47,535,931	52,143,515	51,500,595	52,674,063
Excess of Revenues Over (Under) Expenditures	(1,905,839)	(5,885,037)	(8,787,101)	(3,133,794)	(8,684,291)	(7,743,027)	(6,464,301)	(7,930,698)
Other Financing Sources (Uses)								
Sale of Capital Assets	0	0	2,800	724,808	0	0	0	0
Special Assessment Bonds Issued	0	0	0	0	0	0	0	1,715,000
General Obligation Bonds Issued	0	0	13,097,000	0	0	11,495,000	0	0
OPWC Loan	98,000	0	0	0	447,179	0	407,526	1,420,569
Notes Issued	3,816,000	100,000	5,981,000	0	0	0	0	0
Inception of Capital Lease	0	1,077,689	1,583,897	15,780	824,509	149,179	301,201	0
Transfers In	1,085,900	918,056	689,115	586,880	1,304,019	2,547,214	2,067,657	5,737,961
Transfers Out	(799,444)	(631,600)	(602,659)	(300,424)	(1,149,563)	(1,663,023)	(2,283,069)	(6,290,601)
Total Other Financing Sources (Uses)	4,200,456	1,464,145	20,751,153	1,027,044	1,426,144	12,528,370	493,315	2,582,929
Net Change in Fund Balances	\$ 2,294,617	\$ (4,420,892)	\$ 11,964,052	\$ (2,106,750)	\$ (7,258,147)	\$ 4,785,343	\$ (5,970,986)	\$ (5,347,769)

Debt Service as a Percentage of Noncapital Expenditures



CITY OF EUCLID, OHIO
EUCLID CITY SCHOOL DISTRICT
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUATION)
LAST TEN YEARS

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Unvoted Millage										
Bond Sinking Fund	3.88	3.88	3.88	3.88	3.88	3.88	3.88	3.88	3.88	3.88
Total Unvoted Millage	3.88	3.88	3.88	3.88	3.88	3.88	3.88	3.88	3.88	3.88
Voted Millage										
1964 Charter Current Expense	6.72	6.72	6.72	6.72	6.72	6.72	6.72	6.72	6.72	6.92
1964 Charter Perm Improvement	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
1964 Charter Recreational	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70
1964 Charter Recreational	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30
1976 Sewage Levy	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Total Voted Millage	11.72	11.72	11.72	11.72	11.72	11.72	11.72	11.72	11.72	11.92
Total Millage	15.60	15.60	15.60	15.60	15.60	15.60	15.60	15.60	15.60	15.80
Overlapping Rates by Taxing District										
City of Euclid										
Residential/Agricultural Effective Rate	6.5523	6.8792	6.8787	6.8790	7.1638	7.1631	7.1618	7.4763	7.4758	7.5355
Commerical/Industrial and Public Utility Effective Rate	10.3668	10.3549	9.9554	9.7881	9.9331	9.9603	9.9731	10.5918	10.3037	10.3603
General Business and Public Utility Personal Property	15.6000	15.6000	15.6000	15.6000	15.6000	15.6000	15.6000	15.6000	15.6000	15.8000
Euclid City Schools										
Residential/Agricultural Effective Rate	39.0934	43.0313	37.5124	35.0153	37.9854	37.5787	37.6672	40.7154	33.8113	33.8996
Commerical/Industrial and Public Utility Effective Rate	59.4747	59.3941	51.2261	47.5742	48.8727	48.6599	48.8477	53.2070	44.7768	44.5747
General Business and Public Utility Personal Property	78.2000	78.2000	72.8000	70.3000	70.6000	70.2000	70.3000	70.4000	63.5000	63.6000
Cuyahoga County										
Residential/Agricultural Effective Rate	11.8655	11.7227	10.9754	10.9899	9.7642	9.7718	9.7846	11.4113	11.4230	9.6597
Commerical/Industrial and Public Utility Effective Rate	12.4941	12.5881	11.9846	12.0433	10.1235	10.0506	9.9918	12.3735	12.4065	11.7000
General Business and Public Utility Personal Property	13.4200	13.5200	13.5200	13.5200	11.7200	11.7200	11.7200	13.7500	13.7500	15.0500
Special Taxing Districts (1)										
Residential/Agricultural Effective Rate	7.2761	7.7965	6.3793	5.7037	6.2552	5.1689	5.1747	3.0912	3.0937	3.0952
Commerical/Industrial and Public Utility Effective Rate	7.8962	8.0597	6.7804	6.2102	6.3523	5.5500	5.5322	3.3039	3.3083	3.3091
General Business and Public Utility Personal Property	8.2800	8.2800	7.2800	6.9800	6.9800	6.9800	6.9800	3.3500	3.3500	3.3500

Source: County Auditor

Notes: The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year. The City's basic property tax rate may be increased only by a majority vote of the City's residents.

Charter millage is consistently applied to all types of property.

The real property tax rates for the voted levies of the overlapping taxing districts are reduced so that inflationary increases in value do not generate additional revenue.

Overlapping rates are those of local and county governments that apply to property owners within the City.

(1) Metro Parks (1.85 mills), Port Authority (.13 mills), Euclid Library (3.5 mills), Community College (2.8 mills)

CITY OF EUCLID, OHIO
ASSESSED VALUE AND ESTIMATED ACTUAL VALUES OF TAXABLE PROPERTY
LAST TEN YEARS

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value
2006	\$ 617,695,210	\$ 184,247,900	\$ 2,291,266,029	\$ 20,998,380	\$ 23,861,795
2005	\$ 549,090,850	\$ 185,048,420	\$ 2,097,540,771	\$ 22,108,400	\$ 25,123,182
2004	\$ 549,167,830	\$ 202,727,320	\$ 2,148,271,857	\$ 24,947,560	\$ 28,349,500
2003	\$ 502,349,750	\$ 199,443,630	\$ 2,005,123,943	\$ 24,563,360	\$ 27,912,909
2002	\$ 502,484,040	\$ 195,662,440	\$ 1,994,704,229	\$ 25,710,060	\$ 29,215,977
2001	\$ 502,678,150	\$ 191,537,930	\$ 1,983,474,514	\$ 31,693,229	\$ 36,015,033
2000	\$ 459,297,580	\$ 175,137,390	\$ 1,812,671,343	\$ 32,953,180	\$ 37,446,795
1999	\$ 459,091,630	\$ 184,734,180	\$ 1,839,502,314	\$ 36,010,170	\$ 40,920,648
1998	\$ 459,728,870	\$ 185,491,630	\$ 1,843,487,143	\$ 36,901,670	\$ 41,933,716
1997	\$ 424,531,580	\$ 190,256,120	\$ 1,756,536,286	\$ 38,623,560	\$ 43,890,409

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

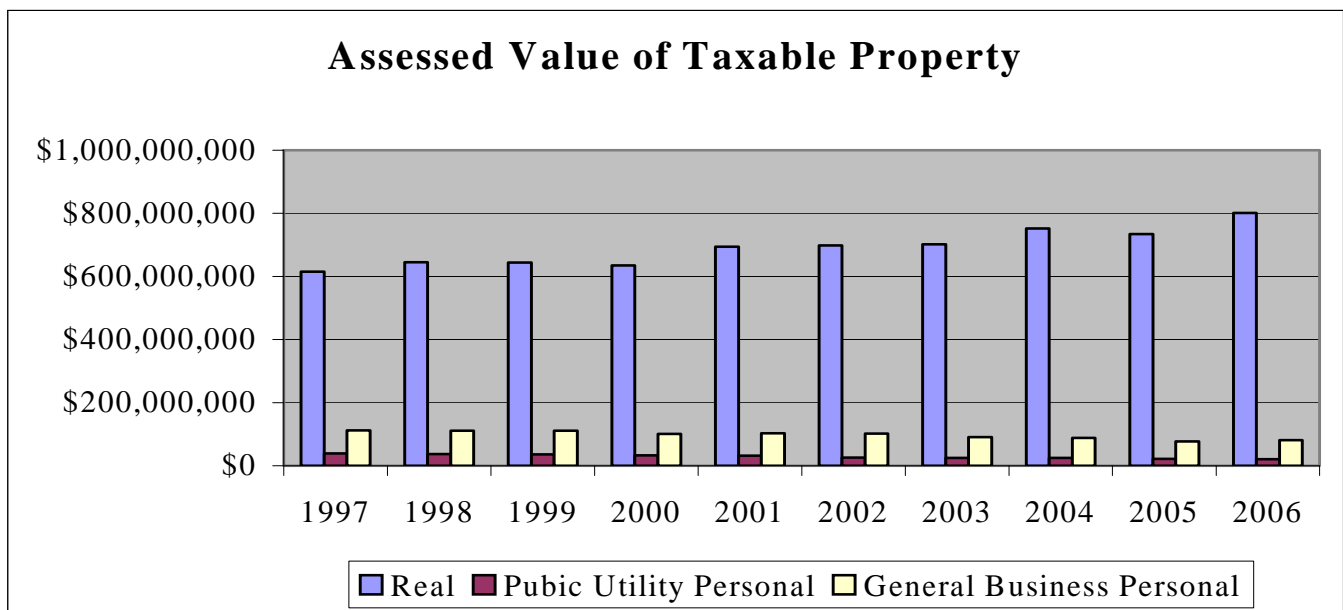
The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax is being phased out beginning in 2006. For collection year 2006 both types of general business tangible personal property were assessed at 18.75 percent. The percentage will be 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009.

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

Source: Ohio Department of Taxation

CITY OF EUCLID, OHIO
ASSESSED VALUE AND ESTIMATED ACTUAL VALUES OF TAXABLE PROPERTY
LAST TEN YEARS
(CONTINUED)

Collection Year	Tangible Personal Property		Assessed Value	Total Estimated Actual Value	Ratio
	General Business Assessed Value	Estimated Actual Value			
2006	\$ 81,771,053	\$ 436,112,283	\$ 904,712,543	\$ 2,751,240,107	32.88%
2005	\$ 77,001,463	\$ 308,005,852	\$ 833,249,133	\$ 2,430,669,805	34.28
2004	\$ 88,592,903	\$ 354,371,612	\$ 865,435,613	\$ 2,530,992,969	34.19
2003	\$ 90,128,261	\$ 360,513,044	\$ 816,485,001	\$ 2,393,549,896	34.11
2002	\$ 102,144,004	\$ 408,576,016	\$ 826,000,544	\$ 2,432,496,222	33.96
2001	\$ 102,559,423	\$ 410,237,692	\$ 828,468,732	\$ 2,429,727,239	34.10
2000	\$ 100,830,156	\$ 403,320,624	\$ 768,218,306	\$ 2,253,438,762	34.09
1999	\$ 110,781,356	\$ 443,125,424	\$ 790,617,336	\$ 2,323,548,386	34.03
1998	\$ 111,485,310	\$ 445,941,240	\$ 793,607,480	\$ 2,331,362,099	34.04
1997	\$ 111,984,245	\$ 447,936,980	\$ 765,395,505	\$ 2,248,363,675	34.04



**CITY OF EUCLID, OHIO
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS**

Year	Total Tax Levy	Current Tax Collections (1)	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Total Tax Levy
2006	\$ 8,161,127	\$ 6,759,330	82.82%	\$ 291,261	\$ 7,050,591	86.39%	\$ 659,193	8.08%
2005	\$ 6,571,871	\$ 5,470,854	83.25	\$ 302,983	\$ 5,773,837	87.86	\$ 552,594	8.41
2004	\$ 7,102,956	\$ 5,765,902	81.18	\$ 416,427	\$ 6,182,329	87.04	\$ 773,180	10.89
2003	\$ 6,771,824	\$ 5,729,679	84.61	\$ 307,880	\$ 6,037,559	89.16	\$ 797,874	11.78
2002	\$ 6,824,687	\$ 5,760,886	84.41	\$ 361,604	\$ 6,122,490	89.71	\$ 569,507	8.34
2001	\$ 6,564,534	\$ 5,848,361	89.09	\$ 138,590	\$ 5,986,951	91.20	\$ 480,160	7.31
2000	\$ 6,678,329	\$ 5,975,461	89.48	\$ 169,445	\$ 6,144,906	92.01	\$ 621,329	9.30
1999	\$ 5,990,963	\$ 5,340,761	89.15	\$ 177,714	\$ 5,518,475	92.11	\$ 396,693	6.62
1998	\$ 7,025,336	\$ 6,342,329	90.28	\$ 173,514	\$ 6,515,843	92.75	\$ 472,070	6.72
1997	\$ 7,335,031	\$ 6,051,475	82.50	\$ 133,259	\$ 6,184,734	84.32	\$ 470,242	6.41

Source: County Auditor

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

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

CITY OF EUCLID, OHIO
PRINCIPAL TAXPAYERS - REAL ESTATE TAX
2006 AND 1997

Taxpayer	<i>2006</i>	
	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Lincoln Electric Company	\$ 13,369,530	1.67 %
Cleveland Electric Illuminating Co.	10,538,280	1.31 %
Indian Hills Senior (19101 Euclid)	8,584,630	1.07 %
Northpointe Towers LTD	6,634,740	0.83 %
Ohio Bell Telephone Company	6,075,670	0.76 %
Argo Technology Products Corporation	5,814,310	0.73 %
Harbor Crest Ltd.	5,510,970	0.69 %
AE Portfolio, LLC	4,372,550	0.55 %
Horizon House Ltd.	3,638,640	0.45 %
Depot Land Co. Ltd.	3,255,770	0.41 %
Total	\$ 67,795,090	8.47 %
 Total Assessed Valuation	 \$ 801,943,110	

Taxpayer	<i>1997</i>	
	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Cleveland Electric Illuminating Co.	\$ 17,108,460	2.78 %
Ohio Bell Telephone Company	13,688,530	2.23 %
Lincoln Electric Company	10,135,550	1.65 %
Metro Life Insurance Company	8,127,320	1.32 %
Regency Towers Associates	7,098,000	1.15 %
Argo Tech Corporation	5,939,990	0.97 %
Americana Apartments	5,433,890	0.88 %
Indian Hills Senior (19101 Euclid)	5,295,190	0.86 %
East Ohio Gas Co.	4,755,700	0.77 %
Troy CMBS Property, LLC	4,504,610	0.73 %
Total	\$ 82,087,240	13.34 %
 Total Assessed Valuation	 \$ 614,787,700	

Source: County Auditor

(1) The amounts presented represent the assessed values upon which 2006 and 1997 collections were based.

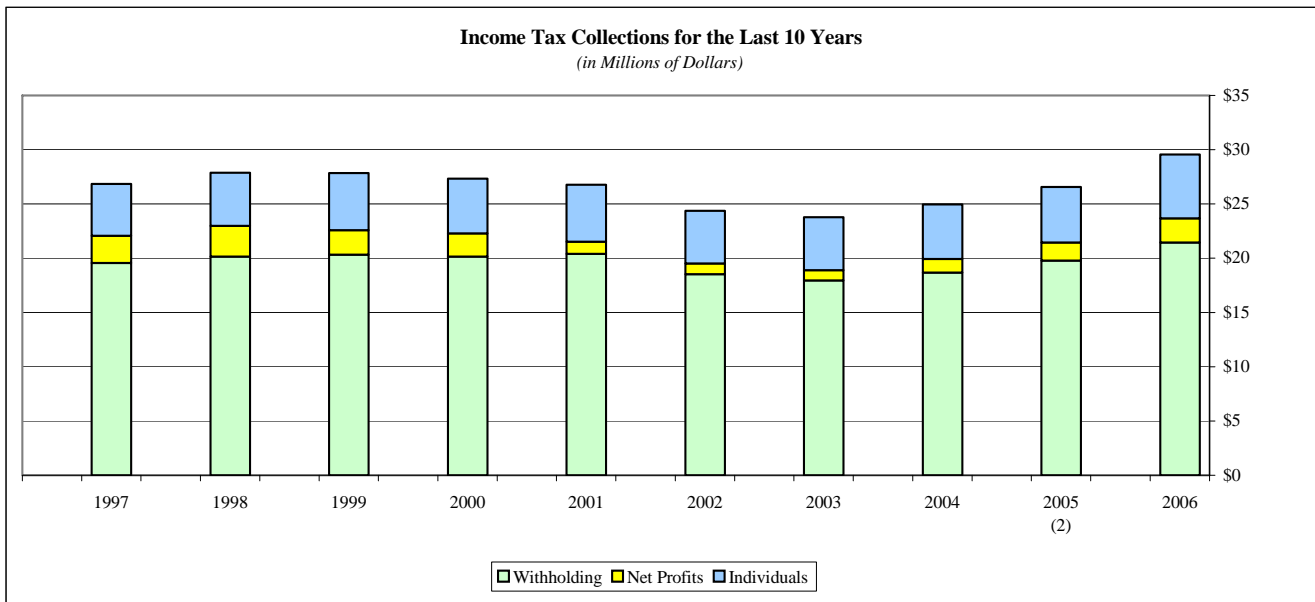
CITY OF EUCLID, OHIO
INCOME TAX REVENUE BASE AND COLLECTIONS
LAST TEN YEARS

Tax Year (1)	Tax Rate	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes From Individuals	Percentage of Taxes from Individuals
2006	2.85%	\$29,552,302	\$ 21,438,917	72.55%	\$ 2,240,766	7.58%	\$ 5,872,619	19.87%
2005 (2)	2.85%	\$26,573,022	\$19,797,618	74.50	\$ 1,641,947	6.18	\$5,133,457	19.32
2004	2.85%	\$24,955,874	\$18,668,098	74.80	\$ 1,280,586	5.13	\$5,007,190	20.06
2003	2.85%	\$23,761,676	\$17,948,355	75.53	\$ 945,558	3.98	\$4,867,763	20.49
2002	2.85%	\$24,359,142	\$18,532,794	76.08	\$ 982,588	4.03	\$4,843,760	19.88
2001	2.85%	\$26,770,624	\$20,402,519	76.21	\$ 1,120,904	4.19	\$5,247,201	19.60
2000	2.85%	\$27,338,413	\$20,169,626	73.78	\$ 2,111,864	7.72	\$5,056,922	18.50
1999	2.85%	\$27,861,430	\$20,341,467	73.01	\$ 2,238,643	8.03	\$5,281,320	18.96
1998	2.85%	\$27,880,605	\$20,147,400	72.26	\$ 2,837,930	10.18	\$4,895,275	17.56
1997	2.85%	\$26,838,631	\$19,576,639	72.94	\$ 2,490,007	9.28	\$4,771,985	17.78

(1) 2002 through 2006 are on an Accrual Basis and 1997 through 2001 are on a Modified Accrual Basis

(2) In 2005 the function of collection and administration of the income tax was transferred from the Central Collection Agency to the City's Income Tax Department.

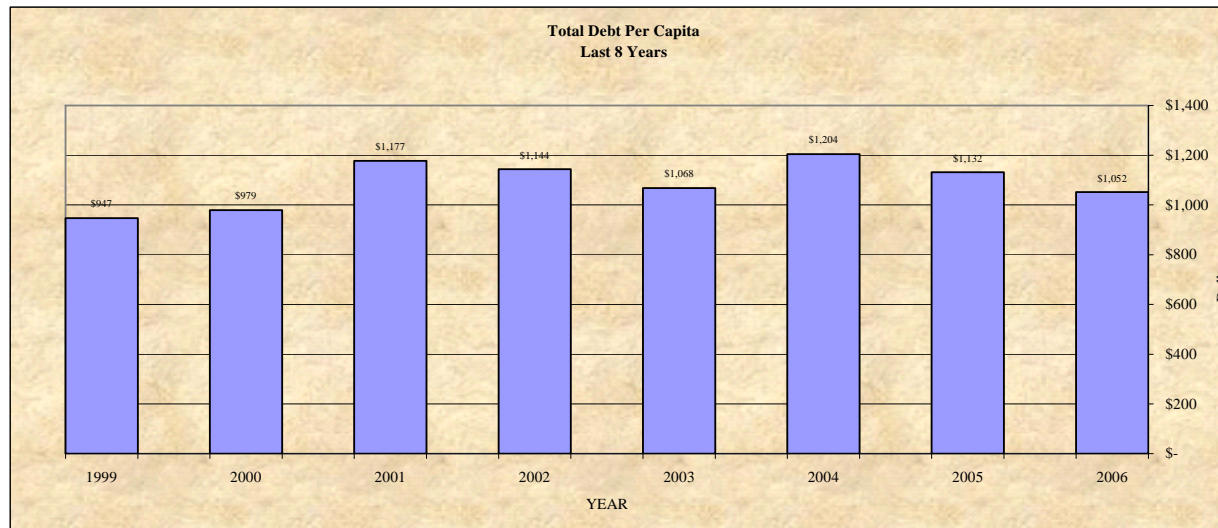
Note: The City is prohibited by statute from presenting information regarding individual taxpayers.



CITY OF EUCLID, OHIO
RATIOS OF OUTSTANDING DEBT TO TOTAL PERSONAL INCOME AND DEBT PER CAPITA
LAST EIGHT YEARS

Year	Governmental Activities					Business-Type Activities				Total Debt	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Special Assessment Bonds	OPWC Loans	Capital Leases	Development Revenue Bonds	General Obligation Bonds	Capital Leases	OWDA Loans	OPWC Loans			
2006	\$ 25,043,297	\$ 1,305,000	\$ 98,000	\$ 1,736,675	\$ 1,440,000	\$ 6,863,551	\$ 540,893	\$ 11,915,515	\$ 6,515,556	\$ 55,458,487	5.35%	\$ 1,052
2005	\$ 27,264,455	\$ 1,375,000	0	\$ 2,174,685	\$ 1,530,000	\$ 7,165,193	\$ 693,242	\$ 13,389,914	\$ 6,069,001	\$ 59,661,490	5.76	\$ 1,132
2004	\$ 34,057,000	\$ 1,440,000	\$ 2,393,316	\$ 1,775,901	\$ 1,615,000	\$ 2,918,000	\$ 425,954	\$ 14,765,846	\$ 4,080,513	\$ 63,471,530	6.12	\$ 1,204
2003	\$ 27,440,000	\$ 1,500,000	\$ 2,534,696	\$ 560,826	\$ 1,695,000	\$ 1,765,000	\$ 480,677	\$ 16,042,064	\$ 4,288,338	\$ 56,306,601	5.43	\$ 1,068
2002	\$ 29,710,000	\$ 1,560,000	\$ 2,606,540	\$ 744,918	\$ 1,765,000	\$ 1,845,000	\$ 539,513	\$ 17,226,034	\$ 4,296,009	\$ 60,293,014	5.82	\$ 1,144
2001	\$ 31,880,000	\$ 1,615,000	\$ 2,256,993	\$ 223,541	\$ 1,830,000	\$ 1,930,000	\$ 12,855	\$ 18,333,990	\$ 3,986,226	\$ 62,068,605	5.99	\$ 1,177
2000	\$ 22,275,000	\$ 1,670,000	\$ 1,952,635	\$ 269,633	\$ 1,890,000	\$ 2,005,000	\$ 32,051	\$ 19,367,447	\$ 2,154,420	\$ 51,616,186	4.98	\$ 979
1999	\$ 24,255,000	\$ 1,715,000	\$ 1,420,569	\$ 189,340	\$ 1,945,000	\$ 2,080,000	\$ 26,468	\$ 20,303,427	\$ 26,468	\$ 51,961,272	6.57	\$ 947

Note: Population and Personal Income data are presented on page S20.



CITY OF EUCLID, OHIO
RATIO OF NET GENERAL BONDED DEBT TO
ASSESSED VALUE AND NET BONDED DEBT PER CAPITA
LAST EIGHT YEARS

<u>Year</u>	<u>Population (1)</u>		<u>Estimated Actual Value of Taxable Property (2)</u>	<u>Gross Bonded Debt (3)</u>	<u>Ratio of Net Bonded Debt to Estimated Actual Value of Taxable Property</u>	<u>Net Bonded Debt Per Capita</u>
2006	52,717	b	\$ 904,712,543	\$24,870,563	2.75 %	\$ 472
2005	52,717	b	\$ 833,249,133	\$27,150,966	3.26 %	\$ 515
2004	52,717	b	\$ 865,435,613	\$34,103,100	3.94 %	\$ 647
2003	52,717	b	\$ 816,485,001	\$27,870,102	3.41 %	\$ 529
2002	52,717	b	\$ 826,000,544	\$30,010,330	3.63 %	\$ 569
2001	52,717	b	\$ 828,468,193	\$31,791,044	3.84 %	\$ 603
2000	52,717	a	\$ 768,218,306	\$21,079,168	2.74 %	\$ 400
1999	54,875	a	\$ 790,617,336	\$23,348,591	2.95 %	\$ 425

Sources:

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

(a) 1990 Federal Census

(b) 2000 Federal Census

(2) County Auditor

(3) Includes all general obligation bonded debt with the exception of Special Assessment debt.

**CITY OF EUCLID, OHIO
LEGAL DEBT MARGIN
LAST EIGHT YEARS**

	2006	2005	2004	2003
Total Assessed Property Value	<u>\$ 904,712,543</u>	<u>\$ 833,249,133</u>	<u>\$ 865,435,613</u>	<u>\$ 816,485,001</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>94,994,817</u>	<u>87,491,159</u>	<u>90,870,739</u>	<u>85,730,925</u>
Debt Outstanding:				
General Obligation Bonds	\$ 25,073,000	\$ 27,302,000	\$ 34,057,000	\$ 27,440,000
General Obligation Bonds - Enterprise	6,852,000	7,153,000	2,918,000	1,765,000
Special Assessment Bonds	1,305,000	1,375,000	1,440,000	1,500,000
Notes	3,816,000	100,000	5,981,000	0
Notes - Enterprise	3,000,000	1,000,000	1,200,000	0
OPWC Loans	98,000	0	2,393,316	2,534,696
OPWC Loans - Enterprise	6,515,556	6,069,001	4,080,513	4,288,338
OWDA Loans	11,915,515	13,389,914	14,765,846	16,042,064
Industrial Development Revenue Bonds	1,440,000	1,530,000	1,615,000	1,695,000
Total Gross Indebtedness	<u>60,015,071</u>	<u>57,918,915</u>	<u>68,450,675</u>	<u>55,265,098</u>
Less:				
General Obligation Bonds				
General Obligation Bonds - Enterprise	(6,852,000)	(7,153,000)	(2,918,000)	(1,765,000)
Special Assessment Bonds	(1,305,000)	(1,375,000)	0	0
Notes	(3,816,000)	(100,000)	(5,981,000)	0
Notes - Enterprise	(3,000,000)	(1,000,000)	(1,200,000)	0
OPWC Loans	0	0	(2,393,316)	(2,534,696)
OPWC Loans - Enterprise	0	0	(4,080,513)	(4,288,338)
OWDA Loans	(11,915,515)	(13,389,914)	(14,765,846)	(16,042,064)
Industrial Development Revenue Bonds	(1,530,000)	(1,530,000)	0	0
General Obligation Bond Retirement Fund Balance	(2,947,437)	(3,056,034)	(3,008,900)	(2,764,898)
Total Net Debt Applicable to Debt Limit	<u>28,649,119</u>	<u>30,314,967</u>	<u>34,103,100</u>	<u>27,870,102</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$ 66,345,698</u>	<u>\$ 57,176,192</u>	<u>\$ 56,767,639</u>	<u>\$ 57,860,823</u>
Legal Debt Margin as a Percentage of the Debt Limit	69.84%	65.35%	62.47%	67.49%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$ 49,759,190</u>	<u>\$ 45,828,702</u>	<u>\$ 47,598,959</u>	<u>\$ 44,906,675</u>
Total Gross Indebtedness	\$ 60,015,071	\$ 57,918,915	\$ 68,450,675	\$ 55,265,098
Less:				
General Obligation Bonds	0	0	0	0
General Obligation Bonds - Enterprise	(6,852,000)	(7,153,000)	(2,918,000)	(1,765,000)
Special Assessment Bonds	(1,305,000)	(1,375,000)	0	0
Notes	(3,816,000)	(100,000)	(5,981,000)	0
Notes - Enterprise	(3,000,000)	(1,000,000)	(1,200,000)	0
OPWC Loans	0	0	(2,393,316)	(2,534,696)
OPWC Loans - Enterprise	0	0	(4,080,513)	(4,288,338)
OWDA Loans	(11,915,515)	(13,389,914)	(14,765,846)	(16,042,064)
Industrial Development Revenue Bonds	(1,530,000)	(1,530,000)	0	0
General Obligation Bond Retirement Fund Balance	(2,947,437)	(3,056,034)	(3,008,900)	(2,764,898)
Net Debt Within 5 ½ % Limitations	<u>28,649,119</u>	<u>30,314,967</u>	<u>34,103,100</u>	<u>27,870,102</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$ 21,110,071</u>	<u>\$ 15,513,735</u>	<u>\$ 13,495,859</u>	<u>\$ 17,036,573</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	42.42%	33.85%	28.35%	37.94%

Source: City Financial Records

CITY OF EUCLID, OHIO
LEGAL DEBT MARGIN
LAST EIGHT YEARS
(CONTINUED)

	2002	2001	2000	1999
Total Assessed Property Value	<u>\$ 826,000,544</u>	<u>\$ 828,468,193</u>	<u>\$ 768,218,306</u>	<u>\$ 790,617,336</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>86,730,057</u>	<u>86,989,160</u>	<u>80,662,922</u>	<u>83,014,820</u>
Debt Outstanding:				
General Obligation Bonds	\$ 29,710,000	\$ 31,880,000	\$ 25,835,000	\$ 27,915,000
General Obligation Bonds - Enterprise	1,845,000	1,930,000	2,005,000	2,080,000
Special Assessment Bonds	1,560,000	1,615,000	0	0
Notes	0	0	10,025,000	6,525,000
Notes - Enterprise	0	0	0	0
OPWC Loans	2,606,540	2,256,993	1,952,635	1,420,569
OPWC Loans - Enterprise	4,296,009	3,986,226	2,154,420	0
OWDA Loans	17,226,034	18,333,990	19,367,447	20,303,427
Industrial Development Revenue Bonds	1,765,000	1,830,000	0	0
Total Gross Indebtedness	<u>59,008,583</u>	<u>61,832,209</u>	<u>61,339,502</u>	<u>58,243,996</u>
Less:				
General Obligation Bonds				
General Obligation Bonds - Enterprise	(1,845,000)	(1,930,000)	(2,005,000)	0
Special Assessment Bonds	0	0	0	0
Notes	0	0	0	0
Notes - Enterprise	0	0	0	0
OPWC Loans	(2,606,540)	(2,256,993)	(1,952,635)	(1,420,569)
OPWC Loans - Enterprise	(4,296,009)	(3,986,226)	(2,154,420)	0
OWDA Loans	(17,226,034)	(18,333,990)	(19,367,447)	(20,303,427)
Industrial Development Revenue Bonds	0	0	0	0
General Obligation Bond Retirement Fund Balance	(3,024,670)	(3,533,956)	(4,755,832)	(4,566,409)
Total Net Debt Applicable to Debt Limit	<u>30,010,330</u>	<u>31,791,044</u>	<u>31,104,168</u>	<u>31,953,591</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$ 56,719,727</u>	<u>\$ 55,198,116</u>	<u>\$ 49,558,754</u>	<u>\$ 51,061,229</u>
Legal Debt Margin as a Percentage of the Debt Limit	65.40%	63.45%	61.44%	61.51%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$ 45,430,030</u>	<u>\$ 45,565,751</u>	<u>\$ 42,252,007</u>	<u>\$ 43,483,953</u>
Total Gross Indebtedness	59,008,583	61,832,209	61,339,502	58,243,996
Less:				
General Obligation Bonds	0	0	0	0
General Obligation Bonds - Enterprise	(1,845,000)	(1,930,000)	(2,005,000)	0
Special Assessment Bonds	0	0	0	0
Notes	0	0	0	0
Notes - Enterprise	0	0	0	0
OPWC Loans	(2,606,540)	(2,256,993)	(1,952,635)	(1,420,569)
OPWC Loans - Enterprise	(4,296,009)	(3,986,226)	(2,154,420)	0
OWDA Loans	(17,226,034)	(18,333,990)	(19,367,447)	(20,303,427)
Industrial Development Revenue Bonds	0	0	0	0
General Obligation Bond Retirement Fund Balance	(3,024,670)	(3,533,956)	(4,755,832)	(4,566,409)
Net Debt Within 5 ½ % Limitations	<u>30,010,330</u>	<u>31,791,044</u>	<u>31,104,168</u>	<u>31,953,591</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$ 15,419,700</u>	<u>\$ 13,774,707</u>	<u>\$ 11,147,839</u>	<u>\$ 11,530,362</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	33.94%	30.23%	26.38%	26.52%

**CITY OF EUCLID, OHIO
COMPUTATION OF DIRECT AND OVERLAPPING
GOVERNMENTAL ACTIVITIES DEBT
DECEMBER 31, 2006**

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
Direct - City of			
General Obligation Bonds	\$ 25,043,297	100.00%	\$25,043,297
Special Assessment Bonds	1,305,000	100.00%	1,305,000
OPWC Loans	98,000	100.00%	98,000
Capital Leases	1,736,675	100.00%	1,736,675
Police Pension	1,440,000	100.00%	1,440,000
General Obligation Notes	3,816,000	100.00%	3,816,000
Total Direct Debt	<u>33,438,972</u>		<u>33,438,972</u>
Overlapping			
Euclid City School District			
General Obligation Bonds	10,271,954	100.00%	10,271,954
County			
General Obligation Bonds	201,172,000	2.73%	5,488,949
Regional			
Transit Authority	161,080,196	2.51%	4,047,884
Total Overlapping Debt	<u>372,524,150</u>		<u>19,808,787</u>
Total	<u>\$405,963,122</u>		<u>\$53,247,759</u>

Source: County Auditor

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

**CITY OF EUCLID, OHIO
PRINCIPAL EMPLOYERS
CURRENT YEAR (1)**

2006		
Employer	Employees	Percentage of Total City Employment
Lincoln Electric	2,771	11.07%
Euclid Board of Education	1,464	5.85%
Meridia Health Systems	1,282	5.12%
City of Euclid	680	2.72%
Cuyahoga County	598	2.39%
Argo Tech Corp.	437	1.75%
University Hospitals Health System	388	1.55%
Hose Masters	278	1.11%
Marine Mechanical Corp.	261	1.04%
GE Lighting, Inc.	160	0.64%
Total	8,319	33.24%
Total Employment within the City	<u>25,025</u>	

Source: City Income Tax Department

(1) Information prior to 2006 is not available

**CITY OF EUCLID, OHIO
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS**

<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income (5)</u>	<u>Personal Income Per Capita (1)</u>	<u>Median Household Income (1)</u>	<u>Median Age (1)</u>
2006	52,717	\$ 1,036,627,088	\$ 19,664	\$ 35,151	38.9
2005	52,717	\$ 1,036,627,088	\$ 19,664	\$ 35,151	38.9
2004	52,717	\$ 1,036,627,088	\$ 19,664	\$ 35,151	38.9
2003	52,717	\$ 1,036,627,088	\$ 19,664	\$ 35,151	38.9
2002	52,717	\$ 1,036,627,088	\$ 19,664	\$ 35,151	38.9
2001	52,717	\$ 1,036,627,088	\$ 19,664	\$ 35,151	38.9
2000	52,717	\$ 1,036,627,088	\$ 19,664	\$ 35,151	38.9
1999	54,875	\$ 791,297,500	\$ 14,420	\$ 30,056	35.0
1998	54,875	\$ 791,297,500	\$ 14,420	\$ 30,056	35.0
1997	54,875	\$ 791,297,500	\$ 14,420	\$ 30,056	35.0

(1) Source: U. S. Census

(a) Years 2000 through 2006 - 2000 Federal Census

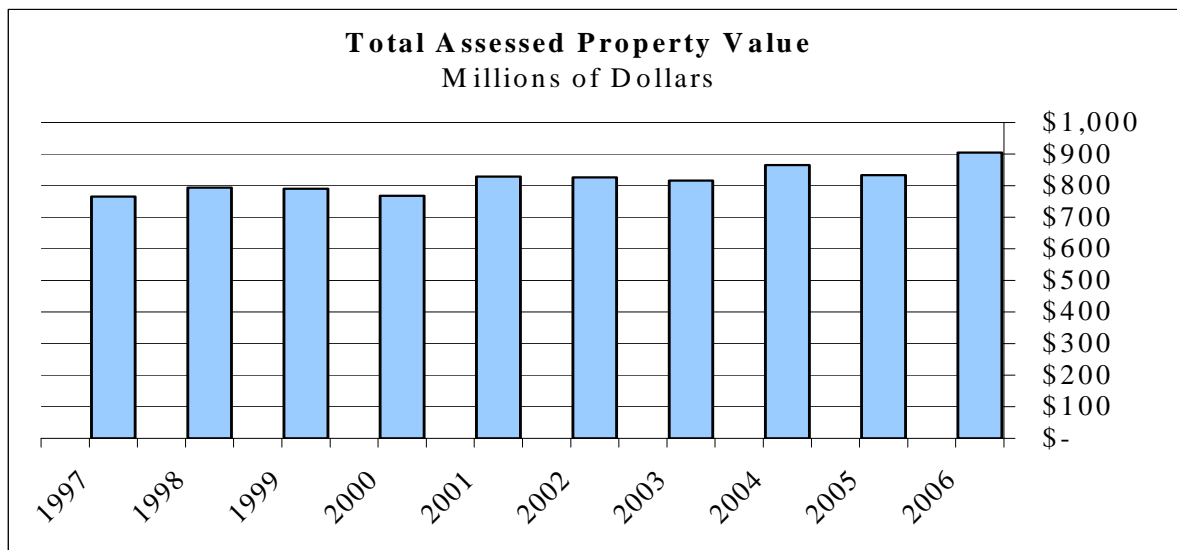
(b) Years 1997 through 1999 - 1990 Federal Census

(2) Source: Ohio Department of Education Website: "<http://www.ode.state.oh.us/data/>"

(3) Source: County Planning Commission

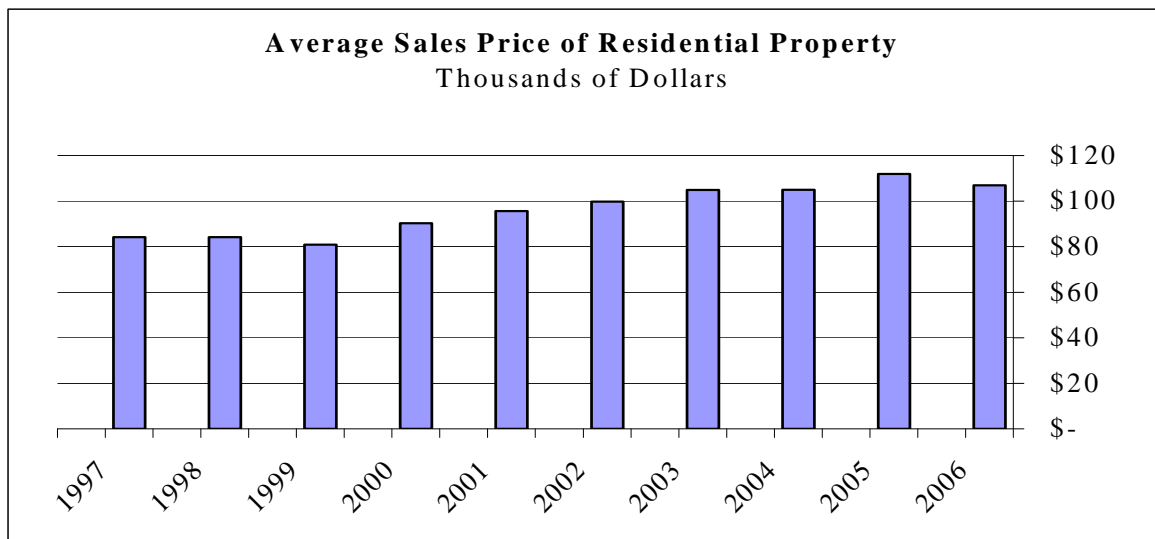
(4) Source: County Auditor

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



CITY OF EUCLID, OHIO
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS
(CONTINUED)

Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Cuyahoga County Unemployment Rate (3)	Average Sales Price of Residential Property (4)	Total Assessed Property Value (4)
19.6%	6,466	5.7%	\$ 107,011	\$ 904,712,543
19.6%	6,572	6.0%	\$ 111,934	\$ 833,249,133
19.6%	6,503	6.7%	\$ 105,056	\$ 865,435,613
19.6%	6,420	6.5%	\$ 104,931	\$ 816,485,001
19.6%	6,140	4.7%	\$ 99,723	\$ 826,000,544
19.6%	6,179	3.7%	\$ 95,643	\$ 828,468,193
19.6%	6,125	3.4%	\$ 90,300	\$ 768,218,306
17.3%	5,995	3.4%	\$ 80,900	\$ 790,617,336
17.3%	5,938	3.4%	\$ 84,200	\$ 793,607,480
17.3%	6,187	3.6%	\$ 84,200	\$ 765,395,505



CITY OF EUCLID, OHIO
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST FIVE YEARS (1)

Function/Program	2006	2005	2004	2003	2002
General Government					
Council	11	11	11	11	11
Finance	13	13	13	17	20
Tax	7	7	0	0	0
Mayor	24	24	25	26	29
Law	10	8	8	7	10
Municipal Court	23	27	26	26	26
Public Service Administration	6	6	6	6	8
Engineer	3	3	3	3	4
Public Building	9	10	10	11	12
Security of Persons and Property					
Police	95	95	95	95	98
Police - Administration	7	7	7	8	15
Police - Records Room	6	5	5	6	7
Police - School Guards	10	10	10	13	12
Police - Communications	15	14	16	18	19
Police - Corrections	36	32	38	40	36
Police - Animal Control	2	2	3	4	6
Fire	80	77	78	82	83
Leisure Time Activities					
Recreation - Administration	4	4	4	4	5
Parks & Rec Maintenance	17	16	16	22	26
Recreation - Programs	75	75	88	119	129
Shore Cultural Center	4	4	4	5	5
Golf Course	34	33	31	32	34
Community Development					
Economic Development	6	5	7	7	8
Building	3	2	2	3	6
Housing	10	10	7	10	11
Weatherization	6	7	6	7	7
Senior Programs	20	21	22	25	29
Transportation					
Motor Maintenance	12	12	12	14	14
Traffic Maintenance	4	4	4	4	5
Street M&R	23	23	24	26	37
Basic Utility Services					
Wastewater	44	44	42	44	44
Totals:	619	611	623	695	756

Source: Annual Operating Budget - Employee Count (Appendix A)

(1) Information prior to 2002 is not available

CITY OF EUCLID, OHIO
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST FIVE YEARS (1)

Function/Program	2006	2005	2004	2003	2002
General Government					
<i>Council and Clerk</i>					
Number of Ordinances & Resolutions Passed	220	202	229	246	242
<i>Finance Department</i>					
Number of checks/ vouchers issued	6,292	5,258	5,459	5,455	6,210
Amount of checks written	\$ 18,347,965	\$ 20,341,425	\$ 22,292,434	\$ 21,994,000	\$ 20,500,023
Interest earnings for fiscal year (cash basis)	\$ 952,409	\$ 488,302	\$ 323,793	\$ 286,042	\$ 564,599
Agency Ratings - Moody's Financial Services	A1	A1	Aa3	Aa3	Aa3
Health Insurance Costs vs General Fund Expenditures %	9.19%	9.04%	9.04%	9.19%	7.98%
General Fund Receipts (cash basis)	\$ 37,147,964	\$ 34,784,647	\$ 34,633,913	\$ 30,962,129	\$ 31,970,610
General Fund Expenditures (cash basis)	\$ 36,015,179	\$ 33,973,504	\$ 34,146,031	\$ 32,303,473	\$ 34,484,278
General Fund Cash Balances	\$ 3,042,669	\$ 1,909,884	\$ 1,098,740	\$ 647,842	\$ 2,202,957
<i>Income Tax Department</i>					
Number of Individual Returns	34,128	n/a	n/a	n/a	n/a
Number of Business Returns	2,853	n/a	n/a	n/a	n/a
Number of Business Withholding Accounts	3,131	n/a	n/a	n/a	n/a
Amount of Penalties and Interest Collected	\$ 533,448	n/a	n/a	n/a	n/a
Annual number of Corporate withholding forms processed	17,992	n/a	n/a	n/a	n/a
Annual number of balance due statements forms processed	7,033	n/a	n/a	n/a	n/a
Annual number of estimated payment forms processed	20,167	n/a	n/a	n/a	n/a
Annual number of reconciliations of withholdings processed	2,325	n/a	n/a	n/a	n/a
<i>Engineer Contracted Services</i>					
Dollar amount of Construction overseen by Engineer	\$ 3,230,082	\$ 3,625,736	\$ 2,782,922	\$ 4,704,648	\$ 1,677,801
Number of Inspections	1,252	1,101	912	1,263	1,202
<i>Municipal Court</i>					
Number of Civil Cases	4,041	3,246	2,723	2,639	2,234
Number of Traffic/Criminal cases	6,398	5,908	7,801	8,363	7,942
<i>Vital Statistics</i>					
Certificates Filed					
Number of Births	2	4	0	4	na
Number of Deaths	440	512	529	553	na
Certificates Issued					
Number of Births	2,458	2,518	2,469	2,713	na
Number of Deaths	2,218	2,684	2,769	2,889	na
Burial Permits Issued	456	478	550	na	na
<i>Civil Service</i>					
Number of police entry tests administered	1	1	(a)	(a)	(a)
Number of fire entry tests administered	(a)	1	(a)	(a)	1
Number of police promotional tests administered	1	(a)	(a)	(a)	(a)
Number of fire promotional tests administered	4	(a)	1	(a)	2
Number of hires of Police Officers from certified lists	2	6	(a)	(a)	(a)
Number of hires of Fire/Medics from certified lists	(a)	12	(a)	(a)	0
Number of promotions from police certified lists	1	(a)	(a)	(a)	(a)
Number of promotions from fire certified lists	11	(a)	1	(a)	3

(a) Test Not administered
n/a Information not available

(Continued)

CITY OF EUCLID, OHIO
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST FIVE YEARS (1)
(CONTINUED)

Function/Program	2006	2005	2004	2003	2002
General Government (Continued)					
<i>Building Department Indicators</i>					
Construction Permits Issued	965	868	1,117	1,149	1,173
Estimated Value of Construction	\$ 14,337,881	\$ 12,461,795	\$ 12,927,470	\$ 17,409,525	\$ 39,586,980
Number of permits issued	2,294	2,291	2,713	2,138	2,100
Amount of Revenue generated from permits	\$ 218,779	\$ 203,544	\$ 239,570	\$ 174,801	\$ 192,670
Number of contract registrations issued	808	785	930	990	915
Number of rental inspections performed	15,974	13,471	12,578	12,610	12,545
Number of point of sale inspections	2,814	2,619	4,590	5,930	5,834
Annual Apartment/Rooming House License Fees	\$ 318,120	\$ 245,459	\$ 292,860	\$ 295,795	\$ 278,770
Revenue generated from above 1,2,3,4	\$ 536,899	\$ 449,003	\$ 532,430	\$ 470,596	\$ 471,440
Security of Persons & Property					
<i>Police</i>					
Total Crimes/Offenses	19,415	16,677	18,320	20,321	20,456
Motor Vehicle Accidents	1,456	1,516	1,488	1,696	1,667
Fatalities from Motor Vehicle Accidents	1	2	4	2	4
Number of criminal arrests	2,840	2,566	2,986	2,823	2,375
Number of traffic citations issued	8,462	7,719	10,001	10,545	9,702
Number of parking citations issued	3,980	3,997	5,430	5,802	6,513
Narcotics & Vice Criminal Charges	2,710	2,252	1,969	1,543	972
Warrants Processed	3,335	3,465	4,280	3,723	3,605
Emergency Response Team (ERT) calls for service	6	10	6	15	12
Police Dept. Auxiliary hours worked	2,976.50	3,068.50	3,216.00	2,597.25	2,233.50
Grant Awards	\$ 296,860	\$ 265,784	\$ 103,627	\$ 128,090	\$ 371,521
Prisoners (Total Jail Days)	29,339	25,416	25,991	23,437	23,514
Prisoner revenue	\$ 519,437	\$ 666,896	\$ 467,210	\$ 546,320	\$ 555,704
Juvenile Diversion Program - referred	363	347	159	184	106
Juvenile Diversion Program - accepted	324	181	115	175	98
Animal Control service calls	10,515	17,562	21,899	23,522	24,163
<i>Fire</i>					
EMS Calls	5,544	5,452	5,397	5,217	4,993
Ambulance Billing Collections (net)	\$ 1,174,427	\$ 1,124,218	\$ 979,105	\$ 925,934	\$ 815,156
Fire Calls	1,236	1,165	1,086	1,068	1,148
Fire Losses	\$ 917,200	\$ 1,219,400	\$ 1,867,400	\$ 883,325	\$ 3,162,325
Fire Safety Company Inspections	1,664	2,273	3,142	3,084	3,059
Fire Prevention Bureau Inspections	2,616	2,763	2,920	2,671	2,838
EMS Training (Man Hours)	1917.75	1071.50	1919.75	1247.25	1501.50
Fire Training (Man Hours)	6939.75	6784.00	8742.25	8351.50	7960.00
Public Health and Welfare					
Cemetery burials	0	3	5	3	7
Cemetery cremations	1	1	1	5	0
Cemetery sale of lots	0	0	0	0	0
Cemetery receipts	\$ 400	\$ 1,415	\$ 2,300	\$ 1,372	\$ 1,725

(a) Test Not administered
n/a Information not available

(Continued)

CITY OF EUCLID, OHIO
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST FIVE YEARS (1)
(CONTINUED)

Function/Program	2006	2005	2004	2003	2002
Leisure Time Activities					
<i>Recreation</i>					
Swimming pool receipts	\$ 98,214	\$ 100,703	\$ 96,681	\$ 119,347	\$ 149,727
Ice Arena receipts	\$ 174,213	\$ 134,925	\$ 183,108	\$ 180,999	\$ 179,539
Youth & Adult Sports receipts	\$ 231,549	\$ 232,096	\$ 225,916	\$ 257,347	\$ 259,317
Shore Cultural Facility rentals	\$ 195,479	\$ 178,188	\$ 194,067	\$ 187,464	\$ 213,103
<i>Golf</i>					
Rounds of Golf	44,742	46,776	50,003	48,679	51,316
Golf/Pro-shop receipts	\$ 673,323	\$ 624,760	\$ 674,592	\$ 668,676	\$ 679,600
Food & Beverage receipts	\$ 305,959	\$ 153,072	\$ 111,636	\$ 111,525	\$ 113,906
Community Development					
Grant amounts received due to Economic Development Dept.	\$ 1,165,922	\$ 1,567,271	\$ 1,279,625	\$ 1,515,890	\$ 1,301,484
Transportation					
Motor Maintenance - Number of vehicles & equip. maintained	501	554	552	556	556
Motor Maintenance - Repair Orders	3,031	2,994	3,271	3,852	4,211
Traffic Maintenance - No. of responses to EPD Signals/Signs	248	265	236	287	292
Snow & Ice Removal - Salt (tons)	4,404.69	9,758.94	6,220.75	8,065.38	4,472.31
Snow & Ice Removal - Salt (cost)	\$ 152,509	\$ 329,886	\$ 236,840	\$ 262,568	\$ 140,160
Street Repair Maintenance - Cold Patch (tons)	425.55	382.11	352.46	402.06	227.09
Street Repair Maintenance - Cold Patch (cost)	\$ 21,704	\$ 16,813	\$ 15,508	\$ 18,093	\$ 10,219
Street Repair Maintenance - Hot Mix (tons)	1,072.37	781.30	762.05	793.00	1,075.46
Street Repair Maintenance - Hot Mix (cost)	\$ 31,163	\$ 18,907	\$ 18,402	\$ 21,470	\$ 29,018
Street Repair Maintenance - Emulsion/Crack Sealer (gallons)	2,637	1,428	1,714	1,886	1,146
Street Repair Maintenance - Emulsion/Crack Sealer (cost)	\$ 4,199	\$ 1,572	\$ 1,650	\$ 2,460	\$ 1,143
Sewer Jet Cleaning - Sanitary Sewers (feet)	169,100	6,345	3,100	8,605	208,990
Sewer Jet Cleaning - Storm Sewers (feet)	4,320	2,500	1,450	1,000	19,010
Sewer Repairs (includes Water Department damage)	61	68	41	59	59
House Call Sewer Jobs/Residential & Business	1,595	1,492	1,327	1,732	2,235
Catch Basin Repairs	54	45	37	40	72
Catch Basin Cleaning	623	320	75	54	2,274
Man Hole Repairs	13	5	11	16	44
Sidewalk Repairs	12	19	5	12	18
Curb & Apron Repairs	17	25	23	26	54
Leaf Collection - Number of Loads	1,139	734	840	745	965
Street Sweeping - Number of Loads (dirt & debris)	582	352	301	285	473
Street Sweeping - Number of times whole city sweep	6	3	3	2	7
Water Hole Maintenance - New Water Openings	190	229	165	220	176
Water Hole Maintenance - Completed (cemented/asphalted)	221	279	265	326	153
Water Hole Maintenance - Total not completed	355	388	432	496	518
Fire Hydrants Painted	58	80	634	8	880

(Continued)

CITY OF EUCLID, OHIO
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST FIVE YEARS (1)
(CONTINUED)

Function/Program	2006	2005	2004	2003	2002
Wastewater Department					
Wastewater Rates for Water Consumption Based Customers (per 1000 MCF)					
Euclid	\$ 29.01	\$ 29.01	\$ 28.71	\$ 28.71	\$ 28.26
Cuyahoga County (So.Euclid, Highland Hts, Richmond Hts)	\$ 29.49	\$ 26.05	\$ 25.75	\$ 25.75	\$ 24.86
Willoughby Hills	\$ 24.16	\$ 24.16	\$ 24.16	\$ 24.16	\$ 24.16
Wastewater Rates for Wastewater Master Meter Customers (per 1000 Gallons)					
Wickliffe	\$ 1.73	\$ 1.73	\$ 1.73	\$ 1.73	\$ 1.73
Willowick	\$ 1.73	\$ 1.73	\$ 1.73	\$ 1.73	\$ 1.73
Wastewater Flow MGD					
Euclid	15.58	14.09	15.19	12.86	12.05
Wickliffe	2.60	2.51	2.38	2.51	2.15
Willowick	2.00	1.49	1.26	1.28	1.06
Total	<u>20.18</u>	<u>18.09</u>	<u>18.83</u>	<u>16.65</u>	<u>15.26</u>
Water Line Construction Fund					
Euclid (charges included with wastewater billing) (per 1000 MCF)	\$ 6.00	\$ 5.50	\$ 4.50	\$ 4.00	\$ 3.50
Wastewater Rates					
Wickliffe & Willowick (master metered per 1,000 GA)					
Operating, Maintenance & Repairs	\$ 1.39	\$ 1.39	\$ 1.39	\$ 1.39	\$ 1.39
Capital Costs	0.28	0.28	0.28	0.28	0.28
Lakeshore Trunk Sewer Line maintenance	0.06	0.06	0.06	0.06	0.06
Total	<u>\$ 1.73</u>	<u>\$ 1.73</u>	<u>\$ 1.73</u>	<u>\$ 1.73</u>	<u>\$ 1.73</u>
Willoughby Hills (per MCF of water consumption)					
Operating, Maintenance & Repairs	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60
Capital Costs	4.08	4.08	4.08	4.08	4.08
Satellite Sewer Discharge Program services	0.48	0.48	0.48	0.48	0.48
Total	<u>\$ 24.16</u>	<u>\$ 24.16</u>	<u>\$ 24.16</u>	<u>\$ 24.16</u>	<u>\$ 24.16</u>
Cuyahoga County (So.Euclid, Highland Hts, Richmond Hts)					
Operating, Maintenance & Repairs	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60
Capital Costs	4.08	4.08	4.08	4.08	4.08
Satellite Sewer Discharge Program services	0.48	0.48	0.48	0.48	0.48
Equalization under billing (2nd quarter 2000)	0.44	0.44	0.44	0.44	
Equalization under billing (3rd quarter 2000)	1.94				
Meter Reading/Billing Charges (City of Cleveland)	1.45	1.45	1.15	1.15	0.70
Administrative Expenses (City of Euclid)	1.50	0.00	0.00	0.00	0.00
Total	<u>\$ 29.49</u>	<u>\$ 26.05</u>	<u>\$ 25.75</u>	<u>\$ 25.75</u>	<u>\$ 24.86</u>
Euclid					
Operating, Maintenance & Repairs	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60
Capital Costs	4.08	4.08	4.08	4.08	4.08
Peterson Construction Fund	3.88	3.88	3.88	3.88	3.88
Meter Reading/Billing Charges	1.45	1.45	1.15	1.15	0.70
Total	<u>\$ 29.01</u>	<u>\$ 29.01</u>	<u>\$ 28.71</u>	<u>\$ 28.71</u>	<u>\$ 28.26</u>

CITY OF EUCLID, OHIO
CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM
LAST THREE YEARS

Function/Program	2006	2005	2004
General Government			
Square Footage Occupied	11,392	11,392	11,392
Administrative Vehicles	21	20	20
Inspection Vehicles	13	13	13
Municipal Court Vehicles	1	1	1
Lands & Buildings Vehicles	9	9	9
Police			
Stations	1	1	1
Mini-stations	2	1	0
Square Footage of Buildings	58,384	51,194	49,094
Vehicles	69	59	60
Fire			
Stations	3	4	4
Square Footage of Buildings	27,389	34,579	34,579
Vehicles	18	18	21
Recreation			
Number of Parks	3	3	3
Acres of Parks	106	106	106
Acres of Playgrounds/Recreation	254	254	254
Number of Playgrounds	18	18	18
Number of Tennis Courts	6	6	6
Number of Skateboarding Areas	1	1	1
Number of Baseball Diamonds	19	19	19
Number of Soccer Fields	7	7	7
Number of Swimming Pools	6	6	6
Number of Ice Rinks	1	1	1
Acres of Golf Course	126	126	126
Square Footage of Shore Center Building	153,525	153,525	153,525
Other Public Works			
Streets (miles)	143.065	143.065	143.065
Number of Streetlights (per light bill)			
Service Vehicles	35	33	32
Wastewater			
Sanitary Sewers (miles)	262.38	262.38	262.38
Vehicles	13	13	13
Water Department			
Water Lines (miles)	139.65	139.65	139.65



Mary Taylor, CPA
Auditor of State

CITY OF 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
DECEMBER 20, 2007**