

Mary Taylor, CPA
Auditor of State

**CITY OF EUCLID
CUYAHOGA COUNTY**

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**CITY OF EUCLID
CUYAHOGA COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2007**

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	\$ 409,826
Community Development Block Grants/Entitlement Grants		14.218	<u>447,944</u>
Total U.S. Department of Housing and Urban Development			<u>\$ 857,770</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Direct Program:			
Edward Byrne Memorial State and Local Law Enforcement Assistance		16.580	15,000
Local Law Enforcement Block Grants Program		16.592	21,209
Community Capacity Development Office		16.595	142,331
Bulletproof Vest Partnership Program		16.607	<u>11,473</u>
Total U.S. Department of Justice			<u>\$ 190,013</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	<u>64,430</u>
Total U.S. Department of Highway Administration			<u>\$ 64,430</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	FY07	93.045	<u>55,157</u>
Total U.S. Department of Health and Human Services			<u>\$ 55,157</u>
Total Federal Assistance			<u><u>\$ 1,167,370</u></u>

See the accompanying notes to the Schedule of Federal Award Expenditures

**CITY OF EUCLID
CUYAHOGA COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FISCAL YEAR ENDED DECEMBER 31, 2007**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures (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



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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 the City of Euclid, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2007, which collectively comprise the City's basic financial statements and have issued our report thereon dated September 22, 2008, wherein we noted the City restated January 1, 2007 net assets in the governmental activities due to the City's inclusion of infrastructure. The City also restated January 1, 2007 net assets in the business type activities, the water treatment fund, waste water treatment fund, and the Briardale greens golf course fund due to corrections in reporting depreciable capital assets. 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.

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.

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 did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

We noted certain internal control matters that we reported to the City's management in a separate letter dated September 22, 2008.

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 matter that we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2007-001.

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 September 22, 2008.

We intend this report solely for the information and use of the audit committee, 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

September 22, 2008



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 the 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, 2007. 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 its 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, 2007.

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 the City of Euclid, Cuyahoga County, Ohio, as of and for the year ended December 31, 2007, and have issued our report thereon dated September 22, 2008, wherein we noted the City restated January 1, 2007 net assets in the governmental activities due to the City's inclusion of infrastructure. The City also restated January 1, 2007 net assets in the business type activities, the water treatment fund, waste water treatment fund, and the Briardale greens golf course fund due to corrections in reporting depreciable capital assets. Our audit was performed to form opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Schedule of federal awards expenditures 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 the audit committee, 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

September 22, 2008

CITY OF EUCLID
CUYAHOGA COUNTY

SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2007

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)?	No
<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

**CITY OF EUCLID
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2007**

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

FINDING NUMBER 2007-001

Timely Deposit - Noncompliance

Ohio Revised Code Section 9.38 provides that public money must be deposited by a public official other than a state officer, employee or agent with the treasurer of the public office or to a designated depository on the business day following the day of receipt if the total amount exceeds \$1,000. 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.

During testing, we noted five out of 51 golf course receipts (\$16,710 out of \$56,226 or 30% of the amount tested) and seven out of 60 recreation departments receipts (\$6,006 out of \$107,518 or 6% of the amount tested), 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 that 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.

Official's Response:

No Response was received for finding 2007-001.

3. FINDINGS FOR FEDERAL AWARDS

None

**CITY OF EUCLID
CUYAHOGA COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A -133 § .315 (b)
DECEMBER 31, 2007**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2006-001	ORC 9.38 Timely Deposit	No	Comment reissued as 2007-001.
2006-002	Timely posting of receipts and establishment of policy.	No	Not corrected - Comment issued in management letter
2006-003	Daily cash receipts deposit summary.	Yes	

CITY OF EUCLID, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2007

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, 2007**

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

INTRODUCTORY SECTION

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CITY OF EUCLID, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2007

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585 East 222nd Street, Euclid, OH 44123-2099

www.cityofeuclid.com

September 22, 2008

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, 2007, 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 accountants' report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

The City

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.

The city has a large defined industrial corridor with many of the businesses serving worldwide clientele. During 2007, there was over \$76 million of new investment in machinery, equipment, and real property improvements within the City’s industrial belt. In addition, 283 new jobs were created with a corresponding payoff of \$13.6 million.

The following businesses undertook or completed expansion projects in 2007:

Stack Container Services Company outgrew their current leased location at Heritage Business Park and began construction of their new headquarters, a 28,000 square foot office building, garage, and warehouse on Rockwell Drive. The company employs 33 people within the City with an annual payroll of \$1,187,000 and intends on creating 25-40 jobs over the next four (4) years with a corresponding increase in payroll of \$650,000 to \$900,000.

American Punch Company purchased 4 acres of City-owned land at Century Corners in order to construct a 25,000 - 40,000 square foot main office and manufacturing facility. The City negotiated the land sale and related development agreement and assisted with coordination of the necessary land survey and lot split. The company of 20 employees will move from its current location on Tungsten Road and plans to add an additional 3 to 5 employees with a total estimated annual payroll of over \$1 million.

PMX Redevelopment - Ray Fogg Building Methods, Inc. holds an option on the property and has applied to the State of Ohio for a \$5 million Jobs Ready Site grant to clean up the property and put in place the necessary infrastructure for the development of a modern industrial park. Cuyahoga County has already set aside \$1 million for Brownfield clean up of the PMX site.

Argo-Tech/Eaton - Eaton Corporation purchased Argo-Tech Corporation, an aerospace fuel system maker for \$695 million. This acquisition strengthened Eaton's existing Airframe Fuel System Division. Argo-Tech fuel pumps are in more than 60 percent of large commercial aircraft operating today.

Heritage Business Park was purchased in a separate transaction by developer Stuart Lichter and Chris Semarjian. Argo-Tech/Eaton Corporation is located within the Park as a tenant. The new ownership plans to upgrade the complex by separating utilities for tenants of the Park and making other physical improvements to the facility. Ohio Realty Advisors submitted an application to the State of Ohio for a \$5 million Jobs Ready Site grant in order to facilitate the project.

The City's diverse economic base not only has large, medium, and small manufacturers, but also has many neighborhood commercial districts and Shore Center, which is the City's traditional downtown central business center.

The City recently completed a Transportation for Livable Communities Initiative (TLCI) planning process for downtown Euclid. One of the most significant outcomes of the planning process was to position the City for capital improvement funding for identified improvements for pedestrians, bicyclists, and public transit road configuration, including streetscape enhancements and storefront rehabilitation

Currently, the preliminary improvement plan has been accepted by NOACA with funding pending for the second phase, which would refine the plan engineering-wise for implementation. The total project, as presented in the accepted planning document, would result in \$11 million in improvements to the City's downtown business district.

Several developments have or are occurring in Downtown Euclid, enhancing the viability of the Downtown Planning process.

CVS - Mary Mavec Opportunity School Redevelopment Project has redeveloped the northwest corner of Lake Shore Boulevard and Bliss Lane as a freestanding CVS pharmacy.

Lake Shore Plaza, the easterly anchor to the Downtown Business District, with the cooperation of the City, unveiled plans for a \$900,000 to \$1.2 million facade and site improvement project. The project is utilizing the design concepts as contained in the Downtown Tlci plan.

Value City/Burlington Coat Factory - Burlington Coat Factory purchased the existing Value City Department Store and with Storefront Renovation assistance from the City, began a complete remodeling of the exterior of the building, using the Tlci design concepts as their guideline. Between the exterior and interior improvements, Burlington Coat Factory will have invested over \$1 million in the store.

Overall, between 2007 and 2008, over \$8 million in new investment/development will occur in Downtown Euclid with various developments.

Other significant developments that occurred in 2007 are:

Euclid Hospital, The Cleveland Clinic Community Hospital System completed a \$4.8 million expansion of the Euclid Hospital Emergency Department. The new 12,500 square foot Emergency Room now provides 23 state of the art treatment rooms, private exam rooms, a trauma unit, and an isolation room.

Healthpointe Real Properties, LLC. A 2-acre parcel of City-owned land at Century Corners was purchased to construct Healthpointe Medical Center, a 4,500 square-foot medical office building. The building is expected to initially employ 6 people with an expected annual payroll of \$760,000.

University Hospitals Administrative Offices. University Hospitals recently decided to relocate within the City to the recently modernized Rockwell University building. This move will retain 146 jobs with a payroll of \$4.5 million and plans to create an additional 134 jobs with an additional payroll of \$4.1 million.

Rite Aid is building a new 14,500 square foot building on the block between Locherie and Meredith on East 185th Street. This required the acquisition of several older commercial structures. Including acquisition costs, demolition, and construction, the project investment will total over \$5.4 million. The design of the building and the landscape/pedestrian amenities is being done to reflect the “Old World” style of architecture and the store will be the gateway to the district known for its “Old World” flavor.

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 2007. 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, 2007. 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 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, 2007. 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

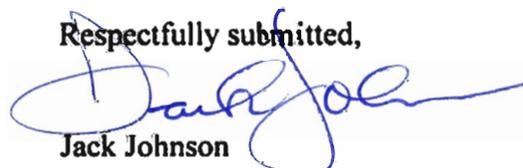
In accordance with Ohio law, an annual independent audit is required to be performed on all financial operations of the City. The Auditor of the State of Ohio performed the 2007 audit. The independent accountants' unqualified opinion has been included in this report. The administration plans to continue 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) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Euclid for its Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2006. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

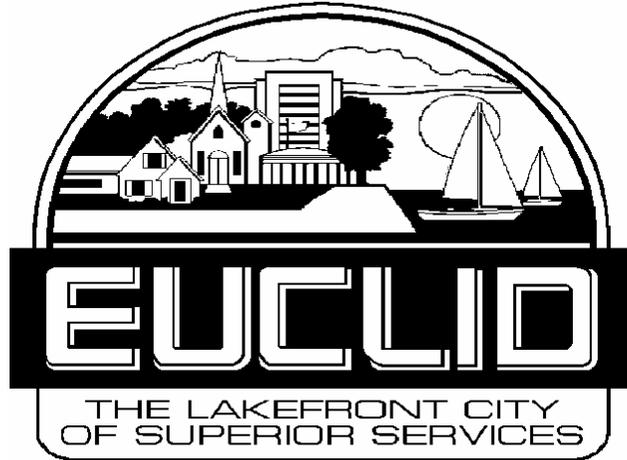


Bill Cervenik
Mayor

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*

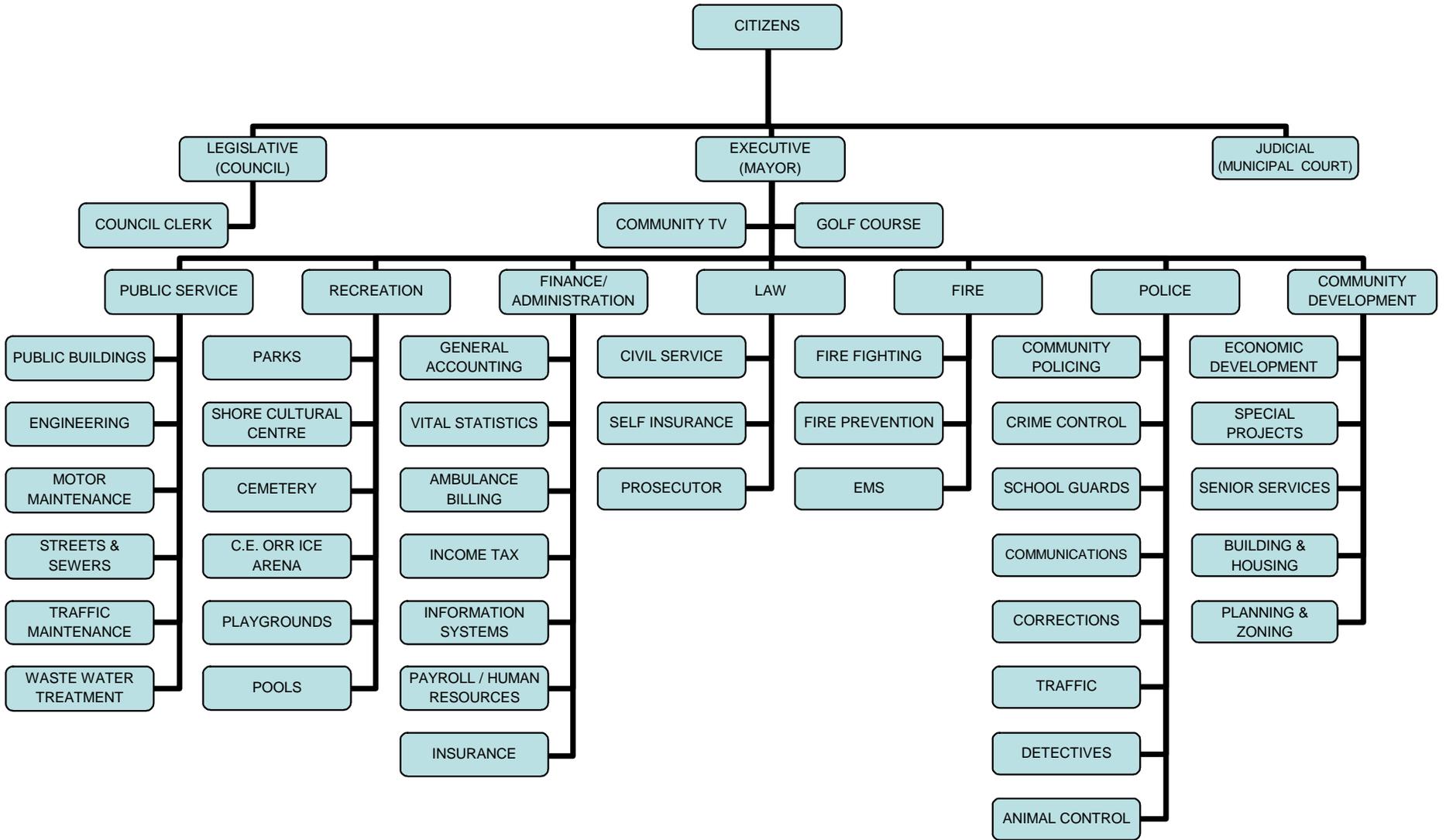
BERNADETTE WALSH - *Ward III*

CHARLENE MANCUSO - *At-Large*

CHRISTOPHER GRUBER - *Ward IV*

FREDERICK J. LISY - *At-Large*

**CITY OF EUCLID, OHIO
ORGANIZATIONAL CHART
DECEMBER 31, 2007**



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Euclid
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2006

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



Charles S. Cox

President

Jeffrey R. Emer

Executive Director

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FINANCIAL SECTION

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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, 2007, 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, 2007, 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, 2007 net assets in the governmental activities due to the City's inclusion of infrastructure. The City also restated January 1, 2007 net assets in the business type activities, the water treatment fund, waste water treatment fund, and the Briardale greens golf course fund due to corrections in reporting depreciable capital assets.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2008, 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 black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

September 22, 2008

CITY OF EUCLID, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
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, 2007. 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 2007 are as follows:

- Total net assets of the City exceeded liabilities at the close of 2007 by \$98,117,758 compared to \$100,300,325 at the end of 2006. Of this amount, \$15,983,644 (2007) and \$18,130,534 (2006) 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 \$2,572,126, with Governmental Activities increasing by \$2,715,337 and Business-Type Activities decreasing by \$143,211. This is reflected primarily in equity in pooled cash and cash equivalents.
- Municipal income revenue for 2007 was \$24,286,649 versus \$26,227,696 in 2006. This decrease of \$1,941,047 represented the largest single decrease in revenue for 2007. This was the result of the City bringing the function of income tax collections in-house and accelerating the receipts by one month in a prior year.
- Property taxes decreased by \$1,551,605, which represents the second largest decrease in revenues in Governmental Activities. Together, municipal income taxes and property taxes accounted for \$30,126,209 in revenue, or 62.18 percent, of all revenues in Governmental Activities.
- Grants and Entitlements not restricted to specific programs increased by \$1,801,034. The largest contributor to this increase was the increase in Estate Taxes of \$622,905.
- Charges for Services in Business-Type Activities decreased by \$523,654 from \$14,091,548 in 2006 to \$13,567,894 in 2007, a 3.71 percent decrease.
- The City's debt, including Compensated Absences, increased by \$1,540,552 in the Governmental Activities. The key factor in the increase was the issuance of \$6,846,000 in Various Purpose General Obligation Bond Anticipation Notes.

**CITY OF EUCLID, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
Unaudited**

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 15, 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.

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.

CITY OF EUCLID, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
Unaudited

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 fund. 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 17 through 21 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. An internal service fund is 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, the fund has been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the 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 22 through 24 of this report.

CITY OF EUCLID, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
Unaudited

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 25 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 27 through 69 of this report.

Government-Wide Financial Analysis

This is the fifth 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 fifth year of implementing the new standard, comparative data is 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	
	2007	Restated 2006	2007	Restated 2006	2007	Restated 2006
Assets						
Current and Other Assets	\$ 37,023,806	\$ 34,308,469	\$ 14,545,265	\$ 14,688,476	\$ 51,569,071	\$ 48,996,945
Capital Assets	<u>72,377,124</u>	<u>77,137,244</u>	<u>56,680,969</u>	<u>56,365,117</u>	<u>129,058,093</u>	<u>133,502,361</u>
Total Assets	<u>\$109,400,930</u>	<u>\$111,445,713</u>	<u>\$71,226,234</u>	<u>\$ 71,053,593</u>	<u>\$180,627,164</u>	<u>\$182,499,306</u>
Liabilities						
Current and Other Liabilities	\$ 9,035,487	\$ 8,362,923	\$ 1,477,040	\$ 1,376,722	\$ 10,512,527	\$ 9,739,645
Long-Term Liabilities:						
Due Within One Year	11,408,827	8,165,874	5,750,690	5,611,944	17,159,517	13,777,818
Due in More than One Year	<u>32,729,215</u>	<u>34,431,616</u>	<u>22,108,147</u>	<u>24,249,902</u>	<u>54,837,362</u>	<u>58,681,518</u>
Total Liabilities	<u>53,173,529</u>	<u>50,960,413</u>	<u>29,335,877</u>	<u>31,238,568</u>	<u>82,509,406</u>	<u>82,198,981</u>
Net Assets						
Invested in Capital Assets,						
Net of Debt	41,151,610	45,421,702	29,982,118	26,727,776	71,133,728	72,149,478
Restricted for:						
Capital Projects	3,322,255	5,166,780	0	0	3,322,255	5,166,780
Debt Service	5,769,963	2,882,741	0	0	5,769,963	2,882,741
Other Purpose	1,908,168	1,970,792	0	0	1,908,168	1,970,792
Unrestricted (Deficit)	<u>4,075,405</u>	<u>5,043,285</u>	<u>11,908,239</u>	<u>13,087,249</u>	<u>15,983,644</u>	<u>18,130,534</u>
Total Net Assets	<u>\$ 56,227,401</u>	<u>\$ 60,485,300</u>	<u>\$ 41,890,357</u>	<u>\$ 39,815,025</u>	<u>\$ 98,117,758</u>	<u>\$100,300,325</u>

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 \$98,117,758 at the close of the most recent fiscal year.

CITY OF EUCLID, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
Unaudited

By far the largest portion of the City's net assets, 72.5 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 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.

Table 2 - Changes in Net Assets

	Governmental Activities		Business-Type Activities		Totals	
	2007	2006	2007	2006	2007	2006
Revenues						
Program Revenues:						
Charges for Services	\$ 7,755,827	\$ 7,209,742	\$ 13,567,894	\$ 14,091,548	\$ 21,323,721	\$ 21,301,290
Operating Grants and Contributions	3,348,326	3,569,776	39,479	814,589	3,387,805	4,384,365
Capital Grants and Contributions	0	29,860	0	121,449	0	151,309
General Revenues:						
Property Taxes	5,839,560	7,391,165	626,240	767,977	6,465,800	8,159,142
Income Taxes	24,286,649	26,227,696	0	0	24,286,649	26,227,696
Grants and Entitlements	5,647,600	3,846,566	0	0	5,647,600	3,846,566
Investment Earnings	1,303,442	1,163,865	63,583	48,163	1,367,025	1,212,028
Payment in Lieu of Taxes	72,269	68,730	0	0	72,269	68,730
Miscellaneous	18,771	66,875	294	0	19,065	66,875
Proceeds from Sale of Capital Assets	176,305	0	0	0	176,305	0
Total Revenues	48,448,749	49,574,275	14,297,490	15,843,726	62,746,239	65,418,001
Expenses						
General Government	14,000,128	12,352,031	0	0	14,000,128	12,352,031
Security of Persons and Property	22,884,517	21,466,024	0	0	22,884,517	21,466,024
Refuse Collection and Disposal	2,219,004	2,013,501	0	0	2,219,004	2,013,501
Public Health	277,425	257,280	0	0	277,425	257,280
Leisure Time Services	1,706,870	2,109,410	0	0	1,706,870	2,109,410
Community and Economic Development	2,955,795	3,173,312	0	0	2,955,795	3,173,312
Transportation	7,396,063	2,695,350	0	0	7,396,063	2,695,350
Interest and Fiscal Charges	1,553,302	1,546,588	0	0	1,553,302	1,546,588
Briardale Golf Course	0	0	1,059,840	996,359	1,059,840	996,359
Waste Water Treatment	0	0	10,109,869	9,438,610	10,109,869	9,438,610
Water Line Improvement	0	0	765,993	915,675	765,993	915,675
Total Expenses	52,993,104	45,613,496	11,935,702	11,350,644	64,928,806	56,964,140
Increase (Decrease) in Net Assets before Transfers	(4,544,355)	3,960,779	2,361,788	4,493,082	(2,182,567)	8,453,861
Transfers	286,456	286,456	(286,456)	(286,456)	0	0
Change in Net Assets	(4,257,899)	4,247,235	2,075,332	4,206,626	(2,182,567)	8,453,861
Net Assets (Deficit) - Beginning of Year, as Restated	60,485,300	56,238,065	39,815,025	35,608,399	100,300,325	91,846,464
Net Assets - End of Year	\$ 56,227,401	\$ 60,485,300	\$ 41,890,357	\$ 39,815,025	\$ 98,117,758	\$ 100,300,325

**CITY OF EUCLID, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
Unaudited**

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.

Table 3 - Governmental Activities

	Total Cost of Services 2007	Total Cost of Services 2006	Net Cost of Services 2007	Net Cost of Services 2006
General Government	\$ 14,000,128	\$ 12,352,031	\$ 12,470,307	\$ 10,885,606
Security of Persons and Property	22,884,517	21,466,024	17,866,236	16,350,775
Refuse Collection and Disposal	2,219,004	2,013,501	2,219,004	2,013,501
Public Health	277,425	257,280	185,823	164,358
Leisure Time Services	1,706,870	2,109,410	817,638	1,258,240
Community and Economic Development	2,955,795	3,173,312	1,523,845	1,813,958
Transportation	7,396,063	2,695,350	5,252,796	771,092
Interest and Fiscal Charges	1,553,302	1,546,588	1,553,302	1,546,588
Total Cost of Services	<u>\$ 52,993,104</u>	<u>\$ 45,613,496</u>	<u>\$ 41,888,951</u>	<u>\$ 34,804,118</u>

Public safety expenses totaled \$22,884,517, or 43.19 percent, of total 2007 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, 2007, the City employed 96 full time police officers and 79 full time firefighters. General Government expenses totaled \$14,000,128, or 26.42 percent, of total 2007 expenses. General Government is comprised of the following departments: Legislative, Municipal Court, Mayor, Finance, Law, and Administrative. A significant portion of these expenses are related to salaries, wages, and employee benefits.

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.

CITY OF EUCLID, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Water Line Improvement 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.

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 \$18,832,263, an increase of \$3,178,365 from the prior year. Of the total, \$9,880,082 is the general fund's ending fund balance, a \$1,704,530 increase over 2006. The general obligation bond retirement fund increased by \$828,251 to \$3,775,688. All other governmental funds showed an increase in fund balances of \$645,584 to \$5,176,493.

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 25.99 percent of total general fund expenditures, while total fund balance represents 26.25 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.

**CITY OF EUCLID, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
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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.

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 12.5 percent (from 18.75 percent) of true value (in general, true value is net book value) for inventory and 12.5 percent (from 18.75 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	2007	2006	2005
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>\$904,734,233</u>	<u>\$833,249,133</u>	<u>\$850,325,160</u>

CITY OF EUCLID, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
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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 that 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.

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, 2007, amounts to \$129,058,093. 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, 2007, is reflected in the table which follows.

CITY OF EUCLID, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
Unaudited

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

	Governmental Activities		Business-Type Activities		Totals	
	2007	2006	2007	2006	2007	2006
Land	\$ 9,058,667	\$ 9,058,667	\$ 7,428,126	\$ 7,428,126	\$ 16,486,793	\$ 16,486,793
Construction in Progress	1,341,968	429,760	0	3,017,881	1,341,968	3,447,641
Land Improvements	2,173,269	2,263,290	517,916	571,638	2,691,185	2,834,928
Buildings and Improvements	9,083,061	8,856,032	8,105,123	8,370,453	17,188,184	17,226,485
Furniture, Fixtures and Equipment	1,244,142	1,450,884	712,013	846,721	1,956,155	2,297,605
Infrastructure:						
Streets	49,476,017	55,078,611	0	0	49,476,017	55,078,611
Sanitary Sewers	0	0	9,827,149	10,103,053	9,827,149	10,103,053
Storm Sewers	0	0	10,434,791	7,256,007	10,434,791	7,256,007
Water Lines	0	0	19,655,851	18,771,238	19,655,851	18,771,238
Total Capital Assets, Net	<u>\$ 72,377,124</u>	<u>\$ 77,137,244</u>	<u>\$ 56,680,969</u>	<u>\$ 56,365,117</u>	<u>\$ 129,058,093</u>	<u>\$ 133,502,361</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:

Governmental Activities

Tungsten Road Project	\$ 335,136
East 222 nd Rebuild (Includes Issue 2 payments)	486,450
Other Various Capital Projects	<u>90,622</u>
Total Governmental Activities	<u><u>\$ 912,208</u></u>

Business-Type Activities

*Chatworth Drive Sewer Separation - Peterson Truck Line	\$ 146,242
*Brandywine Pump Station Replacement	130,574
*Babbitt Road Sanitary Sewer Replacement	24,416
*2006 Water System Improvements	<u>1,104,674</u>
Total Business-Type Activities	<u><u>\$ 1,405,856</u></u>

- * Project was reported as an addition to Construction-in-Progress and completed during 2007. 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 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, 2007, the City's General Obligation Bonded debt totaled \$29,554,050.

**CITY OF EUCLID, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
Unaudited**

A summary of outstanding long-term debt at December 31, 2007 follows.

Table 6 - Outstanding Debt at December 31

	Governmental Activities		Business-Type Activities		Totals	
	2007	2006	2007	2006	2007	2006
General Obligation Bonds	\$ 23,007,141	\$ 25,043,297	\$ 6,546,909	\$ 6,863,551	\$ 29,554,050	\$ 31,906,848
Special Assessment Bonds	1,235,000	1,305,000	0	0	1,235,000	1,305,000
Notes Payable	6,886,280	3,816,000	3,000,000	3,000,000	9,886,280	6,816,000
Industrial Revenue Bond	1,340,000	1,440,000	0	0	1,340,000	1,440,000
OWDA Loans	0	0	10,328,970	11,915,515	10,328,970	11,915,515
OPWC Loans	532,981	98,000	6,352,551	6,515,556	6,885,532	6,613,556
Total Outstanding Debt	\$33,001,402	\$ 31,702,297	\$ 26,228,430	\$ 28,294,622	\$ 59,229,832	\$ 59,996,919

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, 2007 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 \$75,743,782 and the unvoted debt margin was \$30,507,071 at December 31, 2007.

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, 2007 for the City is as follows:

	Amount	Ratio of Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
Net General Obligation Debt (Bonded)	\$29,554,050	3.27 %	\$ 560.62

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, 2007
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@cityofeuclid.com

CITY OF EUCLID, OHIO
STATEMENT OF NET ASSETS
DECEMBER 31, 2007

	Primary Government			Component Unit
	Governmental	Business-Type	Totals	Euclid
	Activities	Activities		Development Corporation
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 13,077,009	\$ 10,882,126	\$ 23,959,135	\$ 593,327
Cash and Cash Equivalents in Segregated Accounts	8,215	0	8,215	0
Materials and Supplies Inventory	300,075	86,122	386,197	0
Accrued Interest Receivable	128,573	46,388	174,961	0
Accounts Receivable	1,366,426	2,651,459	4,017,885	248
Intergovernmental Receivable	3,573,114	217,395	3,790,509	0
Prepaid Items	87,294	23,316	110,610	200
Income Taxes Receivable	8,836,074	0	8,836,074	0
Property Taxes Receivable	6,454,721	606,021	7,060,742	0
Notes Receivable	1,484,535	0	1,484,535	0
Loans Receivable	0	0	0	1,765,663
Special Assessments Receivable	1,412,034	0	1,412,034	0
Deferred Charges	295,736	32,438	328,174	0
Nondepreciable Capital Assets	10,400,635	7,428,126	17,828,761	0
Depreciable Capital Assets, Net	61,976,489	49,252,843	111,229,332	0
Total Assets	109,400,930	71,226,234	180,627,164	2,359,438
Liabilities				
Current Liabilities:				
Accounts Payable	783,032	129,479	912,511	20
Accrued Wages and Benefits	149,551	76,777	226,328	1,935
Intergovernmental Payable	1,597,704	261,231	1,858,935	0
Matured Compensated Absences	49,455	40,140	89,595	0
Accrued Interest Payable	98,105	327,127	425,232	0
Retainage Payable	181,427	132,560	313,987	0
Insurance Claims Payable	757,300	0	757,300	0
Unearned Revenue	5,418,913	509,726	5,928,639	0
Long-Term Liabilities:				
Due within One Year	11,408,827	5,750,690	17,159,517	0
Due in More Than One Year	32,729,215	22,108,147	54,837,362	0
Total Liabilities	53,173,529	29,335,877	82,509,406	1,955
Net Assets				
Invested in Capital Assets, Net of Related Debt	41,151,610	29,982,118	71,133,728	
Restricted for Debt Service	5,769,963	0	5,769,963	0
Restricted for Capital Outlay	3,322,255	0	3,322,255	0
Restricted for Other Purposes	1,908,168	0	1,908,168	0
Unrestricted	4,075,405	11,908,239	15,983,644	2,357,483
Total Net Assets	\$ 56,227,401	\$ 41,890,357	\$ 98,117,758	\$ 2,357,483

See accompanying notes to the basic financial statements.

CITY OF EUCLID, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2007

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Unit Euclid Development Corporation
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities	Primary Government Business-Type Activities	Totals	
Primary Government							
<i>Governmental Activities</i>							
General Government	\$ 14,000,128	\$ 1,031,766	\$ 498,055	\$ (12,470,307)	\$ 0	\$ (12,470,307)	\$ 0
Security of Persons and Property	22,884,517	4,999,375	18,906	(17,866,236)	0	(17,866,236)	0
Refuse Collection and Disposal	2,219,004	0	0	(2,219,004)	0	(2,219,004)	0
Public Health	277,425	91,602	0	(185,823)	0	(185,823)	0
Leisure Time Services	1,706,870	883,285	5,947	(817,638)	0	(817,638)	0
Community and Economic Development	2,955,795	542,492	889,458	(1,523,845)	0	(1,523,845)	0
Transportation	7,396,063	207,307	1,935,960	(5,252,796)	0	(5,252,796)	0
Interest and Fiscal Charges	1,553,302	0	0	(1,553,302)	0	(1,553,302)	0
<i>Total Governmental Activities</i>	<u>52,993,104</u>	<u>7,755,827</u>	<u>3,348,326</u>	<u>(41,888,951)</u>	<u>0</u>	<u>(41,888,951)</u>	<u>0</u>
<i>Business-Type Activities</i>							
Water Line Improvement	765,993	1,671,736	0	0	905,743	905,743	0
Waste Water Treatment	10,109,869	10,876,879	39,479	0	806,489	806,489	0
Briardale Greens Golf Course	1,059,840	1,019,279	0	0	(40,561)	(40,561)	0
<i>Total Business-Type Activities</i>	<u>11,935,702</u>	<u>13,567,894</u>	<u>39,479</u>	<u>0</u>	<u>1,671,671</u>	<u>1,671,671</u>	<u>0</u>
Total Primary Government	<u>\$ 64,928,806</u>	<u>\$ 21,323,721</u>	<u>\$ 3,387,805</u>	<u>(41,888,951)</u>	<u>1,671,671</u>	<u>(40,217,280)</u>	<u>0</u>
Component Unit							
Euclid Development Corporation	\$ 81,515	\$ 97,861	\$ 0	0	0	0	16,346
Total Component Unit	<u>\$ 81,515</u>	<u>\$ 97,861</u>	<u>\$ 0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>16,346</u>
General Revenues and Transfers							
Taxes:							
Property Taxes Levied for General Purposes				2,107,973	0	2,107,973	0
Property Taxes Levied for Debt Service				2,792,175	0	2,792,175	0
Property Taxes Levied for Capital Outlay				532,381	0	532,381	0
Property Taxes Levied for Other Purposes				407,031	626,240	1,033,271	0
Income Taxes				24,286,649	0	24,286,649	0
Payments in Lieu of Taxes				72,269	0	72,269	0
Grants and Entitlements not Restricted to							
Specific Programs				5,647,600	0	5,647,600	0
Investment Earnings				1,303,442	63,583	1,367,025	8,900
Miscellaneous				18,771	294	19,065	494
Transfers				286,456	(286,456)	0	0
Proceeds from Sale of Capital Assets				176,305	0	176,305	0
Total General Revenues and Transfers				<u>37,631,052</u>	<u>403,661</u>	<u>38,034,713</u>	<u>9,394</u>
Change in Net Assets				(4,257,899)	2,075,332	(2,182,567)	25,740
Net Assets at Beginning of Year, as Restated				60,485,300	39,815,025	100,300,325	2,331,743
Net Assets at End of Year				<u>\$ 56,227,401</u>	<u>\$ 41,890,357</u>	<u>\$ 98,117,758</u>	<u>\$ 2,357,483</u>

See accompanying notes to the basic financial statements.

CITY OF EUCLID, OHIO
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2007

	General	General Obligation Bond Retirement	All Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 4,063,418	\$ 3,070,249	\$ 5,744,276	\$ 12,877,943
Cash and Cash Equivalents in Segregated Accounts	8,215	0	0	8,215
Materials and Supplies Inventory	88,392	0	211,683	300,075
Accrued Interest Receivable	50,149	62,963	15,461	128,573
Accounts Receivable	1,319,858	7,000	39,568	1,366,426
Interfund Receivable	205	538,000	0	538,205
Intergovernmental Receivable	2,339,753	235,246	998,115	3,573,114
Prepaid Items	82,797	0	4,497	87,294
Income Taxes Receivable	8,836,074	0	0	8,836,074
Property Taxes Receivable	2,036,231	3,509,458	909,032	6,454,721
Notes Receivable	1,484,535	0	0	1,484,535
Special Assessments Receivable	0	1,412,034	0	1,412,034
Total Assets	<u>\$ 20,309,627</u>	<u>\$ 8,834,950</u>	<u>\$ 7,922,632</u>	<u>\$ 37,067,209</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$ 429,189	\$ 0	\$ 342,460	\$ 771,649
Accrued Wages and Benefits	111,853	186	37,433	149,472
Intergovernmental Payable	1,456,109	776	139,989	1,596,874
Matured Compensated Absences	49,455	0	0	49,455
Retainage Payable	0	0	181,427	181,427
Interfund Payable	0	0	538,205	538,205
Insurance Claims Payable	397,870	0	0	397,870
Deferred Revenue	7,985,069	5,058,300	1,506,625	14,549,994
Total Liabilities	<u>10,429,545</u>	<u>5,059,262</u>	<u>2,746,139</u>	<u>18,234,946</u>
Fund Balances				
Reserved for:				
Encumbrances	74,598	0	1,257,678	1,332,276
Unclaimed Monies	23,298	0	0	23,298
Unreserved, Undesignated, Reported in:				
General Fund	9,782,186	0	0	9,782,186
Special Revenue Funds	0	0	1,787,192	1,787,192
Debt Service Funds	0	3,775,688	0	3,775,688
Capital Projects Funds	0	0	2,131,623	2,131,623
Total Fund Balances	<u>9,880,082</u>	<u>3,775,688</u>	<u>5,176,493</u>	<u>18,832,263</u>
Total Liabilities and Fund Balances	<u>\$ 20,309,627</u>	<u>\$ 8,834,950</u>	<u>\$ 7,922,632</u>	<u>\$ 37,067,209</u>

See accompanying notes to the basic financial statements.

CITY OF EUCLID, OHIO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2007

Total Governmental Fund Balances		\$ 18,832,263
<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		72,377,124
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds:		
Property and Other Taxes	\$ 1,025,641	
Municipal Income Tax	3,804,958	
Intergovernmental	1,977,452	
Special Assessments	1,412,034	
Charges for Services	910,996	
Total	9,131,081	9,131,081
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	(185,478)	
Compensated Absences	9,804	
Insurance Claims	3,018	
Total	(172,656)	(172,656)
Bond issuance costs will be amortized over the life of the bonds on the statement of net assets.		295,736
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		(98,105)
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	(22,907,720)	
Special Assessment bonds	(1,235,000)	
Industrial Development Revenue Bonds	(1,340,000)	
Premium on Bonds	(99,421)	
Compensated Absences	(7,947,690)	
Long-Term Notes Payable	(6,886,280)	
Workers' Compensation Claims	(1,884,238)	
Capital Leases	(1,304,712)	
OPWC Loans	(532,981)	
Total	(44,138,042)	(44,138,042)
Net Assets of Governmental Activities		\$ 56,227,401

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, 2007

	General	General Obligation Bond Retirement	All Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	\$ 2,277,243	\$ 3,219,323	\$ 1,014,928	\$ 6,511,494
Income Taxes	25,508,186	0	0	25,508,186
Payments in Lieu of Taxes	0	0	72,269	72,269
Special Assessments	0	9,575	75,109	84,684
Charges for Services	3,850,572	356,864	803,882	5,011,318
Licenses and Permits	131,568	0	0	131,568
Fines and Forfeitures	1,655,238	0	187,894	1,843,132
Intergovernmental	4,864,631	417,926	3,262,118	8,544,675
Interest	846,517	379,209	60,285	1,286,011
Rent	311,535	35,000	91,767	438,302
Contributions and Donations	0	0	27,517	27,517
Other	6,254	0	12,517	18,771
Total Revenues	<u>39,451,744</u>	<u>4,417,897</u>	<u>5,608,286</u>	<u>49,477,927</u>
Expenditures				
Current:				
General Government	11,881,960	166,397	341,378	12,389,735
Security of Persons and Property	20,658,228	0	218,561	20,876,789
Refuse Collection and Disposal	2,204,171	0	0	2,204,171
Public Health	277,809	0	0	277,809
Leisure Time Service	899,448	0	1,099,243	1,998,691
Community and Economic Development	1,392,917	0	1,220,356	2,613,273
Transportation	0	0	2,242,299	2,242,299
Capital Outlay	0	0	3,579,883	3,579,883
Debt Service:				
Principal Retirement	196,978	5,930,000	292,387	6,419,365
Interest and Fiscal Charges	128,315	1,349,529	51,533	1,529,377
Total Expenditures	<u>37,639,826</u>	<u>7,445,926</u>	<u>9,045,640</u>	<u>54,131,392</u>
Excess of Revenues Over (Under) Expenditures	<u>1,811,918</u>	<u>(3,028,029)</u>	<u>(3,437,354)</u>	<u>(4,653,465)</u>
Other Financing Sources (Uses)				
Transfers In	286,456	0	538,844	825,300
Notes Issued	0	3,816,000	3,030,000	6,846,000
Proceeds of OPWC Loans	0	0	434,981	434,981
Premium on Debt Issued	0	40,280	0	40,280
Proceeds from Sale of Capital Assets	0	0	224,113	224,113
Transfers Out	(393,844)	0	(145,000)	(538,844)
Total Other Financing Sources (Uses)	<u>(107,388)</u>	<u>3,856,280</u>	<u>4,082,938</u>	<u>7,831,830</u>
Net Change in Fund Balance	1,704,530	828,251	645,584	3,178,365
Fund Balance at Beginning of Year	<u>8,175,552</u>	<u>2,947,437</u>	<u>4,530,909</u>	<u>15,653,898</u>
Fund Balance at End of Year	<u>\$ 9,880,082</u>	<u>\$ 3,775,688</u>	<u>\$ 5,176,493</u>	<u>\$18,832,263</u>

See accompanying notes to the basic financial statements.

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, 2007

Net Change in Fund Balances - Total Governmental Funds \$ 3,178,365

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	\$ 2,455,850	
Current Year Depreciation	(7,168,162)	
Total	(4,712,312)	(4,712,312)

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. (47,808)

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

Delinquent Property Taxes	(671,934)	
Municipal Income Taxes	(1,221,537)	
Intergovernmental	232,622	
Special Assessments	178,964	
Charges for Services	258,971	
Total	(1,222,914)	(1,222,914)

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

Proceeds of OPWC Loans	(434,981)	
Proceeds of Notes	(6,846,000)	
Premiums on Notes Issued	(40,280)	
Total	(7,321,261)	(7,321,261)

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	6,030,000	
Repayment of Capital Leases	389,365	
Total	6,419,365	6,419,365

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	8,631	
Amortization of Bond Premium	7,316	
Amortization of Bond Issuance Costs	(17,396)	
Amortization of Gain on Refunding	(15,160)	
Total	(16,609)	(16,609)

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	(180,093)	
Workers' Compensation Claims	(450,719)	
Total	(630,812)	(630,812)

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	100,542	
Compensated Absences	(5,398)	
Insurance Claims	943	
Total	96,087	96,087

Change in Net Assets of Governmental Activities **\$ (4,257,899)**

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, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property Taxes	\$ 2,128,224	\$ 2,319,543	\$ 2,277,243	\$ (42,300)
Income Taxes	23,108,382	23,006,536	24,027,882	1,021,346
Other Local Taxes	1,456,218	1,449,800	1,377,012	(72,788)
Charges for Services	4,433,677	4,414,136	4,264,166	(149,970)
Licenses and Permits	166,032	165,300	146,350	(18,950)
Fines and Forfeitures	1,561,897	1,555,013	1,656,765	101,752
Intergovernmental	3,581,907	3,566,120	3,305,851	(260,269)
Interest	753,320	750,000	917,821	167,821
Rent	251,609	250,500	312,611	62,111
Contributions and Donations	502	500	1,406	906
Other	0	0	6,610	6,610
Total Revenues	<u>37,441,768</u>	<u>37,477,448</u>	<u>38,293,717</u>	<u>816,269</u>
Expenditures				
Current:				
General Government	11,954,335	12,448,599	11,888,225	560,374
Security of Persons and Property	20,735,139	20,803,229	20,458,540	344,689
Refuse Collection and Disposal	2,409,956	2,382,456	2,370,926	11,530
Public Health	264,132	276,869	273,064	3,805
Leisure Time Service	831,868	897,868	869,599	28,269
Community and Economic Development	1,498,690	1,528,690	1,436,556	92,134
Debt Service:				
Principal Retirement	100,000	100,000	100,000	0
Interest and Fiscal Charges	118,800	133,110	133,110	0
Total Expenditures	<u>37,912,920</u>	<u>38,570,821</u>	<u>37,530,020</u>	<u>1,040,801</u>
Excess of Revenues Over (Under) Expenditures	<u>(471,152)</u>	<u>(1,093,373)</u>	<u>763,697</u>	<u>1,857,070</u>
Other Financing Sources (Uses)				
Transfers In	286,456	286,456	286,456	0
Transfers Out	(115,844)	(393,844)	(393,844)	0
Total Other Financing Sources (Uses)	<u>170,612</u>	<u>(107,388)</u>	<u>(107,388)</u>	<u>0</u>
Net Change in Fund Balance	(300,540)	(1,200,761)	656,309	1,857,070
Fund Balance at Beginning of Year	2,830,672	2,830,672	2,830,672	0
Prior Year Encumbrances Appropriated	268,021	268,021	268,021	0
Fund Balance at End of Year	<u>\$ 2,798,153</u>	<u>\$ 1,897,932</u>	<u>\$ 3,755,002</u>	<u>\$ 1,857,070</u>

See accompanying notes to the basic financial statements.

CITY OF EUCLID, OHIO
STATEMENT OF FUND NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2007

	Enterprise Funds				Governmental Activities Internal Service Fund
	Water Line Improvement	Waste Water Treatment	Briardale Greens Golf Course	Totals	
Assets					
Current Assets:					
Equity in Pooled Cash and Cash Equivalents	\$ 2,969,483	\$ 7,709,150	\$ 203,493	\$ 10,882,126	\$ 199,066
Materials and Supplies Inventory	0	67,825	18,297	86,122	0
Accrued Interest Receivable	11,784	34,604	0	46,388	0
Accounts Receivable	454,343	2,197,116	0	2,651,459	0
Intergovernmental Receivable	0	217,395	0	217,395	0
Prepaid Items	0	17,824	5,492	23,316	0
Property Taxes Receivable	0	606,021	0	606,021	0
Total Current Assets	<u>3,435,610</u>	<u>10,849,935</u>	<u>227,282</u>	<u>14,512,827</u>	<u>199,066</u>
Noncurrent Assets:					
Deferred Charges	0	32,438	0	32,438	0
Non-depreciable Capital Assets	0	156,600	7,271,526	7,428,126	0
Depreciable Capital Assets, Net	19,655,850	28,210,775	1,386,218	49,252,843	0
Total Noncurrent Assets	<u>19,655,850</u>	<u>28,399,813</u>	<u>8,657,744</u>	<u>56,713,407</u>	<u>0</u>
Total Assets	<u>\$ 23,091,460</u>	<u>\$ 39,249,748</u>	<u>\$ 8,885,026</u>	<u>\$ 71,226,234</u>	<u>\$ 199,066</u>
Liabilities					
Current Liabilities:					
Accounts Payable	\$ 0	\$ 128,274	\$ 1,205	\$ 129,479	\$ 11,383
Accrued Wages and Benefits	0	72,316	4,461	76,777	79
Intergovernmental Payable	0	246,664	14,567	261,231	830
Matured Compensated Absences	0	40,140	0	40,140	0
Accrued Interest Payable	15,906	311,221	0	327,127	0
Retainage Payable	132,560	0	0	132,560	0
Claims Payable	0	54,995	5,287	60,282	360,004
Deferred Revenue	0	509,726	0	509,726	0
Notes Payable	3,000,000	0	0	3,000,000	0
Compensated Absences Payable	0	140,316	18,715	159,031	7,599
General Obligation Bonds Payable	230,000	96,000	0	326,000	0
Capital Leases Payable	0	90,658	13,583	104,241	0
OPWC Loans Payable	141,380	251,229	0	392,609	0
OWDA Loans Payable	0	1,708,527	0	1,708,527	0
Total Current Liabilities	<u>3,519,846</u>	<u>3,650,066</u>	<u>57,818</u>	<u>7,227,730</u>	<u>379,895</u>
Noncurrent Liabilities:					
Claims Payable, Net of Current Portion	0	234,082	22,504	256,586	2,444
Compensated Absences Payable, Net of Current Portion	0	553,049	98,600	651,649	2,205
General Obligation Bonds Payable, Net of Current Portion	3,660,000	2,560,909	0	6,220,909	0
Capital Lease Payable, Net of Current Portion	0	374,922	23,696	398,618	0
OPWC Loans Payable, Net of Current Portion	1,827,798	4,132,144	0	5,959,942	0
OWDA Loans Payable, Net of Current Portion	0	8,620,443	0	8,620,443	0
Total Noncurrent Liabilities	<u>5,487,798</u>	<u>16,475,549</u>	<u>144,800</u>	<u>22,108,147</u>	<u>4,649</u>
Total Liabilities	<u>9,007,644</u>	<u>20,125,615</u>	<u>202,618</u>	<u>29,335,877</u>	<u>384,544</u>
Net Assets					
Invested in Capital Assets, Net of Related Debt	10,796,672	10,564,981	8,620,465	29,982,118	0
Unrestricted	3,287,144	8,559,152	61,943	11,908,239	(185,478)
Total Net Assets	<u>\$14,083,816</u>	<u>\$ 19,124,133</u>	<u>\$ 8,682,408</u>	<u>\$ 41,890,357</u>	<u>\$ (185,478)</u>

See accompanying notes to the basic financial statements.

CITY OF EUCLID, OHIO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS -
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

	Enterprise Funds				Governmental Activities Internal Service Fund
	Water Line Improvement	Waste Water Treatment	Briardale Greens Golf Course	Totals	
<u>Operating Revenues</u>					
Charges for Services	\$ 1,671,736	\$ 10,794,815	\$ 1,019,279	\$ 13,485,830	\$ 294,544
Tap-In Fees	<u>0</u>	<u>82,064</u>	<u>0</u>	<u>82,064</u>	<u>0</u>
Total Operating Revenues	<u>1,671,736</u>	<u>10,876,879</u>	<u>1,019,279</u>	<u>13,567,894</u>	<u>294,544</u>
<u>Operating Expenses</u>					
Personal Services	0	4,249,290	566,457	4,815,747	28,240
Contractual Services	13,333	1,931,960	78,925	2,024,218	116,889
Materials and Supplies	0	2,263,003	278,045	2,541,048	765
Claims	0	0	0	0	58,223
Depreciation	440,991	867,229	71,682	1,379,902	0
Other	<u>5,500</u>	<u>53,041</u>	<u>63,331</u>	<u>121,872</u>	<u>0</u>
Total Operating Expenses	<u>459,824</u>	<u>9,364,523</u>	<u>1,058,440</u>	<u>10,882,787</u>	<u>204,117</u>
Operating Income (Loss)	<u>1,211,912</u>	<u>1,512,356</u>	<u>(39,161)</u>	<u>2,685,107</u>	<u>90,427</u>
<u>Non-Operating Revenues (Expenses)</u>					
Interest	22,988	40,595	0	63,583	10,115
Intergovernmental	0	39,479	0	39,479	0
Property Taxes	0	626,240	0	626,240	0
Other Non-Operating Revenues	294	0	0	294	0
Interest and Fiscal Charges	<u>(306,169)</u>	<u>(745,346)</u>	<u>(1,400)</u>	<u>(1,052,915)</u>	<u>0</u>
Total Non-Operating Revenues (Expenses)	<u>(282,887)</u>	<u>(39,032)</u>	<u>(1,400)</u>	<u>(323,319)</u>	<u>10,115</u>
Income Before Transfers	929,025	1,473,324	(40,561)	2,361,788	100,542
Transfers Out	<u>0</u>	<u>(286,456)</u>	<u>0</u>	<u>(286,456)</u>	<u>0</u>
Change in Net Assets	929,025	1,186,868	(40,561)	2,075,332	100,542
Net Assets (Deficit) at Beginning of Year, as Restated	<u>13,154,791</u>	<u>17,937,265</u>	<u>8,722,969</u>	<u>39,815,025</u>	<u>(286,020)</u>
Net Assets (Deficit) at End of Year	<u>\$ 14,083,816</u>	<u>\$ 19,124,133</u>	<u>\$ 8,682,408</u>	<u>\$ 41,890,357</u>	<u>\$ (185,478)</u>

See accompanying notes to the basic financial statements.

CITY OF EUCLID, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

	Water Line Improvement	Waste Water Treatment	Briardale Greens Golf Course	Totals	Governmental Activities Internal Service Fund
<i>Increase (Decrease) in Cash and Cash Equivalents</i>					
Cash Flows from Operating Activities					
Cash Received from Customers	\$ 1,561,575	\$ 10,769,705	\$ 1,019,279	\$ 13,350,559	\$ 301,500
Cash Payments to Suppliers for Goods and Services	(253,291)	(4,374,074)	(343,510)	(4,970,875)	(111,564)
Cash Paid to Employees	0	(3,972,743)	(536,871)	(4,509,614)	(32,321)
Cash Paid for Claims	0	0	0	0	(110,949)
Other Operating Cash Payments	(5,500)	(53,041)	(80,171)	(138,712)	0
Net Cash Provided by (Used by) Operating Activities	<u>1,302,784</u>	<u>2,369,847</u>	<u>58,727</u>	<u>3,731,358</u>	<u>46,666</u>
Cash Flows from Noncapital Financing Activities					
Receipts from Operating Grants	294	38,305	0	38,599	0
Receipts for Property Taxes	0	676,618	0	676,618	0
Transfers Out	0	(286,456)	0	(286,456)	0
Net Cash Provided by Noncapital Financing Activities	<u>294</u>	<u>428,467</u>	<u>0</u>	<u>428,761</u>	<u>0</u>
Cash Flows from Capital and Related Financing Activities					
Payments for Capital Acquisitions	(1,104,624)	(591,130)	0	(1,695,754)	0
Proceeds from OPWC	0	167,552	0	167,552	0
Proceeds from Notes	3,000,000	0	0	3,000,000	0
Proceeds from Capital Leases	0	0	15,540	15,540	0
Principal Paid on Notes	(3,000,000)	0	0	(3,000,000)	0
Principal Paid on General Obligation Bonds	(220,000)	(96,000)	0	(316,000)	0
Interest Paid on General Obligation Bonds	(323,214)	(171,062)	0	(494,276)	0
Principal Paid on OWDA Loans	0	(1,586,545)	0	(1,586,545)	0
Interest Paid on OWDA Loans	0	(593,663)	0	(593,663)	0
Principal Paid on OPWC Loans	(141,380)	(236,882)	0	(378,262)	0
Principal Paid on Capital Leases	0	(86,546)	(9,628)	(96,174)	0
Interest Paid on Capital Leases	0	(24,989)	(1,400)	(26,389)	0
Net Cash Provided by (Used by) Capital and Related Financing Activities	<u>(1,789,218)</u>	<u>(3,219,265)</u>	<u>4,512</u>	<u>(5,003,971)</u>	<u>0</u>
Cash Flows from Investing Activities					
Interest on Investments	45,004	5,991	0	50,995	10,115
Total Cash Flows from Investing Activities	<u>45,004</u>	<u>5,991</u>	<u>0</u>	<u>50,995</u>	<u>10,115</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(441,136)	(414,960)	63,239	(792,857)	56,781
Cash and Cash Equivalents Beginning of Year	3,410,619	8,124,110	140,254	11,674,983	142,285
Cash and Cash Equivalents End of Year	<u>\$ 2,969,483</u>	<u>\$ 7,709,150</u>	<u>\$ 203,493</u>	<u>\$ 10,882,126</u>	<u>\$ 199,066</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities					
Operating Income (Loss)	\$ 1,211,912	\$ 1,512,356	\$ (39,161)	\$ 2,685,107	\$ 90,427
Adjustments:					
Depreciation	440,991	867,229	71,682	1,379,902	0
(Increase) Decrease in Assets:					
Accounts Receivable	(110,161)	(107,174)	0	(217,335)	6,956
Prepaid Items	0	801	203	1,004	0
Materials and Supplies Inventory	0	(15,443)	(2,711)	(18,154)	0
Increase (Decrease) in Liabilities:					
Accounts Payable	(292,068)	(2,329)	(1,550)	(295,947)	4,114
Retainage Payable	52,110	(167,221)	0	(115,111)	0
Compensated Absences Payable	0	53,477	8,035	61,512	(5,398)
Matured Compensated Absences	0	40,140	0	40,140	0
Accrued Wages	0	15,975	2,484	18,459	79
Intergovernmental Payable	0	98,415	11,062	109,477	830
Claims Payable	0	73,621	8,683	82,304	(50,342)
Total Adjustments	<u>90,872</u>	<u>857,491</u>	<u>97,888</u>	<u>1,046,251</u>	<u>(43,761)</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ 1,302,784</u>	<u>\$ 2,369,847</u>	<u>\$ 58,727</u>	<u>\$ 3,731,358</u>	<u>\$ 46,666</u>

See accompanying notes to the basic financial statements.

CITY OF EUCLID, OHIO
STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
DECEMBER 31, 2007

	<u>Agency Fund</u>
<u>Assets</u>	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ 887,676
Accounts Receivable	<u>3,098</u>
Total Current Assets	<u>890,774</u>
Total Assets	<u>\$ 890,774</u>
<u>Liabilities</u>	
Current Liabilities:	
Accounts Payable	\$ 68,273
Intergovernmental Payable	541,434
Deposits Held and Due to Others	<u>281,067</u>
Total Current Liabilities	<u>890,774</u>
Total Liabilities	<u>\$ 890,774</u>

See accompanying notes to the basic financial statements.

Notes to the Basic Financial Statements

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007

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, 2007
(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, 2007
(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, 2007
(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 bonded 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 Improvement Fund This fund accounts for the provision of water 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, 2007
(CONTINUED)

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

B. Fund Accounting (Continued)

Internal Service Fund The internal service fund accounts 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, municipal court, employee flex spending, 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, 2007
(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, 2007
(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, 2007, but which were levied to finance year 2008 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 object levels within each department for all funds. Budgetary modifications at the

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(CONTINUED)

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

E. **Budgetary Process** (Continued)

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 cellular towers, animal control donations, and D.A.R.E. program are included in this line item.

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(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 2007, the City invested in Federal Home Loan Bank Bonds, Federal Farm Credit Bank, Federal Home Loan Bank Discount Notes, commercial paper, 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, 2007.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the General Fund during 2007 amounted to \$846,517, which includes \$558,953 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, 2007, 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, 2007
(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 2007, the City's infrastructure consists of streets, storm sewers, and water and sewer lines.

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(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” 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, 2007
(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 \$11,000,386 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, 2007
(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, 2007
(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 NET ASSETS**

A. **Change in Accounting Principles**

For fiscal year 2007, the City has implemented GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*.

GASB Statement No. 48 provides guidance on accounting for sales and pledges of receivables and future revenues. The Statement also requires governments to disclose in the notes to the financial statements the amount of future revenues that have been pledged or sold. The implementation of GASB Statement No. 48 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, 2007
(CONTINUED)

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

A. Change in Accounting Principles (Continued)

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.

B. Prior Period Adjustment

Prior to 2007, GASB Statement No. 34 allowed entities to defer retroactive reporting of infrastructure for four years. During 2007, the City was required to report historical costs for, at a minimum, all of its infrastructure added after 1980. Prior to this, the City was showing only additions to infrastructure from 2003 through 2006. The change to the reporting amount of infrastructure had the following effect on the City's governmental activities of \$33,231,443.

Also, during the year ended December 31, 2006, it was discovered that there was an error in reporting depreciable capital assets, workers' compensation retrospective rating plan, long-term claims liability, and reclass of capital lease from business-type activity to governmental activity. The adjustments had the following effect on net assets:

	<u>Water Line Improvement</u>	<u>Waste Water Treatment</u>	<u>Briardale Greens Golf Course</u>
Net Assets at December 31, 2006, as reported	\$ 3,082,119	\$ 30,309,259	\$ 8,884,387
Non-depreciable Capital Assets	220,980	0	0
Depreciable Capital Assets, Net of Depreciation	9,851,692	(12,169,390)	(147,228)
Capital Lease Payable	0	(42,598)	0
Workers' Compensation Claims Liability	0	(160,006)	(14,190)
Net Assets at January 1, 2007, as Restated	<u>\$ 13,154,791</u>	<u>\$ 17,937,265</u>	<u>\$ 8,722,969</u>
	<u>Governmental Activities</u>		<u>Business- Type Activities</u>
	<u>Internal Service Fund</u>	<u>Governmental Activities</u>	
Net Assets at December 31, 2006, as reported	\$ (284,479)	\$ 28,275,845	\$ 42,275,765
Adjustments:			
Non-depreciable Capital Assets	0	55,417	220,979
Depreciable Capital Assets, Net of Depreciation	0	33,176,026	(2,464,925)
Capital Lease Payable	0	42,598	(42,598)
Workers' Compensation Claims Liability	(1,541)	(1,064,586)	(174,196)
Net Assets at January 1, 2007, as Restated	<u>\$ (286,020)</u>	<u>\$ 60,485,300</u>	<u>\$ 39,815,025</u>

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(CONTINUED)

NOTE 4: **COMPLIANCE AND ACCOUNTABILITY**

A. **Legal Compliance**

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

	Original Estimated Revenue Plus Beginning <u>Balances</u>	Original <u>Appropriations</u>	<u>Excess</u>
<u>Special Revenue</u>			
Nuisance Abatement	\$ 67,546	\$ 120,696	\$ 53,150
SCMR	2,211,070	2,240,076	29,006
Other Grants	405,615	510,188	104,573
<u>Capital Projects</u>			
Permanent Improvement	2,669,951	4,238,445	1,568,494
<u>Enterprise</u>			
Water Line Improvement	4,393,722	6,589,195	2,195,473

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

	Final Estimated Revenue Plus Beginning <u>Balances</u>	Final <u>Appropriations</u>	<u>Excess</u>
<u>Special Revenue</u>			
Community Development Block Grant	\$ 1,473,625	\$ 1,492,377	\$ 18,752

Management has indicated that appropriations 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, 2007
(CONTINUED)

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

B. Fund Deficit

The following nonmajor funds had deficit fund balances or deficit net assets as of December 31, 2007:

Special Revenue

Community Development Block Grant	\$ 25,615
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Internal Service

Self-Insurance Fund	185,478
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The deficits in the special revenue fund and the internal service fund 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, 2007
(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	\$ 1,704,530
Net Adjustment for Revenue Accruals	(1,158,027)
Net Adjustment for Expenditure Accruals	411,609
Encumbrances	<u>(301,803)</u>
Budget Basis	<u>\$ 656,309</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;

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(CONTINUED)

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

- 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;
- 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.

Cash on Hand

The City had \$17,550 in undeposited cash on hand, which is reported on the balance sheet as part of "Equity in Pooled Cash and Cash Equivalents".

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(CONTINUED)

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

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 \$8,030,616 and the bank balance was \$8,346,378. Of the bank balance, \$462,074 was covered by Federal depository insurance and \$7,884,304 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.

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, 2007, the City had the following investments:

	<u>Fair Value</u>	<u>Average Maturity</u>
Federal Home Loan Bank Bonds	\$ 4,000,867	524 days
Federal Home Loan Bank Discount Notes	1,003,545	366 days
Federal Farm Credit Bank	1,000,011	457 days
Commercial Paper	3,958,437	159 days
STAROhio	2,950,000	13 days
Repurchase Agreement	<u>3,894,000</u>	2 days
Total	<u>\$16,806,860</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.

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(CONTINUED)

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

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.

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, 2007:

Percentage of Investment Investments	
Federal Home Loan Bank Bonds	30.99%
Federal Home Loan Bank Discount Notes	7.77%
Federal Farm Credit Bank	7.74%
Commercial Paper	30.65%
STAROhio	22.85%

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 \$593,327 and the bank balance was \$606,249. Of the bank balance \$244,191 was covered by Federal depository insurance and \$362,058 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.

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(CONTINUED)

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

Component Unit - Euclid Development Corporation (EDCOR) (Continued)

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.

NOTE 7: **RECEIVABLES**

Receivables at December 31, 2007, 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 \$1,412,034 and delinquent special assessments outstanding are \$188,539.

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 2007 for real and public utility property taxes represents collections of 2006 taxes. Property tax payments received during 2007 for tangible personal property (other than public utility property) are for 2007 taxes.

2007 real property taxes are levied after October 1, 2007, on the assessed value as of January 1, 2007, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2007 real property taxes are collected in and intended to finance 2008.

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. 2007 public utility property taxes which become a lien December 31, 2006, are levied after October 1, 2007, and are collected in 2008 with real property taxes.

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(CONTINUED)

NOTE 7: **RECEIVABLES** (Continued)

A. **Property Taxes** (Continued)

Tangible personal property tax revenue received during calendar 2007 (other than public utility property) represents the collection of 2006 taxes. Tangible personal property taxes received in calendar year 2007 were levied in after April 1, 2006, on the value as of December 31, 2006. 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 percentage for all property including inventory for 2007 is 12.50 percent. This will be reduced to 6.25 in 2008 and further reduced to zero in 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.

The full tax rate for all City operations for the year ended December 31, 2007, was \$15.60 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2007 property tax receipts were based are as follows:

Real Property	\$ 801,943,180
Public Utility Property	21,020,000
Tangible Personal Property	<u>81,771,053</u>
Total Valuation	<u>\$ 904,734,233</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.

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(CONTINUED)

NOTE 7: **RECEIVABLES** (Continued)

A. **Property Taxes** (Continued)

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, 2007, 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 2007 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.

B. **Income Tax**

The City levies a municipal income tax of 2.85 percent on substantially all income earned within 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.

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.

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(CONTINUED)

NOTE 7: **RECEIVABLES** (Continued)

C. Intergovernmental Receivables

A summary of the principal items of intergovernmental receivables follows:

<u>Governmental Activities</u>	<u>Amount</u>
Local Government	\$ 1,567,131
Gasoline Tax	694,383
Homestead and Rollback	251,622
Estate Tax	672,346
Fines, Licenses, and Fees	7,209
Motor Vehicle Tax	136,652
Other Intergovernmental	<u>243,771</u>
Total Governmental Activities	<u>\$ 3,573,114</u>
<u>Business-Type Activities</u>	
Homestead and Rollback	\$ 23,624
OPWC Receivables	192,040
Other Intergovernmental	<u>1,731</u>
Total Business-Type Activities	<u>\$ 217,395</u>

D Notes and Loans Receivable

General fund notes 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 loans 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.

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(CONTINUED)

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.

NOTE 9: CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2007, was as follows:

	Balance <u>12/31/2006</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>12/31/2007</u>
<u>Governmental Activities</u>				
<i>Capital Assets, Not Being Depreciated</i>				
Land	\$ 9,058,667	\$ 0	\$ 0	\$ 9,058,667
Construction-in-Progress	<u>429,760</u>	<u>912,208</u>	<u>0</u>	<u>1,341,968</u>
<i>Total Capital Assets, Not Being Depreciated</i>	<u>9,488,427</u>	<u>912,208</u>	<u>0</u>	<u>10,400,635</u>
<i>Capital Assets Being Depreciated</i>				
Land Improvements	5,823,500	181,601	0	6,005,101
Buildings and Improvements	14,634,678	530,502	0	15,165,180
Furniture, Fixtures, and Equipment	8,428,986	438,046	325,590	8,541,442
Infrastructure:				
Streets	<u>119,921,734</u>	<u>393,493</u>	<u>0</u>	<u>120,315,227</u>
<i>Total Capital Assets Being Depreciated</i>	<u>148,808,898</u>	<u>1,543,642</u>	<u>325,590</u>	<u>150,026,950</u>
<i>Less Accumulated Depreciation</i>				
Land Improvements	(3,560,210)	(271,622)	0	(3,831,832)
Buildings and Improvements	(5,778,646)	(303,473)	0	(6,082,119)
Furniture, Fixtures, and Equipment	(6,978,102)	(596,980)	(277,782)	(7,297,300)
Infrastructure:				
Streets	<u>(64,843,123)</u>	<u>(5,996,087)</u>	<u>0</u>	<u>(70,839,210)</u>
<i>Total Accumulated Depreciation</i>	<u>(81,160,081)</u>	<u>(7,168,162)</u>	<u>(277,782)</u>	<u>(88,050,461)</u>
Total Capital Assets Being Depreciated, Net	<u>67,648,817</u>	<u>(5,624,520)</u>	<u>47,808</u>	<u>61,976,489</u>
Governmental Activities Capital Assets, Net	<u>\$ 77,137,244</u>	<u>\$ (4,712,312)</u>	<u>\$ 47,808</u>	<u>\$ 72,377,124</u>

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(CONTINUED)

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

	Balance 12/31/2006	Additions	Deletions	Balance 12/31/2007
<u>Business-Type Activities</u>				
<i>Capital Assets, Not Being Depreciated</i>				
Land	\$ 7,428,126	\$ 0	\$ 0	\$ 7,428,126
Construction in Progress	<u>3,017,881</u>	<u>1,405,856</u>	<u>4,423,737</u>	<u>0</u>
<i>Capital Assets Not Being Depreciated</i>	<u>10,446,007</u>	<u>1,405,856</u>	<u>4,423,737</u>	<u>7,428,126</u>
<i>Capital Assets Being Depreciated</i>				
Land Improvements	1,207,490	0	0	1,207,490
Buildings and Improvements	13,527,303	0	0	13,527,303
Furniture, Fixtures, and Equipment	7,326,498	29,601	5,650	7,350,449
Infrastructure:				
Sanitary Sewers	13,795,210	0	0	13,795,210
Storm Sewers	10,462,375	3,388,031	0	13,850,406
Water Lines	<u>22,049,555</u>	<u>1,325,604</u>	<u>0</u>	<u>23,375,159</u>
<i>Total Capital Assets Being Depreciated</i>	<u>68,368,431</u>	<u>4,743,236</u>	<u>5,650</u>	<u>73,106,017</u>
<i>Less Accumulated Depreciation</i>				
Land Improvements	(635,852)	(53,722)	0	(689,574)
Buildings and Improvements	(5,156,850)	(265,330)	0	(5,422,180)
Furniture, Fixtures, and Equipment	(6,479,777)	(164,309)	(5,650)	(6,638,436)
Infrastructure:				
Sanitary Sewers	(3,692,157)	(275,904)	0	(3,968,061)
Storm Sewers	(3,206,368)	(209,247)	0	(3,415,615)
Water Lines	<u>(3,278,317)</u>	<u>(440,991)</u>	<u>0</u>	<u>(3,719,308)</u>
<i>Total Accumulated Depreciation</i>	<u>(22,449,321)</u>	<u>* (1,409,503)</u>	<u>(5,650)</u>	<u>(23,853,174)</u>
Total Capital Assets Being Depreciated, Net	<u>45,919,110</u>	<u>3,333,733</u>	<u>0</u>	<u>49,252,843</u>
Business-Type Activities Capital Assets, Net	<u>\$ 56,365,117</u>	<u>\$ 4,739,589</u>	<u>\$ 4,423,737</u>	<u>\$ 56,680,969</u>

* Amounts include transfer of an asset and associated depreciation from Governmental Activities to Business-type Activities.

Depreciation expense was charged to governmental functions as follows:

General Government	\$ 258,023
Security of Persons and Property	359,280
Leisure Time Services	249,586
Community and Economic Development	91,966
Transportation	<u>6,209,307</u>
Total	<u>\$ 7,168,162</u>

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(CONTINUED)

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 - 2007	4.50%	2006	6,846,000	2008
<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 Collection Systems - 1994	4.56%	1994	2,397,760	2014
Sewer Improvement - 1991	11.19%	1991	6,093,465	2011
<i>Enterprise OPWC Loans:</i>				
Newton Avenue Improvements - 2000	0.00%	2000	\$ 1,468,836	2019
East 226 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	338,366	2028
Chatworth Drive Sanitary - 2005	0.00%	2006	235,531	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

(Continued)

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(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 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 2007 were as follows:

	<u>Principal Outstanding at 12/31/2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Principal Outstanding at 12/31/2007</u>	<u>Due Within One Year</u>
Governmental Activities					
<i>General Obligation Bonds:</i>					
Various Purpose					
Refunding - 1998	\$ 1,065,000	\$ 0	\$ 200,000	\$ 865,000	\$ 195,000
Various Purpose - 1995	2,185,000	0	690,000	1,495,000	725,000
Various Purpose - 1998	3,980,000	0	330,000	3,650,000	345,000
Various Purpose - 2001	5,210,000	0	350,000	4,860,000	365,000
Various Purpose - 2004	8,600,000	0	112,000	8,488,000	115,000
Unamortized Premium	81,777	0	4,543	77,234	0
Various Purpose					
Refunding - 2004	4,033,000	0	362,000	3,671,000	374,000
Unamortized Premium	24,960	0	2,773	22,187	0
Unamortized Gain on Refunding	(136,440)	0	(15,160)	(121,280)	0
Total General Obligation Bonds	25,043,297	0	2,036,156	23,007,141	2,119,000
<i>Special Assessment Bonds with Government Commitment:</i>					
Heritage Drive Improvements - 1999	1,305,000	0	70,000	1,235,000	75,000
<i>Notes Payable:</i>					
Various Purpose - 2006	3,816,000	0	3,816,000	0	0
Various Purpose - 2007	0	6,846,000	0	6,846,000	6,846,000
Unamortized Premium	0	40,280	0	40,280	0
Total Notes Payable	3,816,000	6,886,280	3,816,000	6,886,280	6,846,000
<i>Industrial Development Revenue Bonds:</i>					
Lincoln Electric Industrial Development	1,440,000	0	100,000	1,340,000	105,000
<i>Ohio Public Works Commission:</i>					
East 222 nd St. - 2006	98,000	434,981	0	532,981	0
<i>Other Obligations:</i>					
Capital Leases	1,694,077	0	389,365	1,304,712	370,021
Workers' Compensation Claims	1,433,519	819,652	368,933	1,884,238	358,463
Compensated Absences	7,767,597	3,025,175	2,845,082	7,947,690	1,535,343
Total Other Obligations	10,895,193	3,844,827	3,603,380	11,136,640	2,263,827
Total Governmental Activities	\$ 42,597,490	\$ 11,166,088	\$ 9,625,536	\$ 44,138,042	\$ 11,408,827

(Continued)

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(CONTINUED)

NOTE 10: LONG-TERM OBLIGATIONS (Continued)

	Principal Outstanding at 12/31/2006	Additions	Deletions	Principal Outstanding at 12/31/2007	Due Within One Year
Business-Type Activities					
<i>General Obligation Bonds:</i>					
Wastewater Fund:					
Peterson Waterline-1998 \$	1,500,000	\$ 0	\$ 95,000	\$ 1,405,000	\$ 95,000
Various Purpose					
Refunding - 2004	1,242,000	0	1,000	1,241,000	1,000
Unamortized Premium	11,551	0	642	10,909	0
Waterline Fund:					
Waterline Improvement-1998	720,000	0	45,000	675,000	50,000
Waterline Improvement-2001	3,390,000	0	175,000	3,215,000	180,000
<i>Total General Obligation Bonds</i>	<u>6,863,551</u>	<u>0</u>	<u>316,642</u>	<u>6,546,909</u>	<u>326,000</u>
<i>Notes Payable:</i>					
Waterline Improvements-2006	3,000,000	0	3,000,000	0	0
Waterline Improvements-2007	0	3,000,000	0	3,000,000	3,000,000
<i>Total Notes Payable</i>	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>
<i>OWDA Loans:</i>					
Wastewater Fund:					
Wastewater Treatment and Collection Systems-1993	6,641,388	0	744,916	5,896,472	784,155
Wastewater Treatment and Collection Systems-1994	1,637,037	0	173,828	1,463,209	181,844
Sewer Improvement-1991	3,637,090	0	667,801	2,969,289	742,528
<i>Total OWDA Loans</i>	<u>11,915,515</u>	<u>0</u>	<u>1,586,545</u>	<u>10,328,970</u>	<u>1,708,527</u>
<i>OPWC Loans:</i>					
Wastewater Fund:					
Newton Ave. Improvements- 2000	954,744	0	73,442	881,302	73,442
East 226 th Street/Edgecliff- 2003	1,260,689	0	76,405	1,184,284	76,405
East 197 th Street - 2001	531,318	0	37,951	493,367	37,951
East 255 th Street - 2002	310,413	0	20,027	290,386	20,027
East 216 th Street - 2004	523,018	0	29,057	493,961	29,057
Brandywine Pump Station - 2006	246,965	91,401	0	338,366	8,459
Chatworth Drive Sanitary Sewer - 2006	133,161	102,370	0	235,531	5,888
Euclid Avenue/Babbitt Road - 2006	444,690	21,486	0	466,176	0
<i>Total Wastewater Fund</i>	<u>4,404,998</u>	<u>215,257</u>	<u>236,882</u>	<u>4,383,373</u>	<u>251,229</u>
Waterline Fund					
Miller Avenue - 2001	1,182,930	0	84,495	1,098,435	84,495
East 222 nd Street - 2003	743,714	0	43,748	699,966	43,748
East 214 th Street - 2001	183,914	0	13,137	170,777	13,137
<i>Total Waterline Fund</i>	<u>2,110,558</u>	<u>0</u>	<u>141,380</u>	<u>1,969,178</u>	<u>141,380</u>
<i>Total OPWC Loans</i>	<u>6,515,556</u>	<u>215,257</u>	<u>378,262</u>	<u>6,352,551</u>	<u>392,609</u>
<i>Other Obligations:</i>					
Capital Leases	583,491	15,542	96,174	502,859	104,241
Claims Payable	234,565	142,672	60,369	316,868	60,282
Compensated Absences	749,168	450,786	389,274	810,680	159,031
<i>Total Other Obligations</i>	<u>1,567,224</u>	<u>609,000</u>	<u>545,817</u>	<u>1,630,407</u>	<u>323,554</u>
Total Business-Type Activities	<u>\$ 29,861,846</u>	<u>\$ 3,824,257</u>	<u>\$ 5,827,266</u>	<u>\$ 27,858,837</u>	<u>\$ 5,750,690</u>

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(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 2007 Various Purpose note will be paid from the General Obligation Bond Retirement 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 and 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, OWDA wastewater treatment and collections loans, OPWC wastewater improvement loans and capital leases for equipment will be paid from the sewer user charges.

At the beginning of the year, the City had 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 Chatworth Drive Sanitary and Brandywine Pump Station were completed during 2007. The East 222nd Street project is recorded in the governmental activities, while the remaining projects are reported

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(CONTINUED)

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

in business-type activities. As of December 31, 2007, the loan amount received for the two outstanding projects are reported in the following amortization schedules.

The City has pledged future general revenue to repay taxable Industrial Development Revenue Bonds. Debt is payable solely from net revenues and are payable through 2016. Annual principal and interest payments on the revenue bones are expected to require .5 percent of net revenue. Total principal and interest remaining to be paid on the debt is \$1,950,914. Principal and interest paid for the current year were \$218,800, and the related revenue received was \$109,335.

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, 2007, the amount of defeased debt outstanding but removed from the government-wide financial statements amounted to \$3,490,000.

Governmental Activities

Year	General Obligation Bonds		Special Assessment Bonds		Revenue Bonds		OPWC Loan
	Principal	Interest	Principal	Interest	Principal	Interest	Principal
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	26,650
2010	1,938,000	822,802	85,000	60,480	125,000	92,400	26,650
2011	1,831,000	749,024	90,000	55,720	135,000	82,088	26,650
2012	1,659,000	641,319	90,000	50,680	145,000	70,950	26,650
2013-2017	7,232,000	2,301,068	550,000	169,400	715,000	153,038	133,250
2018-2022	4,211,000	901,489	265,000	22,400	0	0	133,250
2023-2027	1,830,000	165,580	0	0	0	0	133,250
2028-2031	0	0	0	0	0	0	26,631
Total	<u>\$23,029,000</u>	<u>\$ 7,523,883</u>	<u>\$ 1,235,000</u>	<u>\$ 491,705</u>	<u>\$ 1,340,000</u>	<u>\$ 610,914</u>	<u>\$ 532,981</u>

Year	Total	
	Principal	Interest
2008	\$ 2,299,000	1,196,884
2009	2,430,650	1,091,180
2010	2,174,650	975,682
2011	2,082,650	886,832
2012	1,920,650	762,949
2013-2017	8,630,250	2,623,506
2018-2022	4,609,250	923,889
2023-2027	1,963,250	165,580
2028-2031	26,631	0
Total	<u>\$26,136,981</u>	<u>\$8,626,502</u>

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(CONTINUED)

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

Business-Type Activities

Year	General Obligation Bonds		OWDA Loans		OPWC Loans	Total	
	Principal	Interest	Principal	Interest	Principal	Principal	Interest
2008	\$ 326,000	\$ 315,657	\$ 1,708,527	\$ 693,490	\$ 392,609	\$ 2,427,136	\$ 1,009,147
2009	346,000	301,417	1,841,308	560,708	430,265	2,617,573	862,125
2010	417,000	286,025	1,985,951	416,066	430,265	2,833,216	702,091
2011	439,000	267,935	1,606,040	258,581	430,265	2,475,305	526,516
2012	451,000	246,515	1,180,683	146,543	430,265	2,061,948	393,058
2013-2017	2,658,000	870,406	2,006,461	107,633	2,151,325	6,815,786	978,039
2018-2022	1,599,000	230,511	0	0	1,649,819	3,248,819	230,511
2023-2027	300,000	27,120	0	0	400,080	700,080	27,120
2028-2031	0	0	0	0	37,658	37,658	0
Total	<u>\$ 6,536,000</u>	<u>\$ 2,545,586</u>	<u>\$10,328,970</u>	<u>\$2,183,021</u>	<u>\$6,352,551</u>	<u>\$23,217,521</u>	<u>\$4,728,607</u>

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

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(CONTINUED)

NOTE 11: COMPENSATED ABSENCES

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.

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 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 2007, 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 \$80,430 for 2007. The City carries a commercial package property insurance policy for blanket coverage in excess of \$89,000,000. 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 \$3,378,635 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 \$360,004 reported in the self insurance internal service fund at December 31, 2007 consists of \$359,430 of property insurance and \$3,018 of other claims and 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:

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(CONTINUED)

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

A. **Property and Liability** (Continued)

	Balance at Beginning <u>of Year</u>	Current <u>Year Claims</u>	Claim <u>Payments</u>	Balance at <u>End of Year</u>
2006	\$ 462,500	\$ 37,509	\$ 89,294	\$ 410,715
2007	\$ 410,715	\$ 59,664	\$ 110,949	\$ 359,430

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 \$397,870 reported in the general fund at December 31, 2007 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>
2006	\$ 571,509	\$ 2,928,051	\$ 2,870,847	\$ 628,713
2007	\$ 628,713	\$ 2,614,225	\$ 2,845,068	\$ 397,870

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(CONTINUED)

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

C. **Workers' Compensation Program**

The City participates in the State Workers' Compensation retrospective rating and payment system. The plan involves the payment of a minimum premium for administrative services and stop loss coverage plus the actual claim costs for employees injured. The program for workers' compensation is administered by Associated Compensated Resources. Payments are made directly to the Ohio Bureau of Workers' Compensation for actual claims processed.

The claims liability of \$1,884,238 reported in governmental funds and \$316,868 reported in business-type activities is based on the requirements of Governmental Standards Board Statement No. 30, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. Changes in the fund's current claims liability amount for the fiscal year ended December 31, 2006 and 2007 were:

	Balance at Beginning <u>of Year</u>	Current <u>Year Claims</u>	Claim <u>Payments</u>	Balance at <u>End of Year</u>
2006	\$ 1,525,124	\$ 572,259	\$ 429,299	\$ 1,668,084
2007	\$ 1,668,084	\$ 951,500	\$ 418,475	\$ 2,201,106

NOTE 13 **DEFINED BENEFIT PENSION PLANS**

A. **Ohio Public Employee Retirement System**

All City full-time employees, other than non-administrative full-time police officers and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans, as described below:

- The Traditional Pension Plan (TP) - a cost-sharing, multiple-employer defined benefit pension plan;
- The Member-Directed Plan (MD) - a benefit contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-Directed plan, members accumulate retirement assets equal to the value of the member and (vested) employer contributions plus any investment earnings.

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(CONTINUED)

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

A. **Ohio Public Employee Retirement System** (Continued)

- The Combined Plan (CO) - a cost-sharing, multiple-employer defined benefit pension plan. Under the Combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the Traditional Pension plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed plan.

OPERS provides retirement, disability, survivor, death benefits, and annual cost of living adjustments to members of both the Traditional Pension and the Combined plans. Members of the Member-Directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by State statute per Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377 or by using the OPERS website at www.opers.org.

For the year ended December 31, 2007, the members of all three plans, except those in law enforcement or public safety participating in the Traditional Plan, were required to contribute 9.5 percent of their annual covered salaries. Members participating in the Traditional Plan who were in law enforcement contributed 9.75 percent of their annual covered salary. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2007, member and employer contribution rates were consistent across all three plans (TP, MD, and CO). Plan members are required to contribute 9.5 percent of their annual covered salary to fund pension obligations. The employer pension contribution rate for the City was 8.85 percent of covered payroll from January 1 to June 30, 2007, and 7.85 from July 1 to December 31, 2007. The City's required contributions to OPERS for the years ended December 31, 2007, 2006, and 2005, were \$1,132,017, \$1,171,478, and \$1,129,838, respectively. The full amount has been contributed for 2006 and 2005. 86.74 percent has been contributed for 2007. Contributions to the Member-Directed plan for 2007 were \$15,072 made by the City and \$10,338 made by the plan members.

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(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. The OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. The 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.

Police and firefighters are required to contribute 10 percent of their annual covered salary to fund pension obligations and the City is required to contribute 19.5 percent for police officers and 24.00 percent for firefighters. The City's contributions to the OP&F for police and firefighters were \$853,332 and \$915,311 for the year ended December 31, 2007, \$771,903 and \$847,543 for the year ended December 31, 2006, and \$733,690 and \$847,375 for the year ended December 31, 2005. The full amount has been contributed for 2006 and 2005. 93.27 percent and 96.33 percent, respectively, have been contributed for 2007.

NOTE 14: **POST-EMPLOYMENT BENEFITS**

A. Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides post-retirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the Traditional Plan or the Combined Plan. Health care coverage for disability benefit recipients and primary survivor recipients is available with both the Traditional and the Combined Plan. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. The health care coverage provided by the retirement system meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care based on authority granted by State statute. The 2007 employer rate was 13.85 percent of covered payroll (17.17 percent for public safety and law enforcement). The portion of employer contributions allocated to health care was 5.00 percent from January 1 through June 30, 2007, and 6.00 percent from July 1 through December 31, 2007.

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(CONTINUED)

NOTE 14: **POST-EMPLOYMENT BENEFITS** (Continued)

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

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS' latest actuarial review performed as of December 31, 2006, include a rate of return on investments of 6.50 percent, an annual increase in active employee total payroll of 4 percent compounded annually (assuming no change in the number of active employees), and an additional increase in total payroll of between .50 percent and 6.30 percent based on additional annual pay increases. Health care premiums were assumed to increase at the projected wage inflation rate plus an additional factor ranging from .50 percent to 5 percent annually for the next 8 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.

As of December 31, 2007, the number of active contributing participants in the Traditional Pension and Combined plans totaled 374,979. The number of active contributing participants for both plans used in the December 31, 2006, actuarial valuation was 362,130. Actual City contributions for 2007 which were used to fund post-employment benefits were \$745,640. The actual contribution and the actuarially required contribution amounts are the same. The actuarial value of OPERS' net assets available for payment of benefits at December 31, 2006 (the latest information available) was \$12.0 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$30.7 billion and \$18.7 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a 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, January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

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

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(CONTINUED)

NOTE 14: **POST-EMPLOYMENT BENEFITS** (Continued)

B. Ohio Police and Fire Pension Fund

The Ohio Police and Fire Pension Fund (OP&F) provides post-retirement 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 two-thirds basis. The health care coverage provided by the retirement system meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides that health care costs paid from the funds of the OP&F shall be included in the employer's contribution rate. The total police employer contribution rate is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll.

The Ohio Revised Code provides the statutory authority allowing OP&F's Board of Trustees to offer health care coverage to all eligible individuals. Health care funding and accounting is on a pay-as-you-go basis. A percentage of covered payroll, as defined by the Board, is used to pay retiree health care expenses.

For the year ended December 31, 2007, the employer contribution allocated to the health care plan was 6.75 percent of covered payroll. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions. The number of OP&F participants eligible to receive health care benefits as of December 31, 2006, the date of the last actuarial valuation was 14,120 for police and 10,563 for firefighters.

The City's actual contributions for 2007 that were used to fund post-employment health care benefits were \$451,759 for police and \$358,165 for firefighters. The OP&F's total health care expenses for the year ended December 31, 2006 (the latest information available) was \$120,373,722, which was net of member contributions of \$58,532,848.

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(CONTINUED)

NOTE 15: CAPITAL LEASES

In prior years, the City entered into leases for the acquisition of postage meter, phone system, Honeywell retrofits, 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.

During 2007, the City entered into a capital lease for equipment relating to the operations of the Briardale Greens Golf Course.

Capital assets acquired by lease have been capitalized and depreciated as follows as of December 31, 2007:

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>
<i>Capital Assets being Depreciated:</i>		
Furniture, Fixtures, and Equipment	\$ 3,208,607	\$ 1,114,180
Less Accumulated Depreciation:		
Furniture, Fixtures, and Equipment	<u>(1,282,737)</u>	<u>(550,983)</u>
<i>Total Capital Assets Being Depreciated</i>	<u>\$ 1,925,870</u>	<u>\$ 563,197</u>
Year Ending		
<u>December 31</u>		
2008	\$ 426,840	\$ 126,794
2009	424,710	126,794
2010	152,278	115,766
2011	152,278	115,766
2012	152,279	41,139
2013	<u>152,279</u>	<u>41,139</u>
Total Minimum Lease Payments	1,460,664	567,398
Less: Amount Representing Interest	<u>(155,952)</u>	<u>(64,539)</u>
Present Value of Minimum Lease Payments	<u>\$1,304,712</u>	<u>\$ 502,859</u>

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(CONTINUED)

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, 2007, were as follows:

<u>Transfer To</u>	<u>Transfer From</u>			<u>Totals</u>
	<u>Governmental Activities</u>		<u>Business-Type</u>	
	<u>General Fund</u>	<u>Nonmajor</u>	<u>Wastewater</u>	
General Fund	\$ 0	\$ 0	\$ 286,456	\$ 286,456
Nonmajor	393,844	145,000	0	538,844
Totals	\$ 393,844	\$ 145,000	\$ 286,456	\$ 825,300

B. Interfund Receivable and Payable

As of December 31, 2007, the general fund had a \$205 interfund receivable. The Community Development Block Grant Special Revenue Fund had an interfund payable of \$205 due to negative cash. \$538,000 interfund receivable in the General Obligation Bond Retirement Debt Service Fund is from manuscript notes from the General Permanent Improvement Capital Projects.

NOTE 17: SUBSEQUENT EVENT

On May 28, 2008, the City issued \$13,285,000 in bonds for various purposes. The bonds have various interest rates of 3 percent to 5 percent and mature December 2028.

On May 12, 2008, the City issued \$5,600,000 in Bond Anticipation Notes. The notes have an interest rate of 2.375 percent and mature May 21, 2009.

On June 18, 2008, the City issued \$350,000 in Bond Anticipation Notes for improvements to the Briardale Greens Golf Course. The notes have an interest rate of 2.375 percent, mature June 18, 2009, and were purchased through the City's General Obligation Bond Retirement Fund.

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*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 for 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.

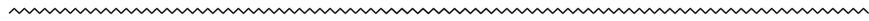
CITY OF EUCLID, OHIO

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, 2007**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$ 1,533,035	\$ 4,211,241	\$ 5,744,276
Materials and Supplies Inventory	211,683	0	211,683
Accrued Interest Receivable	0	15,461	15,461
Accounts Receivable	39,568	0	39,568
Intergovernmental Receivable	978,034	20,081	998,115
Prepaid Items	4,497	0	4,497
Property Taxes Receivable	<u>393,914</u>	<u>515,118</u>	<u>909,032</u>
Total Assets	<u>\$ 3,160,731</u>	<u>\$ 4,761,901</u>	<u>\$ 7,922,632</u>
<u>Liabilities and Fund Balances</u>			
<u>Liabilities</u>			
Accounts Payable	\$ 70,421	\$ 272,039	\$ 342,460
Accrued Wages and Benefits	36,224	1,209	37,433
Intergovernmental Payable	115,679	24,310	139,989
Retainage Payable	0	181,427	181,427
Interfund Payable	205	538,000	538,205
Deferred Revenue	<u>971,426</u>	<u>535,199</u>	<u>1,506,625</u>
Total Liabilities	<u>1,193,955</u>	<u>1,552,184</u>	<u>2,746,139</u>
<u>Fund Balances</u>			
Reserved:			
Reserved for Encumbrances	179,584	1,078,094	1,257,678
Unreserved, Undesignated, Reported in:			
Special Revenue Funds	1,787,192	0	1,787,192
Capital Projects Funds	<u>0</u>	<u>2,131,623</u>	<u>2,131,623</u>
Total Fund Balances	<u>1,966,776</u>	<u>3,209,717</u>	<u>5,176,493</u>
Total Liabilities and Fund Balances	<u>\$ 3,160,731</u>	<u>\$ 4,761,901</u>	<u>\$ 7,922,632</u>

CITY OF EUCLID, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

	Special Revenue	Capital Projects	Total
Revenues			
Property Taxes	\$ 439,803	\$ 575,125	\$ 1,014,928
Payments in Lieu of Taxes	0	72,269	72,269
Special Assessments	74,036	1,073	75,109
Charges for Services	799,443	4,439	803,882
Fines and Forfeitures	187,894	0	187,894
Intergovernmental	3,229,560	32,558	3,262,118
Interest	14,680	45,605	60,285
Rent	90,267	1,500	91,767
Contributions and Donations	27,517	0	27,517
Other	12,517	0	12,517
Total Revenues	<u>4,875,717</u>	<u>732,569</u>	<u>5,608,286</u>
Expenditures			
Current:			
General Government	341,378	0	341,378
Security of Persons and Property	218,561	0	218,561
Leisure Time Services	1,099,243	0	1,099,243
Community and Economic Development	1,220,356	0	1,220,356
Transportation	2,242,299	0	2,242,299
Capital Outlay	0	3,579,883	3,579,883
Debt Service:			
Principal Retirement	20,448	271,939	292,387
Interest and Fiscal Charges	6,807	44,726	51,533
Total Expenditures	<u>5,149,092</u>	<u>3,896,548</u>	<u>9,045,640</u>
Excess of Revenues Over (Under) Expenditures	<u>(273,375)</u>	<u>(3,163,979)</u>	<u>(3,437,354)</u>
Other Financing Sources (Uses)			
Transfers In	468,844	70,000	538,844
Notes Issued	0	3,030,000	3,030,000
Proceeds of OPWC Loans	0	434,981	434,981
Proceeds from Sale of Capital Assets	0	224,113	224,113
Transfers Out	0	(145,000)	(145,000)
Total Other Financing Sources (Uses)	<u>468,844</u>	<u>3,614,094</u>	<u>4,082,938</u>
Net Change in Fund Balance	195,469	450,115	645,584
Fund Balance at Beginning of Year	<u>1,771,307</u>	<u>2,759,602</u>	<u>4,530,909</u>
Fund Balance at End of Year	<u>\$ 1,966,776</u>	<u>\$ 3,209,717</u>	<u>\$ 5,176,493</u>

**CITY OF EUCLID, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2007**

	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	\$ 407,045	\$ 227,682	\$ 85,576	\$ 108,391	\$ 118,724	\$ 10,980	\$ 253,104
Materials and Supplies Inventory	208,599	0	0	0	0	0	0
Accounts Receivable	2,790	0	0	5,918	8,436	0	22,424
Intergovernmental Receivable	793,151	62,328	0	0	0	0	0
Prepaid Items	78	0	0	0	0	0	0
Property Taxes Receivable	0	0	0	0	0	0	0
Total Assets	<u>\$ 1,411,663</u>	<u>\$ 290,010</u>	<u>\$ 85,576</u>	<u>\$ 114,309</u>	<u>\$ 127,160</u>	<u>\$ 10,980</u>	<u>\$ 275,528</u>
Liabilities and Fund Balances							
Liabilities							
Accounts Payable	\$ 20,003	\$ 0	\$ 0	\$ 556	\$ 0	\$ 0	\$ 12,470
Accrued Wages and Benefits	26,939	0	0	110	810	632	0
Intergovernmental Payable	70,310	0	0	1,571	1,247	973	0
Interfund Payable	0	0	0	0	0	0	0
Deferred Revenue	515,381	41,588	0	0	0	0	0
Total Liabilities	<u>632,633</u>	<u>41,588</u>	<u>0</u>	<u>2,237</u>	<u>2,057</u>	<u>1,605</u>	<u>12,470</u>
Fund Balances							
Reserved:							
Reserved for Encumbrances	54,051	21,000	0	0	0	0	23,855
Unreserved, Undesigned, Reported in:							
Special Revenue Funds	724,979	227,422	85,576	112,072	125,103	9,375	239,203
Total Fund Balances	<u>779,030</u>	<u>248,422</u>	<u>85,576</u>	<u>112,072</u>	<u>125,103</u>	<u>9,375</u>	<u>263,058</u>
Total Liabilities and Fund Balances	<u>\$ 1,411,663</u>	<u>\$ 290,010</u>	<u>\$ 85,576</u>	<u>\$ 114,309</u>	<u>\$ 127,160</u>	<u>\$ 10,980</u>	<u>\$ 275,528</u>

(Continued)

**CITY OF EUCLID, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2007
(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	\$ 16,557	\$ 58,412	\$ 1	\$ 11	\$ 169,300	\$ 77,252	\$ 1,533,035
Materials and Supplies Inventory	0	3,084	0	0	0	0	211,683
Accounts Receivable	0	0	0	0	0	0	39,568
Intergovernmental Receivable	0	15,356	0	0	0	107,199	978,034
Prepaid Items	0	4,419	0	0	0	0	4,497
Property Taxes Receivable	0	393,914	0	0	0	0	393,914
Total Assets	<u>\$ 16,557</u>	<u>\$ 475,185</u>	<u>\$ 1</u>	<u>\$ 11</u>	<u>\$ 169,300</u>	<u>\$ 184,451</u>	<u>\$ 3,160,731</u>
<u>Liabilities and Fund Balances</u>							
<u>Liabilities</u>							
Accounts Payable	\$ 0	\$ 9,206	\$ 10,381	\$ 0	\$ 677	\$ 17,128	\$ 70,421
Accrued Wages and Benefits	316	4,966	1,925	0	0	526	36,224
Intergovernmental Payable	2,020	25,643	13,105	0	0	810	115,679
Interfund Payable	0	0	205	0	0	0	205
Deferred Revenue	0	409,270	0	0	0	5,187	971,426
Total Liabilities	<u>2,336</u>	<u>449,085</u>	<u>25,616</u>	<u>0</u>	<u>677</u>	<u>23,651</u>	<u>1,193,955</u>
<u>Fund Balances</u>							
Reserved:							
Reserved for Encumbrances	0	1,064	51,872	0	4,724	23,018	179,584
Unreserved, Undesigned, Reported in:							
Special Revenue Funds	14,221	25,036	(77,487)	11	163,899	137,782	1,787,192
Total Fund Balances (Deficit)	<u>14,221</u>	<u>26,100</u>	<u>(25,615)</u>	<u>11</u>	<u>168,623</u>	<u>160,800</u>	<u>1,966,776</u>
Total Liabilities and Fund Balances	<u>\$ 16,557</u>	<u>\$ 475,185</u>	<u>\$ 1</u>	<u>\$ 11</u>	<u>\$ 169,300</u>	<u>\$ 184,451</u>	<u>\$ 3,160,731</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, 2007

	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	74,036
Charges for Services	202,832	0	0	0	0	29,721	49,280
Fines and Forfeitures	0	0	5,314	75,360	107,220	0	0
Intergovernmental	1,880,423	130,503	0	0	0	0	0
Interest	0	8,736	0	0	0	0	0
Rent	0	0	0	0	0	36,997	0
Contributions and Donations	0	0	0	0	0	0	0
Other	12,424	0	0	0	0	0	0
Total Revenues	<u>2,095,679</u>	<u>139,239</u>	<u>5,314</u>	<u>75,360</u>	<u>107,220</u>	<u>66,718</u>	<u>123,316</u>
Expenditures							
Current:							
General Government	0	0	0	0	0	0	0
Security of Persons and Property	0	0	0	63,729	51,994	71,253	0
Leisure Time Services	0	0	0	0	0	0	0
Community and Economic Development	0	0	0	0	0	0	211,079
Transportation	2,134,388	107,911	0	0	0	0	0
Debt Service:							
Principal Retirements	6,014	0	0	0	0	0	0
Interest and Fiscal Charges	2,002	0	0	0	0	0	0
Total Expenditures	<u>2,142,404</u>	<u>107,911</u>	<u>0</u>	<u>63,729</u>	<u>51,994</u>	<u>71,253</u>	<u>211,079</u>
Excess of Revenues Over (Under) Expenditures	<u>(46,725)</u>	<u>31,328</u>	<u>5,314</u>	<u>11,631</u>	<u>55,226</u>	<u>(4,535)</u>	<u>(87,763)</u>
Other Financing Sources (Uses)							
Transfers In	0	0	33,844	0	0	10,000	325,000
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>33,844</u>	<u>0</u>	<u>0</u>	<u>10,000</u>	<u>325,000</u>
Net Change in Fund Balance	(46,725)	31,328	39,158	11,631	55,226	5,465	237,237
Fund Balance (Deficit) at Beginning 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>
Fund Balance at End of Year	<u>\$ 779,030</u>	<u>\$ 248,422</u>	<u>\$ 85,576</u>	<u>\$ 112,072</u>	<u>\$ 125,103</u>	<u>\$ 9,375</u>	<u>\$ 263,058</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, 2007
(CONTINUED)

	Community Television	Recreation Operating	Community Development Block Grant	Litter Control	Law Enforcement Trust	Other Grants	Total Nonmajor Special Revenue Funds
Revenues							
Property Taxes	\$ 0	\$ 439,803	\$ 0	\$ 0	\$ 0	\$ 0	\$ 439,803
Special Assessments	0	0	0	0	0	0	74,036
Charges for Services	1,800	515,810	0	0	0	0	799,443
Fines and Forfeitures	0	0	0	0	0	0	187,894
Intergovernmental	0	24,897	884,608	0	18,906	290,223	3,229,560
Interest	0	0	0	0	5,944	0	14,680
Rent	0	53,270	0	0	0	0	90,267
Contributions and Donations	4,850	4,447	0	0	0	18,220	27,517
Other	93	0	0	0	0	0	12,517
Total Revenues	<u>6,743</u>	<u>1,038,227</u>	<u>884,608</u>	<u>0</u>	<u>24,850</u>	<u>308,443</u>	<u>4,875,717</u>
Expenditures							
Current:							
General Government	803	0	0	2,350	0	338,225	341,378
Security of Persons and Property	0	0	0	0	31,585	0	218,561
Leisure Time Services	0	1,099,243	0	0	0	0	1,099,243
Community and Economic Development	162,880	0	846,397	0	0	0	1,220,356
Transportation	0	0	0	0	0	0	2,242,299
Debt Service:							
Principal Retirements	0	14,434	0	0	0	0	20,448
Interest and Fiscal Charges	0	4,805	0	0	0	0	6,807
Total Expenditures	<u>163,683</u>	<u>1,118,482</u>	<u>846,397</u>	<u>2,350</u>	<u>31,585</u>	<u>338,225</u>	<u>5,149,092</u>
Excess of Revenues Over (Under) Expenditures	<u>(156,940)</u>	<u>(80,255)</u>	<u>38,211</u>	<u>(2,350)</u>	<u>(6,735)</u>	<u>(29,782)</u>	<u>(273,375)</u>
Other Financing Sources (Uses)							
Transfers In	75,000	25,000	0	0	0	0	468,844
Total Other Financing Sources (Uses)	<u>75,000</u>	<u>25,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>468,844</u>
Net Change in Fund Balance	(81,940)	(55,255)	38,211	(2,350)	(6,735)	(29,782)	195,469
Fund Balance (Deficit) at Beginning 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>
Fund Balance (Deficit) at End of Year	<u>\$ 14,221</u>	<u>\$ 26,100</u>	<u>\$ (25,615)</u>	<u>\$ 11</u>	<u>\$ 168,623</u>	<u>\$ 160,800</u>	<u>\$ 1,966,776</u>

CITY OF EUCLID, OHIO
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2007

	<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	\$ 3,134,102	\$ 79,530	\$ 29,085	\$ 1,237	\$ 657,574
Accrued Interest Receivable	15,461	0	0	0	0
Intergovernmental Receivable	11,812	8,269	0	0	0
Property Taxes Receivable	<u>303,010</u>	<u>212,108</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$ 3,464,385</u>	<u>\$ 299,907</u>	<u>\$ 29,085</u>	<u>\$ 1,237</u>	<u>\$ 657,574</u>
<u>Liabilities and Fund Balances</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 272,039	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits	0	1,209	0	0	0
Intergovernmental Payable	0	2,396	0	0	21,914
Retainage Payable	181,427	0	0	0	0
Interfund Payable	538,000	0	0	0	0
Deferred Revenue	<u>314,822</u>	<u>220,377</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>1,306,288</u>	<u>223,982</u>	<u>0</u>	<u>0</u>	<u>21,914</u>
<u>Fund Balances</u>					
Reserved:					
Reserved for Encumbrances	1,012,997	0	0	0	8,600
Unreserved, Undesignated, Reported in:					
Capital Projects Funds	<u>1,145,100</u>	<u>75,925</u>	<u>29,085</u>	<u>1,237</u>	<u>627,060</u>
Total Fund Balances	<u>2,158,097</u>	<u>75,925</u>	<u>29,085</u>	<u>1,237</u>	<u>635,660</u>
Total Liabilities and Fund Balances	<u>\$ 3,464,385</u>	<u>\$ 299,907</u>	<u>\$ 29,085</u>	<u>\$ 1,237</u>	<u>\$ 657,574</u>

(Continued)

CITY OF EUCLID, OHIO
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2007
(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	\$ 121,882	\$ 90,179	\$ 97,652	\$ 4,211,241
Accrued Interest Receivable	0	0	0	15,461
Intergovernmental Receivable	0	0	0	20,081
Property Taxes Receivable	0	0	0	515,118
Total Assets	<u>\$ 121,882</u>	<u>\$ 90,179</u>	<u>\$ 97,652</u>	<u>\$ 4,761,901</u>
<u>Liabilities and Fund Balances</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 272,039
Accrued Wages and Benefits	0	0	0	1,209
Intergovernmental Payable	0	0	0	24,310
Retainage Payable	0	0	0	181,427
Interfund Payable	0	0	0	538,000
Deferred Revenue	0	0	0	535,199
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,552,184</u>
<u>Fund Balances</u>				
Reserved:				
Reserved for Encumbrances	0	25,251	31,246	1,078,094
Unreserved, Undesignated, Reported in:				
Capital Projects Funds	121,882	64,928	66,406	2,131,623
Total Fund Balances	<u>121,882</u>	<u>90,179</u>	<u>97,652</u>	<u>3,209,717</u>
Total Liabilities and Fund Balances	<u>\$ 121,882</u>	<u>\$ 90,179</u>	<u>\$ 97,652</u>	<u>\$ 4,761,901</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, 2007

	General Permanent Improvement	Recreation Capital	Sidewalk Repair	Public Building Construction	Euclid Endowment
Revenues					
Property Taxes	\$ 338,309	\$ 236,816	\$ 0	\$ 0	\$ 0
Payments in Lieu of Taxes	0	0	0	0	0
Special Assessments	1,073	0	0	0	0
Charges for Services	4,439	0	0	0	0
Intergovernmental	19,152	13,406	0	0	0
Interest	21,673	0	0	0	23,932
Rent	0	1,500	0	0	0
Total Revenues	<u>384,646</u>	<u>251,722</u>	<u>0</u>	<u>0</u>	<u>23,932</u>
Expenditures					
Capital Outlay	3,318,488	171,584	0	6,396	47,686
Debt Service:					
Principal Retirements	271,939	0	0	0	0
Interest and Fiscal Charges	36,828	7,898	0	0	0
Total Expenditures	<u>3,627,255</u>	<u>179,482</u>	<u>0</u>	<u>6,396</u>	<u>47,686</u>
Excess of Revenues Over (Under) Expenditures	<u>(3,242,609)</u>	<u>72,240</u>	<u>0</u>	<u>(6,396)</u>	<u>(23,754)</u>
Other Financing Sources (Uses)					
Transfers In	70,000	0	0	0	0
Notes Issued	3,030,000	0	0	0	0
Proceeds of OPWC Loans	434,981	0	0	0	0
Proceeds from Sale of Capital Assets	36,749	0	0	0	187,364
Transfers Out	0	0	(75,000)	0	(70,000)
Total Other Financing Sources (Uses)	<u>3,571,730</u>	<u>0</u>	<u>(75,000)</u>	<u>0</u>	<u>117,364</u>
Net Change in Fund Balance	329,121	72,240	(75,000)	(6,396)	93,610
Fund Balance at Beginning of Year	<u>1,828,976</u>	<u>3,685</u>	<u>104,085</u>	<u>7,633</u>	<u>542,050</u>
Fund Balance at End of Year	<u>\$ 2,158,097</u>	<u>\$ 75,925</u>	<u>\$ 29,085</u>	<u>\$ 1,237</u>	<u>\$ 635,660</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, 2007
(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	\$ 575,125
Payments in Lieu of Taxes	0	22,648	49,621	72,269
Special Assessments	0	0	0	1,073
Charges for Services	0	0	0	4,439
Intergovernmental	0	0	0	32,558
Interest	0	0	0	45,605
Rent	0	0	0	1,500
Total Revenues	<u>0</u>	<u>22,648</u>	<u>49,621</u>	<u>732,569</u>
Expenditures				
Capital Outlay	9,300	6,246	20,183	3,579,883
Debt Service:				
Principal Retirements	0	0	0	271,939
Interest and Fiscal Charges	0	0	0	44,726
Total Expenditures	<u>9,300</u>	<u>6,246</u>	<u>20,183</u>	<u>3,896,548</u>
Excess of Revenues Over (Under) Expenditures	<u>(9,300)</u>	<u>16,402</u>	<u>29,438</u>	<u>(3,163,979)</u>
Other Financing Sources (Uses)				
Transfers In	0	0	0	70,000
Notes Issued	0	0	0	3,030,000
Proceeds of OPWC Loans	0	0	0	434,981
Proceeds from Sale of Capital Assets	0	0	0	224,113
Transfers Out	0	0	0	(145,000)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,614,094</u>
Net Change in Fund Balance	(9,300)	16,402	29,438	450,115
Fund Balance at Beginning of Year	<u>131,182</u>	<u>73,777</u>	<u>68,214</u>	<u>2,759,602</u>
Fund Balance at End of Year	<u>\$ 121,882</u>	<u>\$ 90,179</u>	<u>\$ 97,652</u>	<u>\$ 3,209,717</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.

Employee Flex Spending - This fund accounts for an employee benefit program which sets aside money, by payroll deduction on a pre-tax basis, to pay eligible health care expenses which are not covered by the health insurance plan.

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, 2007

	<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	\$ 181,997	\$ 3,459,751	\$ 3,539,316	\$ 102,432
<i>Total Assets</i>	<u>\$ 181,997</u>	<u>\$ 3,459,751</u>	<u>\$ 3,539,316</u>	<u>\$ 102,432</u>
<i>Liabilities</i>				
Deposits Held and Due to Others	\$ 181,997	\$ 3,459,751	\$ 3,539,316	\$ 102,432
<i>Total Liabilities</i>	<u>\$ 181,997</u>	<u>\$ 3,459,751</u>	<u>\$ 3,539,316</u>	<u>\$ 102,432</u>
<u>Employee Flex Spending</u>				
<i>Assets</i>				
Equity in Pooled Cash and Cash Equivalents	\$ 0	\$ 206,171	\$ 138,810	\$ 67,361
<i>Total Assets</i>	<u>\$ 0</u>	<u>\$ 206,171</u>	<u>\$ 138,810</u>	<u>\$ 67,361</u>
<i>Liabilities</i>				
Deposits Held and Due to Others	\$ 0	\$ 206,171	\$ 138,810	\$ 67,361
<i>Total Liabilities</i>	<u>\$ 0</u>	<u>\$ 206,171</u>	<u>\$ 138,810</u>	<u>\$ 67,361</u>
<u>Retirees' Insurance Payments</u>				
<i>Assets</i>				
Equity in Pooled Cash and Cash Equivalents	\$ 4,194	\$ 32,653	\$ 25,935	\$ 10,912
<i>Total Assets</i>	<u>\$ 4,194</u>	<u>\$ 32,653</u>	<u>\$ 25,935</u>	<u>\$ 10,912</u>
<i>Liabilities</i>				
Deposits Held and Due to Others	\$ 4,194	\$ 32,653	\$ 25,935	\$ 10,912
<i>Total Liabilities</i>	<u>\$ 4,194</u>	<u>\$ 32,653</u>	<u>\$ 25,935</u>	<u>\$ 10,912</u>
<u>Building Deposits</u>				
<i>Assets</i>				
Equity in Pooled Cash and Cash Equivalents	\$ 59,815	\$ 60,956	\$ 45,359	\$ 75,412
<i>Total Assets</i>	<u>\$ 59,815</u>	<u>\$ 60,956</u>	<u>\$ 45,359</u>	<u>\$ 75,412</u>
<i>Liabilities</i>				
Accounts Payable	\$ 2,000	\$ 17,579	\$ 2,000	\$ 17,579
Deposits Held and Due to Others	57,815	60,956	60,938	57,833
<i>Total Liabilities</i>	<u>\$ 59,815</u>	<u>\$ 78,535</u>	<u>\$ 62,938</u>	<u>\$ 75,412</u>
<u>Street Opening</u>				
<i>Assets</i>				
Equity in Pooled Cash and Cash Equivalents	\$ 38,475	\$ 17,000	\$ 20,000	\$ 35,475
<i>Total Assets</i>	<u>\$ 38,475</u>	<u>\$ 17,000</u>	<u>\$ 20,000</u>	<u>\$ 35,475</u>
<i>Liabilities</i>				
Deposits Held and Due to Others	\$ 38,475	\$ 17,000	\$ 20,000	\$ 35,475
<i>Total Liabilities</i>	<u>\$ 38,475</u>	<u>\$ 17,000</u>	<u>\$ 20,000</u>	<u>\$ 35,475</u>

(Continued)

CITY OF EUCLID, OHIO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<u>Revolving</u>				
<i>Assets</i>				
Equity in Pooled Cash and Cash Equivalents	\$ 485,076	\$30,836,697	\$30,725,689	\$ 596,084
Accounts Receivable	500	3,098	500	3,098
<i>Total Assets</i>	<u>\$ 485,576</u>	<u>\$30,839,795</u>	<u>\$30,726,189</u>	<u>\$ 599,182</u>
<i>Liabilities</i>				
Accounts Payable	\$ 330,323	\$ 50,694	\$ 330,323	\$ 50,694
Intergovernmental Payable	0	541,434	0	541,434
Deposits Held and Due to Others	155,253	443,929	592,128	7,054
<i>Total Liabilities</i>	<u>\$ 485,576</u>	<u>\$ 1,036,057</u>	<u>\$ 922,451</u>	<u>\$ 599,182</u>
<u>Temporary Suspense</u>				
<i>Assets</i>				
Equity in Pooled Cash and Cash Equivalents	\$ 2,074	\$ 61,595	\$ 63,669	\$ 0
<i>Total Assets</i>	<u>\$ 2,074</u>	<u>\$ 61,595</u>	<u>\$ 63,669</u>	<u>\$ 0</u>
<i>Liabilities</i>				
Accounts Payable	\$ 2,074	\$ 0	\$ 2,074	\$ 0
<i>Total Liabilities</i>	<u>\$ 2,074</u>	<u>\$ 0</u>	<u>\$ 2,074</u>	<u>\$ 0</u>
<u>Totals</u>				
<i>Assets</i>				
Equity in Pooled Cash and Cash Equivalents	\$ 771,631	\$34,674,823	\$34,558,778	\$ 887,676
Accounts Receivable	500	3,098	500	3,098
<i>Total Assets</i>	<u>\$ 772,131</u>	<u>\$34,677,921</u>	<u>\$34,559,278</u>	<u>\$ 890,774</u>
<i>Liabilities</i>				
Accounts Payable	\$ 334,397	\$ 68,273	\$ 334,397	\$ 68,273
Intergovernmental Payable	0	541,434	0	541,434
Deposits Held and Due to Others	437,734	4,220,460	4,377,127	281,067
<i>Total Liabilities</i>	<u>\$ 772,131</u>	<u>\$ 4,830,167</u>	<u>\$ 4,711,524</u>	<u>\$ 890,774</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original Budget</u>	<u>Final Budget</u>		Final Budget Positive (Negative)
Revenues				
Property Taxes	\$ 2,128,224	\$ 2,319,543	\$ 2,277,243	\$ (42,300)
Income Taxes	23,108,382	23,006,536	24,027,882	1,021,346
Other Local Taxes	1,456,218	1,449,800	1,377,012	(72,788)
Charges for Services	4,433,677	4,414,136	4,264,166	(149,970)
Licenses and Permits	166,032	165,300	146,350	(18,950)
Fines and Forfeitures	1,561,897	1,555,013	1,656,765	101,752
Intergovernmental	3,581,907	3,566,120	3,305,851	(260,269)
Interest	753,320	750,000	917,821	167,821
Rent	251,609	250,500	312,611	62,111
Contributions and Donations	502	500	1,406	906
Other	<u>0</u>	<u>0</u>	<u>6,610</u>	<u>6,610</u>
Total Revenue	<u>37,441,768</u>	<u>37,477,448</u>	<u>38,293,717</u>	<u>816,269</u>
Expenditures				
Current:				
General Government:				
Municipal Court				
Personal Services	743,535	738,535	680,687	57,848
Contractual Services	30,445	32,177	29,928	2,249
Materials and Supplies	51,631	54,720	54,207	513
Capital Outlay	259	275	116	159
Other	<u>2,731</u>	<u>2,894</u>	<u>2,532</u>	<u>362</u>
Total Municipal Court	<u>828,601</u>	<u>828,601</u>	<u>767,470</u>	<u>61,131</u>
Mayor				
Personal Services	251,054	251,054	250,030	1,024
Materials and Supplies	2,968	2,968	2,571	397
Other	<u>282</u>	<u>282</u>	<u>135</u>	<u>147</u>
Total Mayor	<u>254,304</u>	<u>254,304</u>	<u>252,736</u>	<u>1,568</u>
Legislative				
Personal Services	161,187	161,187	157,497	3,690
Contractual Services	1,293	1,293	1,292	1
Materials and Supplies	1,774	1,774	1,721	53
Other	<u>216</u>	<u>616</u>	<u>591</u>	<u>25</u>
Total Legislative	<u>164,470</u>	<u>164,870</u>	<u>161,101</u>	<u>3,769</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, 2007
(CONTINUED)

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original Budget</u>	<u>Final Budget</u>		Final Budget Positive (Negative)
Finance				
Personal Services	880,853	885,203	869,666	15,537
Contractual Services	64,982	66,712	39,965	26,747
Materials and Supplies	68,700	71,660	66,475	5,185
Capital Outlay	6,063	6,326	6,182	144
Other	<u>27,584</u>	<u>28,781</u>	<u>45,132</u>	<u>(16,351)</u>
Total Finance	<u>1,048,182</u>	<u>1,058,682</u>	<u>1,027,420</u>	<u>31,262</u>
Law				
Personal Services	486,715	496,815	467,959	28,856
Contractual Services	168,903	564,653	547,306	17,347
Materials and Supplies	5,501	18,427	17,062	1,365
Other	<u>946</u>	<u>3,170</u>	<u>2,896</u>	<u>274</u>
Total Law	<u>662,065</u>	<u>1,083,065</u>	<u>1,035,223</u>	<u>47,842</u>
Buildings				
Personal Services	1,566,270	1,559,887	1,459,279	100,608
Contractual Services	132,214	133,699	134,204	(505)
Materials and Supplies	416,094	420,757	424,001	(3,244)
Capital Outlay	8,851	8,950	8,910	40
Other	<u>12,210</u>	<u>12,347</u>	<u>3,647</u>	<u>8,700</u>
Total Buildings	<u>2,135,639</u>	<u>2,135,640</u>	<u>2,030,041</u>	<u>105,599</u>
Administration				
Personal Services	221,709	228,409	221,594	6,815
Contractual Services	108,146	117,563	120,716	(3,153)
Materials and Supplies	15,929	17,398	17,402	(4)
Other	<u>4,407</u>	<u>4,821</u>	<u>28</u>	<u>4,793</u>
Total Administration	<u>350,191</u>	<u>368,191</u>	<u>359,740</u>	<u>8,451</u>
Other Departments				
Personal Services	4,209,387	4,277,564	4,071,443	206,121
Contractual Services	357,744	349,150	335,083	14,067
Materials and Supplies	1,653,174	1,612,635	1,582,444	30,191
Other	<u>290,578</u>	<u>315,897</u>	<u>265,524</u>	<u>50,373</u>
Total Other Departments	<u>6,510,883</u>	<u>6,555,246</u>	<u>6,254,494</u>	<u>300,752</u>
Total General Government	<u>11,954,735</u>	<u>12,448,599</u>	<u>11,888,225</u>	<u>560,374</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, 2007
(CONTINUED)

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original Budget</u>	<u>Final Budget</u>		Final Budget Positive (Negative)
Security of Persons and Property:				
Police				
Personal Services	10,497,597	10,558,661	10,514,575	44,086
Contractual Services	104,446	108,210	107,513	697
Materials and Supplies	123,814	128,026	120,255	7,771
Capital Outlay	9,061	9,390	9,106	284
Other	24,144	25,020	24,169	851
Total Police	<u>10,759,062</u>	<u>10,829,307</u>	<u>10,775,618</u>	<u>53,689</u>
Fire				
Personal Services	7,609,196	7,654,599	7,385,322	269,277
Contractual Services	16,677	16,579	13,997	2,582
Materials and Supplies	33,423	33,194	39,720	(6,526)
Capital Outlay	1,249	1,240	2,469	(1,229)
Other	9,386	9,318	3,559	5,759
Total Fire	<u>7,669,931</u>	<u>7,714,930</u>	<u>7,445,067</u>	<u>269,863</u>
Corrections				
Personal Services	1,827,590	1,798,225	1,783,282	14,943
Contractual Services	107,066	102,931	102,881	50
Materials and Supplies	359,567	346,373	340,287	6,086
Capital Outlay	8,545	8,215	8,214	1
Other	3,378	3,248	3,191	57
Total Corrections	<u>2,306,146</u>	<u>2,258,992</u>	<u>2,237,855</u>	<u>21,137</u>
Total Security of Persons and Property	<u>20,735,139</u>	<u>20,803,229</u>	<u>20,458,540</u>	<u>344,689</u>
Refuse Collection and Disposal:				
Contractual Services	2,409,956	2,379,106	2,367,676	11,430
Other	0	3,350	3,250	100
Total Refuse Collection and Disposal	<u>2,409,956</u>	<u>2,382,456</u>	<u>2,370,926</u>	<u>11,530</u>
Public Health:				
Personal Services	38,725	38,805	38,783	22
Contractual Services	179,676	189,781	189,781	0
Materials and Supplies	587	620	503	117
Other	45,144	47,663	43,997	3,666
Total Public Health	<u>264,132</u>	<u>276,869</u>	<u>273,064</u>	<u>3,805</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, 2007
(CONTINUED)

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original Budget</u>	<u>Final Budget</u>		Final Budget Positive (Negative)
Leisure Time Services:				
Recreation				
Personal Services	136,559	153,559	152,131	1,428
Contractual Services	45,351	59,647	58,567	1,080
Materials and Supplies	85,492	112,474	107,961	4,513
Other	<u>2,279</u>	<u>3,001</u>	<u>1,069</u>	<u>1,932</u>
Total Recreation	<u>269,681</u>	<u>328,681</u>	<u>319,728</u>	<u>8,953</u>
Parks				
Personal Services	535,174	524,760	509,976	14,784
Contractual Services	5,946	11,098	20,652	(9,554)
Materials and Supplies	17,838	27,582	18,428	9,154
Other	<u>3,229</u>	<u>5,747</u>	<u>815</u>	<u>4,932</u>
Total Parks	<u>562,187</u>	<u>569,187</u>	<u>549,871</u>	<u>19,316</u>
Total Leisure Time Services	<u>831,868</u>	<u>897,868</u>	<u>869,599</u>	<u>28,269</u>
Community and Economic Development:				
Unclaimed Monies				
Other	<u>10,000</u>	<u>10,000</u>	<u>1,030</u>	<u>8,970</u>
Total Unclaimed Monies	<u>10,000</u>	<u>10,000</u>	<u>1,030</u>	<u>8,970</u>
Protective Inspection				
Personal Services	724,260	756,110	697,850	58,260
Contractual Services	142,414	140,859	123,817	17,042
Materials and Supplies	9,277	9,161	9,375	(214)
Other	<u>14,286</u>	<u>14,107</u>	<u>15,307</u>	<u>(1,200)</u>
Total Protective Inspection	<u>890,237</u>	<u>920,237</u>	<u>846,349</u>	<u>73,888</u>
Community Service and Economic Development				
Personal Services	156,291	158,301	157,971	330
Contractual Services	411	411	290	121
Materials and Supplies	1,766	1,766	1,749	17
Other	<u>5,018</u>	<u>5,018</u>	<u>872</u>	<u>4,146</u>
Total Community Service and Economic Development	<u>163,486</u>	<u>165,496</u>	<u>160,882</u>	<u>4,614</u>
Economic Opportunity				
Personal Services	431,975	429,600	426,043	3,557
Contractual Services	174	200	13	187
Materials and Supplies	<u>2,818</u>	<u>3,157</u>	<u>2,239</u>	<u>918</u>
Total Economic Opportunity	<u>434,967</u>	<u>432,957</u>	<u>428,295</u>	<u>4,662</u>
Total Community and Economic Development	<u>1,498,690</u>	<u>1,528,690</u>	<u>1,436,556</u>	<u>92,134</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, 2007
(CONTINUED)

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original Budget</u>	<u>Final Budget</u>		Final Budget Positive (Negative)
Debt Service:				
Principal Retirement	100,000	100,000	100,000	0
Interest and Fiscal Charges	<u>118,800</u>	<u>133,110</u>	<u>133,110</u>	<u>0</u>
Total Debt Service	<u>218,800</u>	<u>233,110</u>	<u>233,110</u>	<u>0</u>
Total Expenditures	<u>37,912,920</u>	<u>38,570,821</u>	<u>37,530,020</u>	<u>1,040,801</u>
Excess of Revenue Over (Under) Expenditures	<u>(471,152)</u>	<u>(1,093,373)</u>	<u>763,697</u>	<u>1,857,070</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	286,456	286,456	286,456	0
Transfers Out	<u>(115,844)</u>	<u>(393,844)</u>	<u>(393,844)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>170,612</u>	<u>(107,388)</u>	<u>(107,388)</u>	<u>0</u>
Net Change in Fund Balance	(300,540)	(1,200,761)	656,309	1,857,070
Fund Balance at Beginning of year	2,830,672	2,830,672	2,830,672	0
Prior Year Encumbrances Appropriated	<u>268,021</u>	<u>268,021</u>	<u>268,021</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 2,798,153</u>	<u>\$ 1,897,932</u>	<u>\$ 3,755,002</u>	<u>\$ 1,857,070</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, 2007

	<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	\$ 2,775,713	\$ 3,247,695	\$ 3,219,323	\$ (28,372)
Special Assessments	131,790	154,200	9,575	(144,625)
Charges for Services	2,137	2,500	356,864	354,364
Intergovernmental	276,430	323,434	326,031	2,597
Interest	170,934	200,000	354,573	154,573
Rent	29,914	35,000	35,001	1
Total Revenues	<u>3,386,918</u>	<u>3,962,829</u>	<u>4,301,367</u>	<u>338,538</u>
<u>Expenditures</u>				
Current:				
General Government:				
Personal Services	60,933	67,733	60,496	7,237
Contractual Services	60,875	86,989	55,957	31,032
Other	38,557	58,089	50,936	7,153
Total General Government	<u>160,365</u>	<u>212,811</u>	<u>167,389</u>	<u>45,422</u>
Debt Service:				
Principal Retirement	2,507,000	6,323,000	5,930,000	393,000
Interest and Fiscal Charges	932,256	1,404,530	1,349,529	55,001
Total Debt Service	<u>3,439,256</u>	<u>7,727,530</u>	<u>7,279,529</u>	<u>448,001</u>
Total Expenditures	<u>3,599,621</u>	<u>7,940,341</u>	<u>7,446,918</u>	<u>493,423</u>
Excess of Revenues Over (Under) Expenditures	<u>(212,703)</u>	<u>(3,977,512)</u>	<u>(3,145,551)</u>	<u>831,961</u>
<u>Other Financing Sources (Uses)</u>				
Notes Issued	0	2,000,000	3,816,000	1,816,000
Premium on Debt Issued	0	0	40,280	40,280
Advances In	0	0	448,000	448,000
Advances Out	0	0	(538,000)	(538,000)
Total Other Financing Sources (Uses)	<u>0</u>	<u>2,000,000</u>	<u>3,766,280</u>	<u>1,766,280</u>
Net Change in Fund Balance	(212,703)	(1,977,512)	620,729	2,598,241
Fund Balance at Beginning of Year	<u>2,375,634</u>	<u>2,375,634</u>	<u>2,375,634</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 2,162,931</u>	<u>\$ 398,122</u>	<u>\$ 2,996,363</u>	<u>\$ 2,598,241</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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Charges for Services	\$10,705,214	\$13,821,088	\$10,687,641	\$(3,133,447)
Tap-In Fees	19,710	106,124	82,064	(24,060)
Interest	0	11,468	8,868	(2,600)
Intergovernmental	37,462	49,535	38,305	(11,230)
Property Taxes	633,401	874,992	676,618	(198,374)
Proceeds from OPWC Loans	<u>2,232,134</u>	<u>216,675</u>	<u>167,552</u>	<u>(49,123)</u>
Total Revenues	<u>13,627,921</u>	<u>15,079,882</u>	<u>11,661,048</u>	<u>(3,418,834)</u>
Expenses				
Personal Services	4,081,687	4,083,270	3,972,821	110,449
Contractual Services	3,357,011	3,356,041	2,262,395	1,093,646
Materials and Supplies	2,669,255	2,668,172	2,425,469	242,703
Capital Outlay	3,996,673	3,996,673	934,465	3,062,208
Other	80,228	85,086	60,276	24,810
Interest and Fiscal Charges	789,076	789,076	789,074	2
Principal Retirement	<u>1,921,050</u>	<u>1,921,050</u>	<u>1,919,426</u>	<u>1,624</u>
Total Expenses	<u>16,894,980</u>	<u>16,899,368</u>	<u>12,363,926</u>	<u>4,535,442</u>
Excess of Revenues Over (Under) Expenditures	<u>(3,267,059)</u>	<u>(1,819,486)</u>	<u>(702,878)</u>	<u>1,116,608</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	(3,553,515)	(2,105,942)	(989,334)	1,116,608
Net Assets at Beginning of Year	7,457,832	7,457,832	7,457,832	0
Prior Year Encumbrances Appropriated	<u>658,598</u>	<u>658,598</u>	<u>658,598</u>	<u>0</u>
Net Assets at End of Year	<u>\$ 4,562,915</u>	<u>\$ 6,010,488</u>	<u>\$ 7,127,096</u>	<u>\$ 1,116,608</u>

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
WATER LINE IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2007

	<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	\$ 1,000,000	\$ 1,050,000	\$ 1,561,575	\$ 511,575
Interest	0	0	61,747	61,747
Other	<u>0</u>	<u>0</u>	<u>294</u>	<u>294</u>
Total Revenues	<u>1,000,000</u>	<u>1,050,000</u>	<u>1,623,616</u>	<u>573,616</u>
<u>Expenses</u>				
Contractual Services	2,733,721	2,733,721	1,502,142	1,231,579
Other	5,500	5,500	5,500	0
Interest and Fiscal Charges	347,214	347,214	323,214	24,000
Principal Retirement	<u>3,502,760</u>	<u>3,502,760</u>	<u>3,361,380</u>	<u>141,380</u>
Total Expenses	<u>6,589,195</u>	<u>6,589,195</u>	<u>5,192,236</u>	<u>1,396,959</u>
Excess of Revenues Over (Under) Expenses)	<u>(5,589,195)</u>	<u>(5,539,195)</u>	<u>(3,568,620)</u>	<u>1,970,575</u>
<u>Other Financing Sources (Uses)</u>				
Notes Issued	<u>0</u>	<u>7,500,000</u>	<u>3,000,000</u>	<u>(4,500,000)</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>7,500,000</u>	<u>3,000,000</u>	<u>(4,500,000)</u>
Change in Net Assets	(5,589,195)	1,960,805	(568,620)	(2,529,425)
Net Assets at Beginning of Year	2,100,038	2,100,038	2,100,038	0
Prior Year Encumbrances Appropriated	<u>1,293,684</u>	<u>1,293,684</u>	<u>1,293,684</u>	<u>0</u>
Net Assets (Deficit) at End of Year	<u>\$ (2,195,473)</u>	<u>\$ 5,354,527</u>	<u>\$ 2,825,102</u>	<u>\$ (2,529,425)</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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Charges for Services	\$ 1,500,000	\$ 993,650	\$ 1,019,279	\$ 25,629
Total Revenues	<u>1,500,000</u>	<u>993,650</u>	<u>1,019,279</u>	<u>25,629</u>
Expenses				
Personal Services	550,781	548,972	536,976	11,996
Contractual Services	61,407	70,126	63,089	7,037
Materials and Supplies	243,559	291,033	280,139	10,894
Capital Outlay	687	785	785	0
Other	58,376	66,732	64,631	2,101
Interest and Fiscal Charges	1,401	1,401	1,400	1
Principal Retirement	9,629	9,629	9,628	1
Total Expenses	<u>925,840</u>	<u>988,678</u>	<u>956,648</u>	<u>32,030</u>
Change in Net Assets	574,160	4,972	62,631	57,659
Net Assets at Beginning of Year	139,687	139,687	139,687	0
Prior Year Encumbrances Appropriated	<u>567</u>	<u>567</u>	<u>567</u>	<u>0</u>
Net Assets at End of Year	<u>\$ 714,414</u>	<u>\$ 145,226</u>	<u>\$ 202,885</u>	<u>\$ 57,659</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, 2007

	<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	\$ 174,907	\$ 187,000	\$ 224,959	\$ 37,959
Intergovernmental	1,571,352	1,680,000	1,808,200	128,200
Other	<u>3,741</u>	<u>4,000</u>	<u>12,424</u>	<u>8,424</u>
Total Revenues	<u>1,750,000</u>	<u>1,871,000</u>	<u>2,045,583</u>	<u>174,583</u>
<u>Expenditures</u>				
Current:				
Transportation:				
Street Maintenance and Repair:				
Personal Services	1,563,057	1,556,257	1,526,433	29,824
Contractual Services	96,126	97,119	60,213	36,906
Materials and Supplies	579,565	585,358	570,429	14,929
Capital Outlay	1,156	1,170	170	1,000
Other	<u>172</u>	<u>172</u>	<u>130</u>	<u>42</u>
Total Street Maintenance and Repair	<u>2,240,076</u>	<u>2,240,076</u>	<u>2,157,375</u>	<u>82,701</u>
Total Transportation	<u>2,240,076</u>	<u>2,240,076</u>	<u>2,157,375</u>	<u>82,701</u>
Total Expenditures	<u>2,240,076</u>	<u>2,240,076</u>	<u>2,157,375</u>	<u>82,701</u>
Net Change in Fund Balance	(490,076)	(369,076)	(111,792)	257,284
Fund Balance at Beginning of Year	452,657	452,657	452,657	0
Prior Year Encumbrances Appropriated	<u>8,413</u>	<u>8,413</u>	<u>8,413</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ (29,006)</u>	<u>\$ 91,994</u>	<u>\$ 349,278</u>	<u>\$ 257,284</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, 2007

	<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	\$ 112,685	\$ 146,000	\$ 124,655	\$ (21,345)
Interest	<u>2,315</u>	<u>3,000</u>	<u>8,736</u>	<u>5,736</u>
Total Revenues	<u>115,000</u>	<u>149,000</u>	<u>133,391</u>	<u>(15,609)</u>
<u>Expenditures</u>				
Current:				
Transportation:				
Personal Services	0	8,080	8,079	1
Materials and Supplies	<u>204,523</u>	<u>196,443</u>	<u>129,693</u>	<u>66,750</u>
Total Transportation	<u>204,523</u>	<u>204,523</u>	<u>137,772</u>	<u>66,751</u>
Total Expenditures	<u>204,523</u>	<u>204,523</u>	<u>137,772</u>	<u>66,751</u>
Net Change in Fund Balance	(89,523)	(55,523)	(4,381)	51,142
Fund Balance at Beginning of Year	175,860	175,860	175,860	0
Prior Year Encumbrances Appropriated	<u>35,203</u>	<u>35,203</u>	<u>35,203</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 121,540</u>	<u>\$ 155,540</u>	<u>\$ 206,682</u>	<u>\$ 51,142</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, 2007

	<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	\$ 38,156	\$ 5,000	\$ 5,314	\$ 314
Total Revenues	<u>38,156</u>	<u>5,000</u>	<u>5,314</u>	<u>314</u>
<u>Expenditures</u>				
Current:				
Security of Persons and Property:				
Judicial				
Contractual Services	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>156</u>	<u>(33,000)</u>	<u>5,314</u>	<u>38,314</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	34,000	844	39,158	38,314
Fund Balance at Beginning of Year	<u>46,418</u>	<u>46,418</u>	<u>46,418</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 80,418</u>	<u>\$ 47,262</u>	<u>\$ 85,576</u>	<u>\$ 38,314</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, 2007

	<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	\$ 100,000	\$ 69,000	\$ 74,939	\$ 5,939
Total Revenues	<u>100,000</u>	<u>69,000</u>	<u>74,939</u>	<u>5,939</u>
<u>Expenditures</u>				
Current:				
Security of Persons and Property:				
Judicial:				
Personal Services	42,463	42,463	41,872	591
Contractual Services	20,000	20,000	16,958	3,042
Materials and Supplies	4,000	4,000	2,662	1,338
Total Judicial	<u>66,463</u>	<u>66,463</u>	<u>61,492</u>	<u>4,971</u>
Total Security of Persons and Property	<u>66,463</u>	<u>66,463</u>	<u>61,492</u>	<u>4,971</u>
Total Expenditures	<u>66,463</u>	<u>66,463</u>	<u>61,492</u>	<u>4,971</u>
Net Change in Fund Balance	33,537	2,537	13,447	10,910
Fund Balance at Beginning of Year	<u>94,944</u>	<u>94,944</u>	<u>94,944</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 128,481</u>	<u>\$ 97,481</u>	<u>\$ 108,391</u>	<u>\$ 10,910</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, 2007

	<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	\$ 55,000	\$ 80,000	\$ 106,604	\$ 26,604
Total Revenues	<u>55,000</u>	<u>80,000</u>	<u>106,604</u>	<u>26,604</u>
<u>Expenditures</u>				
Current:				
Security of Persons and Property:				
Judicial:				
Personal Services	42,700	42,700	41,505	1,195
Contractual Services	5,013	5,013	1,742	3,271
Materials and Supplies	8,500	8,500	7,658	842
Capital Outlay	800	800	0	800
Other	1,000	1,000	384	616
Total Judicial	<u>58,013</u>	<u>58,013</u>	<u>51,289</u>	<u>6,724</u>
Total Security of Persons and Property	<u>58,013</u>	<u>58,013</u>	<u>51,289</u>	<u>6,724</u>
Total Expenditures	<u>58,013</u>	<u>58,013</u>	<u>51,289</u>	<u>6,724</u>
Net Change in Fund Balance	(3,013)	21,987	55,315	33,328
Fund Balance at Beginning of Year	<u>63,409</u>	<u>63,409</u>	<u>63,409</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 60,396</u>	<u>\$ 85,396</u>	<u>\$ 118,724</u>	<u>\$ 33,328</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, 2007

	<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	\$ 28,994	\$ 26,200	\$ 31,936	\$ 5,736
Rent	45,006	36,996	36,997	1
Total Revenues	<u>74,000</u>	<u>63,196</u>	<u>68,933</u>	<u>5,737</u>
<u>Expenditures</u>				
Current:				
Security of Persons and Property:				
Animal Control				
Personal Services	65,127	65,610	65,590	20
Contractual Services	301	416	415	1
Other	6,289	8,691	5,503	3,188
Total Animal Control	<u>71,717</u>	<u>74,717</u>	<u>71,508</u>	<u>3,209</u>
Total Security of Persons and Property	<u>71,717</u>	<u>74,717</u>	<u>71,508</u>	<u>3,209</u>
Total Expenditures	<u>71,717</u>	<u>74,717</u>	<u>71,508</u>	<u>3,209</u>
Excess of Revenues Over (Under) Expenditures	<u>2,283</u>	<u>(11,521)</u>	<u>(2,575)</u>	<u>8,946</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	7,000	10,000	10,000	0
Total Other Financing Sources (Uses)	<u>7,000</u>	<u>10,000</u>	<u>10,000</u>	<u>0</u>
Net Change in Fund Balance	9,283	(1,521)	7,425	8,946
Fund Balance at Beginning of Year	<u>3,555</u>	<u>3,555</u>	<u>3,555</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 12,838</u>	<u>\$ 2,034</u>	<u>\$ 10,980</u>	<u>\$ 8,946</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, 2007

	<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	\$ 20,000	\$ 10,000	\$ 74,036	\$ 64,036
Charges for Services	<u>20,000</u>	<u>10,000</u>	<u>26,856</u>	<u>16,856</u>
Total Revenues	<u>40,000</u>	<u>20,000</u>	<u>100,892</u>	<u>80,892</u>
<u>Expenditures</u>				
Current:				
Community and Economic Development:				
Nuisance Abatement:				
Contractual Services	120,696	366,696	234,028	132,668
Materials and Supplies	<u>0</u>	<u>4,000</u>	<u>2,631</u>	<u>1,369</u>
Total Nuisance Abatement	<u>120,696</u>	<u>370,696</u>	<u>236,659</u>	<u>134,037</u>
Total Community and Economic Development	<u>120,696</u>	<u>370,696</u>	<u>236,659</u>	<u>134,037</u>
Total Expenditures	<u>120,696</u>	<u>370,696</u>	<u>236,659</u>	<u>134,037</u>
Excess of Revenues Over (Under) Expenditures	<u>(80,696)</u>	<u>(350,696)</u>	<u>(135,767)</u>	<u>214,929</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	<u>0</u>	<u>325,000</u>	<u>325,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>325,000</u>	<u>325,000</u>	<u>0</u>
Net Change in Fund Balance	(80,696)	(25,696)	189,233	214,929
Fund Balance at Beginning of Year	21,850	21,850	21,850	0
Prior Year Encumbrances Appropriated	<u>5,696</u>	<u>5,696</u>	<u>5,696</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ (53,150)</u>	<u>\$ 1,850</u>	<u>\$ 216,779</u>	<u>\$ 214,929</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, 2007

	<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	\$ 0	\$ 1,800	\$ 1,800
Contributions and Donations	55,000	3,500	4,850	1,350
Other	<u>0</u>	<u>0</u>	<u>93</u>	<u>93</u>
Total Revenues	<u>55,000</u>	<u>3,500</u>	<u>6,743</u>	<u>3,243</u>
<u>Expenditures</u>				
Current:				
Community and Economic Development:				
Community Television:				
Personal Services	119,114	119,114	113,387	5,727
Contractual Services	6,700	6,700	4,460	2,240
Materials and Supplies	2,207	2,207	1,725	482
Capital Outlay	42,000	42,000	41,407	593
Other	<u>850</u>	<u>850</u>	<u>368</u>	<u>482</u>
Total Community Television	<u>170,871</u>	<u>170,871</u>	<u>161,347</u>	<u>9,524</u>
Total Community and Economic Development	<u>170,871</u>	<u>170,871</u>	<u>161,347</u>	<u>9,524</u>
Total Expenditures	<u>170,871</u>	<u>170,871</u>	<u>161,347</u>	<u>9,524</u>
Excess of Revenues Over (Under) Expenditures	<u>(115,871)</u>	<u>(167,371)</u>	<u>(154,604)</u>	<u>12,767</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	(40,871)	(92,371)	(79,604)	12,767
Fund Balance at Beginning of Year	<u>96,161</u>	<u>96,161</u>	<u>96,161</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 55,290</u>	<u>\$ 3,790</u>	<u>\$ 16,557</u>	<u>\$ 12,767</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, 2007

	<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	\$ 411,710	\$ 448,723	\$ 439,803	\$ (8,920)
Charges for Services	702,487	538,200	515,810	(22,390)
Intergovernmental	32,250	24,708	24,897	189
Rent	60,042	46,000	53,270	7,270
Contributions and Donations	5,221	4,000	4,447	447
Total Revenues	<u>1,211,710</u>	<u>1,061,631</u>	<u>1,038,227</u>	<u>(23,404)</u>
<u>Expenditures</u>				
Current:				
Leisure Time Services:				
Recreation Operating:				
Personal Services	710,967	706,788	678,192	28,596
Contractual Services	57,934	58,467	54,442	4,025
Materials and Supplies	343,337	346,654	340,955	5,699
Other	33,528	33,857	32,355	1,502
Total Recreation Operating	<u>1,145,766</u>	<u>1,145,766</u>	<u>1,105,944</u>	<u>39,822</u>
Total Leisure Time Services	<u>1,145,766</u>	<u>1,145,766</u>	<u>1,105,944</u>	<u>39,822</u>
Total Expenditures	<u>1,145,766</u>	<u>1,145,766</u>	<u>1,105,944</u>	<u>39,822</u>
Excess of Revenues Over (Under) Expenditures	<u>65,944</u>	<u>(84,135)</u>	<u>(67,717)</u>	<u>16,418</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	<u>0</u>	<u>25,000</u>	<u>25,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>25,000</u>	<u>25,000</u>	<u>0</u>
Net Change in Fund Balance	65,944	(59,135)	(42,717)	16,418
Fund Balance at Beginning of Year	87,984	87,984	87,984	0
Prior Year Encumbrances Appropriated	<u>10,315</u>	<u>10,315</u>	<u>10,315</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 164,243</u>	<u>\$ 39,164</u>	<u>\$ 55,582</u>	<u>\$ 16,418</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, 2007

	<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	\$ 2,200,000	\$ 1,500,000	\$ 884,608	\$ (615,392)
Total Revenues	<u>2,200,000</u>	<u>1,500,000</u>	<u>884,608</u>	<u>(615,392)</u>
<u>Expenditures</u>				
Current:				
Community and Economic Development:				
Community Development Block Grant:				
Personal Services	712,368	764,968	605,553	159,415
Contractual Services	193,017	191,645	139,565	52,080
Materials and Supplies	130,134	129,210	89,739	39,471
Capital Outlay	178,516	177,248	26,332	150,916
Other	<u>277,674</u>	<u>229,306</u>	<u>53,594</u>	<u>175,712</u>
Total Community Development Block Grant	<u>1,491,709</u>	<u>1,492,377</u>	<u>914,783</u>	<u>577,594</u>
Total Community and Economic Development	<u>1,491,709</u>	<u>1,492,377</u>	<u>914,783</u>	<u>577,594</u>
Total Expenditures	<u>1,491,709</u>	<u>1,492,377</u>	<u>914,783</u>	<u>577,594</u>
Net Change in Fund Balance	708,291	7,623	(30,175)	(37,798)
Fund Balance (Deficit) at Beginning of Year	(47,140)	(47,140)	(47,140)	0
Prior Year Encumbrances Appropriated	<u>20,765</u>	<u>20,765</u>	<u>20,765</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ 681,916</u>	<u>\$ (18,752)</u>	<u>\$ (56,550)</u>	<u>\$ (37,798)</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, 2007

	<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	\$ 56,000	\$ 0	\$ 0	\$ 0
Total Revenues	<u>56,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Expenditures</u>				
Current:				
General Government:				
Litter:				
Materials and Supplies	<u>2,361</u>	<u>2,361</u>	<u>2,350</u>	<u>11</u>
Total Litter	<u>2,361</u>	<u>2,361</u>	<u>2,350</u>	<u>11</u>
Total General Government	<u>2,361</u>	<u>2,361</u>	<u>2,350</u>	<u>11</u>
Total Expenditures	<u>2,361</u>	<u>2,361</u>	<u>2,350</u>	<u>11</u>
Net Change in Fund Balance	53,639	(2,361)	(2,350)	11
Fund Balance at Beginning of Year	<u>2,361</u>	<u>2,361</u>	<u>2,361</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 56,000</u>	<u>\$ 0</u>	<u>\$ 11</u>	<u>\$ 11</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, 2007

	<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	\$ 114,679	\$ 50,000	\$ 103,300	\$ 53,300
Interest	10,321	4,500	5,944	1,444
Total Revenues	<u>125,000</u>	<u>54,500</u>	<u>109,244</u>	<u>54,744</u>
<u>Expenditures</u>				
Current:				
Security of Persons and Property:				
Police:				
Contractual Services	0	5,700	5,504	196
Materials and Supplies	0	34,759	1,854	32,905
Capital Outlay	<u>50,000</u>	<u>73,704</u>	<u>28,274</u>	<u>45,430</u>
Total Police	<u>50,000</u>	<u>114,163</u>	<u>35,632</u>	<u>78,531</u>
Total Security of Persons and Property	<u>50,000</u>	<u>114,163</u>	<u>35,632</u>	<u>78,531</u>
Total Expenditures	<u>50,000</u>	<u>114,163</u>	<u>35,632</u>	<u>78,531</u>
Net Change in Fund Balance	75,000	(59,663)	73,612	133,275
Fund Balance at Beginning of Year	<u>90,964</u>	<u>90,964</u>	<u>90,964</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 165,964</u>	<u>\$ 31,301</u>	<u>\$ 164,576</u>	<u>\$ 133,275</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, 2007

	<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	\$ 263,211	\$ 548,715	\$ 256,198	\$ (292,517)
Contributions and Donations	16,789	35,000	18,220	(16,780)
Total Revenues	<u>280,000</u>	<u>583,715</u>	<u>274,418</u>	<u>(309,297)</u>
<u>Expenditures</u>				
Current:				
General Government:				
Other Grants:				
Personal Services	112,451	218,406	168,937	49,469
Contractual Services	184,979	137,223	120,676	16,547
Materials and Supplies	86,208	62,450	27,939	34,511
Capital Outlay	98,252	71,683	33,381	38,302
Other	28,298	20,426	2,494	17,932
Total Other Grants	<u>510,188</u>	<u>510,188</u>	<u>353,427</u>	<u>156,761</u>
Total General Government	<u>510,188</u>	<u>510,188</u>	<u>353,427</u>	<u>156,761</u>
Total Expenditures	<u>510,188</u>	<u>510,188</u>	<u>353,427</u>	<u>156,761</u>
Net Change in Fund Balance	(230,188)	73,527	(79,009)	(152,536)
Fund Balance at Beginning of Year	108,771	108,771	108,771	0
Prior Year Encumbrances Appropriated	16,844	16,844	16,844	0
Fund Balance (Deficit) at End of Year	<u>\$ (104,573)</u>	<u>\$ 199,142</u>	<u>\$ 46,606</u>	<u>\$ (152,536)</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, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Property Taxes	\$ 316,699	\$ 345,170	\$ 338,309	\$ (6,861)
Special Assessments	0	0	1,073	1,073
Charges for Services	78,446	19,700	4,439	(15,261)
Intergovernmental	75,686	19,007	19,152	145
Interest	0	0	1,305	1,305
Total Revenues	<u>470,831</u>	<u>383,877</u>	<u>364,278</u>	<u>(19,599)</u>
Expenditures				
Capital Outlay:				
Contractual Services	572,359	772,560	524,584	247,976
Materials and Supplies	19,467	23,200	14,035	9,165
Capital Outlay	3,289,351	5,534,000	3,396,087	2,137,913
Other	17,071	24,488	24,448	40
Total Capital Outlay	<u>3,898,248</u>	<u>6,354,248</u>	<u>3,959,154</u>	<u>2,395,094</u>
Debt Service:				
Principal Retirement	303,050	303,050	271,939	31,111
Interest and Fiscal Charges	37,147	37,147	36,828	319
Total Debt Service	<u>340,197</u>	<u>340,197</u>	<u>308,767</u>	<u>31,430</u>
Total Expenditures	<u>4,238,445</u>	<u>6,694,445</u>	<u>4,267,921</u>	<u>2,426,524</u>
Excess of Revenues Over (Under) Expenditures	<u>(3,767,614)</u>	<u>(6,310,568)</u>	<u>(3,903,643)</u>	<u>2,406,925</u>
Other Financing Sources (Uses)				
Transfers In	0	70,000	70,000	0
Notes Issued	0	2,400,000	3,030,000	630,000
Proceeds of OPWC Loans	0	2,487,200	298,299	(2,188,901)
Proceeds from Sale of Capital Assets	67,694	17,000	36,749	19,749
Advances In	0	0	538,000	538,000
Advances Out	0	0	(318,000)	(318,000)
Total Other Financing Sources (Uses)	<u>67,694</u>	<u>4,974,200</u>	<u>3,655,048</u>	<u>(1,319,152)</u>
Net Change in Fund Balance	<u>(3,699,920)</u>	<u>(1,336,368)</u>	<u>(248,595)</u>	<u>1,087,773</u>
Fund Balance at Beginning of Year	1,890,378	1,890,378	1,890,378	0
Prior Year Encumbrances Appropriated	<u>241,048</u>	<u>241,048</u>	<u>241,048</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ (1,568,494)</u>	<u>\$ 795,058</u>	<u>\$ 1,882,831</u>	<u>\$ 1,087,773</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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues				
Property Taxes	\$ 221,690	\$ 241,619	\$ 236,816	\$ (4,803)
Intergovernmental	25,000	13,305	13,406	101
Rent	<u>0</u>	<u>0</u>	<u>1,500</u>	<u>1,500</u>
Total Revenues	<u>246,690</u>	<u>254,924</u>	<u>251,722</u>	<u>(3,202)</u>
Expenditures				
Capital Outlay:				
Personal Services	63,778	66,778	60,715	6,063
Contractual Services	41,693	40,885	25,967	14,918
Materials and Supplies	8,560	8,365	3,621	4,744
Capital Outlay	95,245	93,346	80,749	12,597
Other	<u>4,298</u>	<u>4,200</u>	<u>3,266</u>	<u>934</u>
Total Capital Outlay	<u>213,574</u>	<u>213,574</u>	<u>174,318</u>	<u>39,256</u>
Debt Service:				
Principal Retirement:				
Interest and Fiscal Charges	<u>7,898</u>	<u>7,898</u>	<u>7,898</u>	<u>0</u>
Total Principal and Retirement	<u>7,898</u>	<u>7,898</u>	<u>7,898</u>	<u>0</u>
Total Debt Service	<u>7,898</u>	<u>7,898</u>	<u>7,898</u>	<u>0</u>
Total Expenditures	<u>221,472</u>	<u>221,472</u>	<u>182,216</u>	<u>39,256</u>
Excess of Revenues Over (Under) Expenditures	<u>25,218</u>	<u>33,452</u>	<u>69,506</u>	<u>36,054</u>
Other Financing Sources (Uses)				
Advances Out	<u>(130,000)</u>	<u>(130,000)</u>	<u>(130,000)</u>	<u>0</u>
Total Other Financing Source (Uses)	<u>(130,000)</u>	<u>(130,000)</u>	<u>(130,000)</u>	<u>0</u>
Net Change in Fund Balance	<u>(104,782)</u>	<u>(96,548)</u>	<u>(60,494)</u>	<u>36,054</u>
Fund Balance at Beginning of Year	121,639	121,639	121,639	0
Prior Year Encumbrances Appropriated	<u>18,385</u>	<u>18,385</u>	<u>18,385</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 35,242</u>	<u>\$ 43,476</u>	<u>\$ 79,530</u>	<u>\$ 36,054</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, 2007

	<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	\$ 10,000	\$ 0	\$ 0	\$ 0
Total Revenues	<u>10,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Expenditures</u>				
Capital Outlay:				
Other	<u>80,013</u>	<u>5,013</u>	<u>0</u>	<u>5,013</u>
Total Capital Outlay	<u>80,013</u>	<u>5,013</u>	<u>0</u>	<u>5,013</u>
Total Expenditures	<u>80,013</u>	<u>5,013</u>	<u>0</u>	<u>5,013</u>
Excess of Revenues Over (Under) Expenditures	<u>(70,013)</u>	<u>(5,013)</u>	<u>0</u>	<u>5,013</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	<u>0</u>	<u>(75,000)</u>	<u>(75,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>(75,000)</u>	<u>(75,000)</u>	<u>0</u>
Net Change in Fund Balance	(70,013)	(80,013)	(75,000)	5,013
Fund Balance at Beginning of Year	<u>104,085</u>	<u>104,085</u>	<u>104,085</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 34,072</u>	<u>\$ 24,072</u>	<u>\$ 29,085</u>	<u>\$ 5,013</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, 2007

	<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	\$ 49,200	\$ 0	\$ 0	\$ 0
Total Revenues	<u>49,200</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Expenditures</u>				
Capital Outlay:				
Materials and Supplies	<u>7,632</u>	<u>7,632</u>	<u>6,396</u>	<u>1,236</u>
Total Capital Outlay	<u>7,632</u>	<u>7,632</u>	<u>6,396</u>	<u>1,236</u>
Total Expenditures	<u>7,632</u>	<u>7,632</u>	<u>6,396</u>	<u>1,236</u>
Net Change in Fund Balance	41,568	(7,632)	(6,396)	1,236
Fund Balance at Beginning of Year	<u>7,633</u>	<u>7,633</u>	<u>7,633</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 49,201</u>	<u>\$ 1</u>	<u>\$ 1,237</u>	<u>\$ 1,236</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, 2007

	Budgeted Amounts		Actual	Variance with
	Original Budget	Final Budget		Final Budget Positive (Negative)
Revenues				
Charges for Services	\$ 0	\$ 17,000	\$ 0	\$ (17,000)
Interest	0	0	23,932	23,932
Total Revenues	<u>0</u>	<u>17,000</u>	<u>23,932</u>	<u>6,932</u>
Expenditures				
Capital Outlay:				
Contractual Services	137,600	127,600	58,827	68,773
Total Capital Outlay	137,600	127,600	58,827	68,773
Total Expenditures	<u>137,600</u>	<u>127,600</u>	<u>58,827</u>	<u>68,773</u>
Excess of Revenues Over (Under) Expenditures	<u>(137,600)</u>	<u>(110,600)</u>	<u>(34,895)</u>	<u>75,705</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	0	0	187,364	187,364
Transfers Out	0	(10,000)	(70,000)	(60,000)
Total Other Financing Sources (Uses)	<u>0</u>	<u>(10,000)</u>	<u>117,364</u>	<u>127,364</u>
Net Change in Fund Balance	(137,600)	(120,600)	82,469	203,069
Fund Balance at Beginning of Year	557,905	557,905	557,905	0
Prior Year Encumbrances Appropriated	8,600	8,600	8,600	0
Fund Balance at End of Year	<u>\$ 428,905</u>	<u>\$ 445,905</u>	<u>\$ 648,974</u>	<u>\$ 203,069</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, 2007

	<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	\$ 10,000	\$ 0	\$ 0	\$ 0
Total Revenues	<u>10,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Expenditures</u>				
Capital Outlay:				
Contractual Services	<u>15,000</u>	<u>15,000</u>	<u>9,300</u>	<u>5,700</u>
Total Capital Outlay	<u>15,000</u>	<u>15,000</u>	<u>9,300</u>	<u>5,700</u>
Total Expenditures	<u>15,000</u>	<u>15,000</u>	<u>9,300</u>	<u>5,700</u>
Net Change in Fund Balance	(5,000)	(15,000)	(9,300)	5,700
Fund Balance at Beginning of Year	<u>131,182</u>	<u>131,182</u>	<u>131,182</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 126,182</u>	<u>\$ 116,182</u>	<u>\$ 121,882</u>	<u>\$ 5,700</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, 2007

	<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	\$ 15,000	\$ 20,000	\$ 22,648	\$ 2,648
Total Revenues	<u>15,000</u>	<u>20,000</u>	<u>22,648</u>	<u>2,648</u>
<u>Expenditures</u>				
Capital Outlay:				
Contractual Services	<u>55,000</u>	<u>55,000</u>	<u>35,158</u>	<u>19,842</u>
Total Capital Outlay	<u>55,000</u>	<u>55,000</u>	<u>35,158</u>	<u>19,842</u>
Total Expenditures	<u>55,000</u>	<u>55,000</u>	<u>35,158</u>	<u>19,842</u>
Net Change in Fund Balance	(40,000)	(35,000)	(12,510)	22,490
Fund Balance at Beginning of Year	<u>77,438</u>	<u>77,438</u>	<u>77,438</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 37,438</u>	<u>\$ 42,438</u>	<u>\$ 64,928</u>	<u>\$ 22,490</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, 2007

	<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	\$ 50,000	\$ 32,000	\$ 49,621	\$ 17,621
Total Revenues	<u>50,000</u>	<u>32,000</u>	<u>49,621</u>	<u>17,621</u>
<u>Expenditures</u>				
Capital Outlay:				
Contractual Services	<u>80,106</u>	<u>80,106</u>	<u>51,429</u>	<u>28,677</u>
Total Capital Outlay	<u>80,106</u>	<u>80,106</u>	<u>51,429</u>	<u>28,677</u>
Total Expenditures	<u>80,106</u>	<u>80,106</u>	<u>51,429</u>	<u>28,677</u>
Net Change in Fund Balance	(30,106)	(48,106)	(1,808)	46,298
Fund Balance at Beginning of Year	66,355	66,355	66,355	0
Prior Year Encumbrance Appropriated	<u>1,859</u>	<u>1,859</u>	<u>1,859</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 38,108</u>	<u>\$ 20,108</u>	<u>\$ 66,406</u>	<u>\$ 46,298</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, 2007

	<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	\$ 497,000	\$ 300,000	\$ 301,500	\$ 1,500
Interest	<u>3,000</u>	<u>1,800</u>	<u>10,115</u>	<u>8,315</u>
Total Revenues	<u>500,000</u>	<u>301,800</u>	<u>311,615</u>	<u>9,815</u>
<u>Expenses</u>				
Personal Services	32,721	32,721	32,321	400
Contractual Services	150,000	150,000	110,799	39,201
Materials and Supplies	1,100	1,100	765	335
Claims	<u>115,000</u>	<u>115,000</u>	<u>110,949</u>	<u>4,051</u>
Total Expenses	<u>298,821</u>	<u>298,821</u>	<u>254,834</u>	<u>43,987</u>
Net Change in Fund Balance	201,179	2,979	56,781	53,802
Net Assets at Beginning of Year	<u>142,285</u>	<u>142,285</u>	<u>142,285</u>	<u>0</u>
Net Assets at End of Year	<u>\$ 343,464</u>	<u>\$ 145,264</u>	<u>\$ 199,066</u>	<u>\$ 53,802</u>

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STATISTICAL SECTION

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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 changed 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-S28

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 FIVE YEARS
(Accrual Basis of Accounting)

	<u>2007</u>	<u>2006 Restated</u>	<u>2005 Restated</u>	<u>2004</u>	<u>2003</u>
<u>Governmental Activities</u>					
Invested in Capital Assets, Net of Related Debt	\$ 41,151,610	\$ 45,421,702	\$ 13,335,911	\$ 9,441,514	\$ 16,919,428
Restricted:					
Capital Projects	3,322,255	5,166,780	891,816	3,896,532	0
Debt Service	5,769,963	2,882,741	4,617,366	8,899,900	2,764,898
Other Purposes	1,908,168	1,970,792	2,223,784	1,597,871	1,253,520
Unrestricted	4,075,405	5,043,285	2,959,733	2,339,507	6,910,033
Total Governmental Activities Net Assets	<u>\$ 56,227,401</u>	<u>\$ 60,485,300</u>	<u>\$ 24,028,610</u>	<u>\$ 26,175,324</u>	<u>\$ 27,847,879</u>
<u>Business-Type Activities</u>					
Invested in Capital Assets, Net of Related Debt	\$ 29,982,118	\$ 26,727,776	\$ 29,207,199	\$ 29,795,176	\$ 28,646,313
Restricted:					
Debt Service	0	0	0	1,200,000	0
Unrestricted	11,908,239	13,087,249	8,390,986	4,378,060	6,786,523
Total Business-Type Activities Net Assets	<u>\$ 41,890,357</u>	<u>\$ 39,815,025</u>	<u>\$ 37,598,185</u>	<u>\$ 35,373,236</u>	<u>\$ 35,432,836</u>
<u>Primary Government</u>					
Invested in Capital Assets, Net of Related Debt	\$ 71,133,728	\$ 72,149,478	\$ 42,543,110	\$ 39,236,690	\$ 45,565,741
Restricted	11,000,386	10,020,313	7,732,966	15,594,303	4,018,418
Unrestricted	15,983,644	18,130,534	11,350,719	6,717,567	13,696,556
Total Primary Government Net Assets	<u>\$ 98,117,758</u>	<u>\$100,300,325</u>	<u>\$ 61,626,795</u>	<u>\$ 61,548,560</u>	<u>\$ 63,280,715</u>

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

	2007	2006	2005 Restated	2004	2003
<u>Program Revenues</u>					
Governmental Activities:					
Charges for Services:					
General Government	\$ 1,031,766	\$ 1,019,146	\$ 1,630,952	\$ 2,101,899	\$ 2,074,682
Security of Persons and Property	4,999,375	4,975,827	2,897,560	2,150,294	2,645,843
Public Health and Welfare	91,602	92,922	33,424	85,666	85,730
Leisure Time Services	883,285	796,916	615,674	755,333	660,437
Community and Economic Development	542,492	236,343	532,403	323,664	268,828
Refuse Collection and Disposal	0	0	231,521	942,743	1,083,386
Transportation	207,307	88,588	191,361	459,799	444,152
Subtotal - Charges for Services	<u>7,755,827</u>	<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	498,055	428,589	243,965	0	0
Security of Persons and Property	18,906	139,422	1,400	91,319	123,014
Leisure Time Services	5,947	43,084	36,744	0	0
Community and Economic Development	889,458	1,123,011	1,116,634	87,740	379,087
Transportation	1,935,960	1,835,670	1,927,988	0	0
Subtotal - Operating Grants and Contributions	<u>3,348,326</u>	<u>3,569,776</u>	<u>3,326,731</u>	<u>179,059</u>	<u>502,101</u>
Capital Grants and Contributions:					
General Government	0	18,690	31,219	0	0
Community Development	0	0	0	1,320,553	1,435,493
Leisure Time Activities	0	11,170	19,767	0	90,146
Subtotal - Capital Grants and Contributions	<u>0</u>	<u>29,860</u>	<u>50,986</u>	<u>1,320,553</u>	<u>1,525,639</u>
Total Governmental Activities Program Revenues	<u>11,104,153</u>	<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	1,671,736	1,605,235	840,218	0	0
Wastewater	10,876,879	11,498,677	9,396,074	9,730,420	12,383,945
Briardale Golf Course	1,019,279	987,636	795,003	786,232	780,200
Operating Grants and Contributions:					
Wastewater Treatment	39,479	814,589	0	0	0
Capital Grants and Contributions					
Briardale Golf Course	0	121,449	0	0	250,488
Total Business-Type Activities Program Revenues	<u>13,607,373</u>	<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>\$24,711,526</u>	<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 FIVE YEARS
(Accrual Basis of Accounting)
(CONTINUED)**

	<u>2007</u>	<u>2006</u>	<u>2005 Restated</u>	<u>2004</u>	<u>2003</u>
<u>Expenses</u>					
Governmental Activities:					
General Government	\$ 14,000,128	\$ 12,352,031	\$ 11,114,592	\$ 11,965,470	\$ 12,180,369
Security of Persons and Property:	22,884,517	21,466,024	21,544,601	21,147,901	19,842,460
Public Health and Welfare	277,425	257,280	256,582	234,887	287,591
Leisure Time Services	1,706,870	2,109,410	1,924,054	4,077,885	1,914,797
Community and Economic Development	2,955,795	3,173,312	2,619,435	478,828	965,181
Refuse Collection and Disposal	2,219,004	2,013,501	1,777,289	1,912,089	1,848,221
Transportation	7,396,063	2,695,350	4,446,355	1,489,045	1,432,019
Interest and Fiscal Charges	1,553,302	1,546,588	1,566,775	2,069,348	1,913,236
Total Governmental Activities Expenses	<u>52,993,104</u>	<u>45,613,496</u>	<u>45,249,683</u>	<u>43,375,453</u>	<u>40,383,874</u>
<u>Business-Type Activities</u>					
Water Line Improvement	765,993	915,675	557,637	0	0
Wastewater Treatment	10,109,869	9,438,610	10,732,693	10,313,927	12,131,189
Briardale Golf Course	1,059,840	996,359	1,206,580	770,115	716,146
Total Business-Type Activities Expenses	<u>11,935,702</u>	<u>11,350,644</u>	<u>12,496,910</u>	<u>11,084,042</u>	<u>12,847,335</u>
Total Primary Government Program Expenses	<u>64,928,806</u>	<u>56,964,140</u>	<u>57,746,593</u>	<u>54,459,495</u>	<u>53,231,209</u>
<u>Net (Expense)/Revenue</u>					
Governmental Activities	(41,888,951)	(34,804,118)	(35,739,071)	(35,056,443)	(31,093,076)
Business-Type Activities	1,671,671	3,676,942	(1,465,615)	(567,390)	567,298
Total Primary Government Net Expense	<u>(40,217,280)</u>	<u>(31,127,176)</u>	<u>(37,204,686)</u>	<u>(35,623,833)</u>	<u>(30,525,778)</u>

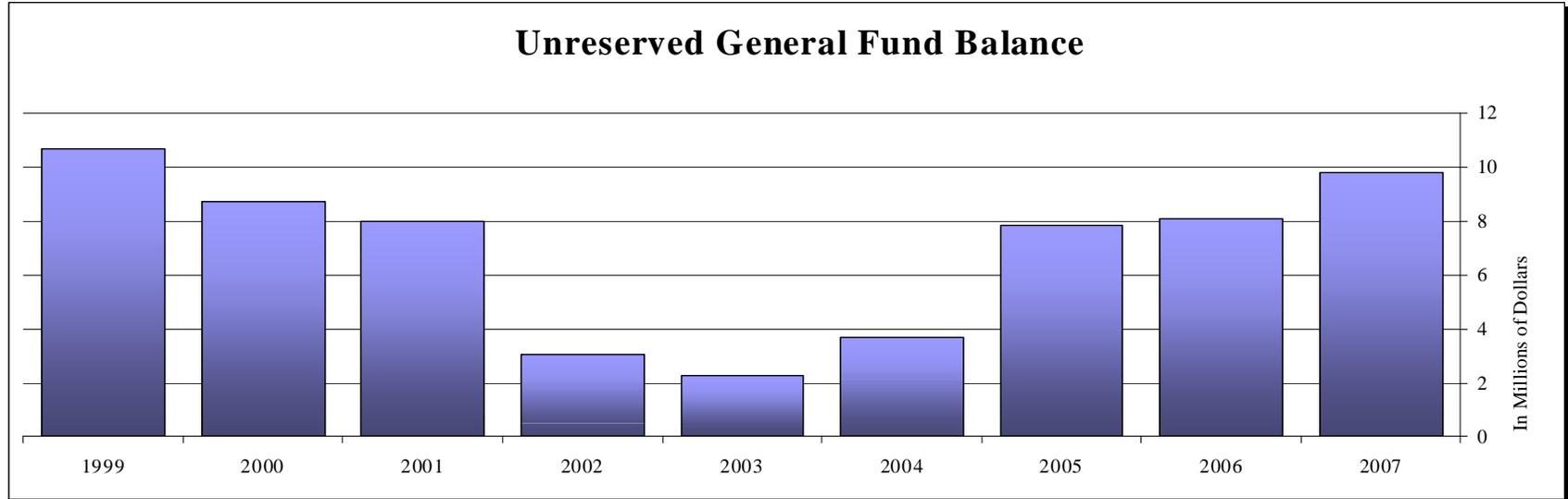
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CITY OF EUCLID, OHIO
CHANGES IN NET ASSETS
LAST FIVE YEARS
(Accrual Basis of Accounting)
(CONTINUED)

	2007	2006	2005 Restated	2004	2003
<u>General Revenues and Other Changes in Net Assets</u>					
Governmental Activities					
Property Taxes Levied For:					
General Purposes	2,107,973	2,580,406	1,942,869	3,676,438	3,868,351
Debt Service	2,792,175	3,677,364	2,657,665	3,318,558	3,102,471
Capital Outlay	532,381	652,705	492,729	0	0
Other Purposes	407,031	480,690	378,408	2,729,486	2,543,752
Municipal Income Taxes levied for:					
General Purposes	24,286,649	26,227,696	22,004,837	20,213,175	18,311,962
Grants and Entitlements not Restricted to					
Specific Programs	5,647,600	3,846,566	5,745,954	3,208,030	3,540,576
Payments in Lieu of Taxes	72,269	68,730	59,293	0	0
Investment Income	1,303,442	1,163,865	663,536	398,378	257,951
Gain/Loss on Sale of Capital Assets	176,305	0	0	0	(48,192)
Miscellaneous	18,771	66,875	10,827	53,367	0
Transfers	286,456	286,456	(625,806)	286,456	286,456
Total Governmental Activities	<u>37,631,052</u>	<u>39,051,353</u>	<u>33,330,312</u>	<u>33,883,888</u>	<u>31,863,327</u>
Business-Type Activities					
Property Taxes Levied For:					
Other Purposes	626,240	767,977	670,778	609,316	776,352
Grants and Entitlements not Restricted to					
Specific Programs	0	0	614,188	183,912	0
Investment Income	63,583	48,163	351	1,018	987
Miscellaneous	294	0	0	0	0
Transfers	(286,456)	(286,456)	625,806	(286,456)	(286,456)
Total Business-Type Activities	<u>403,661</u>	<u>529,684</u>	<u>1,911,123</u>	<u>507,790</u>	<u>490,883</u>
Total Primary Government General Revenues and Other Changes in Net Assets	<u>38,034,713</u>	<u>39,581,037</u>	<u>35,241,435</u>	<u>34,391,678</u>	<u>32,354,210</u>
<u>Change in Net Assets</u>					
Governmental Activities	(4,257,899)	4,247,235	(2,408,759)	(1,172,555)	770,251
Business-Type Activities	2,075,332	4,206,626	445,508	(59,600)	1,058,181
Total Primary Government Change in Net Assets	<u>\$ (2,182,567)</u>	<u>\$ 8,453,861</u>	<u>\$ (1,963,251)</u>	<u>\$ (1,232,155)</u>	<u>\$ 1,828,432</u>

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

	2007	2006	2005	2004	2003	2002	2001	2000
General Fund								
Reserved	\$ 97,896	\$ 99,257	\$ 37,934	\$ 3,837,679	\$ 1,909,424	\$ 2,021,963	\$ 2,227,337	\$ 2,253,161
Unreserved	9,782,186	8,076,295	7,821,849	3,678,477	2,288,627	3,075,721	7,994,663	8,696,957
Total General Fund	9,880,082	8,175,552	7,859,783	7,516,156	4,198,051	5,097,684	10,222,000	10,950,118
All Other Governmental Funds								
Reserved	1,257,678	346,199	522,175	5,739,842	3,206,235	904,389	1,675,870	2,150,041
Unreserved, Undesignated, Reported in:								
Special Revenue funds	1,787,192	1,684,898	1,520,080	1,180,356	982,576	(365,426)	(51,760)	(1,391,338)
Debt Service funds	3,775,688	2,947,437	3,056,034	3,008,900	2,764,898	3,024,670	3,533,956	4,755,832
Capital Projects funds	2,131,623	2,499,812	401,209	2,558,005	(3,112,551)	866,054	1,358,973	(4,154,328)
Total All Other Governmental Funds	8,952,181	7,478,346	5,499,498	12,487,103	3,841,158	4,429,687	6,517,039	1,360,207
Total Governmental Funds	\$ 18,832,263	\$ 15,653,898	\$ 13,359,281	\$ 20,003,259	\$ 8,039,209	\$ 9,527,371	\$ 16,739,039	\$ 12,310,325



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

	2007	2006	2005	2004	2003	2002	2001	2000	1999
Revenues									
Property and Other Taxes	\$ 6,511,494	\$ 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	25,508,186	23,084,613	23,029,224	0	0	0	0	0	0
Charges for Services	5,011,318	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	131,568	45,638	241,899	572,019	436,977	305,921	303,514	259,928	240,531
Fines and Forfeitures	1,843,132	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	72,269	68,730	59,293	0	0	0	0	0	0
Intergovernmental	8,544,675	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	84,684	190,634	88,111	270,469	232,264	287,221	258,963	342,700	276,387
Rentals	438,302	370,186	329,315	300,078	277,330	268,929	1,058,189	280,874	220,947
Contributions and Donations	27,517	144,696	35,280	0	0	0	0	0	0
Interest	1,286,011	1,162,032	663,536	397,135	252,601	246,511	293,649	1,649,780	1,724,345
Miscellaneous	18,771	66,875	10,827	186,241	248,911	74,088	251,664	222,102	100,550
Total Revenues	49,477,927	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	12,389,735	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	20,876,789	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	277,809	257,651	257,846	235,365	287,592	445,574	482,245	716,270	409,636
Leisure Time Services	1,998,691	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	2,613,273	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	2,204,171	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	2,242,299	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	3,579,883	2,780,690	3,227,405	0	0	0	0	0	0
Debt Service:									
Principal Retirement	6,419,365	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	1,529,377	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	54,131,392	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	(4,653,465)	(1,905,839)	(5,885,037)	(8,787,101)	(3,133,794)	(8,684,291)	(7,743,027)	(6,464,301)	(7,930,698)

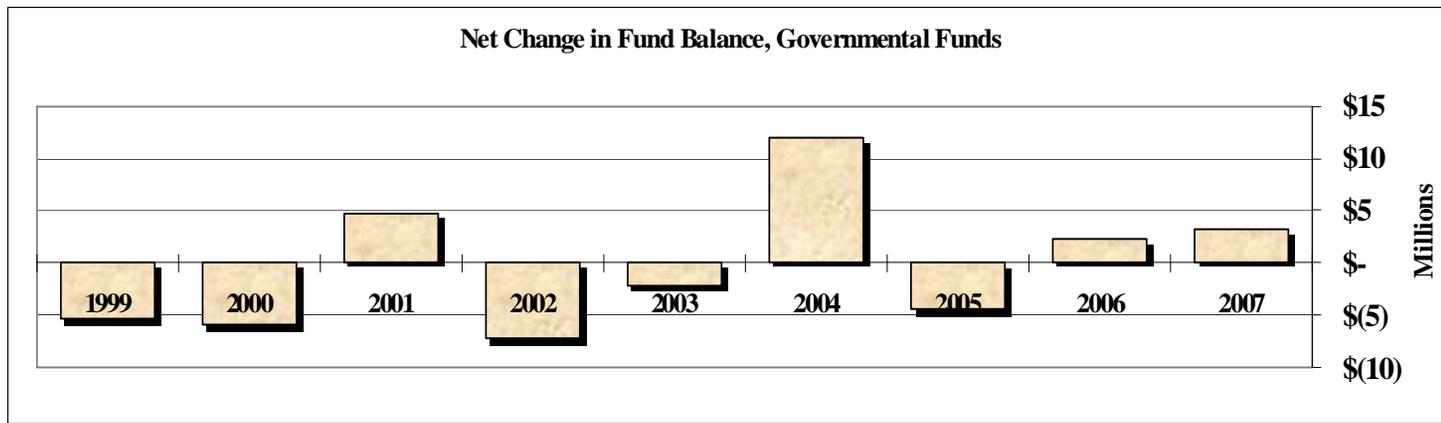
CITY OF EUCLID, OHIO
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST NINE YEARS
(Modified Accrual Basis of Accounting)
(Continued)

Other Financing Sources (Uses)

Sale of Capital Assets	224,113	0	0	2,800	724,808	0	0	0	0
Special Assessment Bonds Issued	0	0	0	0	0	0	0	0	1,715,000
General Obligation Bonds Issued	0	0	0	13,097,000	0	0	11,495,000	0	0
Premium on Notes	40,280	0	0	0	0	0	0	0	0
OPWC Loan	434,981	98,000	0	0	0	447,179	0	407,526	1,420,569
Notes Issued	6,846,000	3,816,000	100,000	5,981,000	0	0	0	0	0
Inception of Capital Lease	0	0	1,077,689	1,583,897	15,780	824,509	149,179	301,201	0
Transfers In	825,300	1,085,900	918,056	689,115	586,880	1,304,019	2,547,214	2,067,657	5,737,961
Transfers Out	(538,844)	(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)	7,831,830	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	\$ 3,178,365	\$ 2,294,617	\$(4,420,892)	\$ 11,964,052	\$ (2,106,750)	\$ (7,258,147)	\$ 4,785,343	\$ (5,970,986)	\$ (5,347,769)
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Debt Service as a Percentage of Noncapital	12.70%	6.55%	18.55%	13.39%	6.19%	5.02%	4.60%	4.47%	4.12%
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CITY OF EUCLID, OHIO
EUCLID CITY SCHOOL DISTRICT
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUATION)
LAST TEN YEARS

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
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									
Voted Millage										
1964 Charter Current Expense	6.72	6.72	6.72	6.72	6.72	6.72	6.72	6.72	6.72	6.72
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									
Total Millage	15.60									
Overlapping Rates by Taxing District										
City of Euclid										
Residential/Agricultural Effective Rate	6.5540	6.5523	6.8792	6.8787	6.8790	7.1638	7.1631	7.1618	7.4763	7.4758
Commerical/Industrial and Public Utility Effective Rate	10.3634	10.3668	10.3549	9.9554	9.7881	9.9331	9.9603	9.9731	10.5918	10.3037
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	15.6000
Euclid City Schools										
Residential/Agricultural Effective Rate	39.1132	39.0934	43.0313	37.5124	35.0153	37.9854	37.5787	37.6672	40.7154	33.8113
Commerical/Industrial and Public Utility Effective Rate	59.4467	59.4747	59.3941	51.2261	47.5742	48.8727	48.6599	48.8477	53.2070	44.7768
General Business and Public Utility Personal Property	78.2000	78.2000	78.2000	72.8000	70.3000	70.6000	70.2000	70.3000	70.4000	63.5000
Cuyahoga County										
Residential/Agricultural Effective Rate	11.8688	11.8655	11.7227	10.9754	10.9899	9.7642	9.7718	9.7846	11.4113	11.4230
Commerical/Industrial and Public Utility Effective Rate	12.4535	12.4941	12.5881	11.9846	12.0433	10.1235	10.0506	9.9918	12.3735	12.4065
General Business and Public Utility Personal Property	13.4200	13.4200	13.5200	13.5200	13.5200	11.7200	11.7200	11.7200	13.7500	13.7500
Special Taxing Districts (5)										
Residential/Agricultural Effective Rate	7.2794	7.2761	7.7965	6.3793	5.7037	6.2552	5.1689	5.1747	3.0912	3.0937
Commerical/Industrial and Public Utility Effective Rate	7.8782	7.8962	8.0597	6.7804	6.2102	6.3523	5.5500	5.5322	3.3039	3.3083
General Business and Public Utility Personal Property	8.2800	8.2800	8.2800	7.2800	6.9800	6.9800	6.9800	6.9800	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
2007	\$ 617,695,210	\$ 184,247,970	\$ 2,291,266,229	\$ 21,020,000	\$ 23,886,364
2006	\$ 549,090,850	\$ 185,048,420	\$ 2,097,540,771	\$ 22,108,400	\$ 25,123,182
2005	\$ 549,066,990	\$ 196,770,870	\$ 2,130,965,314	\$ 24,167,100	\$ 27,462,614
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	\$ 31,693,220	\$ 36,015,023
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

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

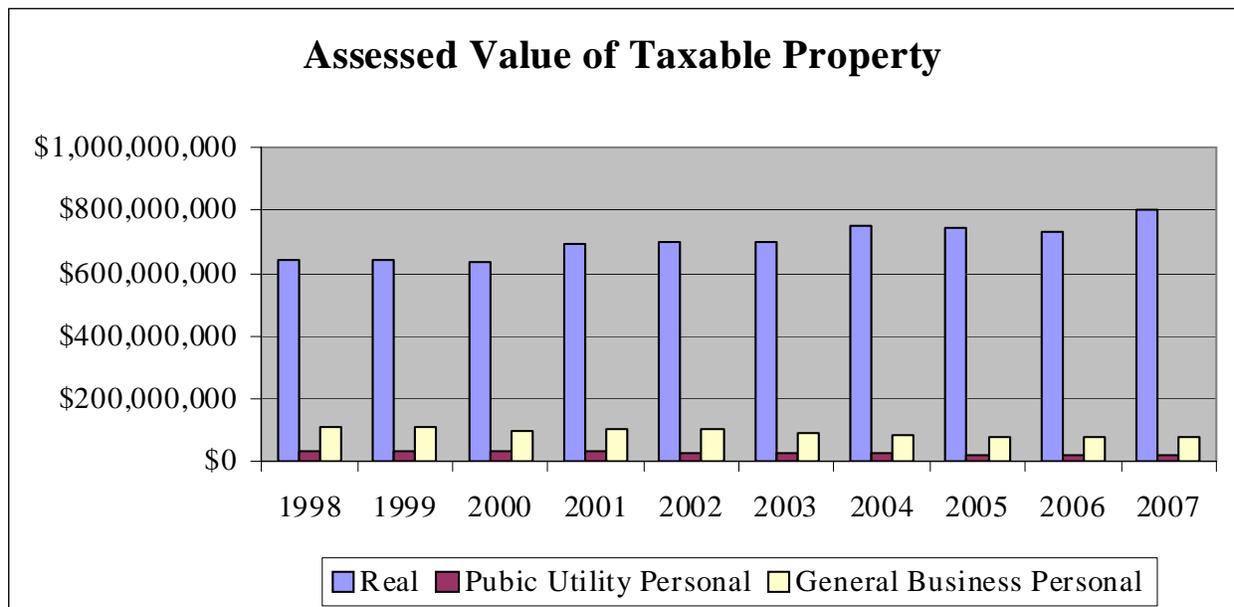
The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General 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 2007 both types of general business tangible personal property were assessed at 12.5 percent. The percentage is 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			
2007	\$ 81,771,053	\$ 654,168,424	\$ 904,734,233	\$ 2,969,321,016	30.47%
2006	\$ 77,001,463	\$ 410,674,469	\$ 833,249,133	\$ 2,533,338,423	32.89
2005	\$ 80,320,200	\$ 321,280,800	\$ 850,325,160	\$ 2,479,708,728	34.29
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	\$ 102,559,257	\$ 410,237,028	\$ 828,468,557	\$ 2,429,726,565	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



**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
2007	\$ 8,248,325	\$ 6,773,525	82.12	\$ 362,574	\$ 7,136,099	86.52%	\$ 426,602	5.17%
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

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
2007 AND 1998

<i>2007</i>		
Taxpayer	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		
	\$ 801,943,180	

<i>1998</i>		
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Cleveland Electric Illuminating Co.	\$ 16,748,700	2.60 %
Ohio Bell Telephone Company	12,727,590	1.97 %
Euclid Square Mall	10,135,550	1.57 %
Lincoln Electric Company	8,165,920	1.27 %
Regency Towers Associates	7,098,000	1.10 %
Argo Tech Corporation	5,939,990	0.92 %
Americana Apartments	5,433,890	0.84 %
East Ohio Gas Co.	4,959,180	0.77 %
Indian Hills Senior (19101 Euclid)	4,598,680	0.71 %
Troy CMBS Property, LLC	4,504,610	0.70 %
Indian Hills Senior (E. 191 St.)	3,664,820	0.57 %
Total	\$ 83,976,930	13.02 %
Total Assessed Valuation		
	\$ 645,220,500	

Source: County Auditor

(1) The amounts presented represent the assessed values upon which 2007 and 1998 collections were based.

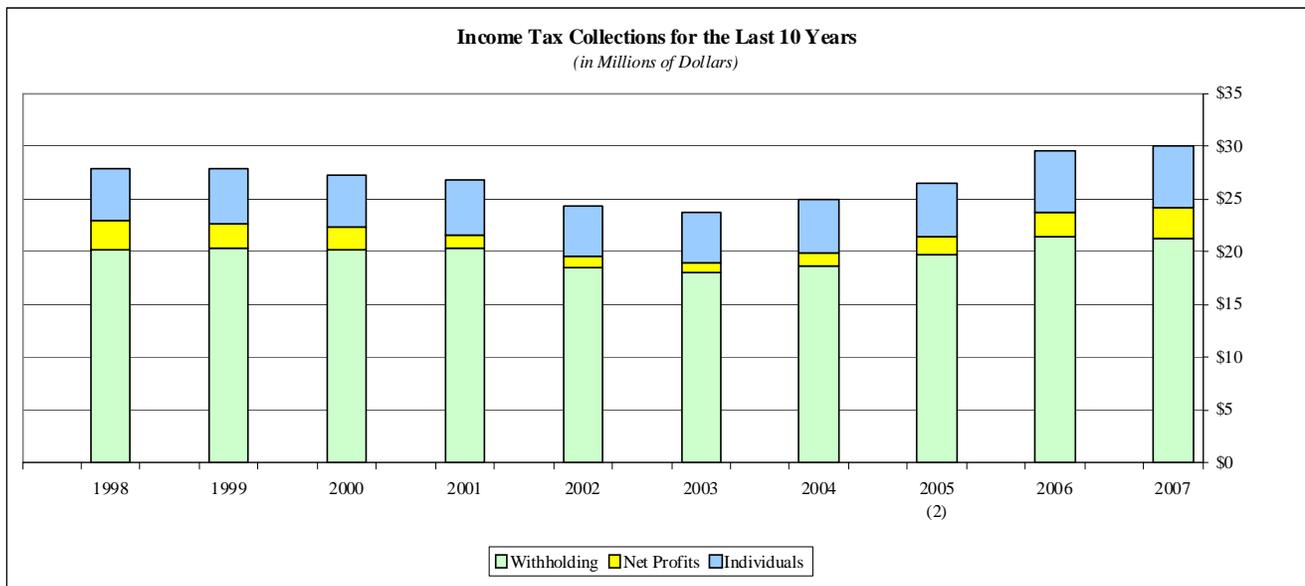
CITY OF EUCLID, OHIO
INCOME TAX REVENUE BASE AND COLLECTIONS
LAST TEN YEARS

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
2007	2.85%	\$30,078,043	\$21,201,086	70.49%	\$3,049,973	10.14%	\$5,826,984	19.37%
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

(1) 2002 through 2007 are on an Accrual Basis and 1998 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.

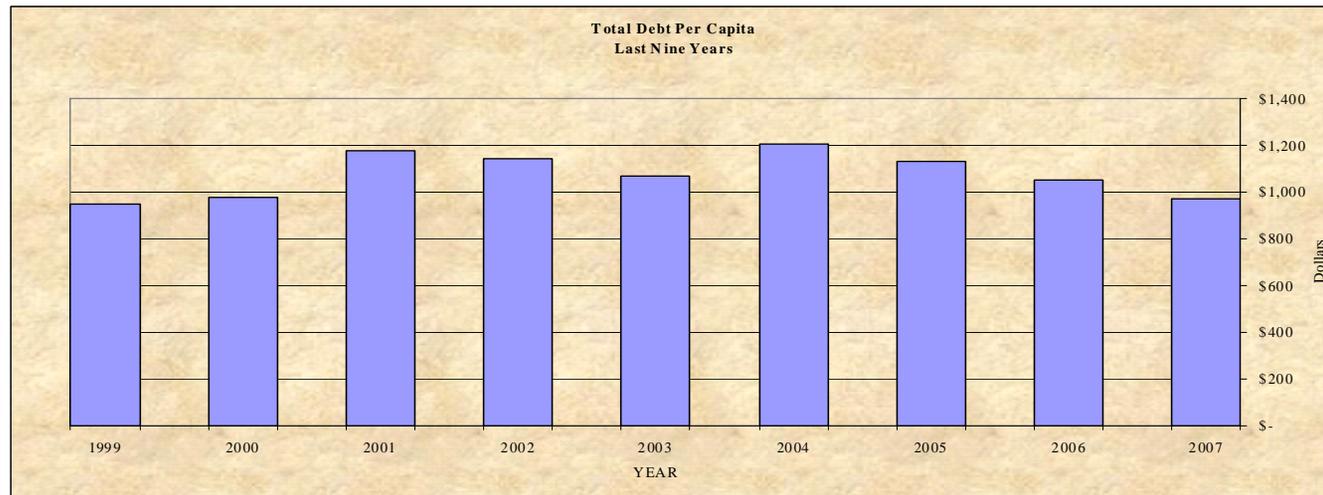
Note: The City is prohibited by statute from presenting information regarding individual taxpayers.



CITY OF EUCLID, OHIO
RATIOS OF OUTSTANDING DEBT TO TOTAL PERSONAL INCOME AND DEBT PER CAPITA
LAST NINE 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			
2007	\$ 23,007,141	\$ 1,235,000	\$ 532,981	\$ 1,304,712	\$ 1,340,000	\$ 6,546,909	\$ 502,859	\$ 10,328,970	\$ 6,352,551	\$ 51,151,123	4.93%	\$ 970
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 S22.



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

<u>Year</u>	<u>Population (1)</u>		<u>Estimated Assessed 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>
2007	52,717	b	\$ 904,734,233	\$29,554,050	3.27 %	\$ 561
2006	52,717	b	\$ 833,249,133	\$31,906,848	3.83 %	\$ 605
2005	52,717	b	\$ 850,325,160	\$34,429,648	4.05 %	\$ 653
2004	52,717	b	\$ 865,435,613	\$36,975,000	4.27 %	\$ 701
2003	52,717	b	\$ 816,485,001	\$29,205,000	3.58 %	\$ 554
2002	52,717	b	\$ 826,000,544	\$31,555,000	3.82 %	\$ 599
2001	52,717	b	\$ 828,468,557	\$33,810,000	4.08 %	\$ 641
2000	52,717	b	\$ 768,218,306	\$24,280,000	3.16 %	\$ 461
1999	54,875	a	\$ 790,617,336	\$26,335,000	3.33 %	\$ 480

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**

	2007	2006	2005	2004
Total Assessed Property Value	<u>\$ 904,734,233</u>	<u>\$ 833,249,133</u>	<u>\$ 850,325,160</u>	<u>\$ 865,435,613</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>94,997,094</u>	<u>87,491,159</u>	<u>89,284,142</u>	<u>90,870,739</u>
Debt Outstanding:				
General Obligation Bonds	\$ 23,029,000	\$ 25,073,000	\$ 27,302,000	\$ 34,057,000
General Obligation Bonds - Enterprise	6,536,000	6,852,000	7,153,000	2,918,000
Special Assessment Bonds	1,235,000	1,305,000	1,375,000	1,440,000
Notes	6,846,000	3,816,000	100,000	5,981,000
Notes - Enterprise	3,000,000	3,000,000	1,000,000	1,200,000
OPWC Loans	532,981	98,000	0	2,393,316
OPWC Loans - Enterprise	6,352,551	6,515,556	6,069,001	4,080,513
OWDA Loans	10,328,970	11,915,515	13,389,914	14,765,846
Industrial Development Revenue Bonds	1,340,000	1,440,000	1,530,000	1,615,000
Total Gross Indebtedness	<u>59,200,502</u>	<u>60,015,071</u>	<u>57,918,915</u>	<u>68,450,675</u>
Less:				
General Obligation Bonds - Enterprise	(6,536,000)	(6,852,000)	(7,153,000)	(2,918,000)
Special Assessment Bonds	(1,235,000)	(1,305,000)	(1,375,000)	0
Notes	(6,846,000)	(3,816,000)	(100,000)	(5,981,000)
Notes - Enterprise	(3,000,000)	(3,000,000)	(1,000,000)	(1,200,000)
OPWC Loans	(532,981)	(98,000)	0	(2,393,316)
OPWC Loans - Enterprise	(6,352,551)	(6,515,556)	(6,069,001)	(4,080,513)
OWDA Loans	(10,328,970)	(11,915,515)	(13,389,914)	(14,765,846)
Industrial Development Revenue Bonds	(1,340,000)	(1,440,000)	(1,530,000)	0
General Obligation Bond Retirement Fund Balance	(3,775,688)	(2,947,437)	(3,056,034)	(3,008,900)
Total Net Debt Applicable to Debt Limit	<u>19,253,312</u>	<u>22,125,563</u>	<u>24,245,966</u>	<u>34,103,100</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$ 75,743,782</u>	<u>\$ 65,365,596</u>	<u>\$ 65,038,176</u>	<u>\$ 56,767,639</u>
Legal Debt Margin as a Percentage of the Debt Limit	79.73%	74.71%	72.84%	62.47%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$ 49,760,383</u>	<u>\$ 45,828,702</u>	<u>\$ 46,767,884</u>	<u>\$ 47,598,959</u>
Total Gross Indebtedness	\$ 59,200,502	\$ 60,015,071	\$ 57,918,915	\$ 68,450,675
Less:				
0	0	0	0	0
General Obligation Bonds - Enterprise	(6,536,000)	(6,852,000)	(7,153,000)	(2,918,000)
Special Assessment Bonds	(1,235,000)	(1,305,000)	(1,375,000)	0
Notes	(6,846,000)	(3,816,000)	(100,000)	(5,981,000)
Notes - Enterprise	(3,000,000)	(3,000,000)	(1,000,000)	(1,200,000)
OPWC Loans	(532,981)	(98,000)	0	(2,393,316)
OPWC Loans - Enterprise	(6,352,551)	(6,515,556)	(6,069,001)	(4,080,513)
OWDA Loans	(10,328,970)	(11,915,515)	(13,389,914)	(14,765,846)
Industrial Development Revenue Bonds	(1,340,000)	(1,440,000)	(1,530,000)	0
General Obligation Bond Retirement Fund Balance	(3,775,688)	(2,947,437)	(3,056,034)	(3,008,900)
Net Debt Within 5 ½ % Limitations	<u>19,253,312</u>	<u>22,125,563</u>	<u>24,245,966</u>	<u>34,103,100</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$ 30,507,071</u>	<u>\$ 23,703,139</u>	<u>\$ 22,521,918</u>	<u>\$ 13,495,859</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	61.31%	51.72%	48.16%	28.35%

Source: City Financial Records

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

	2003	2002	2001	2000
Total Assessed Property Value	<u>\$ 816,485,001</u>	<u>\$ 826,000,544</u>	<u>\$ 828,468,557</u>	<u>\$ 768,218,306</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>85,730,925</u>	<u>86,730,057</u>	<u>86,989,198</u>	<u>80,662,922</u>
Debt Outstanding:				
General Obligation Bonds	\$ 27,440,000	\$ 29,710,000	\$ 31,880,000	\$ 25,835,000
General Obligation Bonds - Enterprise	1,765,000	1,845,000	1,930,000	2,005,000
Special Assessment Bonds	1,500,000	1,560,000	1,615,000	0
Notes	0	0	0	10,025,000
Notes - Enterprise	0	0	0	0
OPWC Loans	2,534,696	2,606,540	2,256,993	1,952,635
OPWC Loans - Enterprise	4,288,338	4,296,009	3,986,226	2,154,420
OWDA Loans	16,042,064	17,226,034	18,333,990	19,367,447
Industrial Development Revenue Bonds	1,695,000	1,765,000	1,830,000	0
Total Gross Indebtedness	<u>55,265,098</u>	<u>59,008,583</u>	<u>61,832,209</u>	<u>61,339,502</u>
Less:				
General Obligation Bonds				
General Obligation Bonds - Enterprise	(1,765,000)	(1,845,000)	(1,930,000)	(2,005,000)
Special Assessment Bonds	0	0	0	0
Notes	0	0	0	0
Notes - Enterprise	0	0	0	0
OPWC Loans	(2,534,696)	(2,606,540)	(2,256,993)	(1,952,635)
OPWC Loans - Enterprise	(4,288,338)	(4,296,009)	(3,986,226)	(2,154,420)
OWDA Loans	(16,042,064)	(17,226,034)	(18,333,990)	(19,367,447)
Industrial Development Revenue Bonds	0	0	0	0
General Obligation Bond Retirement Fund Balance	(2,764,898)	(3,024,670)	(3,533,956)	(4,755,832)
Total Net Debt Applicable to Debt Limit	<u>27,870,102</u>	<u>30,010,330</u>	<u>31,791,044</u>	<u>31,104,168</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$ 57,860,823</u>	<u>\$ 56,719,727</u>	<u>\$ 55,198,154</u>	<u>\$ 49,558,754</u>
Legal Debt Margin as a Percentage of the Debt Limit	67.49%	65.40%	63.45%	61.44%
Unvoted Debt Limitation (2 ½ % of Assessed Valuation)	<u>\$ 44,906,675</u>	<u>\$ 45,430,030</u>	<u>\$ 45,565,771</u>	<u>\$ 42,252,007</u>
Total Gross Indebtedness	\$ 55,265,098	59,008,583	61,832,209	61,339,502
Less:				
General Obligation Bonds	0	0	0	0
General Obligation Bonds - Enterprise	(1,765,000)	(1,845,000)	(1,930,000)	(2,005,000)
Special Assessment Bonds	0	0	0	0
Notes	0	0	0	0
Notes - Enterprise	0	0	0	0
OPWC Loans	(2,534,696)	(2,606,540)	(2,256,993)	(1,952,635)
OPWC Loans - Enterprise	(4,288,338)	(4,296,009)	(3,986,226)	(2,154,420)
OWDA Loans	(16,042,064)	(17,226,034)	(18,333,990)	(19,367,447)
Industrial Development Revenue Bonds	0	0	0	0
General Obligation Bond Retirement Fund Balance	(2,764,898)	(3,024,670)	(3,533,956)	(4,755,832)
Net Debt Within 5 ½ % Limitations	<u>27,870,102</u>	<u>30,010,330</u>	<u>31,791,044</u>	<u>31,104,168</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$ 17,036,573</u>	<u>\$ 15,419,700</u>	<u>\$ 13,774,727</u>	<u>\$ 11,147,839</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	37.94%	33.94%	30.23%	26.38%

CITY OF EUCLID, OHIO
COMPUTATION OF DIRECT AND OVERLAPPING
GOVERNMENTAL ACTIVITIES DEBT
DECEMBER 31, 2007

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
Direct - City of			
General Obligation Bonds	\$ 23,007,141	100.00%	\$23,007,141
Special Assessment Bonds	1,235,000	100.00%	1,235,000
OPWC Loans	532,981	100.00%	532,981
Capital Leases	1,304,712	100.00%	1,304,712
Revenue Bonds	1,340,000	100.00%	1,340,000
General Obligation Notes	6,886,280	100.00%	6,886,280
Total Direct Debt	<u>34,306,114</u>		<u>34,306,114</u>
Overlapping			
Euclid City School District			
General Obligation Bonds	15,087,954	100.00%	15,087,954
County			
General Obligation Bonds	194,593,691	2.66%	5,176,192
Regional			
Transit Authority	147,385,000	2.66%	3,920,441
Total Overlapping Debt	<u>357,066,645</u>		<u>24,184,587</u>
Total	<u>\$ 391,372,759</u>		<u>\$58,490,701</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
PLEDGED REVENUE COVERAGE - INDUSTRIAL DEVELOPMENT REVENUE BONDS
GENERAL FUND
LAST TEN YEARS

Year	Net Revenues (1)	Operating Expenses	Net Revenue Available for Debt Service	Debt Service			Coverage
				Principal	Interest	Total	
2007	\$109,335	\$0	\$109,335	\$100,000	\$118,800	\$218,800	0.50
2006	109,336	0	109,336	90,000	126,225	216,225	0.51
2005	109,336	0	109,336	85,000	133,238	218,238	0.50
2004	109,336	0	109,336	80,000	139,838	219,838	0.50
2003	109,336	0	109,336	70,000	145,613	215,613	0.51
2002	109,336	0	109,336	65,000	150,975	215,975	0.51
2001	109,336	0	109,336	60,000	155,925	215,925	0.51
2000	40,000	0	40,000	55,000	160,463	215,463	0.19
1999	40,000	0	40,000	55,000	165,000	220,000	0.18
1998	40,000	0	40,000	50,000	169,125	219,125	0.18
1997	40,000	0	40,000	45,000	173,438	218,438	0.18

(1) Net revenues include principal and interest received from repayment of loan from Lincoln Electric Company

Detail regarding the City's outstanding debt can be found in the notes to the basic financial statements

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

2007		
Employer	Number of W-2 Issued	Percentage of Total City Employment
Lincoln Electric	2,722	10.88%
Euclid Board of Education	1,457	5.82%
Meridia Health Systems	1,317	5.26%
City of Euclid	675	2.70%
Cuyahoga County	594	2.37%
University Hospitals Health System	505	2.02%
Argo Tech Corp.	448	1.79%
Hose Masters	317	1.27%
Marine Mechanical Corp.	258	1.03%
GE Lighting, Inc.	153	0.61%
Total	8,446	33.75%
Total Employment within the City	25,025	

Source: City Income Tax Department

(1) Information prior to 2006 is not available

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

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)	Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Cuyahoga County Unemployment Rate (3)	Average Sales Price of Residential Property (4)	Total Assessed Property Value (4)
2007	52,717	\$1,036,627,088	\$ 19,664	\$ 35,151	38.9	19.6%	6,833	6.3%	\$ 99,664	\$ 904,734,233
2006	52,717	\$1,036,627,088	\$ 19,664	\$ 35,151	38.9	19.6%	6,466	5.7%	\$ 107,011	\$ 833,249,133
2005	52,717	\$1,036,627,088	\$ 19,664	\$ 35,151	38.9	19.6%	6,572	6.0%	\$ 111,934	\$ 850,325,160
2004	52,717	\$1,036,627,088	\$ 19,664	\$ 35,151	38.9	19.6%	6,503	6.7%	\$ 105,056	\$ 865,435,613
2003	52,717	\$1,036,627,088	\$ 19,664	\$ 35,151	38.9	19.6%	6,420	6.5%	\$ 104,931	\$ 816,485,001
2002	52,717	\$1,036,627,088	\$ 19,664	\$ 35,151	38.9	19.6%	6,140	4.7%	\$ 99,723	\$ 826,000,544
2001	52,717	\$1,036,627,088	\$ 19,664	\$ 35,151	38.9	19.6%	6,179	3.7%	\$ 95,643	\$ 828,468,557
2000	52,717	\$1,036,627,088	\$ 19,664	\$ 35,151	38.9	19.6%	6,125	3.4%	\$ 90,300	\$ 768,218,306
1999	54,875	\$ 791,297,500	\$ 14,420	\$ 30,056	35.0	17.3%	5,995	3.4%	\$ 80,900	\$ 790,617,336
1998	54,875	\$ 791,297,500	\$ 14,420	\$ 30,056	35.0	17.3%	5,938	3.4%	\$ 84,200	\$ 793,607,480

(1) Source: U. S. Census

(a) Years 2000 through 2007 - 2000 Federal Census

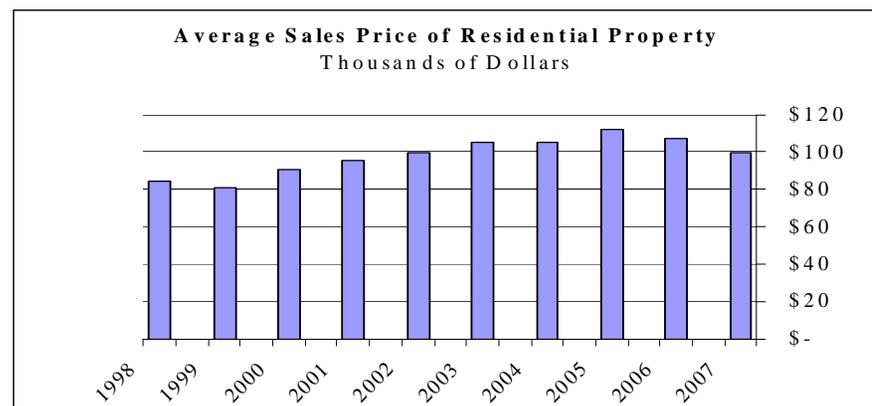
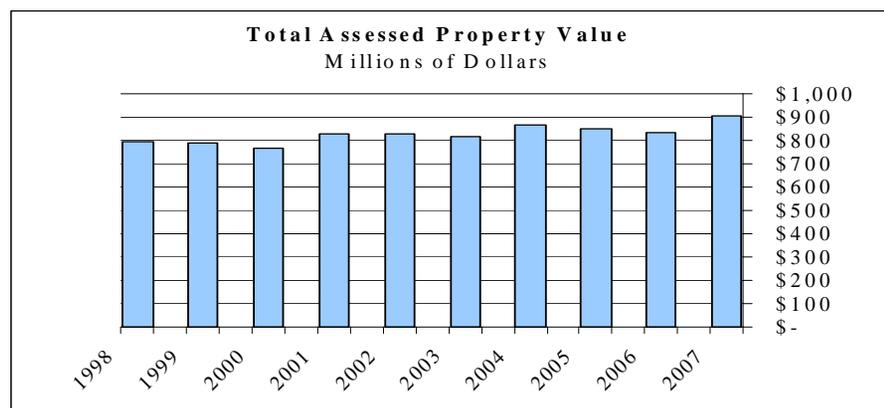
(b) Years 1997 through 1999 - 1990 Federal Census

(2) Source: Ohio Department of Education Website: "http://webapp2.ode.state.oh.us/school_finance/data/policy_research/f2007_district_profile_report.asp"

(3) Source: Ohio Department of Jobs & Family Services Website: "<http://lmi.state.oh.us/laus/laus.html>"

(4) Source: County Auditor

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



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

Function/Program	2007	2006	2005	2004	2003	2002
General Government						
Council	11	11	11	11	11	11
Finance	15	13	13	13	17	20
Tax	10	7	7	0	0	0
Mayor	24	24	24	25	26	29
Law	9	10	8	8	7	10
Municipal Court	26	23	27	26	26	26
Public Service Administration	6	6	6	6	6	8
Engineer	3	3	3	3	3	4
Public Building	10	9	10	10	11	12
Security of Persons and Property						
Police	95	95	95	95	95	98
Police - Administration	7	7	7	7	8	15
Police - Records Room	6	6	5	5	6	7
Police - School Guards	10	10	10	10	13	12
Police - Communications	16	15	14	16	18	19
Police - Corrections	38	36	32	38	40	36
Police - Animal Control	2	2	2	3	4	6
Fire	82	80	77	78	82	83
Leisure Time Activities						
Recreation - Administration	4	4	4	4	4	5
Parks & Rec Maintenance	14	17	16	16	22	26
Recreation - Programs	75	75	75	88	119	129
Shore Cultural Center	4	4	4	4	5	5
Golf Course	34	34	33	31	32	34
Community Development						
Economic Development	7	6	5	7	7	8
Building	4	3	2	2	3	6
Housing	11	10	10	7	10	11
Weatherization	6	6	7	6	7	7
Senior Programs	21	20	21	22	25	29
Transportation						
Motor Maintenance	12	12	12	12	14	14
Traffic Maintenance	4	4	4	4	4	5
Street M&R	25	23	23	24	26	37
Basic Utility Services						
Wastewater	43	44	44	42	44	44
Totals	<u>634</u>	<u>619</u>	<u>611</u>	<u>623</u>	<u>695</u>	<u>756</u>

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 SIX YEARS (1)

Function/Program	2007	2006	2005	2004	2003	2002
General Government						
<i>Council and Clerk</i>						
Number of Ordinances & Resolutions Passed	258	220	202	229	246	242
<i>Finance Department</i>						
Number of checks/ vouchers issued	6,839	6,292	5,258	5,459	5,455	6,210
Amount of checks written	\$ 20,765,198	\$ 18,347,965	\$ 20,341,425	\$22,292,434	\$ 21,994,000	\$ 20,500,023
Interest earnings for fiscal year (cash basis)	\$ 1,393,041	\$ 968,963	\$ 488,302	\$ 323,793	\$ 286,042	\$ 564,599
Agency Ratings - Moody's Financial Services	A1	A1	A1	Aa3	Aa3	Aa3
Health Insurance Costs vs General Fund Expenditures %	8.81%	9.19%	9.04%	9.04%	9.19%	7.98%
General Fund Receipts (cash basis)	\$ 38,573,561	\$ 37,147,964	\$ 34,784,647	\$34,633,913	\$ 30,962,129	\$ 31,970,610
General Fund Expenditures (cash basis)	\$ 37,588,519	\$ 36,015,179	\$ 33,973,504	\$34,146,031	\$ 32,303,473	\$ 34,484,278
General Fund Cash Balances	\$ 4,027,711	\$ 3,042,669	\$ 1,909,884	\$ 1,098,740	\$ 647,842	\$ 2,202,957
<i>Income Tax Department</i>						
Number of Individual Returns	28,916	34,128	n/a	n/a	n/a	n/a
Number of Business Returns	2,638	2,853	n/a	n/a	n/a	n/a
Number of Business Withholding Accounts	3,117	3,131	n/a	n/a	n/a	n/a
Amount of Penalties and Interest Collected	\$ 562,411	\$ 533,448	n/a	n/a	n/a	n/a
Annual number of Corporate withholding forms processed	18,448	17,992	n/a	n/a	n/a	n/a
Annual number of balance due statements forms processed	6,914	7,033	n/a	n/a	n/a	n/a
Annual number of estimated payment forms processed	15,512	20,167	n/a	n/a	n/a	n/a
Annual number of reconciliations of withholdings processed	1,643	2,325	n/a	n/a	n/a	n/a
<i>Engineer Contracted Services</i>						
Dollar amount of Construction overseen by Engineer	\$ 4,568,873	\$ 3,230,082	\$ 3,625,736	\$ 2,782,922	\$ 4,704,648	\$ 1,677,801
Number of Inspections	1,145	1,252	1,101	912	1,263	1,202
<i>Municipal Court</i>						
Number of Civil Cases	4,670	4,041	3,246	2,723	2,639	2,234
Number of Traffic/Criminal cases	7,573	6,398	5,908	7,801	8,363	7,942
<i>Vital Statistics</i>						
Certificates Filed						
Number of Births	2	2	4	0	4	na
Number of Deaths	406	440	512	529	553	na
Certificates Issued						
Number of Births	2,401	2,458	2,518	2,469	2,713	na
Number of Deaths	2,080	2,218	2,684	2,769	2,889	na
Burial Permits Issued	579	456	478	550	na	na
<i>Civil Service</i>						
Number of police entry tests administered	0	1	1	(a)	(a)	(a)
Number of fire entry tests administered	1	(a)	1	(a)	(a)	1
Number of police promotional tests administered	4	1	(a)	(a)	(a)	(a)
Number of fire promotional tests administered	0	4	(a)	1	(a)	2
Number of hires of Police Officers from certified lists	3	2	6	(a)	(a)	(a)
Number of hires of Fire/Medics from certified lists	5	(a)	12	(a)	(a)	0
Number of promotions from police certified lists	4	1	(a)	(a)	(a)	(a)
Number of promotions from fire certified lists	1	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 SIX YEARS (1)
(CONTINUED)

Function/Program	2007	2006	2005	2004	2003	2002
General Government (Continued)						
<i>Building Department Indicators</i>						
Estimated Value of Construction	\$19,199,769	\$14,337,881	\$12,461,795	\$12,927,470	\$17,409,525	\$39,586,980
Number of permits issued	2,194	2,294	2,291	2,713	2,138	2,100
Amount of Revenue generated from permits	\$ 268,817	\$ 218,779	\$ 203,544	\$ 239,570	\$ 174,801	\$ 192,670
Number of contractor registrations issued	910	808	785	930	990	915
<i>Housing Department Indicators</i>						
Total dwelling / housing units	26,265	26,284	26,284	26,304	26,276	26,280
Number of point of sale inspections	1,153	1,288	1,229	1,161	1,227	1,068
Number of rental inspections performed	9,482	9,761	9,017	7,636	7,542	7,778
Revenue generated from Housing Fees	\$ 732,683	\$ 720,042	\$ 579,290	\$ 562,178	\$ 576,939	\$ 555,516
Security of Persons & Property						
<i>Police</i>						
Total Crimes/Offenses	19,789	21,446	16,677	18,320	20,321	20,456
Motor Vehicle Accidents	1,428	1,456	1,516	1,488	1,696	1,667
Fatalities from Motor Vehicle Accidents	3	1	2	4	2	4
Number of criminal arrests	2,942	2,883	2,566	2,986	2,823	2,375
Number of traffic citations issued	10,094	8,498	7,719	10,001	10,545	9,702
Number of parking citations issued	6,311	3,980	3,997	5,430	5,802	6,513
Narcotics & Vice Criminal Charges	2,277	2,710	2,252	1,969	1,543	972
Warrants Processed	4,247	3,335	3,465	4,280	3,723	3,605
Emergency Response Team (ERT) calls for service	14	6	10	6	15	12
Police Dept. Auxiliary hours worked	2,819	2,977	3,069	3,216	2,589	2,234
Grant Awards	\$ 238,261	\$ 296,860	\$ 265,784	\$ 103,627	\$ 128,090	\$ 371,521
Prisoners (Total Jail Days)	29,591	29,339	25,416	25,991	23,437	23,514
Prisoner revenue	\$ 997,818	\$ 519,437	\$ 666,896	\$ 467,210	\$ 546,320	\$ 555,704
Juvenile Diversion Program - referred	557	363	347	159	184	106
Juvenile Diversion Program - accepted	456	324	181	115	175	98
<i>Fire</i>						
EMS Calls	5,466	5,544	5,452	5,397	5,217	4,993
Ambulance Billing Collections (net)	\$ 1,175,599	\$ 1,174,427	\$ 1,124,218	\$ 979,105	\$ 925,934	\$ 815,156
Fire Calls	1,259	1,236	1,165	1,086	1,068	1,148
Fire Losses	\$ 1,119,925	\$ 917,200	\$ 1,219,400	\$ 1,867,400	\$ 883,325	\$ 3,162,325
Fire Safety Company Inspections	1,433	1,664	2,273	3,142	3,084	3,059
Fire Prevention Bureau Inspections	2,841	2,616	2,763	2,920	2,671	2,838
EMS Training (Man Hours)	1,997	1,918	1,072	1,920	1,247	1,502
Fire Training (Man Hours)	7,028	6,940	6,784	8,742	8,352	7,960
Public Health and Welfare						
Cemetery burials	0	0	3	5	3	7
Cemetery cremations	0	1	1	1	5	0
Cemetery sale of lots	0	0	0	0	0	0
Cemetery receipts	\$ 400	\$ 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 SIX YEARS (1)
(CONTINUED)

Function/Program	2007	2006	2005	2004	2003	2002
Leisure Time Activities						
<i>Recreation</i>						
Swimming pool receipts	\$ 102,644	\$ 98,214	\$ 100,703	\$ 96,681	\$ 119,347	\$ 149,727
Ice Arena receipts	\$ 173,572	\$ 174,213	\$ 134,925	\$ 183,108	\$ 180,999	\$ 179,539
Youth & Adult Sports receipts	\$ 222,765	\$ 231,549	\$ 232,096	\$ 225,916	\$ 257,347	\$ 259,317
Shore Cultural Facility rentals	\$ 229,676	\$ 195,479	\$ 178,188	\$ 194,067	\$ 187,464	\$ 213,103
<i>Golf</i>						
Rounds of Golf	44,636	44,742	46,776	50,003	48,679	51,316
Golf/Pro-shop receipts	\$ 658,739	\$ 673,323	\$ 624,760	\$ 674,592	\$ 668,676	\$ 679,600
Food & Beverage receipts	\$ 326,050	\$ 305,959	\$ 153,072	\$ 111,636	\$ 111,525	\$ 113,906
Community Development						
Grant amounts received due to Economic Development Dept.	\$ 1,663,793	\$ 1,165,922	\$ 1,567,271	\$ 1,279,625	\$ 1,515,890	\$ 1,301,484
Transportation						
Motor Maintenance - Number of vehicles & equip. maintained	509	501	554	552	556	556
Motor Maintenance - Repair Orders	2,437	3,031	2,994	3,271	3,852	4,211
Traffic Maintenance - No. of responses to EPD Signals/Signs	271	248	265	236	287	292
Snow & Ice Removal - Salt (tons)	8,902	4,405	9,759	6,221	8,065	4,472
Snow & Ice Removal - Salt (cost)	\$ 313,080	\$ 152,509	\$ 329,886	\$ 236,840	\$ 262,568	\$ 140,160
Street Repair Maintenance - Cold Patch (tons)	477	426	382	352	402	227
Street Repair Maintenance - Cold Patch (cost)	\$ 24,349	\$ 21,704	\$ 16,813	\$ 15,508	\$ 18,093	\$ 10,219
Street Repair Maintenance - Hot Mix (tons)	1,037	1,072	781	762	793	1,075
Street Repair Maintenance - Hot Mix (cost)	\$ 31,450	\$ 31,163	\$ 18,907	\$ 18,402	\$ 21,470	\$ 29,018
Street Repair Maintenance - Emulsion/Crack Sealer (gallons)	2,442	2,637	1,428	1,714	1,886	1,146
Street Repair Maintenance - Emulsion/Crack Sealer (cost)	\$ 4,533	\$ 4,199	\$ 1,572	\$ 1,650	\$ 2,460	\$ 1,143
Sewer Jet Cleaning - Sanitary Sewers (feet)	223,435	169,100	6,345	3,100	8,605	208,990
Sewer Jet Cleaning - Storm Sewers (feet)	4,635	4,320	2,500	1,450	1,000	19,010
Sewer Repairs (includes Water Department damage)	78	61	68	41	59	59
House Call Sewer Jobs/Residential & Business	1,195	1,595	1,492	1,327	1,732	2,235
Catch Basin Repairs	39	54	45	37	40	72
Catch Basin Cleaning	569	623	320	75	54	2,274
Man Hole Repairs	30	13	5	11	16	44
Sidewalk Repairs	25	12	19	5	12	18
Curb & Apron Repairs	50	17	25	23	26	54
Leaf Collection - Number of Loads	774	1,139	734	840	745	965
Street Sweeping - Number of Loads (dirt & debris)	321	582	352	301	285	473
Street Sweeping - Number of times whole city sweep	5	6	3	3	2	7
Water Hole Maintenance - New Water Openings	312	190	229	165	220	176
Water Hole Maintenance - Completed (cemented/asphalted)	195	221	279	265	326	153
Water Hole Maintenance - Total not completed	480	355	388	432	496	518
Fire Hydrants Painted	103	58	80	634	8	880

(Continued)

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

Function/Program	2007	2006	2005	2004	2003	2002
Wastewater Department						
Wastewater Rates for Water Consumption Based Customers (per 1000 MCF)						
Euclid	\$ 29.01	\$ 29.01	\$ 29.01	\$ 28.71	\$ 28.71	\$ 28.26
Cuyahoga County (So.Euclid, Highland Hts, Richmond Hts)	\$ 29.05	\$ 29.49	\$ 26.05	\$ 25.75	\$ 25.75	\$ 24.86
Willoughby Hills	\$ 24.16	\$ 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	\$ 1.73
Willowick	\$ 1.73	\$ 1.73	\$ 1.73	\$ 1.73	\$ 1.73	\$ 1.73
Wastewater Flow MGD						
Euclid	16.74	15.58	14.09	15.19	12.86	12.05
Wickliffe	2.36	2.60	2.51	2.38	2.51	2.15
Willowick	1.85	2.00	1.49	1.26	1.28	1.06
Total	20.95	20.18	18.09	18.83	16.65	15.26
Water Line Construction Fund						
Euclid (charges included with wastewater billing) (per 1000 MCF)	\$ 7.00	\$ 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	\$ 1.39
Capital Costs	0.28	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	0.06
Total	\$ 1.73	\$ 1.73	\$ 1.73	\$ 1.73	\$ 1.73	\$ 1.73
Willoughby Hills (per MCF of water consumption)						
Operating, Maintenance & Repairs	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60
Capital Costs	4.08	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	0.48
Total	\$ 24.16	\$ 24.16	\$ 24.16	\$ 24.16	\$ 24.16	\$ 24.16
Cuyahoga County (So.Euclid, Highland Hts, Richmond Hts)						
Operating, Maintenance & Repairs	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60
Capital Costs	4.08	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	0.48
Equalization under billing (2nd quarter 2000)		0.44	0.44	0.44	0.44	
Equalization under billing (3rd quarter 2000)	1.94	1.94				
Meter Reading/Billing Charges (City of Cleveland)	1.45	1.45	1.45	1.15	1.15	0.70
Administrative Expenses (City of Euclid)	1.50	1.50	-	-	-	-
Total	\$ 29.05	\$ 29.49	\$ 26.05	\$ 25.75	\$ 25.75	\$ 24.86
Euclid						
Operating, Maintenance & Repairs	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60
Capital Costs	4.08	4.08	4.08	4.08	4.08	4.08
Peterson Construction Fund	3.88	3.88	3.88	3.88	3.88	3.88
Meter Reading/Billing Charges	1.45	1.45	1.45	1.15	1.15	0.70
Total	\$ 29.01	\$ 29.01	\$ 29.01	\$ 28.71	\$ 28.71	\$ 28.26

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

Function/Program	2007	2006	2005	2004
General Government				
Square Footage Occupied	11,392	11,392	11,392	11,392
Administrative Vehicles	17	21	20	20
Inspection Vehicles	14	13	13	13
Municipal Court Vehicles	1	1	1	1
Lands & Buildings Vehicles	10	9	9	9
Police				
Stations	1	1	1	1
Mini-stations	2	2	1	0
Square Footage of Buildings	58,384	58,384	51,194	49,094
Vehicles	66	69	59	60
Fire				
Stations	3	3	4	4
Square Footage of Buildings	27,389	27,389	34,579	34,579
Vehicles	18	18	18	21
Recreation				
Number of Parks	3	3	3	3
Acres of Parks	106	106	106	106
Acres of Playgrounds/Recreation	254	254	254	254
Number of Playgrounds	18	18	18	18
Number of Tennis Courts	6	6	6	6
Number of Skateboarding Areas	1	1	1	1
Number of Baseball Diamonds	19	19	19	19
Number of Soccer Fields	7	7	7	7
Number of Swimming Pools	6	6	6	6
Number of Ice Rinks	1	1	1	1
Acres of Golf Course	126	126	126	126
Square Footage of Shore Center Building	153,525	153,525	153,525	153,525
Other Public Works				
Streets (miles)	143.065	143.065	143.065	143.065
Service Vehicles	35	35	33	32
Wastewater				
Sanitary Sewers (miles)	262.38	262.38	262.38	262.38
Vehicles	20	13	13	13
Water Department				
Water Lines (miles)	139.65	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
NOVEMBER 6, 2008