

**CITY OF EUCLID  
CUYAHOGA COUNTY, OHIO**

**SINGLE AUDIT REPORT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2011**

***James G. Zupka, CPA, Inc.***  
**Certified Public Accountants**





# Dave Yost • Auditor of State

Members of Council  
City of Euclid  
585 East 222nd Street  
Euclid, Ohio 44123

We have reviewed the *Independent Auditor's Report* of the City of Euclid, Cuyahoga County, prepared by James G. Zupka, CPA, Inc., for the audit period January 1, 2011 through December 31, 2011. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost  
Auditor of State

July 25, 2012

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**CITY OF EUCLID  
CUYAHOGA COUNTY, OHIO  
SINGLE AUDIT REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2011**

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**JAMES G. ZUPKA, C.P.A., INC.**

*Certified Public Accountants*

*5240 East 98<sup>th</sup> Street*

*Garfield Hts., Ohio 44125*

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Ohio Society of Certified Public Accountants

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To the Members of City Council and  
Members of the Audit Committee  
City of Euclid, Ohio

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate 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, 2011, which collectively comprise the City of Euclid, Ohio's basic financial statements and have issued our report thereon dated May 24, 2012, wherein we noted that the City implemented Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* and restated the December 31, 2010 fund balances of the governmental funds due to a change in fund structure. In addition, we noted that the City restated the net assets of the business-type activities and the Briardale Greens Golf Course Fund due to a correction in reporting of claims payable. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

Management of the City of Euclid, Ohio, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City of Euclid, Ohio's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Euclid, Ohio's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Euclid, Ohio's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.


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

**Compliance and Other Matters**

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

We noted certain matters that we reported to management of the City of Euclid, Ohio, in a separate letter dated May 24, 2012.

This report is intended solely for the information and use of management, members of City Council, members of the Audit Committee, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

  
James G. Zupka, CPA, Inc.  
Certified Public Accountant

May 24, 2012



**JAMES G. ZUPKA, C.P.A., INC.**

*Certified Public Accountants*

*5240 East 98<sup>th</sup> Street*

*Garfield Hts., Ohio 44125*

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**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD  
HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Members of City Council and  
Members of the Audit Committee  
City of Euclid, Ohio

**Compliance**

We have audited the City of Euclid, Cuyahoga County, Ohio's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Euclid, Ohio's major federal programs for the year ended December 31, 2011. The City of Euclid, Ohio's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City of Euclid, Ohio's management. Our responsibility is to express an opinion on the City of Euclid, Ohio'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 obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Euclid, Ohio's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City of Euclid, Ohio's compliance with those requirements.

In our opinion, the City of Euclid, Ohio, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011.

### **Internal Control Over Compliance**

The management of the City of Euclid, Ohio, 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 of Euclid, Ohio's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 of Euclid, Ohio's internal control over compliance.


*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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.

### **Schedule of Expenditures of Federal Awards**

We have 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, Ohio, as of and for the year ended December 31, 2011, and have issued our report thereon dated May 24, 2012, which contained unqualified opinions on those financial statements, wherein we noted that the City implemented Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* and restated the December 31, 2010 fund balances of the governmental funds due to a change in fund structure and restated the net assets of the business-type activities and the Briardale Greens Golf Course Fund due to a correction in reporting claims payable. Our audit was performed for the purpose of forming opinions on the financial statements as a whole. The Schedule of Expenditures of Federal Awards is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

This report is intended solely for the information and use of management, members of City Council, members of the Audit Committee, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

  
James G. Zupka, CPA, Inc.  
Certified Public Accountants

May 24, 2012

**CITY OF EUCLID, OHIO**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Expenditures
<b><u>U.S. Department of Housing and Urban Development</u></b>			
<i>Direct Award</i>			
Community Development Block Grants Entitlement Grants Cluster			
Entitlement Grants	14.218	B-10MC-39-0006	\$ 437,636
Entitlement Grants	14.218	B-11MC-39-0006	468,880
<i>Total CFDA #14.218</i>			<u>906,516</u>
ARRA - Entitlement Grants (CDBG-R) Recovery Act Funded	14.253	B-09-MN-39-0006	20,835
Total Community Development Block Grants Entitlement Grants Cluster			<u>927,351</u>
Neighborhood Stabilization Program (NSP)	14.254	B-08-MN-39-0008	887,044
Neighborhood Stabilization Program (NSP)	14.254	B-11-MN-39-0008	31,350
<i>Total CFDA #14.254</i>			<u>918,394</u>
<b>Total U.S. Department of Housing and Urban Development</b>			<u>1,845,745</u>
<b><u>U.S. Department of Energy</u></b>			
<i>Direct Award</i>			
ARRA - Energy Efficiency and Conservation Grant	81.128	DE-EE0001561	122,683
<b>Total U.S. Department of Energy</b>			<u>122,683</u>
<b><u>U.S. Department of Justice</u></b>			
<i>Direct Award</i>			
Bulletproof Vest Program	16.607		3,079
ARRA - COPS Hiring Recovery Program (CHRP)	16.710	2009RKWX0671	346,590
Justice Assistance Grant	16.738		13,127
Justice Assistance Grant - Victim Assistance	16.738		27,919
Victims of Crime Act (VOCA)	16.738		20,224
<i>Subtotal CFDA #16.738</i>			<u>61,270</u>
<b>Total U.S. Department of Justice</b>			<u>410,939</u>
<b><u>U.S. Department of Homeland Security</u></b>			
<i>Direct Award</i>			
Assistance to Firefighters Grant - Fire Prevention and Safety Program	97.044	2011-JG-LLE-5269	57,180
<b>Total U.S. Department of Homeland Security</b>			<u>57,180</u>
<b><u>U.S. Department of Health and Human Services</u></b>			
<i>Pass-Through Programs from State Department of Aging and the Western Reserve Area Agency on Aging</i>			
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	n/a	61,713
<b>Total U.S. Department of Health and Human Services</b>			<u>61,713</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 2,498,260</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards.

**CITY OF EUCLID, OHIO**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

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NOTE 1: **SIGNIFICANT ACCOUNTING POLICIES**

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

**CITY OF EUCLID, OHIO**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**OMB CIRCULAR A-133 & .505**  
**DECEMBER 31, 2011**

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**1. SUMMARY OF AUDITOR'S RESULTS**

2011(i)	Type of Financial Statement Opinion	Unqualified
2011(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
2011(ii)	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
2011(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2011(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
2011(iv)	Were there any other significant deficiencies in internal control reported for major federal programs?	No
2011(v)	Type of Major Programs' Compliance Opinions	Unqualified
2011(vi)	Are there any reportable findings under .510?	No
2011(vii)	Major Programs (list):  Community Development Block Grants/Entitlement Grants - CFDA #14.218 ARRA - Community Development Block Grants/Entitlement Grants - Recovery Act Funded - CFDA #14.253 Neighborhood Stabilization Program (NSP) - CFDA #14.254 ARRA - COPS Hiring Recovery Program - CFDA #16.710	
2011(viii)	Dollar Threshold: A/B Programs	Type A: \$300,000 Type B: All Others
2011(ix)	Low Risk Auditee?	Yes

**2. FINDING RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**  
None.

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**  
None.

**CITY OF EUCLID, OHIO  
STATUS OF PRIOR FINDINGS AND RECOMMENDATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

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Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b>Explain.</b>
2010-001	Significant Deficiency - Evidence Rooms	Yes	Partially corrected. Comment repeated in 2011 management letter.

Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

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# Comprehensive Annual Financial Report

For the fiscal year ended December 31, 2011



**2011**  
**Euclid, Ohio**



**CITY OF EUCLID, OHIO**

**EUCLID, OHIO**

**Comprehensive Annual Financial Report**

**For the Year Ended December 31, 2011**

**Issued by: Finance Department  
Nancy Fisher  
Director of Finance**

# **INTRODUCTORY SECTION**

**CITY OF EUCLID, OHIO**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

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**CITY OF EUCLID, OHIO**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

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**CITY OF EUCLID, OHIO**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

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**CITY OF EUCLID, OHIO**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
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585 East 222nd Street, Euclid, OH 44123-2099

www.cityofeuclid.com

June 19, 2012

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 fiscal year ended December 31, 2011, 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 done 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. As the MD&A complements this letter of transmittal, they both should be read together.

## **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 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 four (4) years. The judicial power of the City is vested in the Municipal Court Judge, elected to a six (6) year term. This past November, four (4) council members were elected to four-year terms while the remaining 5 council members will stand for election to two-year terms. Upon expiration of their two year terms, those five council members will stand for four-year terms. The Mayor appoints the directors of Administration, Finance, Police, Fire, Community Service and Economic Development, Law, Parks & Recreation, and Public Service.

## **City Services**

The City of Euclid 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 Euclid for people living and working in the City, due to the presence of Euclid Hospital, which is affiliated with the Cleveland Clinic, and University Hospital's Euclid Health Center. The City has also entered into a management agreement with Coral Company for the operation of Shore Civic Cultural Centre.

The City operates three enterprises: the Waste Water Treatment Plant, the Water Line Improvement, and the Briardale Greens Golf Course. All are accounted for in the City's enterprise funds. In February 2010, the City entered into a management agreement with Billy Casper, Inc. for the operation of the golf course. The City of Euclid provides waste water treatment for the cities of Wickliffe, Willowick, Willoughby Hills, and parts of Richmond Heights and South Euclid. Each of these communities depends in whole or in part on the City of Euclid'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 amount of required revenues to provide waste water services and recommends a rate structure that would equitably generate these revenues from the system users.

The City provides an aggregation program for City residents using Direct Energy as the provider for natural gas and electricity. Residents can obtain electricity from First Energy Solutions and natural gas from Dominion East Ohio Gas Company, and other independent natural gas suppliers. Cleveland Public Power, a City of Cleveland owned electric utility and The North Eastern Ohio Regional Sewer District, serves a small portion of the community. The Regional Transit Authority provides a county wide transit system 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 of Euclid, the primary government, and its potential component units.

The Euclid City School District has not been included in the accompanying financial statements. 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 City 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 the economic and operational efficiency of the City Government. Through effective financial management, the City is striving to maintain tax rates at current levels; however, 2009 had a devastating effect on fund balance reserves. In 2010, the City instituted charges to residents for trash collection and street lighting costs. Extensions of those charges for 2013 have been authorized by City Council.

The City recently received an “Aa 2” long-term bond rating with Moody’s Investor Service. While the report does give credit for maintaining structural balance, all government clients are being adjusted to the global scale which is resulting in a slightly higher rating than previously held. This rating demonstrates the City’s high level of performance as it relates to the management and administration of government resources, effective debt management with moderately low levels, vibrant and diverse local economy, and strong finances.

During 2009, the City was not immune to the worldwide recession. Many of the City’s businesses trimmed employees or hours worked but all remained open and used 2009 to prepare for the future. In 2011, the national, state and local employment data appeared to be stabilized. Profits for some of the City’s largest employers improved and 2011 municipal income tax revenues increased by over 5% compared to 2010 levels. To date, municipal income tax receipts are outpacing the City’s 2012 projections.

Euclid’s larger industrial manufacturing companies have experienced increased employment over the past few years.

The City’s commercial/retail sector continues to renew itself with the introduction of new construction and major rehabilitation of current properties.

During 2009, the City unveiled its “Going Green Initiative”. A major step forward took place when Lincoln Electric Company received a \$1 million State Energy Program grant funded through the American Recovery and Reinvestment Act.

With the impetus of the grant, Lincoln Electric Company has constructed a 2.5 megawatt Kenersys wind turbine on its Euclid Campus. The turbine is one of the largest constructed in the State to date. The project will serve as a demonstration of wind turbine technology and will complement Lincoln’s business strategy to pursue manufacturing opportunities in the wind industry. Also, Sopko & Sons, with the assistance of Case Western Reserve University, have constructed two wind turbines.

With the City’s long history of a strong manufacturing base and workforce expertise, a number of other City based companies are also actively exploring wind and solar installations and opportunities to grow their own business by manufacturing related components.

The over 80-acre Bluestone Business Park just to the east of Lincoln Electric Company completed cleanup and installation of roadway and utility infrastructure. This new industrial park is committed to going green and provides a prime opportunity to attract renewable energy manufacturers to the City.



Babcock & Wilcox introduced its intention to commercially produce its innovative mPower modular nuclear reactor. The mPower reactor does not require huge cooling towers, thus enabling it to have a small footprint but still be capable of producing between 125MW to 750MW of clean near-zero emissions electric power.

Babcock & Wilcox will perform a significant portion of the research and development of the mPower reactor at its Euclid facility. This will translate to over \$20 million in new investment and 200 new jobs over a five year period.

On the commercial/retail side, the Lake Shore Plaza Center's \$1 million renovation will be completed in 2012, along with the \$1.2 million Shore Center Shopping Center renovation. The renovation of these east and west anchors of downtown Euclid will significantly complement the new CVS, First Merit Bank and Wendy's stores.

As part of the Shore Center Shopping Center project, Aldi, a value grocer, has located in the center having invested \$1.2 million in its store.

Over all, between 2009 and 2011, over \$15 million in new investment will have occurred in Downtown Euclid.

### **Harbor Town/Euclid Waterfront Improvements Plan**

In the summer of 2009, the City and JJR, a firm that specializes in waterfront development projects, set in motion a process to refine the Harbor Town Marina Project concept to be more public access oriented and to better meet regulatory and granting agencies concepts.

The Lakefront Improvements Plan is the result of an extensive series of technical studies and a community participation process that has been coordinated by the City and JJR.

The JJR team held a series of meetings with area property owners, nearby residents, and the agencies that have to provide permits for the lakeside improvements. Based on input received from these meetings, JJR revised the proposed plan to incorporate the feedback, ideas, and suggestions they received. This exciting plan recommends restoration of the shoreline and reintroduces the historic beaches that once lined the City's lakefront. It offers many amenities, all of which would be publicly accessible, opening up one of the largest stretches of the Lake Erie shoreline. Natural habitats will be enhanced and places created where one can get close to the water's edge with walking trails and overlooks to take in the view of the lake setting. An expanded Sims Park pier and a new marina are also part of the plan.

The plan as developed will be anchored by Sims Park on the east. Not only will public areas be increased but the opportunity for private investment in new housing and commercial developments will also benefit with the inclusion of Downtown Euclid in the plan.

City Council adopted the Euclid Waterfront Plan as an official addendum to the City's Master Plan, which is a requirement of many of the grants and funding sources. In 2010, the City received three grants totaling \$600,000 from three different state sources: \$100,000 from the Nature Works Program, \$150,000 from the Recreational Trails Program and \$350,000 from the Clean Ohio Fund. Together with financing made possible through its Tax Incremental Funding, the City plans to make more than \$1 million in improvements to its Lakefront in 2012. Projects include property acquisition for public improvements such as new access roads and public parking, public trails, boardwalk trails and the extension of the fishing pier.

## **Long-Term Financial Planning**

The City utilizes long-term planning for the funding of capital projects through a Five-Year Capital Plan. The plan is a document through which the major capital projects of the City are identified and subsequently matched to funding sources. The plan is updated annually to include new projects, revise projects listed and remove those completed.

Although the City has not adopted a formal minimum fund balance policy, the City has always tried to maintain a General Fund balance that would finance a minimum of three months operations. The Finance Department reviews all monetary transactions on an on-going basis and works diligently to monitor revenues and reprioritize expenditures so that all fund balances, especially the General Fund, maintain optimal balances.

## **FINANCIAL INFORMATION**

### **Summary of Accounting Policies and Budgetary Control**

The City of Euclid'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 funds is on the flow of total economic resources. The accrual basis of accounting is utilized for the proprietary funds. Revenues are recognized when earned and expenses are recognized when incurred.

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



For the year ended December 31, 2003, the City changed its financial reporting to comply with GASB Statement No. 34, Basic Financial Statements and Management' Discussion and Analysis for State and Local Governments. Accordingly, government-wide financial statements, which include all governmental and proprietary funds, are presented on the full accrual basis of accounting. As part of the implementation of GASB Statement No. 34, the City has opted to fully implement retroactive infrastructure reporting. In doing so, the historical cost of infrastructure assets (retroactive to 1980) is included as part of the governmental capital assets. Thus, the depreciated value of construction costs for the roadway network, including streets, sidewalks, curbs and gutters, guardrails, 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 Statement No. 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 Municipal Charter and is divided between the City's Mayor, Finance Director, Council, the Cuyahoga County Budget Commission and the Office of the Cuyahoga County Fiscal Officer. Major documents associated with the budget preparation include: the County Tax Budget, the Certificate of Estimated Resources and the City's Annual Appropriation Ordinance all of which are prepared and then placed on file with the Cuyahoga County Budget Commission. 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 County Fiscal Officer through the statutory authority of the County Budget Commission must certify that the City's Annual Appropriation does not exceed the amounts set forth in the 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. On the government fund financial statements, these encumbrances are reported as a reservation of fund balance at December 31, 2011. 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 judgments 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.



## 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 has authorized the audit for 2011 to be performed by the independent public accounting firm of James G. Zupka, CPA, Inc. 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 James G. Zupka, CPA, Inc. provides information to the City to enable it to maintain and strengthen the City's accounting and budgeting controls.

The City of Euclid receives federal financial assistance through various federal grant programs. An audit in accordance with the Single Audit Act of 1996 and U.S. Office of Management and Budget (OMB) Circular A-133, 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, 2011. The required reports on supplementary information, compliance, and internal controls, along with various supplementary schedules, are included in a separate report.

### 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 fiscal year ended December 31, 2010. 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 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,



Thomas K. Malone  
Finance Director

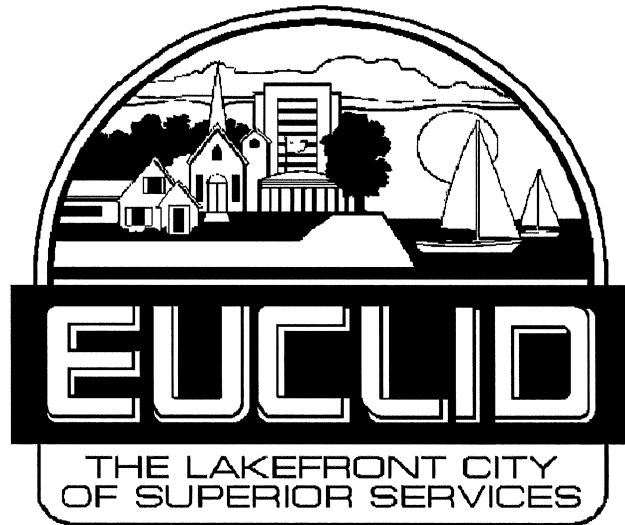


Bill Cervenik, CPA  
Mayor

# CITY OF EUCLID, OHIO

“A City of Superior Services”

BILL CERVENIK -*Mayor*



## ***Directors & Chiefs***

CHRIS FREY-*Law*

LEE BOCK-*Public Service*

NANCY FISHER- *Finance*

CHIEF THOMAS COSGRIFF-*Fire*

FRANK PIETRAVOIA –*Economic Development*

CHIEF TOM BRICKMAN –*Police*

## ***Municipal Court***

DEBORAH LEBARRON –*Judge*

## ***Euclid City Council***

KIRSTEN HOLZHEIMER GAIL- *President of Council*

DAVID GILLIHAM – *Ward I*

MICHAEL F. O'NEILL- *Ward V*

MADELINE SCARNIENCH – *Ward II*

JOHN M. WOJTILA – *Ward VI*

KANDACE JONES – *Ward III*

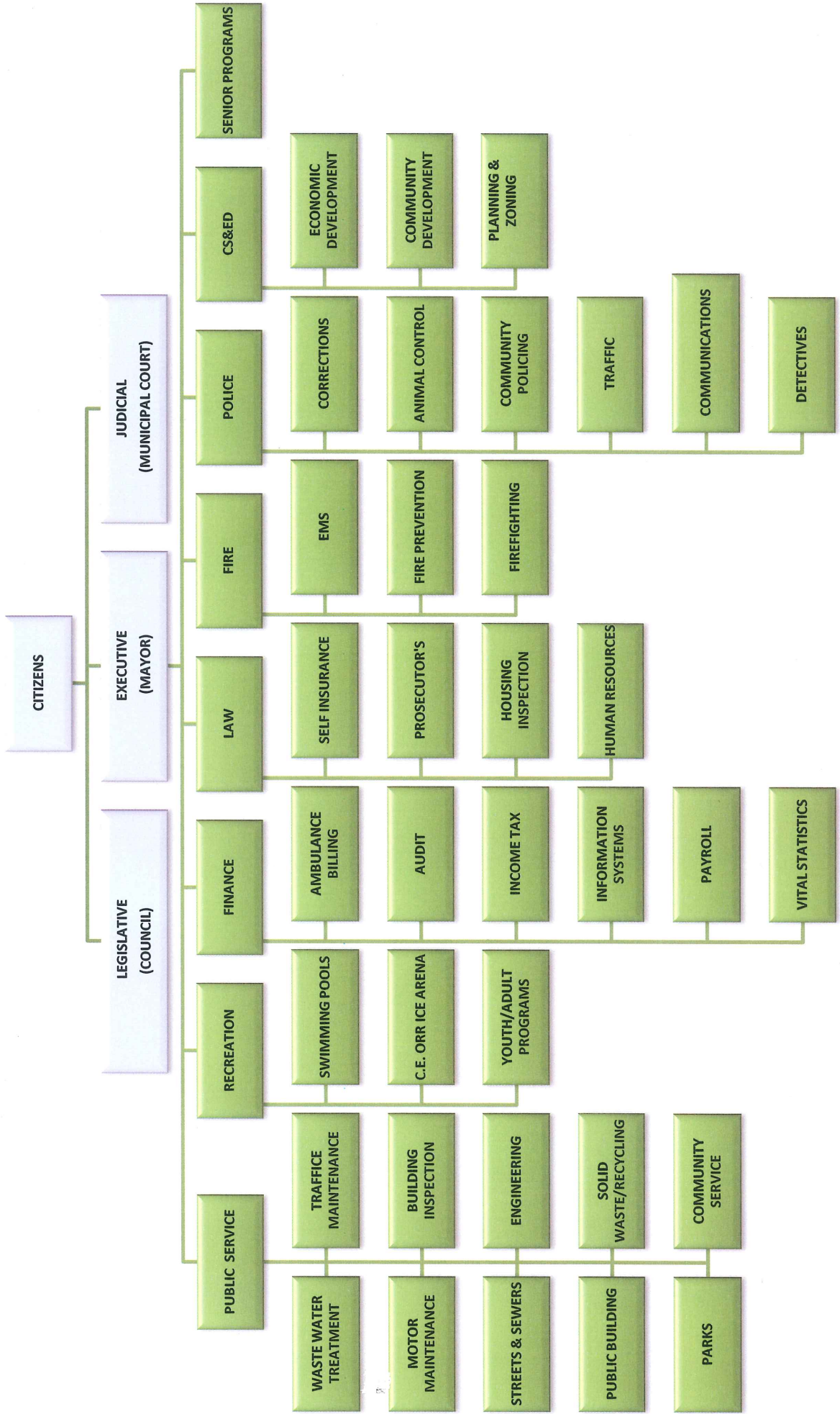
DARYL LANGMAN – *Ward VII*

MARY JO MINARIK – *Ward IV*

GREG VAN HO – *Ward VIII*



**CITY OF EUCLID  
Organizational Chart 2011**



# 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, 2010

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.



*Linda C. Davison*

President

*Jeffrey R. Emer*

Executive Director

# **FINANCIAL SECTION**



**JAMES G. ZUPKA, C.P.A., INC.**

*Certified Public Accountants*

*5240 East 98<sup>th</sup> Street*

*Garfield Hts., Ohio 44125*

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Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT**

To the Members of City Council and  
Members of the Audit Committee  
City of Euclid, Ohio

The Honorable Dave Yost  
Auditor of State  
State of Ohio

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate 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, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Euclid, Ohio'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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

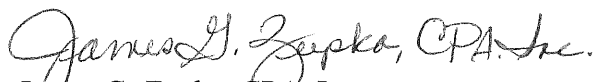
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Euclid, Ohio, as of December 31, 2011, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective 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 implemented Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* and restated the December 31, 2010 fund balances of the governmental funds due to a change in fund structure. In addition, the City restated the net assets of the business-type activities and the Briardale Greens Golf Course Fund due to a correction in reporting of claims payable.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 24, 2012, on our consideration of the City of Euclid, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 17 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Euclid, Ohio's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

  
James G. Zupka, CPA, Inc.  
Certified Public Accountants

May 24, 2012

**CITY OF EUCLID, OHIO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**  
**Unaudited**

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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, 2011. 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 2011 are as follows:

- Total assets of the City exceeded liabilities at the close of 2011 by \$110,985,895 compared to \$103,251,893 at the end of 2010, an increase of \$7,734,002 or 7.49 percent. Of these amounts, \$20,577,061 (2011) and \$13,338,028 (2010) 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 assets increased by \$7,260,336 with governmental activities increasing by \$5,971,674 and business-type activities increasing by \$1,288,662. The governmental activities increase is reflected primarily in special assessment receivables, income tax receivable and non-depreciable capital assets.
- Municipal income tax revenue for 2011 was \$24,315,337 versus \$22,994,810 in 2010, an increase of \$1,320,527 or 5.74 percent.
- Property taxes for governmental activities decreased by \$222,641, or 4.31 percent, to \$4,940,319.
- Together, municipal income taxes and property taxes accounted for \$29,255,656 in revenue, or 54.27 percent, of all revenues in governmental activities.
- Grants and entitlements not restricted to specific programs decreased by \$2,415,993, or 35.14 percent, to \$4,458,718.
- Charges for services in business-type activities increased by \$1,876,723, or 17.38 percent, from \$10,798,180 in 2010 to \$12,674,903 in 2011.
- The City's debt, including compensated absences, decreased by \$4,022,420, or 9.88 percent, to \$36,676,736 in the governmental activities.



**CITY OF EUCLID, OHIO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**  
**Unaudited**

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**Overview of the Financial Statements**

This management's 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 18, 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. In 2011, Governmental Activities unrestricted net assets rose by \$7,121,332 or 140.94 percent. Special Assessment Receivables rose by \$3,118,710 or 69.83 percent. The primary reason was the addition of two new special assessments for street lighting and sanitation. In Business-Type Activities, unrestricted net assets increased by \$117,701 or 1.42 percent. There were a number of sewer system improvement construction projects that were partially funded by the Wastewater Treatment Fund. The City has also begun negotiations with the EPA to define the necessary steps in the implementation of a Long Term Storm Water Runoff Control Plan.

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, sanitation, 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 improvements, and the golf course operations.

For 2011, Business-Type Activities' expenses decreased by \$553,622 or 5.02 percent. This decrease was due to the number of studies completed in the previous year for improvements to the water and sewers, as well as a reduction in the operating expenses of the City's golf course due to the contracting with a management company to oversee the golf course.



**CITY OF EUCLID, OHIO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**  
**Unaudited**

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Revenues in Business-Type Activities increased by \$588,113 or 4.30 percent. This reflects an increase in Charges for Services revenue collected by the Waste Water Treatment Fund, due to a rate increase during 2011

**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.

2011 General Fund revenues exceeded 2010 revenues by more than \$1.8 million and 2011 expenditures increased by more than \$3 million over 2010 expenditures.

During 2011, Euclid experienced home foreclosures at a rate virtually identical to the national average and slightly above the state and county average. During 2011 and early 2012, Ohio had the twelfth highest rate of foreclosure, whereas, before it was one of the top three states for foreclosures.

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 25 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, the General Permanent Improvement Fund, and the General Obligation Bond Retirement Fund, which are considered to be major funds. Data from the other 22 governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds are 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.

**CITY OF EUCLID, OHIO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**  
**Unaudited**

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The basic governmental fund financial statements can be found on pages 20 through 24 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 uses enterprise funds to account for its waste water treatment facility and sewer maintenance, water line improvement, 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 Fund, the Water Line Improvement Fund, and the Briardale Greens Golf Course Fund, all of which are considered to be major funds of the City, and the City's internal service fund.

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

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

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

**Notes to the Financial Statements.** The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29 through 73 of this report.

**CITY OF EUCLID, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
Unaudited**

**Government-Wide Financial Analysis**

Information regarding the government-wide net assets of the City is presented in the following table for 2011 and 2010.

Table 1 - Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010 Restated	2011	2010 Restated
<b>Assets</b>						
Current and Other Assets	\$ 42,361,264	\$ 37,201,588	\$ 10,224,636	\$ 10,697,068	\$ 52,585,900	\$ 47,898,656
Capital Assets	67,701,883	66,889,885	67,564,069	65,802,975	135,265,952	132,692,860
<b>Total Assets</b>	<b>\$ 110,063,147</b>	<b>\$ 104,091,473</b>	<b>\$ 77,788,705</b>	<b>\$ 76,500,043</b>	<b>\$ 187,851,852</b>	<b>\$ 180,591,516</b>
<b>Liabilities</b>						
Current and Other Liabilities	\$ 14,327,457	\$ 8,706,251	\$ 1,041,632	\$ 1,680,159	\$ 15,369,089	\$ 10,386,410
Long Term Liabilities:						
Due within One Year	3,780,052	7,822,082	2,651,374	9,847,730	6,431,426	17,669,812
Due in More than One Year	32,896,684	32,877,074	22,168,758	16,406,327	55,065,442	49,283,401
<b>Total Liabilities</b>	<b>51,004,193</b>	<b>49,405,407</b>	<b>25,861,764</b>	<b>27,934,216</b>	<b>76,865,957</b>	<b>77,339,623</b>
<b>Net Assets</b>						
Invested in Capital Assets Net of Debt	36,596,632	36,290,780	43,523,835	40,280,422	80,120,467	76,571,202
Restricted	10,288,367	13,342,663	0	0	10,288,367	13,342,663
Unrestricted	12,173,955	5,052,623	8,403,106	8,285,405	20,577,061	13,338,028
<b>Total Net Assets</b>	<b>\$ 59,058,954</b>	<b>\$ 54,686,066</b>	<b>\$ 51,926,941</b>	<b>\$ 48,565,827</b>	<b>\$ 110,985,895</b>	<b>\$ 103,251,893</b>

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 \$110,985,895 at the close of the most recent fiscal year.

By far the largest portion of the City's net assets, 72.19 percent, reflects its investment in capital assets (e.g. land, construction in progress, 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.

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**Table 2 - Change in Net Assets**

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010 Restated	2011	2010 Restated
<b>Revenues</b>						
Program Revenues:						
Charges for Services	\$ 12,417,104	\$ 11,414,708	\$ 12,674,903	\$ 10,798,180	\$ 25,092,007	\$ 22,212,888
Operating Grants and Contributions	4,748,466	6,234,538	0	184,648	4,748,466	6,419,186
Capital Grants and Contributions	1,673,268	350,000	1,053,139	884,306	2,726,407	1,234,306
General Revenues:						
Property Taxes	4,940,319	5,162,960	11,475	365,166	4,951,794	5,528,126
Income Taxes	24,315,337	22,994,810	0	0	24,315,337	22,994,810
Grants and Entitlements	4,458,718	6,874,711	0	0	4,458,718	6,874,711
Investment Earnings	94,986	173,483	41,651	9,856	136,637	183,339
Payment in Lieu of Taxes	179,400	174,801	0	0	179,400	174,801
Miscellaneous	1,082,783	478,952	483,293	1,434,192	1,566,076	1,913,144
Gain on Sale of Capital Assets	0	128,453	0	0	0	128,453
<b>Total Revenues</b>	<b>53,910,381</b>	<b>53,987,416</b>	<b>14,264,461</b>	<b>13,676,348</b>	<b>68,174,842</b>	<b>67,663,764</b>
<b>Expenses</b>						
General Government	14,243,665	13,105,802	0	0	14,243,665	13,105,802
Security of Persons & Property	21,678,327	20,607,153	0	0	21,678,327	20,607,153
Sanitation	2,185,892	1,916,687	0	0	2,185,892	1,916,687
Public Health	285,793	273,641	0	0	285,793	273,641
Lesiure Time Services	1,696,202	1,766,298	0	0	1,696,202	1,766,298
Community and Economic Development	2,920,142	2,873,059	0	0	2,920,142	2,873,059
Transportation	6,101,441	6,647,276	0	0	6,101,441	6,647,276
Interest and Fiscal Charges	846,954	1,418,378	0	0	846,954	1,418,378
Briardale Greens Golf Course	0	0	80,540	131,602	80,540	131,602
Waste Water Treatment	0	0	9,601,656	9,938,574	9,601,656	9,938,574
Water Line Improvement	0	0	800,228	965,870	800,228	965,870
<b>Total Expenses</b>	<b>49,958,416</b>	<b>48,608,294</b>	<b>10,482,424</b>	<b>11,036,046</b>	<b>60,440,840</b>	<b>59,644,340</b>
Increase (Decrease) in Net Assets Before Transfers	3,951,965	5,379,122	3,782,037	2,640,302	7,734,002	8,019,424
Transfers	420,923	(5,215)	(420,923)	5,215	0	0
Change in Net Assets	4,372,888	5,373,907	3,361,114	2,645,517	7,734,002	8,019,424
<b>Net Assets at Beginning of Year, as Restated</b>	<b>54,686,066</b>	<b>49,312,159</b>	<b>48,565,827</b>	<b>45,920,310</b>	<b>103,251,893</b>	<b>95,232,469</b>
<b>Net Assets End of Year</b>	<b>\$ 59,058,954</b>	<b>\$ 54,686,066</b>	<b>\$ 51,926,941</b>	<b>\$ 48,565,827</b>	<b>\$ 110,985,895</b>	<b>\$ 103,251,893</b>

***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, of which 2.38 percent is used to finance the City's operations, while the remaining portion is shared with the Euclid City School District. 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) are presented below.

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**Table 3 - Governmental Activities**

	Total Cost of Services		Net Cost of Services	
	2011	2010	2011	2010
General Government	\$ 14,243,665	\$ 13,105,802	\$ 8,687,190	\$ 7,850,818
Security of Persons & Property	21,678,327	20,607,153	17,537,298	15,789,815
Sanitation	2,185,892	1,916,687	388,036	579,233
Public Health	285,793	273,641	208,411	191,573
Leisure Time Services	1,696,202	1,766,298	1,126,156	1,328,884
Community and Economic Development	2,920,142	2,873,059	(553,284)	(1,377,419)
Transportation	6,101,441	6,647,276	2,878,817	4,827,766
Interest and Fiscal Charges	846,954	1,418,378	846,954	1,418,378
Total Cost of Services	<u>\$ 49,958,416</u>	<u>\$ 48,608,294</u>	<u>\$ 31,119,578</u>	<u>\$ 30,609,048</u>

Security of Persons and Property expenses totaled \$21,678,327, or 43.39 percent, of the total 2011 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, 2011, the City employed 94 full time police officers and 75 full time firefighters. General Government expenses totaled \$14,243,665 or 28.51 percent, of total 2011 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 the Waste Water Treatment Fund, the Water Line Improvement Fund, and the Briardale Greens Golf Course Fund. The operating results of these three enterprise funds are discussed below.

*Waste Water Treatment Fund:* The Waste Water Treatment Fund accounts for the operation of the City's sanitary sewer and waste water treatment system which services the City and several other surrounding communities. The City continues to retain the services of DMG-Maximus, Inc., on an annual basis, to determine the adequacy of user rates to fund continuing operations. The Environmental Protection Agency's court mandated projects has resulted in rate increases of \$2.00 per MCF per year being scheduled for 2011 through 2013.

*Water Line Improvement Fund:* The Water Line Improvement Fund accounts for distribution of treated water to individual and commercial users in various parts of the City. During 2011, operating expenses in the fund decreased by \$10,004, or 1.71 percent, while operating revenues increased by \$30,145, or 1.46 percent. The decrease in expenses reflects a decrease in the number of outstanding studies relating to the upgrading of the water lines.

*Briardale Greens Golf Course Fund:* 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. For 2011, the firm of Billy Casper Golf Management Company has been contracted to manage and operate the golf course.

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**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, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2011, the City's governmental funds reported an ending combined fund balance of \$11,121,037, a decrease of \$4,183,969 in comparison with the prior year. \$3,488,525 of the ending fund balance for 2011 constitutes assigned and unassigned fund balance combined, which is available for spending at the government's discretion. The remainder of fund balance is nonspendable, restricted, or committed to indicate that it is not available for new spending because it is not in spendable form or it has already been restricted by an external constraint or committed by internal constraints.

All governmental funds had total revenues of \$50,245,561 and expenditures of \$58,408,474 (not including other financing sources and uses) with expenditures exceeding revenues by \$8,162,913. Revenues slightly increased from the previous year primarily due to an increase in municipal income tax revenue. Expenditures increased due mainly to an increase in capital projects funded by the City and debt activity.

The General Fund is the chief operating fund of the City. At the beginning of the current year, total fund balance for the General Fund was \$7,643,106. The fund balance at the beginning of the year was restated as a result of the City implementing GASB Statement No. 54. General Fund expenditures (including other financing uses) for the current year were \$41,037,660, with revenues and other financing sources of \$39,977,657, leaving a fund balance of \$6,583,103, and an unassigned balance of \$4,995,875 in the General Fund.

As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures (including other financing uses). The General Fund's unassigned fund balance represents 12.17 percent of total General Fund expenditures while total fund balance represents 16.04 percent of that same amount.

On a cash basis, projected final budgetary fund balance in the General Fund, for year ending 2011 was about \$1.85 million. Budgetary fund balance decreased by \$163,101 taking the budgetary fund balance from \$2,777,636 to \$2,614,535.

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*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 in excess of 1 percent must first be approved by a vote of the electors and be for a specified purpose. In 1968, by act of Council, a 1 percent income tax rate was established. In 1979, based upon a vote of the electors, the tax rate was increased to 1.5 percent. In 1982, based upon a vote of the electors, the tax rate was increased to 2 percent.

In 1994, the electors voted to increase the income tax rate to 2.85 percent. The 2.85 percent rate is split between the City and the Euclid Board of Education, with the City receiving income tax at the rate of 2.38 percent and the Euclid Board of Education receiving income tax at the rate of .47 percent. The responsibility for collecting the entire 2.85 percent income tax is the sole responsibility of the City of Euclid's Income Tax Department.

The 2.85 percent income tax is levied upon the net income of corporations and other business entities and on the wages, salaries, and compensation of both individuals working in the City and residents of the City. Residents do receive a tax credit equal up to 2.85 percent of the income tax they pay other municipalities.

2011 income tax revenues were up, by \$1,702,978 or 7.68 percent from 2010. For 2012, the City is budgeting an increase of 2 percent, which the City believes to be a conservative estimate. For the first quarter of 2011, receipts are in line with these projections. The City expects that Euclid City Schools' construction of 4 new buildings is estimated to put \$40 million dollars into the local construction economy along with major workforce expansions within 2 of the City's newer employers, University Hospital and Babcock & Wilcox, there is a chance that the City could exceed its collection projections.

*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, started to be phased out due to legislation passed by the state of Ohio. This phase out resulted in the reduction in the tax of approximately 25 percent per year. As personal property taxes were being phased out, the City received reimbursements from the state of Ohio to offset the loss of revenue. The original plan was for the City to be made whole the first five years followed by a gradual phase out of the reimbursements from 2011 through 2018. However, faced with a budget crisis of its own, the State begun discussions to phase out the reimbursements immediately or over a much shorter time frame. 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.



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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	2011	2010	2009
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	0.00	2.00	2.00
Total	13.60	15.60	15.60
Assessed Valuation	\$ 738,711,240	\$ 746,769,750	\$ 749,989,650

Property tax collections have dropped significantly due to a decline in the City’s assessed valuation, in spite of a charter provision that applies HB 920 reduction factors to charter millage as if they were voted levies. The charter amendment takes its name and acts the same as HB 920 which was enacted by the state in the mid 1970’s to freeze the amount of money a voted levy generates over the life of the levy. As property values increase/decrease, property taxes do not change as a result. HB 920, was designed to hold homeowners harmless from the increasing value of their homes and protect them from inflation. At the core of HB 920 is the assumption that home prices will remain stable or, even more likely, increase in value as time passes. In a perverse twist, when the housing bubble burst and there was a universal decrease in the market value of homes—and consequently the assessed valuation of homes—HB 920 served to increase many homeowners’ property tax bills even as the value of their homes decreased.

***State Local Government Funds and Other Shared Revenues***

The State of Ohio shares various tax revenues with the City and other political subdivisions primarily through the State’s Local Government Fund (LGF). As part of a new funding mechanism, the State removed the freeze on LGF payments and replaced it with a percentage of certain state revenues; in addition, the Local Government Revenue Assistance Fund (LGRA) was discontinued. The combination of these programs is the City’s largest source of non-tax General Fund revenue. In 2011, using the new funding mechanism, the City received \$2,908,499 from the State’s LGF for an increase of \$588, or .02 percent.



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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.

In order to meet its own budget needs, the state has elected to dramatically cut LGF revenues to all cities. In essence, the cuts have resulted in a reduction of 26 percent in 2011 and a further reduction of this amount by approximately 26 percent the following year.

**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, 2011, amounts to \$135,265,952. 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, 2011, is reflected in the table which follows.

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

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 10,775,705	\$ 10,560,309	\$ 7,428,126	\$ 7,428,126	\$ 18,203,831	\$ 17,988,435
Construction in Progress	2,909,219	1,159,432	12,856,085	9,538,199	15,765,304	10,697,631
Land Improvements	1,551,865	1,737,424	471,676	519,833	2,023,541	2,257,257
Buildings and Improvements	8,900,897	8,776,360	7,934,529	8,243,473	16,835,426	17,019,833
Furniture, Fixtures and Equipment	4,746,521	3,635,764	893,418	1,038,810	5,639,939	4,674,574
Infrastructure:						
Streets	38,817,676	41,020,596	0	0	38,817,676	41,020,596
Sanitary Sewer	0	0	12,191,191	12,530,334	12,191,191	12,530,334
Storm Sewers	0	0	6,454,458	6,669,849	6,454,458	6,669,849
Water Lines	0	0	19,334,586	19,834,351	19,334,586	19,834,351
<b>Totals</b>	<b>\$ 67,701,883</b>	<b>\$ 66,889,885</b>	<b>\$ 67,564,069</b>	<b>\$ 65,802,975</b>	<b>\$ 135,265,952</b>	<b>\$ 132,692,860</b>

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

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

Governmental Activities

Press Box	\$ 32,097
Sims Park Improvements	58,061
Downtown Streetscape	21,741
Street Improvements	149,104
Babbitt Road RTA Bus Stop	397,062
Lakeshore Resurfacing	<u>2,251,154</u>
<i>Total Governmental Activities</i>	<u>\$ 2,909,219</u>

Business-Type Activities

Dille Rd. & E. 204 <sup>th</sup> Street Project	\$ 2,647,328
E. 214 <sup>th</sup> Street & Lakeshore Blvd. Improvements	2,476,182
Glenbrook Blvd. Improvements	47,912
Waterline Improvement	555,033
E. 248 <sup>th</sup> Street Sewer Improvements	2,488,297
East 222 <sup>nd</sup> & Tungsten Waterline	200,344
Euclid Avenue Improvement	601,898
East 264 <sup>th</sup> Waterlines & Sanitary Sewer	1,040,213
Roadway & Utility Improvement	<u>2,798,878</u>
<i>Total Business-Type Activities</i>	<u>\$ 12,856,085</u>

Additional information on the City’s capital assets can be found in Note 10.

**Debt** The City's outstanding General Obligation Debt is currently rated “Aa 2 ” 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, 2011, the City’s General Obligation Bonded Debt totaled \$37,726,889.

A summary of outstanding debt at December 31, 2011 follows.

**Table 6 - Outstanding Debt at December 31**

	Governmental Activities		Business-Type Activities		Total	
	2011	2010 Restated	2011	2010 Restated	2011	2010 Restated
General Obligation Bonds	\$ 25,114,131	\$ 23,114,489	\$ 12,612,758	\$ 5,945,106	\$ 37,726,889	\$ 29,059,595
Special Assessment Bonds	786,155	995,000	0	0	786,155	995,000
Notes Payable	3,432,049	4,311,278	0	7,072,153	3,432,049	11,383,431
Industrial Revenue Bond	665,000	995,000	0	0	665,000	995,000
OWDA Loans	0	0	3,184,851	4,790,889	3,184,851	4,790,889
OPWC Loans	1,503,337	1,586,856	8,134,229	7,372,374	9,637,566	8,959,230
	<u>\$ 31,500,672</u>	<u>\$ 31,002,623</u>	<u>\$ 23,931,838</u>	<u>\$ 25,180,522</u>	<u>\$ 55,432,510</u>	<u>\$ 56,183,145</u>

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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 11 to 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 unvoted debt. The computation of the legal debt margins at December 31, 2011, 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 notes and bonded debt. The City's overall legal debt margin was \$51,809,163, and the unvoted debt margin was \$14,873,601 at December 31, 2011.

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, 2011 for the City is as follows:

	<u>Amount</u>	<u>Ratio of Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
Net General Obligation Debt (Bonded)	\$34,936,226	1.68 %	\$ 663.00

In April 2011, the City requested a review of short term notes issued and received an Aa 2 MIG-1 rating for the debt issue from Moody's Investors Service. The rating was not considered an upgrade rather it was an adjustment of all governments to the Global Scale. It, however, did confirm that the City is maintaining its current rating.

**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. The City is combating these reductions by stimulating economic and community development throughout its business districts and neighborhoods.

The City continues to project budgets over a three year period. This practice was initiated in 2004 and helps in the long-term planning for general operations as well as capital projects.

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The budget process for 2012 is complete and, although a challenge, the City is committed to taking the steps necessary to restore structural balance to the City's budget. Projected cash balance in the General Fund will be drawn down by \$324,000. Taking into consideration the fact that \$2,375,468 of cash outflows are in the form of transfers and debt service as opposed to \$990,000 of cash inflows from transfers and the sale of debt, the operating revenues actually exceed operating expenditures by more than \$1,000,000. The City has an informal fund balance policy of 5 percent of budgeted revenues. In the General Fund, using the unencumbered cash balance mentioned above of \$2,777,636, and dividing that balance by the 2011 original budget for General Fund revenues of \$39,714,338 results in a percentage of 6.99 percent. In 2011, City Council adopted legislation authorizing the City to bill residents for rubbish collection and to assess all properties for the cost of street lighting. For 2011, the City is budgeting \$1,731,000 for the sanitation charges. The budgeted amount represents 85 percent of the total amount the City intends to bill. The City also instituted a Special Assessment for street lighting. The assessment is expected to generate about \$885,000 annually. Because The City could not collect the assessment in 2011, Council authorized an internal cash flow borrowing from the Bond Retirement Fund and the City issued a Special Assessment Anticipation Note that will be held by the Bond Retirement Fund.

In addition to revenue enhancements, the City made significant reductions in operating expenses in 2011. The City eliminated over 25 positions in various departments through lay-offs, attrition, and combining of responsibilities between departments. Private management firms have been engaged to operate the Shore Cultural Centre facility, as well as the municipal-owned golf course, Briardale Greens. The operating performance, as well as the cost savings, has been very satisfactory at both facilities.

The two-mill sewer levy was not renewed by the voters and will result in a loss of revenue of approximately \$600,000 in 2011 in property taxes that would have been used for maintenance of storm sewers and other preventative maintenance of the City's sewer system. A portion of this revenue will need to be supplemented by increased user fees from the waste water treatment operations.

Labor contracts for all ten collective bargaining units are in effect through December 31, 2011. Preparations are currently being made to begin the negotiation process for the next three-year period.

The City has received over \$3.5 million dollars in federal funding to fight the ill effects that the foreclosure situation has had on the City's neighborhoods. Through a combination of rehabilitation, demolition, and public education, as well as strict nuisance abatement policies, much progress is being made on this front.

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Lincoln Electric, the City's largest employer, has over 100 new employees, with plans for additional hiring. As of this report, Lincoln Electric has completed the construction of a 2.5 mega-watt wind turbine to not only generate electric power, but to also assist in their new segment of business, the welding, construction, and assembly of wind turbines. At least one other local company has plans to build two wind turbines on their property as well. It is hoped that these endeavors will entice new alternative energy companies to consider locating in the City of Euclid.

The City of Euclid Lakefront Development Project is moving forward, with property acquisition having taken place and engineering plans being completed, for the extension of the existing fishing pier at Sims Park. The funding for this initial phase of the development plan has been secured. The Lakefront Development Project, although long-term in nature, is expected to not only open up a large segment of public access to the lakefront for the entire region, but it will also provide an economic stimulus to the City's downtown shopping and retail district.

**Contacting the City's Financial Department**

This financial report is designed to provide a general overview of the City's finances 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 the City of Euclid Finance Department at 585 East 222nd Street, Euclid, Ohio 44123, 216-289-2850.

**CITY OF EUCLID, OHIO**  
**STATEMENT OF NET ASSETS**  
**DECEMBER 31, 2011**

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>	<u>Euclid</u> <u>Development</u> <u>Corporation</u>
<b>ASSETS:</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 8,823,872	\$ 4,545,289	\$ 13,369,161	\$ 454,662
Cash and Cash Equivalents in Segregated Accounts	7,856	0	7,856	0
Cash and Cash Equivalents with Fiscal Agents	50,132	0	50,132	0
Materials and Supplies Inventory	213,359	48,663	262,022	0
Accrued Interest Receivable	13,196	0	13,196	0
Accounts Receivable	569,086	5,124,835	5,693,921	15
Intergovernmental Receivable	3,122,843	203,163	3,326,006	0
Prepaid Items	70,897	13,256	84,153	200
Income Taxes Receivable	12,876,780	0	12,876,780	0
Property Taxes Receivable	5,778,902	0	5,778,902	0
Revenue in Lieu of Taxes Receivable	225,937	0	225,937	0
Notes Receivable	1,156,269	0	1,156,269	0
Loans Receivable	0	0	0	2,250,036
Special Assessments Receivable	7,584,598	0	7,584,598	0
Capital Leases Receivable	0	31,209	31,209	0
Deferred Charges	617,176	258,221	875,397	0
Non-Depreciable Capital Assets	13,684,924	20,284,211	33,969,135	0
Depreciable Capital Assets, net	54,016,959	47,279,858	101,296,817	0
Assets Held for Resale	1,250,361	0	1,250,361	0
<i>Total Assets</i>	<u>110,063,147</u>	<u>77,788,705</u>	<u>187,851,852</u>	<u>2,704,913</u>
<b>LIABILITIES:</b>				
Accounts Payable	485,480	528,444	1,013,924	40
Accrued Wages and Benefits	925,169	123,851	1,049,020	2,151
Intergovernmental Payable	3,139,751	299,099	3,438,850	0
Accrued Interest Payable	114,640	90,238	204,878	0
Claims Payable	1,477,279	0	1,477,279	0
Unearned Revenue	4,753,089	0	4,753,089	0
Notes Payable	3,432,049	0	3,432,049	0
Long-Term Liabilities:				
Due Within One Year	3,780,052	2,651,374	6,431,426	0
Due in More Than One Year	32,896,684	22,168,758	55,065,442	0
<i>Total Liabilities</i>	<u>51,004,193</u>	<u>25,861,764</u>	<u>76,865,957</u>	<u>2,191</u>
<b>NET ASSETS:</b>				
Invested in Capital Assets, Net of Related Debt	36,596,632	43,523,835	80,120,467	0
Restricted for Debt Service	7,559,459	0	7,559,459	0
Restricted for Other Purposes	736,471	0	736,471	0
Restricted for Transportation	682,744	0	682,744	0
Restricted for Community Development	1,309,693	0	1,309,693	0
Unrestricted	12,173,955	8,403,106	20,577,061	2,702,722
<i>Total Net Assets</i>	<u>\$ 59,058,954</u>	<u>\$ 51,926,941</u>	<u>\$ 110,985,895</u>	<u>\$ 2,702,722</u>

See accompanying notes to the basic financial statements.

**CITY OF EUCLID, OHIO**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

	Program Revenues				Net(Expense)Revenue and Changes in Net Assets			Component
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Units
					Governmental Activities	Business-Type Activities	Total	Euclid Development Corporation
Primary Government:								
Governmental Activities:								
General Government	\$ 14,243,665	\$ 4,940,224	\$ 550,724	\$ 65,527	\$ (8,687,190)	\$ 0	\$ (8,687,190)	\$ 0
Security of Persons and Property	21,678,327	3,448,103	667,415	25,511	(17,537,298)	0	(17,537,298)	0
Sanitation	2,185,892	1,797,856	0	0	(388,036)	0	(388,036)	0
Public Health	285,793	77,382	0	0	(208,411)	0	(208,411)	0
Leisure Time Services	1,696,202	450,554	51,895	67,597	(1,126,156)	0	(1,126,156)	0
Community and Economic Development	2,920,142	1,702,985	1,770,441	0	553,284	0	553,284	0
Transportation	6,101,441	0	1,707,991	1,514,633	(2,878,817)	0	(2,878,817)	0
Interest and Fiscal Charges	846,954	0	0	0	(846,954)	0	(846,954)	0
<i>Total Governmental Activities</i>	<u>49,958,416</u>	<u>12,417,104</u>	<u>4,748,466</u>	<u>1,673,268</u>	<u>(31,119,578)</u>	<u>0</u>	<u>(31,119,578)</u>	<u>0</u>
Business-Type Activities:								
Briardale Greens Golf Course	80,540	0	0	0	0	(80,540)	(80,540)	0
Waste Water Treatment	9,601,656	11,068,529	0	0	0	1,466,873	1,466,873	0
Water Line Improvement	800,228	1,606,374	0	1,053,139	0	1,859,285	1,859,285	0
<i>Total Business-Type Activities</i>	<u>10,482,424</u>	<u>12,674,903</u>	<u>0</u>	<u>1,053,139</u>	<u>0</u>	<u>3,245,618</u>	<u>3,245,618</u>	<u>0</u>
<i>Total Primary Government</i>	<u>60,440,840</u>	<u>25,092,007</u>	<u>4,748,466</u>	<u>2,726,407</u>	<u>(31,119,578)</u>	<u>3,245,618</u>	<u>(27,873,960)</u>	<u>0</u>
Component Units:								
Euclid Development Corporation	78,972	101,794	0	0	0	0	0	22,822
<i>Total Component Units</i>	<u>\$ 78,972</u>	<u>\$ 101,794</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>22,822</u>
General Revenues:								
Property Taxes					4,940,319	11,475	4,951,794	0
Income Taxes					24,315,337	0	24,315,337	0
Payments in Lieu of Taxes					179,400	0	179,400	0
Grants and Entitlements not Restricted to Specific Programs					4,458,718	0	4,458,718	0
Investment Earnings					94,986	41,651	136,637	0
Miscellaneous					1,082,783	483,293	1,566,076	279,401
Transfers					420,923	(420,923)	0	0
<i>Total General Revenues and Transfers</i>					<u>35,492,466</u>	<u>115,496</u>	<u>35,607,962</u>	<u>279,401</u>
<i>Change in Net Assets</i>					4,372,888	3,361,114	7,734,002	302,223
<i>Net Assets Beginning of Year, as Restated</i>					<u>54,686,066</u>	<u>48,565,827</u>	<u>103,251,893</u>	<u>2,400,499</u>
<i>Net Assets End of Year</i>					<u>\$ 59,058,954</u>	<u>\$ 51,926,941</u>	<u>\$ 110,985,895</u>	<u>\$ 2,702,722</u>

See accompanying notes to the basic financial statements.

**CITY OF EUCLID, OHIO**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2011**

	<u>General</u>	<u>General Permanent Improvement</u>	<u>General Obligation Bond Retirement</u>	<u>All Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS:</b>					
Equity in Pooled Cash and Cash Equivalents	\$ 2,845,818	\$ 2,842,130	\$ 1,067,330	\$ 1,949,575	\$ 8,704,853
Cash and Cash Equivalents in Segregated Accounts	7,856	0	0	0	7,856
Cash and Cash Equivalents with Fiscal Agents	50,132	0	0	0	50,132
Materials and Supplies Inventory	121,080	0	0	92,279	213,359
Accrued Interest Receivable	11,788	0	1,408	0	13,196
Accounts Receivable	524,125	0	760	44,201	569,086
Interfund Receivable	0	0	1,723,313	0	1,723,313
Intergovernmental Receivable	1,846,296	214,102	157,479	904,966	3,122,843
Prepaid Items	67,397	0	0	3,500	70,897
Income Taxes Receivable	12,876,780	0	0	0	12,876,780
Property Taxes Receivable	1,870,249	278,311	3,073,720	556,622	5,778,902
Revenue in Lieu of Taxes Receivable	0	0	0	225,937	225,937
Notes Receivable	1,156,269	0	0	0	1,156,269
Special Assessments Receivable	3,501,009	0	4,083,589	0	7,584,598
Assets Held for Resale	0	0	0	1,250,361	1,250,361
<i>Total Assets</i>	<u>\$ 24,878,799</u>	<u>\$ 3,334,543</u>	<u>\$ 10,107,599</u>	<u>\$ 5,027,441</u>	<u>\$ 43,348,382</u>
<b>LIABILITIES:</b>					
Accounts Payable	\$ 323,088	\$ 0	\$ 303	\$ 155,359	\$ 478,750
Accrued Wages and Benefits	827,117	0	387	97,665	925,169
Intergovernmental Payable	2,943,469	0	1,058	195,224	3,139,751
Interfund Payable	850,000	515,000	0	358,313	1,723,313
Claims Payable	1,275,489	0	0	0	1,275,489
Deferred Revenue	12,076,533	492,413	7,314,788	1,369,090	21,252,824
Notes Payable	0	3,415,000	17,049	0	3,432,049
<i>Total Liabilities</i>	<u>18,295,696</u>	<u>4,422,413</u>	<u>7,333,585</u>	<u>2,175,651</u>	<u>32,227,345</u>
<b>FUND BALANCES:</b>					
Nonspendable	1,367,748	0	0	95,779	1,463,527
Restricted	0	0	2,774,014	3,211,499	5,985,513
Committed	183,472	0	0	0	183,472
Assigned	36,008	0	0	0	36,008
Unassigned (Deficit)	4,995,875	(1,087,870)	0	(455,488)	3,452,517
<i>Total Fund Balances</i>	<u>6,583,103</u>	<u>(1,087,870)</u>	<u>2,774,014</u>	<u>2,851,790</u>	<u>11,121,037</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 24,878,799</u>	<u>\$ 3,334,543</u>	<u>\$ 10,107,599</u>	<u>\$ 5,027,441</u>	<u>\$ 43,348,382</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, 2011**

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**Total Governmental Fund Balances** \$ 11,121,037

*Amounts reported for governmental activities in the statement of net assets are different because*

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds 67,701,883

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:

Property Taxes	\$ 1,251,749	
Municipal Income Tax	5,488,775	
Intergovernmental	2,098,570	
Insurance Recoveries	32,097	
Special Assessments	7,584,598	
Charges for Services	43,946	
<b>Total</b>		<b>16,499,735</b>

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. (89,501)

Bond issuance costs will be amortized over the life of the bonds on the statement of net assets. 617,176

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (114,640)

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	(25,115,000)	
Special Assessment Bonds	(905,000)	
Industrial Development Revenue Bonds	(850,000)	
Premium on Bonds and Loss on Refunding	304,714	
Compensated Absences	(7,453,537)	
Claims	(867,948)	
Capital Leases	(286,628)	
OPWC Loans	(1,503,337)	
<b>Total</b>		<b>(36,676,736)</b>

**Net Assets of Governmental Activities** **\$ 59,058,954**

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, 2011**

	General	General Permanent Improvement	General Obligation Bond Retirement	All Other Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>					
Property Taxes	\$ 1,676,899	\$ 226,278	\$ 2,629,552	\$ 481,525	\$ 5,014,254
Income Taxes	23,868,290	0	0	0	23,868,290
Payments in Lieu of Taxes	0	0	0	179,400	179,400
Special Assessments	1,041,544	51	141,789	39,810	1,223,194
Charges for Services	5,626,475	0	0	421,962	6,048,437
Licenses and Permits	180,020	0	0	0	180,020
Fines and Forfeitures	1,387,262	0	0	219,968	1,607,230
Intergovernmental	4,367,568	23,729	361,509	4,360,441	9,113,247
Interest	51,794	15	45,534	459	97,802
Rent	98,267	0	31,500	90,990	220,757
Contributions and Donations	3,861	1,548,043	0	58,243	1,610,147
Other	659,747	3,187	6,548	413,301	1,082,783
<i>Total Revenues</i>	<u>38,961,727</u>	<u>1,801,303</u>	<u>3,216,432</u>	<u>6,266,099</u>	<u>50,245,561</u>
<b>EXPENDITURES:</b>					
<b>Current:</b>					
General Government	12,556,991	0	91,821	1,013,778	13,662,590
Security of Persons and Property	21,995,797	0	0	388,113	22,383,910
Sanitation	2,180,946	0	0	0	2,180,946
Public Health	289,293	0	0	0	289,293
Leisure Time Services	500,228	0	0	1,048,061	1,548,289
Community and Economic Development	1,221,383	0	0	1,722,704	2,944,087
Transportation	0	0	0	1,906,637	1,906,637
Capital Outlay	0	4,531,465	0	435,654	4,967,119
<b>Debt Service:</b>					
Principal Retirements	275,472	0	6,799,519	76,789	7,151,780
Interest and Fiscal Charges	82,887	0	982,663	5,230	1,070,780
Issuance Costs	17,250	0	161,815	0	179,065
Advance Refund Escrow	7,363	0	116,615	0	123,978
<i>Total Expenditures</i>	<u>39,127,610</u>	<u>4,531,465</u>	<u>8,152,433</u>	<u>6,596,966</u>	<u>58,408,474</u>
<i>Excess of Revenues Over(Under) Expenditures</i>	<u>(165,883)</u>	<u>(2,730,162)</u>	<u>(4,936,001)</u>	<u>(330,867)</u>	<u>(8,162,913)</u>
<b>OTHER FINANCING SOURCES AND USES:</b>					
Transfers In	0	45,000	0	297,300	342,300
General Obligation Bonds Issued	0	0	4,316,000	0	4,316,000
Refunding Bonds Issued	1,015,000	0	4,467,000	0	5,482,000
Premium on Debt Issued	0	0	121,632	0	121,632
Proceeds from Sale of Capital Assets	930	58,648	0	2,450	62,028
Insurance Recoveries	0	0	0	35,500	35,500
Transfers Out	(912,300)	0	0	0	(912,300)
Payment to Refunded Bond Escrow Agent	(997,750)	0	(4,470,466)	0	(5,468,216)
<i>Total Other Financing Sources and Uses</i>	<u>(894,120)</u>	<u>103,648</u>	<u>4,434,166</u>	<u>335,250</u>	<u>3,978,944</u>
<i>Net Change in Fund Balance</i>	<u>(1,060,003)</u>	<u>(2,626,514)</u>	<u>(501,835)</u>	<u>4,383</u>	<u>(4,183,969)</u>
<b>Fund Balance (Deficit) at Beginning of Year, as restated</b>					
	7,643,106	1,538,644	3,275,849	2,847,407	15,305,006
<b>Fund Balance (Deficit) at End of Year</b>	<u>\$ 6,583,103</u>	<u>\$ (1,087,870)</u>	<u>\$ 2,774,014</u>	<u>\$ 2,851,790</u>	<u>\$ 11,121,037</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, 2011**

**Net Change in Fund Balances - Total Governmental Funds** \$ (4,183,969)

*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	\$ 5,570,083	
Capital Contributions	990,923	
Current Year Depreciation	<u>(5,701,279)</u>	
Total		859,727

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. (47,729)

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

Delinquent Property Taxes	(73,935)	
Municipal Income Taxes	447,047	
Intergovernmental	40,771	
Special Assessments	3,118,710	
Insurance Recoveries	32,097	
Charges for Services	<u>22,846</u>	
Total		3,587,536

Bond issuance costs are recognized as expenditures in the governmental funds; however, they are amortized over the life or issuance in the statement of activities. 649,497

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

Proceeds of Debt Issuance	(9,798,000)	
Premiums on Debt Issuance	<u>(121,632)</u>	
Total		(9,919,632)

Repayment of bonds 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 Notes	4,290,000	
Repayment of Bonds	7,971,000	
Repayment of OPWC Loan	83,519	
Repayment of Capital Leases	<u>187,262</u>	
Total		12,531,781

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 revenue or expenditure is reported when the bonds are issued.

Accrued Interest	15,362	
Amortization of Bond Premium	41,784	
Amortization of Bond Issuance Costs	(30,022)	
Amortization of Loss on Refunding	<u>(19,752)</u>	
Total		7,372

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	775,634	
Claims	<u>7,932</u>	
Total		783,566

The internal service fund used by management to charge the costs of insurance to individual funds is not reported in 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	105,648	
Claims	<u>(909)</u>	
Total		<u>104,739</u>

**Change in Net Assets of Governmental Activities** \$ 4,372,888

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, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>				
Property Taxes	\$ 2,086,744	\$ 2,086,744	\$ 1,676,899	\$ (409,845)
Income Taxes	22,216,065	22,216,065	22,739,645	523,580
Special Assessments	885,000	885,000	910,404	25,404
Charges for Services	5,624,660	5,624,660	5,648,732	24,072
Licenses and Permits	148,034	156,034	180,020	23,986
Fines and Forfeitures	1,657,571	1,657,571	1,395,202	(262,369)
Intergovernmental	4,721,842	4,721,842	4,070,018	(651,824)
Interest	180,000	180,000	67,766	(112,234)
Rent	47,000	47,000	98,267	51,267
Contributions and Donations	100	100	1,000	900
Other	678,242	678,242	661,664	(16,578)
<b>Total Revenues</b>	<b>38,245,258</b>	<b>38,253,258</b>	<b>37,449,617</b>	<b>(803,641)</b>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
General Government	12,697,804	12,787,805	11,894,583	893,222
Security of Persons and Property	20,878,185	21,230,760	20,726,409	504,351
Sanitation	2,094,637	2,094,637	2,025,778	68,859
Public Health	283,900	283,900	278,898	5,002
Leisure Time Services	393,976	393,976	384,373	9,603
Community and Economic Development	1,159,212	1,167,212	1,095,274	71,938
<b>Debt Service:</b>				
Principal Retirements	1,065,000	1,065,000	210,000	855,000
Interest and Fiscal Charges	120,468	120,468	71,494	48,974
Issuance Costs	0	0	17,250	(17,250)
Advance Refund Escrow	0	0	7,363	(7,363)
<b>Total Expenditures</b>	<b>38,693,182</b>	<b>39,143,758</b>	<b>36,711,422</b>	<b>2,432,336</b>
<b>Excess of Revenues Over(Under) Expenditures</b>	<b>(447,924)</b>	<b>(890,500)</b>	<b>738,195</b>	<b>1,628,695</b>
<b>OTHER FINANCING SOURCES AND USES:</b>				
Transfers In	140,000	140,000	140,000	0
Refunding Bonds Issued	850,000	850,000	1,015,000	165,000
Proceeds from Sale of Capital Assets	500	500	930	430
Advances In	0	0	850,000	850,000
Transfers Out	(925,800)	(1,061,985)	(1,061,985)	0
Advances Out	0	0	(885,000)	(885,000)
Payment to Refunded Bond Escrow Agent	0	0	(997,750)	(997,750)
<b>Total Other Financing Sources and Uses</b>	<b>64,700</b>	<b>(71,485)</b>	<b>(938,805)</b>	<b>(867,320)</b>
<b>Net Change in Fund Balance</b>	<b>(383,224)</b>	<b>(961,985)</b>	<b>(200,610)</b>	<b>761,375</b>
Fund Balance at Beginning of Year	2,777,636	2,777,636	2,777,636	0
Prior Year Encumbrances Appropriated	37,509	37,509	37,509	0
<b>Fund Balance at End of Year</b>	<b>\$ 2,431,921</b>	<b>\$ 1,853,160</b>	<b>\$ 2,614,535</b>	<b>\$ 761,375</b>

See accompanying notes to the basic financial statements

**CITY OF EUCLID, OHIO**  
**STATEMENT OF FUND NET ASSETS - PROPRIETARY FUNDS**  
**DECEMBER 31, 2011**

	Enterprise Funds				Governmental Activities
	Waste Water Treatment	Water Line Improvement	Briardale Greens Golf Course	Totals	Internal Service Fund
<b>ASSETS:</b>					
Current Assets:					
Equity in Pooled Cash and Cash Equivalents	\$ 2,875,117	\$ 1,667,360	\$ 2,812	\$ 4,545,289	\$ 119,019
Materials and Supplies Inventory	48,663	0	0	48,663	0
Accounts Receivable	4,213,300	911,535	0	5,124,835	0
Intergovernmental Receivable	8,356	194,807	0	203,163	0
Prepaid Items	13,256	0	0	13,256	0
Capital Leases Receivable	0	0	31,209	31,209	0
<i>Total Current Assets</i>	<u>7,158,692</u>	<u>2,773,702</u>	<u>34,021</u>	<u>9,966,415</u>	<u>119,019</u>
Noncurrent Assets:					
Deferred Charges	63,429	194,792	0	258,221	0
Non-Depreciable Capital Assets	2,496,284	10,516,401	7,271,526	20,284,211	0
Depreciable Capital Assets, net	26,528,038	19,334,589	1,417,231	47,279,858	0
<i>Total Noncurrent Assets</i>	<u>29,087,751</u>	<u>30,045,782</u>	<u>8,688,757</u>	<u>67,822,290</u>	<u>0</u>
<i>Total Assets</i>	<u>36,246,443</u>	<u>32,819,484</u>	<u>8,722,778</u>	<u>77,788,705</u>	<u>119,019</u>
<b>LIABILITIES:</b>					
Current Liabilities:					
Accounts Payable	186,969	341,475	0	528,444	6,730
Accrued Wages and Benefits	123,851	0	0	123,851	0
Intergovernmental Payable	299,099	0	0	299,099	0
Accrued Interest Payable	87,256	2,982	0	90,238	0
Claims Payable	49,156	0	0	49,156	201,790
Compensated Absences Payable	41,334	0	0	41,334	0
General Obligation Bonds Payable	204,000	610,000	0	814,000	0
Capital Leases Payable	37,951	0	12,752	50,703	0
OPWC Loans Payable	347,464	168,034	0	515,498	0
OWDA Loans Payable	1,180,683	0	0	1,180,683	0
<i>Total Current Liabilities</i>	<u>2,557,763</u>	<u>1,122,491</u>	<u>12,752</u>	<u>3,693,006</u>	<u>208,520</u>
Noncurrent Liabilities:					
Claims Payable - net of current portion	65,268	0	0	65,268	0
Compensated Absences Payable - net of current portion	624,141	0	0	624,141	0
General Obligation Bonds Payable - net of current portion	2,639,261	9,159,497	0	11,798,758	0
Capital Leases Payable - net of current portion	39,235	0	18,457	57,692	0
OPWC Loans Payable - net of current portion	4,334,927	3,283,804	0	7,618,731	0
OWDA Loans Payable - net of current portion	2,004,168	0	0	2,004,168	0
<i>Total Noncurrent Liabilities</i>	<u>9,707,000</u>	<u>12,443,301</u>	<u>18,457</u>	<u>22,168,758</u>	<u>0</u>
<i>Total Liabilities</i>	<u>12,264,763</u>	<u>13,565,792</u>	<u>31,209</u>	<u>25,861,764</u>	<u>208,520</u>
<b>NET ASSETS:</b>					
Invested in Capital Assets, Net of Related Debt	18,236,633	16,629,655	8,657,547	43,523,835	0
Unrestricted	5,745,047	2,624,037	34,022	8,403,106	(89,501)
<i>Total Net Assets</i>	<u>\$ 23,981,680</u>	<u>\$ 19,253,692</u>	<u>\$ 8,691,569</u>	<u>\$ 51,926,941</u>	<u>\$ (89,501)</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, 2011**

	Enterprise Funds				Governmental
	Waste Water Treatment	Water Line Improvement	Briardale	Totals	Activities
			Greens Golf Course		Internal Service Fund
<b>OPERATING REVENUES:</b>					
Charges for Services	\$ 11,032,817	\$ 1,606,374	\$ 0	\$ 12,639,191	\$ 250,000
Tap-In Fees	35,712	0	0	35,712	0
Other	367	482,926	0	483,293	0
<i>Total Operating Revenues</i>	<u>11,068,896</u>	<u>2,089,300</u>	<u>0</u>	<u>13,158,196</u>	<u>250,000</u>
<b>OPERATING EXPENSES:</b>					
Personal Services	4,102,635	0	0	4,102,635	0
Contractual Services	1,784,566	0	0	1,784,566	46,103
Materials and Supplies	2,228,314	0	0	2,228,314	0
Claims	150,000	0	0	150,000	98,249
Depreciation	994,465	575,864	80,540	1,650,869	0
Other	28,140	0	0	28,140	0
<i>Total Operating Expenses</i>	<u>9,288,120</u>	<u>575,864</u>	<u>80,540</u>	<u>9,944,524</u>	<u>144,352</u>
<i>Operating Income (Loss)</i>	<u>1,780,776</u>	<u>1,513,436</u>	<u>(80,540)</u>	<u>3,213,672</u>	<u>105,648</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>					
Interest	8,424	33,227	0	41,651	0
Property Taxes	11,475	0	0	11,475	0
Interest and Fiscal Charges	(313,536)	(300,466)	0	(614,002)	0
<i>Total Non-Operating Revenues (Expenses)</i>	<u>(293,637)</u>	<u>(267,239)</u>	<u>0</u>	<u>(560,876)</u>	<u>0</u>
<i>Income (Loss) Before Contributions and Transfers</i>	1,487,139	1,246,197	(80,540)	2,652,796	105,648
Capital Contributions	0	1,129,241	0	1,129,241	0
Transfers In	570,000	0	0	570,000	0
Transfers Out	0	(990,923)	0	(990,923)	0
<i>Change in Net Assets</i>	<u>2,057,139</u>	<u>1,384,515</u>	<u>(80,540)</u>	<u>3,361,114</u>	<u>105,648</u>
<i>Net Assets (Deficit) at Beginning of Year, Restated</i>	<u>21,924,541</u>	<u>17,869,177</u>	<u>8,772,109</u>	<u>48,565,827</u>	<u>(195,149)</u>
<i>Net Assets (Deficit) at End of Year</i>	<u>\$ 23,981,680</u>	<u>\$ 19,253,692</u>	<u>\$ 8,691,569</u>	<u>\$ 51,926,941</u>	<u>\$ (89,501)</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, 2011**

	Enterprise Funds				Governmental
	Waste Water Treatment	Water Line Improvement	Briardale	Totals	Internal
			Greens Golf Course		Service Fund
<b>Increase (Decrease) in Cash and Cash Equivalents</b>					
<b><u>Cash Flows from Operating Activities</u></b>					
Cash Received from Customers	\$ 10,967,788	\$ 2,173,070	\$ 0	\$ 13,140,858	\$ 250,000
Cash Payments to Suppliers for Goods and Services	(4,229,937)	(503,576)	0	(4,733,513)	(40,734)
Cash Paid to Employees	(4,338,075)	0	(15,906)	(4,353,981)	0
Cash Paid for Claims	0	0	0	0	(150,034)
Other Operating Cash Payments	0	217,648	0	217,648	0
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>2,399,776</b>	<b>1,887,142</b>	<b>(15,906)</b>	<b>4,271,012</b>	<b>59,232</b>
<b><u>Cash Flows from Noncapital Financing Activities</u></b>					
Receipts from Property Taxes	11,475	0	0	11,475	0
Transfers	570,000	0	0	570,000	0
<b>Net Cash Provided by (Used for) Noncapital Financing Activities</b>	<b>581,475</b>	<b>0</b>	<b>0</b>	<b>581,475</b>	<b>0</b>
<b><u>Cash Flows from Capital and Related Financing Activities</u></b>					
Payments for Capital Acquisition and Retainage	(770,454)	(2,708,215)	0	(3,478,669)	0
Proceeds from OPWC	192,807	999,839	0	1,192,646	0
Proceeds from General Obligation Bonds	748,000	8,864,000	0	9,612,000	0
Premiums on Debt Issuance	7,558	109,500	0	117,058	0
Principal Paid on Notes	0	(7,040,000)	0	(7,040,000)	0
Principal Paid on General Obligation Bonds	(179,000)	(2,765,000)	0	(2,944,000)	0
Interest Paid on General Obligation Bonds	(366,794)	(300,466)	0	(667,260)	0
Principal Paid on OWDA Loans	(1,606,038)	0	0	(1,606,038)	0
Interest Paid on OWDA Loans	(258,581)	0	0	(258,581)	0
Principal Paid on OPWC Loans	(289,411)	(141,380)	0	(430,791)	0
Principal Paid on Capital Leases	(104,627)	0	0	(104,627)	0
Interest Paid on Capital Leases	(10,596)	0	0	(10,596)	0
<b>Net Cash (Used for) Capital and Related Financing Activities</b>	<b>(2,637,136)</b>	<b>(2,981,722)</b>	<b>0</b>	<b>(5,618,858)</b>	<b>0</b>
<b><u>Cash Flows from Investing Activities</u></b>					
Investment Earnings	8,424	33,227	0	41,651	0
<b>Total Cash Flow Provided from Investing Activities</b>	<b>8,424</b>	<b>33,227</b>	<b>0</b>	<b>41,651</b>	<b>0</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>352,539</b>	<b>(1,061,353)</b>	<b>(15,906)</b>	<b>(724,720)</b>	<b>59,232</b>
Cash and Cash Equivalents Beginning of Year	2,522,578	2,728,713	18,718	5,270,009	59,787
<b>Cash and Cash Equivalents End of Year</b>	<b>\$ 2,875,117</b>	<b>\$ 1,667,360</b>	<b>\$ 2,812</b>	<b>\$ 4,545,289</b>	<b>\$ 119,019</b>
<b><u>Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used for) Operating Activities</u></b>					
Operating Income (Loss)	\$ 1,780,776	\$ 1,513,436	\$ (80,540)	\$ 3,213,672	\$ 105,648
<i>Adjustments:</i>					
Depreciation	994,465	575,864	80,540	1,650,869	0
(Increase) Decrease in Assets:					
Accounts Receivable	(101,108)	83,770	0	(17,338)	0
Prepaid Items	172	0	0	172	0
Materials and Supplies Inventory	10,942	0	0	10,942	0
Increase (Decrease) in Liabilities:					
Accounts Payable	(21,705)	292,439	0	270,734	6,730
Retainage Payable	(94,869)	(507,677)	0	(602,546)	0
Compensated Absences Payable	(34,632)	0	(1,473)	(36,105)	0
Accrued Wages	(5,633)	0	0	(5,633)	0
Intergovernmental Payable	(122,661)	(70,690)	(9,152)	(202,503)	(452)
Claims Payable	(5,971)	0	(5,281)	(11,252)	(52,694)
Total Adjustments	619,000	373,706	64,634	1,057,340	(46,416)
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>\$ 2,399,776</b>	<b>\$ 1,887,142</b>	<b>\$ (15,906)</b>	<b>\$ 4,271,012</b>	<b>\$ 59,232</b>

**Schedule of NonCash Investing, Capital, and Financing Activities**

Water Line Improvement transferred capital assets, net in the amount of \$990,923 to governmental activities.

Water Line Improvement received noncash capital contributions in the amount of \$454,102.

See accompanying notes to the basic financial statements

**CITY OF EUCLID, OHIO**  
**STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUND**  
**DECEMBER 31, 2011**

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	<u>Agency Fund</u>
ASSETS:	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ 975,752
<i>Total Assets</i>	<u>\$ 975,752</u>
LIABILITIES:	
Current Liabilities:	
Deposits Held and Due to Others	\$ 975,752
<i>Total Liabilities</i>	<u>\$ 975,752</u>
See accompanying notes to the basic financial statements	

**CITY OF EUCLID, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

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**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 52,000 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; (3) the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) 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, the Euclid Development Corporation.

***Euclid Development Corporation (EDCOR)*** The Euclid Development Corporation (EDCOR) is a legally separate, non-profit organization served by a self-appointed board of trustees. Potential board members must work or live within the City. 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.

**CITY OF EUCLID, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**  
**(CONTINUED)**

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**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.

*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. As a general rule, the activity of the Internal Service Fund is eliminated to avoid "doubling up" revenues and expenses. An exception to this general rule is that interfund services provided and used are not eliminated in the process of consolidation.

The 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.

**CITY OF EUCLID, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**  
**(CONTINUED)**

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

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

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

B. **Fund Accounting**

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

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

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

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

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

**CITY OF EUCLID, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**  
**(CONTINUED)**

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

B. **Fund Accounting** (Continued)

*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.

*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.



**CITY OF EUCLID, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**  
**(CONTINUED)**

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

C. **Measurement Focus** (Continued)

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

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the Statement of Fund Net Assets. The Statement of Revenues, Expenses, and Changes in Fund Net Assets 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.

**CITY OF EUCLID, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**  
**(CONTINUED)**

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

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements, and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 8). Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: income tax, state-levied locally shared taxes (including gasoline tax and motor vehicle license 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, 2011, but which were levied to finance year 2012 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

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

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

**CITY OF EUCLID, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**  
**(CONTINUED)**

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

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 ordinance, 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 ordinance 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 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 ordinance 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 ordinance 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 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, 2011**  
**(CONTINUED)**

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

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

The City has cash with a fiscal agent. This amount represents the amount the City has on deposit to cover early uses of the employee flex spending account.

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 2011, the City invested in Federal Home Loan Bank Securities, Federal Farm Credit Bank Securities, 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, 2011.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the General Fund during 2011 amounted to \$51,794, which includes \$28,720 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, 2011, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

**CITY OF EUCLID, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**  
**(CONTINUED)**

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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	3-15 Years
Infrastructure	25-50 Years

For 2011, the City's infrastructure consists of streets, storm sewers, sanitary sewers, and water lines.

**CITY OF EUCLID, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**  
**(CONTINUED)**

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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 equally offset in the nonspendable fund balance unless the proceeds from their collection are restricted, committed, or assigned. 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.

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.



**CITY OF EUCLID, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**  
**(CONTINUED)**

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

M. **Fund Balance**

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

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

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

*Committed* – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (ordinance) of the City’s Council. Those committed amounts cannot be used for any other purpose unless the City’s Council removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

*Assigned* – Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts would represent intended uses established by City Council.

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

**CITY OF EUCLID, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**  
**(CONTINUED)**

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

M. **Fund Balance**(Continued)

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

N. **Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The government-wide Statement of Net Assets reports \$10,288,367 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, law enforcement trust, 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.

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 the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating.

**CITY OF EUCLID, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**  
**(CONTINUED)**

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

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 costs 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.

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, whichever is 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.

**CITY OF EUCLID, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**  
**(CONTINUED)**

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

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

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

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

**B. Fund Reclassifications**

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

	General Fund	All Other Governmental Funds
Fund Balance at December 31, 2010, as reported	\$ 7,426,772	\$ 3,063,741
Fund Reclassifications:		
Nuisance Abatement	91,941	(91,941)
Community Television	5,687	(5,687)
Shore Corp	118,706	(118,706)
Fund Balance at December 31, 2010, as restated	<u>\$ 7,643,106</u>	<u>\$ 2,847,407</u>

**CITY OF EUCLID, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**  
**(CONTINUED)**

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

**C. Restatement of Prior Year's Net Assets**

During the year ending December 31, 2010, Briardale Greens Golf Course Fund had a liability relating to the workers' compensation retrospective rating plan. Due to the City using a management company to run the golf course, the liability no longer exists within that fund. The adjustment had the following effect on the net assets:

	Business-Type Activities	Briardale Greens Golf Course
Net Assets at December 31, 2010, as reported	\$ 48,555,181	\$ 8,761,463
Claims Payable Adjustment	10,646	10,646
Net Assets at December 31, 2010, as Restated	\$ 48,565,827	\$ 8,772,109

**NOTE 4: COMPLIANCE AND ACCOUNTABILITY**

**A. Fund Deficit**

The following funds had deficit fund balances or deficit net assets as of December 31, 2011:

*Special Revenue*

Community Development Block Grant	\$ 60,615
Recreation Operating	39,238
Animal Shelter	803

*Capital Projects*

Public Building Construction	354,832
General Permanent Improvement	1,087,870

*Internal Service*

Self-Insurance Fund	89,501
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The deficits in the Special Revenue funds, Capital Projects funds, 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.

**CITY OF EUCLID, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**  
**(CONTINUED)**

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**NOTE 5: BUDGETARY BASIS OF ACCOUNTING**

While the City is reporting financial position, results of operations, and changes in fund balances/fund equity 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 part of restricted, committed and assigned fund balance (GAAP basis).
- Some funds are included in the General Fund (GAAP basis), but have separate legally adopted budgets (budget basis).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund.

GAAP Basis	\$	(1,060,003)
Net Adjustment for Revenue Accruals		(171,382)
Net Adjustment for Expenditure Accruals		1,055,664
Encumbrances		(57,751)
Funds with Separate Legally Adopted Budgets		32,862
Budget Basis	<u>\$</u>	<u>(200,610)</u>



**CITY OF EUCLID, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**  
**(CONTINUED)**

**NOTE 6: FUND BALANCE**

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

<u>Fund Balances</u>	<u>General</u>	<u>General Permanent Improvement</u>	<u>General Obligation Bond Retirement</u>	<u>All Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<i>Nonspendable</i>					
Unclaimed Funds	\$ 23,002	\$ 0	\$ 0	\$ 0	\$ 23,002
Inventories	121,080	-	-	92,279	213,359
Prepays	67,397	-	-	3,500	70,897
Loans Receivable	1,156,269	-	-	-	1,156,269
<i>Total Nonspendable</i>	<u>1,367,748</u>	<u>-</u>	<u>-</u>	<u>95,779</u>	<u>1,463,527</u>
<i>Restricted for</i>					
Transportation	-	-	-	280,714	280,714
Drug & Alcohol Enforcement	-	-	-	124,822	124,822
Municipal Court	-	-	-	208,923	208,923
Recreation	-	-	-	32,127	32,127
Grants	-	-	-	1,397,879	1,397,879
Law Enforcement	-	-	-	211,852	211,852
Capital Improvements	-	-	-	955,182	955,182
Debt Service	-	-	2,774,014	-	2,774,014
<i>Total Restricted</i>	<u>-</u>	<u>-</u>	<u>2,774,014</u>	<u>3,211,499</u>	<u>5,985,513</u>
<i>Committed to</i>					
Nuisance Abatement	44,303	-	-	-	44,303
Community Television	3,727	-	-	-	3,727
Shore Cultural Center	135,442	-	-	-	135,442
<i>Total Committed</i>	<u>183,472</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>183,472</u>
<i>Assigned to</i>					
Encumbrances	36,008	-	-	-	36,008
<i>Total Assigned</i>	<u>36,008</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,008</u>
<i>Unassigned (Deficit)</i>	4,995,875	(1,087,870)	-	(455,488)	3,452,517
<b>Total Fund Balances</b>	<u>\$ 6,583,103</u>	<u>\$ (1,087,870)</u>	<u>\$ 2,774,014</u>	<u>\$ 2,851,790</u>	<u>\$ 11,121,037</u>

**CITY OF EUCLID, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**  
**(CONTINUED)**

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**NOTE 7: DEPOSITS AND INVESTMENTS**

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

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

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

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

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

- United States Treasury notes, bills, bonds, notes or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- 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;
- Commercial paper notes issued by an entity that has assets exceeding five hundred million dollars;
- Bonds and other obligations of the State of Ohio;

**CITY OF EUCLID, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**  
**(CONTINUED)**

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NOTE 7: **DEPOSITS AND INVESTMENTS** (Continued)

- 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 \$6,160 in undeposited cash on hand, which is reported on the balance sheet as part of “Equity in Pooled Cash and Cash Equivalents”.

**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 \$7,652,197 and the bank balance was \$8,527,682. Of the bank balance, \$3,694,943 was covered by Federal depository insurance and \$4,832,739 was exposed to custodial credit risk because it was uninsured and uncollateralized. Although the securities were held by the pledging institution’s trust department and all statutory requirements for the investment of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

**CITY OF EUCLID, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**  
**(CONTINUED)**

NOTE 7: **DEPOSITS AND INVESTMENTS** (Continued)

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

**Investments**

Investments are reported at fair value. As of December 31, 2011, the City had the following investments:

	Fair Market Value
Federal Home Loan Bank	\$ 3,017,310
Federal Farm Credit Bank	1,015,260
Commerical Paper	1,997,950
STAROhio	714,024
Total	\$ 6,744,544

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

***Custodial Credit Risk*** For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Federal Home Loan Bank Bonds, Federal Farm Credit Bank, and Commercial Paper 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 AA+ 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.

**CITY OF EUCLID, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**  
**(CONTINUED)**

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NOTE 7: **DEPOSITS AND INVESTMENTS** (Continued)

*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, 2011:

Percentage of Total Invesetments	
Federal Home Loan Bank	44.74%
Federal Farm Credit Bank	15.05%
Commercial Paper	29.62%
STAROhio	10.59%

**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 \$454,662 and the bank balance was \$503,003. Of the bank balance, the full amount was covered by Federal depository insurance.

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 8: **RECEIVABLES**

Receivables at December 31, 2011, 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 outstanding at December 31, 2011 are \$7,584,598, with delinquent special assessments outstanding being \$679,209

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

**CITY OF EUCLID, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**  
**(CONTINUED)**

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NOTE 8: **RECEIVABLES** (Continued)

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 2011 for real and public utility property taxes represents collections of 2010 taxes. Property tax payments received during 2011 for tangible personal property (other than public utility property) are for 2011 taxes.

2011 real property taxes are levied after October 1, 2011, on the assessed value as of January 1, 2011, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2011 real property taxes are collected in and intended to finance 2011.

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. 2011 public utility property taxes which become a lien December 31, 2010, are levied after October 1, 2011, and are collected in 2011 with real property taxes.

Tangible personal property tax revenue received during calendar 2011 (other than public utility property) represents the collection of 2011 taxes. Tangible personal property taxes received in calendar year 2011 were levied in after April 1, 2010, on the value as of December 31, 2010. 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 2010 is zero. 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, 2011, was \$13.60 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2011 property tax receipts were based are as follows:

Real Property	\$ 722,667,290
Public Utility Property	16,043,950
Total Valuation	\$ 738,711,240

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.



**CITY OF EUCLID, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**  
**(CONTINUED)**

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NOTE 8: **RECEIVABLES** (Continued)

A. **Property Taxes** (Continued)

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

The Cuyahoga County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Euclid. The County Fiscal Officer 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, 2011, 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 2011 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 Euclid City School District at a ratio of .38 percent for the City and .47 percent for the District. 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, 2011**  
**(CONTINUED)**

NOTE 8: **RECEIVABLES** (Continued)

C. **Intergovernmental Receivables**

A summary of the principal items of intergovernmental receivables follows:

<b>Governmental Activities</b>	<b>Amount</b>
Local Government	\$ 1,454,250
Gasoline Tax	625,693
Homestead and Rollback	296,077
Estate Tax	286,692
Motor Vehicle Tax	120,681
Various Grants Receivable	310,584
Other Intergovernmental	28,866
<b>Total Governmental Activities</b>	<b>\$ 3,122,843</b>
<b>Business-Type Activities</b>	
OPWC Receivables	\$ 203,163
<b>Total Business-Type Activities</b>	<b>\$ 203,163</b>

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 4.35 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.

The Component unit's loans receivable represent low interest loans for home improvements granted to eligible City residents through the Euclid Development Corporation (EDCOR) under the Federal Community Development Block Grant program. The loans bear interest at an annual rate of 3 percent. The loans are to be repaid over a period ranging up to 10 years.

**CITY OF EUCLID, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**  
**(CONTINUED)**

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NOTE 9: **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. 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.

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**CITY OF EUCLID, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**  
**(CONTINUED)**

**NOTE 10: CAPITAL ASSETS**

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

	Balance 12/31/2010	Additions	Deletions	Balance 12/31/2011
<b>Governmental Activities</b>				
<i>Capital Assets, Not Being Depreciated</i>				
Land	\$ 10,560,309	\$ 236,196	\$ 20,800	\$ 10,775,705
Construction in Progress	1,159,432	3,422,560	1,672,773	2,909,219
<i>Total Capital Assets, Not Being Depreciated</i>	<u>11,719,741</u>	<u>3,658,756</u>	<u>1,693,573</u>	<u>13,684,924</u>
<i>Capital Assets, Being Depreciated</i>				
Land Improvements	6,237,517	19,004	0	6,256,521
Buildings and Improvements	15,797,276	464,921	0	16,262,197
Furniture, Fixtures, and Equipment	11,337,569	2,204,979	714,872	12,827,676
Infrastructure:				
Streets	126,029,636	1,886,119	0	127,915,755
<i>Total Capital Assets, Being Depreciated</i>	<u>159,401,998</u>	<u>4,575,023</u>	<u>714,872</u>	<u>163,262,149</u>
Less Accumulated Depreciation:				
Land Improvements	(4,500,093)	(204,563)	0	(4,704,656)
Buildings and Improvements	(7,020,916)	(340,384)	0	(7,361,300)
Furniture, Fixtures, and Equipment	(7,701,805)	(1,067,293)	(687,943)	(8,081,155)
Infrastructure:				
Streets	(85,009,040)	(4,089,039)	0	(89,098,079)
<i>Total Accumulated Depreciation*</i>	<u>(104,231,854)</u>	<u>(5,701,279)</u>	<u>(687,943)</u>	<u>(109,245,190)</u>
Total Capital Assets, Being Depreciated, Net	<u>55,170,144</u>	<u>(1,126,256)</u>	<u>26,929</u>	<u>54,016,959</u>
Governmental Activities Capital Assets, Net	<u>\$ 66,889,885</u>	<u>\$ 2,532,500</u>	<u>\$ 1,720,502</u>	<u>\$ 67,701,883</u>

\*Depreciation Expense was charged to governmental functions as follows:

General Government	\$ 735,105
Security of Persons and Property	391,831
Leisure Time Services	193,876
Community and Economic Development	93,804
Transportation	4,286,663
	<u>\$ 5,701,279</u>

**CITY OF EUCLID, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**  
**(CONTINUED)**

**NOTE 10: CAPITAL ASSETS (Continued)**

	Balance 12/31/2010	Additions	Deletions	Balance 12/31/2011
<b>Business-Type Activities</b>				
<i>Capital Assets, Not Being Depreciated</i>				
Land	\$ 7,428,126	\$ 0	\$ 0	\$ 7,428,126
Construction in Progress	9,538,199	4,308,809	990,923	12,856,085
<i>Total Capital Assets, Not Being Depreciated</i>	<u>16,966,325</u>	<u>4,308,809</u>	<u>990,923</u>	<u>20,284,211</u>
<i>Capital Assets, Being Depreciated</i>				
Land Improvements	1,384,525	0	0	1,384,525
Buildings and Improvements	14,527,598	0	0	14,527,598
Furniture, Fixtures, and Equipment	7,852,355	94,071	0	7,946,426
Infrastructure:				
Sanitary Sewers	17,530,658	0	0	17,530,658
Storm Sewers	10,721,584	0	0	10,721,584
Waterlines	24,988,434	6	0	24,988,440
<i>Total Capital Assets, Being Depreciated</i>	<u>77,005,154</u>	<u>94,077</u>	<u>0</u>	<u>77,099,231</u>
Less Accumulated Depreciation:				
Land Improvements	(864,692)	(48,157)	0	(912,849)
Buildings and Improvements	(6,284,125)	(308,944)	0	(6,593,069)
Furniture, Fixtures, and Equipment	(6,813,545)	(239,463)	0	(7,053,008)
Infrastructure:				
Sanitary Sewers	(5,000,324)	(339,143)	0	(5,339,467)
Storm Sewers	(4,051,735)	(215,391)	0	(4,267,126)
Waterlines	(5,154,083)	(499,771)	0	(5,653,854)
<i>Total Accumulated Depreciation</i>	<u>(28,168,504)</u>	<u>(1,650,869)</u>	<u>0</u>	<u>(29,819,373)</u>
Total Capital Assets, Being Depreciated, Net	<u>48,836,650</u>	<u>(1,556,792)</u>	<u>0</u>	<u>47,279,858</u>
Business-Type Activities Capital Assets, Net	<u>\$ 65,802,975</u>	<u>\$ 2,752,017</u>	<u>\$ 990,923</u>	<u>\$ 67,564,069</u>

**CITY OF EUCLID, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**  
**(CONTINUED)**

**NOTE 11: 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 - 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
Various Purpose Refunding - 2008	4.70-5.125	2008	2,800,000	2018
Various Purpose - 2008	3.00-5.00	2008	7,825,000	2028
Various Purpose - 2011 A	2.00-4.00	2011	5,437,000	2021
Various Purpose - 2011 B	2.00-4.375	2011	2,341,000	2031
<i>Industrial Development Revenue Bonds</i>				
Lincoln Electric Industrial Development	8.25	1996	2,135,000	2016
Lincoln Electric Industrial Development Refunding - 2011	4.35	2011	1,015,000	2016
<i>Ohio Public Works Commission</i>				
East 222nd Reconstruction -2006	0.00	2006	1,257,200	2029
<i>Special Assessment Bonds with Governmental Commitment</i>				
Heritage Drive Improvements - 1999	4.35-5.60	1999	1,715,000	2019
Heritage Drive Improvements Refunding - 2011	2.00-3.00	2011	1,005,000	2018
<i>Enterprise General Obligation Bonds:</i>				
Various Purpose Refunding - 2004	3.80-5.125	1998	1,025,000	2018
Waterline Improvement - 2001	2.50-5.00	2004	1,243,000	2025
Various Purpose Refunding - 2008	4.70-5.125	2008	2,660,000	2018
Various Purpose - 2011 A	2.00-4.00	2011	2,488,000	2021
Various Purpose - 2011 B	2.00-4.375	2011	7,124,000	2031
<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 226th Street/Edgecliff - 2003	0.00	2003	1,528,108	2023
East 197th Street - 2001	0.00	2001	759,025	2020
East 255th Street - 2002	0.00	2002	400,534	2022
East 216th Street - 2004	0.00	2004	581,131	2024
Brandywine Pump Station - 2005	0.00	2006	408,000	2028
Chatworth Dr. Sanitary -2006	0.00	2006	240,400	2028
Euclid Ave/Babbit Rd -2006	0.00	2006	540,900	2028
Miller Avenue - 2001	0.00	2001	1,689,900	2020
East 222nd Street -2003	0.00	2003	874,958	2023
East 214th Street - 2001	0.00	2001	262,735	2020
Euclid Avenue Improvement - 2008	0.00	2008	552,000	2028
East 222nd Street/Tungsten Road - 2009	0.00	2009	779,300	2039
Dille Road/East 204th Street - 2009	0.00	2009	950,000	2029
East 264th Street - 2010	0.00	2010	439,500	2030
East 248th Street/Shoreview - 2010	0.00	2010	887,600	2040
East 214th Street/Lakeshore - 2010	0.00	2010	958,500	2030

**CITY OF EUCLID, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**  
**(CONTINUED)**

**NOTE 11: LONG-TERM OBLIGATIONS (Continued)**

	Restated Principal Outstanding 12/31/2010	Additions	Deletions	Principal Outstanding 12/31/2011	Due Within One Year
<b>Governmental Activities</b>					
<i>General Obligation Bonds:</i>					
Various Purpose Refunding - 1998	\$ 240,000	\$ 0	\$ 240,000	\$ 0	\$ 0
Various Purpose - 2001	3,710,000	0	3,710,000	0	0
Various Purpose - 2004	7,764,000	0	428,000	7,336,000	444,000
Unamortized Premium	63,605	0	4,240	59,365	0
Various Purpose Refunding - 2004	2,464,000	0	458,000	2,006,000	475,000
Unamortized Premium	13,866	0	924	12,942	0
Unamortized Loss on Refunding	(75,800)	0	(5,053)	(70,747)	0
Various Purpose Refunding - 2008	2,065,000	0	345,000	1,720,000	360,000
Unamortized Premium	68,290	0	9,106	59,184	0
Unamortized Loss on Refunding	(117,592)	0	(14,699)	(102,893)	0
Various Purpose - 2008	6,810,000	0	535,000	6,275,000	555,000
Unamortized Premium	109,120	0	6,236	102,884	0
Various Purpose - 2011A	0	1,975,000	0	1,975,000	0
Unamortized Premium	0	26,270	0	26,270	0
Various Purpose Refunding - 2011A	0	3,462,000	0	3,462,000	549,000
Unamortized Premium	0	62,681	0	62,681	0
Unamortized Loss on Refunding	0	(174,221)	0	(174,221)	0
Various Purpose - 2011B	0	2,341,000	0	2,341,000	88,000
Unamortized Premium	0	23,666	0	23,666	0
<b>Total General Obligation Bonds</b>	<b>23,114,489</b>	<b>7,716,396</b>	<b>5,716,754</b>	<b>25,114,131</b>	<b>2,471,000</b>
<i>Special Assessment Bonds with Governmental Commitment</i>					
Heritage Drive Improvements - 1999 Refunding Heritage Drive	995,000	0	995,000	0	0
Improvements - 2011 Refunding	0	1,005,000	100,000	905,000	120,000
Unamortized Premium	0	9,015	0	9,015	0
Unamortized Loss on Refunding	0	(127,860)	0	(127,860)	0
<b>Total Special Assessment Bond</b>	<b>995,000</b>	<b>886,155</b>	<b>1,095,000</b>	<b>786,155</b>	<b>120,000</b>
<i>Notes Payable:</i>					
Various Purpose - 2010	2,340,000	0	2,340,000	0	0
Various Purpose - 2010	1,950,000	0	1,950,000	0	0
Unamortized Premium	21,278	0	21,278	0	0
<b>Total Notes Payable</b>	<b>4,311,278</b>	<b>0</b>	<b>4,311,278</b>	<b>0</b>	<b>0</b>
<i>Industrial Development Revenue Bonds</i>					
Lincoln Electric Industrial Development	995,000	0	995,000	0	0
Lincoln Electric Industrial Development - 2011 Refunding	0	1,015,000	165,000	850,000	155,000
Unamortized Loss on Refunding	0	(185,000)	0	(185,000)	0
<b>Total Industrial Development Bonds</b>	<b>995,000</b>	<b>830,000</b>	<b>1,160,000</b>	<b>665,000</b>	<b>155,000</b>
<i>Ohio Public Works Commission</i>					
East 222nd Reconstruction -2006	1,586,856	0	83,519	1,503,337	83,519
<i>Other Obligations:</i>					
Capital Leases	473,890	0	187,262	286,628	140,223
Claims	875,880	74,573	82,505	867,948	372,865
Compensated Absences	8,229,171	1,958,281	2,733,915	7,453,537	437,445
<b>Total Other Obligations</b>	<b>9,578,941</b>	<b>2,032,854</b>	<b>3,003,682</b>	<b>8,608,113</b>	<b>950,533</b>
<b>Total Governmental Activities</b>	<b>\$ 40,581,564</b>	<b>\$ 11,465,405</b>	<b>\$ 15,370,233</b>	<b>\$ 36,676,736</b>	<b>\$ 3,780,052</b>



**CITY OF EUCLID, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**  
**(CONTINUED)**

**NOTE 11: LONG-TERM OBLIGATIONS (Continued)**

	Restated Principal Outstanding 12/31/2010	Additions	Deletions	Principal Outstanding 12/31/2011	Due Within One Year
<b>Business-Type Activities</b>					
<i>General Obligation Bonds:</i>					
<i>Waste Water Fund:</i>					
Various Purpose Refunding - 2008	\$ 1,090,000	\$ 0	\$ 120,000	\$ 970,000	\$ 115,000
Unamortized Premium	33,169	0	4,423	28,746	0
Unamortized Loss on Refunding	(48,955)	0	(6,528)	(42,427)	0
Various Purpose Refunding - 2004	1,182,000	0	59,000	1,123,000	61,000
Unamortized Premium	8,983	0	599	8,384	0
Sewer Improvement - 2011B	0	748,000	0	748,000	28,000
Unamortized Premium	0	7,558	0	7,558	0
<i>Water Line Fund:</i>					
Waterline Improvement - 2001	2,645,000	0	2,645,000	0	0
Various Purpose Refunding - 2008	1,050,000	0	120,000	930,000	120,000
Unamortized Premium	31,706	0	4,228	27,478	0
Unamortized Loss on Refunding	(46,797)	0	(6,239)	(40,558)	0
Waterline Improvement - 2011B	0	6,376,000	0	6,376,000	239,000
Unamortized Premium	0	64,453	0	64,453	0
Waterline Improvement Refunding- 2011A	0	2,488,000	0	2,488,000	251,000
Unamortized Premium	0	45,047	0	45,047	0
Unamortized Loss on Refunding	0	(120,923)	0	(120,923)	0
<b>Total General Obligation Bonds:</b>	<b>5,945,106</b>	<b>9,608,135</b>	<b>2,940,483</b>	<b>12,612,758</b>	<b>814,000</b>
<i>Notes Payable</i>					
Waterline Improvements - 2010	6,300,000	0	6,300,000	0	0
Unamortized Premium	28,774	0	28,774	0	0
Sewer Improvements - 2010	740,000	0	740,000	0	0
Unamortized Premium	3,379	0	3,379	0	0
	<u>7,072,153</u>	<u>0</u>	<u>7,072,153</u>	<u>0</u>	<u>0</u>
<i>OWDA Loans:</i>					
<i>Waste Water Fund:</i>					
Wastewater Treatment and Collection Systems -1993	3,417,913	0	914,715	2,503,198	962,899
Wastewater Treatment and Collection Systems -1994	889,835	0	208,182	681,653	217,784
Sewer Improvement - 1991	483,141	0	483,141	0	0
<b>Total OWDA Loans</b>	<b>4,790,889</b>	<b>0</b>	<b>1,606,038</b>	<b>3,184,851</b>	<b>1,180,683</b>
<i>OPWC Loans:</i>					
<i>Waste Water Fund:</i>					
Newton Avenue Improvements - 2000	660,976	0	73,442	587,534	73,442
East 226th Street/Edgecliff - 2003	955,068	0	76,406	878,662	76,406
East 197th Street - 2001	379,513	0	37,951	341,562	37,952
East 255th Street - 2002	230,307	0	20,027	210,280	20,026
East 216th Street - 2004	406,791	0	29,057	377,734	29,056
Brandywine Pump Station - 2006	296,071	0	16,918	279,153	16,918
Chatworth Dr. Sanitary -2006	206,088	0	11,775	194,313	11,777
Euclid Ave/Babbit Rd -2006	440,949	0	23,835	417,114	23,835
Euclid Avenue Improvement -2008	388,134	81,445	0	469,579	11,739
Dille Road/ East 204 - 2009	727,496	0	0	727,496	36,374
E. 264th Street - 2010	87,602	111,362	0	198,964	9,939
<b>Total Waste Water Fund</b>	<b>4,778,995</b>	<b>192,807</b>	<b>289,411</b>	<b>4,682,391</b>	<b>347,464</b>
<i>Water Line Fund</i>					
Miller Avenue - 2001	844,950	0	84,495	760,455	84,495
East 222nd Street -2003	568,722	0	43,748	524,974	43,748
East 214th Street - 2001	131,367	0	13,137	118,230	13,136
East 222nd/Tungsten Road - 2009	42,110	13,370	0	55,480	0
Dille Road/ East 204 - 2009	190,000	32,504	0	222,504	11,126
E. 264th Street - 2010	21,900	0	0	21,900	1,104
E. 248th Street/Shoreview - 2010	474,277	149,888	0	624,165	0
E. 214 Street/Lake Shore - 2010	320,053	256,928	0	576,981	14,425
Roadway & Utility Improvement - 2011	0	547,149	0	547,149	0
<b>Total Water Line Fund</b>	<b>2,593,379</b>	<b>999,839</b>	<b>141,380</b>	<b>3,451,838</b>	<b>168,034</b>
<b>Total OPWC Loan</b>	<b>7,372,374</b>	<b>1,192,646</b>	<b>430,791</b>	<b>8,134,229</b>	<b>515,498</b>
<i>Other Obligations</i>					
Capital Leases	246,279	0	137,884	108,395	50,703
Claims Payable	127,149	9,831	22,556	114,424	49,156
Compensated Absences	700,108	231,781	266,414	665,475	41,334
<b>Total Other Obligations</b>	<b>1,073,535</b>	<b>241,612</b>	<b>426,853</b>	<b>888,294</b>	<b>141,193</b>
<b>Total Business-Type Activities</b>	<b>\$ 26,254,057</b>	<b>\$ 11,042,393</b>	<b>\$ 12,476,318</b>	<b>\$ 24,820,132</b>	<b>\$ 2,651,374</b>

Unamortized loss on refunding were included as part of deferred charges in prior years.

**CITY OF EUCLID, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**  
**(CONTINUED)**

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NOTE 11: **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.

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. These bonds will be paid from the General Permanent Improvement Capital Projects Fund and the Waste Water Treatment Fund.

Governmental capital leases will be paid from the General Fund, the Streets Maintenance and Construction Fund, the Recreation Operating Fund, and the Recreation Capital Fund. Business-type capital leases will be paid from the Waste Water Treatment Fund and Briardale Golf Course Fund.

The City participates in the State Workers' 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 Special Projects Fund, the Animal Shelter Fund, the Street Maintenance and Construction Fund, the Community Television Fund, the Recreation Operating Fund, the Community Development Block Grant Fund, the Neighborhood Stabilization Program Fund, the Other Grants Special Revenue Fund, the Recreation Capital Projects Fund, the Bond Retirement Fund, and the Waste Water Treatment Fund.

The general obligation bonds for the water line improvement, OPWC water line 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 waste water treatment and collections loans, OPWC waste water improvement loans, and capital leases for equipment will be paid from the sewer user charges.

At the end of the year, the City had three outstanding projects from OPWC for the East 222<sup>nd</sup>/Tungsten Waterline, East 248<sup>th</sup>/Shoreview Waterline, and the Roadway & Utility Improvement. All projects are reported in business-type activities. As of December 31, 2011, the loan amount received for the outstanding projects are reported in the following amortization schedules.

**CITY OF EUCLID, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**  
**(CONTINUED)**

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NOTE 11: **LONG-TERM OBLIGATIONS** (Continued)

The City has pledged future general revenue to repay taxable Industrial Development Revenue bonds, which were defeased during 2011. Debt is payable solely from net revenues and are payable through 2016. Annual principal and interest payments on the revenue bonds are expected to require .5 percent of net revenue. Total principal and interest remaining to be paid on the debt is \$963,970. Principal and interest paid for the current year were \$198,114, and the related revenue received was \$109,336. See Note 8(D) for more information on the Industrial Development Revenue bonds.

***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, 2011, the amount of defeased debt outstanding but removed from the government-wide financial statements amounted to \$6,780,000.

***Current Year Defeased Debt***

On April 12, 2011, the City issued General Obligation bonds of \$6,955,000 with an interest rate of 2.00-4.00 percent to advance refund the portion of the Various Purpose bonds, series 2001, stated to mature on December 1, 2020, and the Special Assessment bonds, series 1999, stated to mature on December 1, 2019 in the aggregate principal amount of \$7,350,000 with an interest rate of 3.25-5.50 percent. Refunding bonds were issued at a premium of \$116,743 with issuance costs of \$96,096. The net proceeds of \$7,143,004 from the issuance of the General Obligation bonds were used to purchase U.S. Government securities which were deposited into an irrevocable trust with an escrow agent to provide debt service payments until refunding bonds are called on December 1, 2018. The advance refunding met the requirements of an in-substance debt defeasance and the various 2001 series bonds and the 1999 Special Assessment bonds were removed from the City's government-wide financial statements.

As a result of the advance refunding, the City reduced its total debt service requirements by \$684,952, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$632,493.

**CITY OF EUCLID, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**(CONTINUED)**

**NOTE 11: LONG-TERM OBLIGATIONS** (Continued)

On February 17, 2011, the City issued Industrial Development Revenue bonds of \$1,005,000 with an interest rate of 4.35 percent to advance refund the portion of the Industrial Development Revenue bonds, series 1996, stated to mature on December 1, 2016, in the aggregate principal amount of \$995,000 with an interest rate of 8.25 percent. Refunding bonds were issued with issuance costs of \$17,250. The net proceeds of \$1,022,362 from the issuance of the general obligation bonds were used to purchase U.S. Government securities which were deposited into an irrevocable trust with an escrow agent to provide debt service payments until refunding bonds are called on December 1, 2016. The advance refunding met the requirements of an in-substance debt defeasance and industrial development revenue bonds, series 1996 were removed from the City's government-wide financial statements.

As a result of the advance refunding, the City reduced its total debt service requirements by \$138,991, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$122,314.

***Legal Debt Margin***

The City's overall legal debt margin was \$51,809,163 and the unvoted debt margin was \$14,873,601 at December 31, 2011.

***Principal and Interest Requirements***

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

Governmental Activities

	General Obligation Bonds		Special Assessment Bonds		Industrial Development Revenue Bonds		OPWC Loan	Total Governmental Activities	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Principal	Interest
2012	\$ 2,471,000	\$ 922,137	\$ 120,000	\$ 20,388	\$ 155,000	\$ 36,975	\$ 83,519	\$ 2,829,519	\$ 979,500
2013	2,541,000	845,205	130,000	17,988	165,000	30,233	83,519	2,919,519	893,426
2014	2,413,000	768,420	130,000	15,388	170,000	23,055	83,519	2,796,519	806,863
2015	2,497,000	693,792	130,000	12,788	175,000	15,660	83,519	2,885,519	722,240
2016	1,949,000	611,724	135,000	10,188	185,000	8,048	83,519	2,352,519	629,960
2017-2021	7,484,000	2,072,306	260,000	11,050	0	0	417,594	8,161,594	2,083,356
2022-2026	4,416,000	807,883	0	0	0	0	417,594	4,833,594	807,883
2027-2031	1,344,000	137,284	0	0	0	0	250,554	1,594,554	137,284
Total	<u>\$25,115,000</u>	<u>\$ 6,858,751</u>	<u>\$ 905,000</u>	<u>\$ 87,790</u>	<u>\$ 850,000</u>	<u>\$ 113,971</u>	<u>\$ 1,503,337</u>	<u>\$28,373,337</u>	<u>\$ 7,060,512</u>

**CITY OF EUCLID, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**  
**(CONTINUED)**

**NOTE 11: LONG-TERM OBLIGATIONS** (Continued)

Business Type Activities

	General Obligation Bonds		OWDA Loans		OPWC Loans	Total Business-Type Activities	
	Principal	Interest	Principal	Interest	Principal	Principal	Interest
2012	\$ 814,000	\$ 437,680	\$ 1,180,683	\$ 146,543	\$ 515,498	\$ 2,510,181	\$ 584,223
2013	854,000	417,389	1,241,448	85,777	603,001	2,698,449	503,166
2014	937,000	396,101	762,720	21,856	603,004	2,302,724	417,957
2015	968,000	372,300	0	0	603,000	1,571,000	372,300
2016	971,000	346,158	0	0	603,002	1,574,002	346,158
2017-2021	3,526,000	1,302,735	0	0	2,732,543	6,258,543	1,302,735
2022-2026	2,274,000	755,346	0	0	1,422,992	3,696,992	755,346
2027-2031	2,291,000	299,280	0	0	963,682	3,254,682	299,280
2032	0	0	0	0	87,507	87,507	0
Total	<u>\$ 12,635,000</u>	<u>\$ 4,326,989</u>	<u>\$ 3,184,851</u>	<u>\$ 254,176</u>	<u>\$ 8,134,229</u>	<u>\$ 23,954,080</u>	<u>\$ 4,581,165</u>

**NOTE 12: 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, 2011**  
**(CONTINUED)**

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NOTE 12: **COMPENSATED ABSENCES** (Continued)

Upon retirement of union employees, individuals with less than 1,200 hours of accumulated sick leave will have their 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 13: **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 2011, 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 \$59,009 for 2011. The City carries a commercial package property insurance policy for blanket coverage in excess of \$138,000,000. 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 \$10,000 deductible. Additionally, the City carries inland marine insurance, which includes fire rescue and heavy vehicle coverage, of \$3,382,095 with a \$5,000 deductible, and crime shield coverage of \$25,000 per loss with a \$250 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 \$201,790 reported in the Self-Insurance Internal Service Fund at December 31, 2011 consists of general liability insurance and is based on an estimate of costs relating to incurred but not reported claims. Changes in the fund's general liability insurance claims liability amount for the last three years follow:

**CITY OF EUCLID, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**  
**(CONTINUED)**

NOTE 13: **RISK MANAGEMENT** (Continued)

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

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2009	\$ 357,145	\$ 99,467	\$ 151,252	\$ 305,360
2010	\$ 305,360	\$ 104,142	\$ 155,927	\$ 253,575
2011	\$ 253,575	\$ 46,464	\$ 98,249	\$ 201,790

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, premiums are to be paid by the employee in the amount of \$100 for single coverage and \$125 for family coverage per month. The yearly deductible amount is \$200 for single coverage, and \$300 for family coverage. In addition to this, covered employees or family members have a required co-pay of \$20 per office visit or \$50 per emergency care visit. If admitted to the hospital, the \$50 co-pay is waived. Upon meeting the required employee contributions as well as staying within a Medical Mutual provider, maximum coverage is provided by the plan parameters. However, if an individual seeks care at a non-Medical Mutual provider, then generally 80 percent of the cost is covered. Furthermore, the plan allows for catastrophic (stop-loss) coverage of \$175,000 per individual. Employee medical benefits are charged to the respective fund in which the individual's salary is paid.

The claims liability of \$1,275,489 reported in the General Fund at December 31, 2011, is based on an estimate of costs relating to incurred but not reported claims. Changes in the funds claims liability amount for the last three years follows:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2009	\$ 652,139	\$ 3,636,722	\$ 3,838,203	\$ 450,658
2010	\$ 450,658	\$ 3,423,533	\$ 3,371,189	\$ 503,002
2011	\$ 503,002	\$ 4,403,463	\$ 3,630,976	\$ 1,275,489



**CITY OF EUCLID, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**  
**(CONTINUED)**

NOTE 13: **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 \$867,948 reported in governmental activities and \$114,424 reported in business-type activities is based on the requirements of GASB 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 last three years follows, with 2010 balance being restated:

		Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2009	\$	1,120,594	\$ 49,299	\$ 27,353	\$ 1,142,540
2010	\$	1,142,540	\$ 38,341	\$ 177,852	\$ 1,003,029
2011	\$	1,003,029	\$ 84,404	\$ 105,061	\$ 982,372

NOTE 14: **PENSION PLANS**

A. **Ohio Public Employees Retirement System**

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

**CITY OF EUCLID, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**(CONTINUED)**

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NOTE 14: **PENSION PLANS** (Continued)

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

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

For the year ended December 31, 2011, the members of all three plans were required to contribute 10.00 percent of their annual covered salaries. The City's contribution rate of 14.00 percent was allocated to fund pension benefits was 10.00 percent. The Ohio Revised Code provides statutory authority for member and employer contributions

The City's required contributions for pension obligations to all three plans for the years ended December 31, 2011, 2010, and 2009 were \$1,620,267, \$1,122,584, and \$1,153,921, respectively. 76.07 percent has been contributed for 2011 while 100 percent has been contributed for 2010 and 2009.

B. **Ohio Police and Fire Pension Fund**

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

Plan members are required to contribute 10.00 percent of their annual covered salary; per contract, half of this amount is paid by the City. In addition, the City is required to contribute 19.50 percent and 24.0 percent for police officers and firefighters, respectively. The portion of the City's contributions to fund pension obligations was 12.75 percent for police officers and 17.25 percent for firefighters. The City's contributions to the OP&F for police and firefighters were \$1,177,259 and \$1,269,215 for the year ended December 31, 2011, \$857,023 and \$914,674 for the year ended December 31, 2010, and \$890,220 and \$912,383 for the year ended December 31, 2009. 92.26 percent for police and 75.56 percent for firefighters has been contributed for 2011, with the remainder being reported as a liability. The full amount has been contributed for 2010 and 2009.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**(CONTINUED)**

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**NOTE 15: POST-EMPLOYMENT BENEFITS**

**A. Ohio Public Employees Retirement System**

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

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

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

*Funding Policy* – The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits. The 2011 local government employer contribution rate was 14.00 percent of covered payroll.

OPERS Post-employment Health Care Plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care was 4.00 percent. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care coverage by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. The City's actual employer contributions for 2011, 2010, and 2009, which were used to fund post-employment benefits were \$648,107, \$639,978, and \$827,708, respectively. 76.07 percent has been contributed for 2011, and 100 percent has been contributed for 2010 and 2009.

**CITY OF EUCLID, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**  
**(CONTINUED)**

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NOTE 15: **POST-EMPLOYMENT BENEFITS** (Continued)

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

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased as of January 1 of each year from 2006 to 2009. Rates for law and public safety employers increased over a six year period beginning January 1, 2006 with a final rate increase January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

B. **Ohio Police and Fire Pension Fund**

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

OP&F provides access to post-employment health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school full-time or on a 2/3 basis. The health care coverage provided by OP&F meets the definition of an Other Post-employment Benefit (OPEB) as described in GASB Statement No. 45.

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

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

**CITY OF EUCLID, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**(CONTINUED)**

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NOTE 15: **POST-EMPLOYMENT BENEFITS** (Continued)

B. **Ohio Police and Fire Pension Fund** (Continued)

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

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

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

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

The City's actual contributions for the years ending December 31, 2011, 2010, and 2009, were \$623,255 for police and \$496,649 for firefighters, \$453,718 for police and \$357,916 for firefighters, and \$471,293 for police and \$357,019 for firefighters, respectively was allocated to the health care plan 92.26 percent for police and 75.56 percent for firefighters has been contributed for 2011, with the remainder being reported as a liability. The full amount has been contributed for 2010 and 2009.

**CITY OF EUCLID, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**(CONTINUED)**

**NOTE 16: CAPITAL LEASES**

In prior years, the City entered into leases for the acquisition of Honeywell retrofits, Zamboni, Cooling Tower, 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 are reflected as program expenditures on the budgetary statements and part of debt service on the Statement of Revenue, Expenditures, and Changes in Fund Balances.

Capital assets acquired by lease have been capitalized and depreciated as follows as of December 31, 2011:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
<b><i>Capital Assets being Depreciated:</i></b>		
Furniture, Fixtures, and Equipment	\$ 1,737,052	\$ 1,089,358
Less: Accumulated Depreciation	<u>(545,680)</u>	<u>(484,775)</u>
<b><i>Total Capital Assets being Depreciated</i></b>	<b><u>\$ 1,191,372</u></b>	<b><u>\$ 604,583</u></b>
Year Ending		
<u>December 31:</u>		
2012	152,220	56,322
2013	152,526	56,016
2014	<u>-</u>	<u>5,142</u>
Total Minimum Lease Payments	304,746	117,480
Less: Amount Representing Interest	<u>(18,118)</u>	<u>(9,085)</u>
Present Value of Minimum Lease Payments	<b><u>286,628</u></b>	<b><u>108,395</u></b>

**CITY OF EUCLID, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**  
**(CONTINUED)**

**NOTE 17: CONSTRUCTION AND OTHER COMMITMENTS**

**A. Construction Commitments**

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

Capital Project	Remaining Construction Commitment
<i>Governmental Activities</i>	
Engineering Services - Jail Facility	\$ 255,000
Lakeshore Blvd. Improvements	184,160
<i>Total Governmental Activities</i>	\$ 439,160
 <i>Business-Type Activities</i>	
U.S. EPA Sewer Study	\$ 130,650
Waterline Improvements	253,408
Sewer Improvements	134,738
<i>Total Business-Type Activities</i>	\$ 518,796
Total	\$ 957,956

**B. Other Commitments**

The City utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year-end are components of fund balance for subsequent year expenditures and may be reported as part of restricted, committed, or assigned classifications of fund balance. As of December 31, 2011, the City's commitments for encumbrances in the governmental funds were as follows:

	Outstanding Encumbrances
General	\$ 36,008
General Permanent Improvement	544,346
All Other Governmental Funds	140,756
	\$ 721,110



**CITY OF EUCLID, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**  
**(CONTINUED)**

**NOTE 18: INTERFUND TRANSFERS AND BALANCES**

**A. Transfers**

Transfers are primarily made from the General Fund typically cover general operating and project costs. Transfers made from Other Governmental Funds (Nuisance Abatement Fund) were due to excess funds, after payment of all obligations of the fund. Transfers made to Waste Water Treatment Fund were for grant funds received to pay for a project that was paid out of the fund but recorded into the Water Line Improvement Fund when received. All transfers were made in compliance with Ohio Revised Code. Transfers made during the year ended December 31, 2011, were as follows:

Transfer To	Transfer From
	General Fund
General Permanent Improvement	\$ 45,000
Other Governmental Funds	297,300
Waste Water Treatment	570,000
Totals	\$ 912,300

Transfers on the government-wide statements reflect a non-cash transfer of capital assets in the amount, net of accumulated depreciation, of \$990,923 from business-type to governmental activities.

**B. Interfund Receivable and Payable**

As of December 31, 2011, the \$1,723,313 interfund receivable in the General Obligation Bond Retirement Debt Service Fund is from manuscript notes and bonds from the General Fund, General Permanent Improvement Capital Projects Fund and the Public Building Construction Capital Projects Fund.

A portion of the interfund loan, \$515,000, is used to fund various building improvements. The General Permanent Improvement Capital Projects Fund will repay this portion of the interfund loan with annual transfers from the General Fund. The General Fund's portion of \$850,000 is for special assessments for street lighting costs. The General Fund will repay its' obligation with revenues received from the special assessments. The other portion of the interfund loan, \$358,313, is used to fund repairs to the clubhouse located at the Briardale Greens Golf Course. The Public Building Construction Capital Projects Fund will repay this portion of the interfund loan with annual transfers from the General Fund.

**CITY OF EUCLID, OHIO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**  
**(CONTINUED)**

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**NOTE 19: NOTE OBLIGATIONS**

On June 6, 2011, the City issued \$3.415 million in various purpose notes at an interest rate of 5.00 percent with a maturity date of June 6, 2012. The notes are backed by the full faith and credit of the City of Euclid. The note liabilities are reflected in the funds which received the proceeds. The notes were issued at a premium of \$17,049, in which the unamortized balance is reported as part of the carrying value of the notes in the respective funds.

**NOTE 20: SUBSEQUENT EVENT**

During 2012, the City increased the waterline replacement surcharge effective April 1, 2012 to \$10.00 per mcf, with additional increases of \$1.00 scheduled for January 1, 2024 and January 1, 2025. In addition, the City increased the sewer service charge to fund new sewer construction by \$2.00, for a total rate of \$13.88 per mcf of water consumed, effective April 1, 2012, with another rate increase of \$2.00 effective January 1, 2013. Also, the City increased the sewer service fees effective April 1, 2012 to \$32.68 per mcf, which is an increase of \$9.00.

**Combining Statements  
and  
Individual Fund Schedules**

**CITY OF EUCLID, OHIO**  
**COMBINING STATEMENTS – NONMAJOR FUNDS**

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**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 or committed to expenditure for specified purposes.

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

*Indigent Drivers Alcohol Treatment Fund* - This fund accounts for fees collected by the Municipal Court from persons whose driver's license or permit has been 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. Due to the implementation of GASB Statement No. 54, this fund was combined with the General Fund on the governmental fund financial statements but remained a separate fund in the budgetary schedules because it has a separate legally adopted budget.

*Indigent Drivers Interlock and Alcohol Monitoring* – This fund accounts for revenues from fines as established by the State to pay for alcohol monitoring programs for indigent people.

*Street Maintenance & Construction 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.

*Community Television Fund* - This fund accounts for cable franchise tax used for the operating activities of community television. Due to the implementation of GASB Statement No. 54, this fund was combined with the General Fund on the governmental fund financial statements but remained a separate fund in the budgetary schedules because it has a separate legally adopted budget.

*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.

**CITY OF EUCLID, OHIO**  
**COMBINING STATEMENTS – NONMAJOR FUNDS**

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*Neighborhood Stabilization Fund* – This fund accounts for the City’s share of a Federal Grant passed through the Ohio Department of Development and Cuyahoga County to provide funding for activities that assist with the stabilization of residential property values. These funds can be used for several types of activities, including the demolition of blighted residential structures, the rehabilitation of abandoned and foreclosed residential units; or the development of new single-family residential units to replace blighted structures that have been demolished

*Other Grants Fund* - This fund accounts for grant monies received from the federal and state governments.

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

*Shore Corporation* – This fund accounts for the operating costs of the Shore Cultural Center. Due to the implementation of GASB Statement No. 54, this fund was combined with the General Fund on the governmental fund financial statements but remained a separate fund in the budgetary schedules because it has a separate legally adopted budget.

**Nonmajor Capital Projects Funds**

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

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

*Sidewalk Repair & Replacement 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 costs associated with economic development.

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

*Harbor Town TIF* – This fund is for the redevelopment of the various parcels of real property located north of Lakeshore Boulevard, generally between East 238th Street and East 252nd Street.

*Downtown District A TIF*– This fund is for the redevelopment of the various parcels of real property located in the Downtown Euclid business district.

**CITY OF EUCLID, OHIO  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2011**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
<b>ASSETS:</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 943,462	\$ 1,006,113	\$ 1,949,575
Materials and Supplies Inventory	92,279	0	92,279
Accounts Receivable	12,104	32,097	44,201
Intergovernmental Receivable	894,985	9,981	904,966
Prepaid Items	3,500	0	3,500
Property Taxes Receivable	361,804	194,818	556,622
Revenue in Lieu of Taxes Receivable	0	225,937	225,937
Assets Held for Resale	1,250,361	0	1,250,361
<i>Total Assets</i>	<u>\$ 3,558,495</u>	<u>\$ 1,468,946</u>	<u>\$ 5,027,441</u>
<b>LIABILITIES:</b>			
Accounts Payable	\$ 155,359	\$ 0	\$ 155,359
Accrued Wages and Benefits	95,372	2,293	97,665
Intergovernmental Payable	182,194	13,030	195,224
Interfund Payable	0	358,313	358,313
Deferred Revenue	906,257	462,833	1,369,090
<i>Total Liabilities</i>	<u>1,339,182</u>	<u>836,469</u>	<u>2,175,651</u>
<b>FUND BALANCES:</b>			
Nonspendable	95,779	0	95,779
Restricted	2,224,190	987,309	3,211,499
Unassigned (Deficit)	(100,656)	(354,832)	(455,488)
<i>Total Fund Balances</i>	<u>2,219,313</u>	<u>632,477</u>	<u>2,851,790</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 3,558,495</u>	<u>\$ 1,468,946</u>	<u>\$ 5,027,441</u>

**CITY OF EUCLID, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Special</u> <u>Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
<b>REVENUES:</b>			
Property Taxes	\$ 316,371	\$ 165,154	\$ 481,525
Payments in Lieu of Taxes	0	179,400	179,400
Special Assessments	0	39,810	39,810
Charges for Services	421,962	0	421,962
Fines and Forfeitures	219,968	0	219,968
Intergovernmental	4,343,831	16,610	4,360,441
Interest	343	116	459
Rent	90,990	0	90,990
Contributions and Donations	58,243	0	58,243
Other	412,763	538	413,301
<i>Total Revenues</i>	<u>5,864,471</u>	<u>401,628</u>	<u>6,266,099</u>
<b>EXPENDITURES:</b>			
<b>Current:</b>			
General Government	1,013,778	0	1,013,778
Security of Persons and Property	388,113	0	388,113
Leisure Time Services	1,048,061	0	1,048,061
Community and Economic Development	1,722,704	0	1,722,704
Transportation	1,906,637	0	1,906,637
Capital Outlay	0	435,654	435,654
<b>Debt Service:</b>			
Principal Retirements	24,112	52,677	76,789
Interest and Fiscal Charges	2,487	2,743	5,230
<i>Total Expenditures</i>	<u>6,105,892</u>	<u>491,074</u>	<u>6,596,966</u>
<i>Excess of Revenues Over(Under) Expenditures</i>	<u>(241,421)</u>	<u>(89,446)</u>	<u>(330,867)</u>
<b>OTHER FINANCING SOURCES AND USES:</b>			
Transfers In	297,300	0	297,300
Proceeds from Sale of Capital Assets	0	2,450	2,450
Insurance Recoveries	0	35,500	35,500
<i>Total Other Financing Sources and Uses</i>	<u>297,300</u>	<u>37,950</u>	<u>335,250</u>
<i>Net Change in Fund Balance</i>	55,879	(51,496)	4,383
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>2,163,434</u>	<u>683,973</u>	<u>2,847,407</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 2,219,313</u>	<u>\$ 632,477</u>	<u>\$ 2,851,790</u>



**CITY OF EUCLID, OHIO  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2011**

	<u>State Highway</u>	<u>Indigent Drivers Alcohol Treatment</u>	<u>Court Computerization</u>	<u>Court Special Projects</u>	<u>Animal Shelter</u>	<u>Indigent Drivers Interlock and Alcohol Monitoring</u>	<u>Street Maintenance &amp; Construction</u>
<b>ASSETS:</b>							
Equity in Pooled Cash and Cash Equivalents	\$ 13,097	\$ 110,921	\$ 73,384	\$ 136,363	\$ 6,566	\$ 13,232	\$ 139,771
Materials and Supplies Inventory	0	0	0	0	0	0	90,454
Accounts Receivable	0	669	4,603	6,561	0	0	0
Intergovernmental Receivable	55,978	0	0	0	0	0	709,729
Prepaid Items	0	0	0	0	0	0	0
Property Taxes Receivable	0	0	0	0	0	0	0
Assets Held for Resale	0	0	0	0	0	0	0
<i>Total Assets</i>	<u>\$ 69,075</u>	<u>\$ 111,590</u>	<u>\$ 77,987</u>	<u>\$ 142,924</u>	<u>\$ 6,566</u>	<u>\$ 13,232</u>	<u>\$ 939,954</u>
<b>LIABILITIES:</b>							
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 580	\$ 0	\$ 0	\$ 1,279
Accrued Wages and Benefits	0	0	692	3,405	2,336	0	39,820
Intergovernmental Payable	0	0	1,234	6,077	5,033	0	70,846
Deferred Revenue	39,444	0	0	0	0	0	486,472
<i>Total Liabilities</i>	<u>39,444</u>	<u>0</u>	<u>1,926</u>	<u>10,062</u>	<u>7,369</u>	<u>0</u>	<u>598,417</u>
<b>FUND BALANCES:</b>							
Nonspendable	0	0	0	0	0	0	90,454
Restricted	29,631	111,590	76,061	132,862	0	13,232	251,083
Unassigned (Deficit)	0	0	0	0	(803)	0	0
<i>Total Fund Balances</i>	<u>29,631</u>	<u>111,590</u>	<u>76,061</u>	<u>132,862</u>	<u>(803)</u>	<u>13,232</u>	<u>341,537</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 69,075</u>	<u>\$ 111,590</u>	<u>\$ 77,987</u>	<u>\$ 142,924</u>	<u>\$ 6,566</u>	<u>\$ 13,232</u>	<u>\$ 939,954</u>

**CITY OF EUCLID, OHIO  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2011  
(CONTINUED)**

	<u>Recreation Operating</u>	<u>Community Development Block Grant</u>	<u>Neighborhood Stabilization Program</u>	<u>Other Grants</u>	<u>Law Enforcement Trust</u>	<u>Total Nonmajor Special Revenue</u>
<b>ASSETS:</b>						
Equity in Pooled Cash and Cash Equivalents	\$ 29,011	\$ 864	\$ 77,600	\$ 117,868	\$ 224,785	\$ 943,462
Materials and Supplies Inventory	1,825	0	0	0	0	92,279
Accounts Receivable	0	0	0	271	0	12,104
Intergovernmental Receivable	18,537	0	0	110,741	0	894,985
Prepaid Items	3,500	0	0	0	0	3,500
Property Taxes Receivable	361,804	0	0	0	0	361,804
Assets Held for Resale	0	0	1,250,361	0	0	1,250,361
<i>Total Assets</i>	<u>\$ 414,677</u>	<u>\$ 864</u>	<u>\$ 1,327,961</u>	<u>\$ 228,880</u>	<u>\$ 224,785</u>	<u>\$ 3,558,495</u>
<b>LIABILITIES:</b>						
Accounts Payable	\$ 25,729	\$ 12,255	\$ 69,067	\$ 46,449	\$ 0	\$ 155,359
Accrued Wages and Benefits	13,699	17,484	2,021	15,296	619	95,372
Intergovernmental Payable	28,821	31,740	4,715	21,414	12,314	182,194
Deferred Revenue	380,341	0	0	0	0	906,257
<i>Total Liabilities</i>	<u>448,590</u>	<u>61,479</u>	<u>75,803</u>	<u>83,159</u>	<u>12,933</u>	<u>1,339,182</u>
<b>FUND BALANCES:</b>						
Nonspendable	5,325	0	0	0	0	95,779
Restricted	0	0	1,252,158	145,721	211,852	2,224,190
Unassigned (Deficit)	(39,238)	(60,615)	0	0	0	(100,656)
<i>Total Fund Balances</i>	<u>(33,913)</u>	<u>(60,615)</u>	<u>1,252,158</u>	<u>145,721</u>	<u>211,852</u>	<u>2,219,313</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 414,677</u>	<u>\$ 864</u>	<u>\$ 1,327,961</u>	<u>\$ 228,880</u>	<u>\$ 224,785</u>	<u>\$ 3,558,495</u>

**CITY OF EUCLID, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>State Highway</u>	<u>Indigent Drivers Alcohol Treatment</u>	<u>Court Computerization</u>	<u>Court Special Projects</u>	<u>Animal Shelter</u>	<u>Indigent Drivers Interlock and Alcohol Monitoring</u>	<u>Street Maintenance &amp; Construction</u>
<b>REVENUES:</b>							
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Charges for Services	0	0	0	0	25,856	0	0
Fines and Forfeitures	0	16,203	60,440	86,226	0	6,482	0
Intergovernmental	110,967	0	0	0	0	0	1,617,733
Interest	0	0	0	0	0	0	0
Rent	0	0	0	0	36,996	0	0
Contributions and Donations	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	253,783
<i>Total Revenues</i>	<u>110,967</u>	<u>16,203</u>	<u>60,440</u>	<u>86,226</u>	<u>62,852</u>	<u>6,482</u>	<u>1,871,516</u>
<b>EXPENDITURES:</b>							
<b>Current:</b>							
General Government	0	0	0	0	0	0	0
Security of Persons and Property	0	145	87,952	125,482	93,365	0	0
Leisure Time Services	0	0	0	0	0	0	0
Community and Economic Development	0	0	0	0	0	0	0
Transportation	88,646	0	0	0	0	0	1,817,991
<b>Debt Service:</b>							
Principal Retirements	0	0	0	0	0	0	7,011
Interest and Fiscal Charges	0	0	0	0	0	0	723
<i>Total Expenditures</i>	<u>88,646</u>	<u>145</u>	<u>87,952</u>	<u>125,482</u>	<u>93,365</u>	<u>0</u>	<u>1,825,725</u>
<i>Excess of Revenues Over(Under) Expenditures</i>	<u>22,321</u>	<u>16,058</u>	<u>(27,512)</u>	<u>(39,256)</u>	<u>(30,513)</u>	<u>6,482</u>	<u>45,791</u>
<b>OTHER FINANCING SOURCES AND USES:</b>							
Transfers In	0	0	0	0	35,300	0	0
<i>Net Change in Fund Balance</i>	22,321	16,058	(27,512)	(39,256)	4,787	6,482	45,791
<i>Fund Balance (Deficit) at Beginning of Year</i>	7,310	95,532	103,573	172,118	(5,590)	6,750	295,746
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 29,631</u>	<u>\$ 111,590</u>	<u>\$ 76,061</u>	<u>\$ 132,862</u>	<u>\$ (803)</u>	<u>\$ 13,232</u>	<u>\$ 341,537</u>

**CITY OF EUCLID, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**  
**(CONTINUED)**

	<u>Recreation Operating</u>	<u>Community Development Block Grant</u>	<u>Neighborhood Stabilization Program</u>	<u>Other Grants</u>	<u>Law Enforcement Trust</u>	<u>Total Nonmajor Special Revenue</u>
<b>REVENUES:</b>						
Property Taxes	\$ 316,371	\$ 0	\$ 0	\$ 0	\$ 0	\$ 316,371
Charges for Services	394,085	0	0	2,021	0	421,962
Fines and Forfeitures	0	0	0	50,617	0	219,968
Intergovernmental	30,848	927,351	835,858	749,991	71,083	4,343,831
Interest	0	0	0	0	343	343
Rent	53,994	0	0	0	0	90,990
Contributions and Donations	5,253	0	0	52,990	0	58,243
Other	451	0	106,629	51,900	0	412,763
<i>Total Revenues</i>	<u>801,002</u>	<u>927,351</u>	<u>942,487</u>	<u>907,519</u>	<u>71,426</u>	<u>5,864,471</u>
<b>EXPENDITURES:</b>						
<b>Current:</b>						
General Government	0	0	0	1,013,778	0	1,013,778
Security of Persons and Property	0	0	0	0	81,169	388,113
Leisure Time Services	1,048,061	0	0	0	0	1,048,061
Community and Economic Development	0	939,494	783,210	0	0	1,722,704
Transportation	0	0	0	0	0	1,906,637
<b>Debt Service:</b>						
Principal Retirements	17,101	0	0	0	0	24,112
Interest and Fiscal Charges	1,764	0	0	0	0	2,487
<i>Total Expenditures</i>	<u>1,066,926</u>	<u>939,494</u>	<u>783,210</u>	<u>1,013,778</u>	<u>81,169</u>	<u>6,105,892</u>
<i>Excess of Revenues Over(Under) Expenditures</i>	<u>(265,924)</u>	<u>(12,143)</u>	<u>159,277</u>	<u>(106,259)</u>	<u>(9,743)</u>	<u>(241,421)</u>
<b>OTHER FINANCING SOURCES AND USES:</b>						
Transfers In	262,000	0	0	0	0	297,300
<i>Net Change in Fund Balance</i>	(3,924)	(12,143)	159,277	(106,259)	(9,743)	55,879
<i>Fund Balance (Deficit) at Beginning of Year</i>	(29,989)	(48,472)	1,092,881	251,980	221,595	2,163,434
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ (33,913)</u>	<u>\$ (60,615)</u>	<u>\$ 1,252,158</u>	<u>\$ 145,721</u>	<u>\$ 211,852</u>	<u>\$ 2,219,313</u>

**CITY OF EUCLID, OHIO  
COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECT FUNDS  
DECEMBER 31, 2011**

	<u>Recreation Capital</u>	<u>Sidewalk Repair &amp; Replacement</u>	<u>Public Building Construction</u>	<u>Euclid Endowment</u>	<u>Sims Park</u>	<u>Bennington Hamlet</u>	<u>CMP Properties</u>	<u>Harbor Town TIF</u>	<u>Downtown District A TIF</u>	<u>Total Nonmajor Capital Projects</u>
<b>ASSETS:</b>										
Equity in Pooled Cash and Cash Equivalents	\$ 38,619	\$ 29,085	\$ 3,481	\$ 374,835	\$ 79,908	\$ 73,916	\$ 136,522	\$ 172,328	\$ 97,419	\$ 1,006,113
Accounts Receivable	32,097	0	0	0	0	0	0	0	0	32,097
Intergovernmental Receivable	9,981	0	0	0	0	0	0	0	0	9,981
Property Taxes Receivable	194,818	0	0	0	0	0	0	0	0	194,818
Revenue in Lieu of Taxes Receivable	0	0	0	0	0	33,896	57,132	83,948	50,961	225,937
<i>Total Assets</i>	<u>\$ 275,515</u>	<u>\$ 29,085</u>	<u>\$ 3,481</u>	<u>\$ 374,835</u>	<u>\$ 79,908</u>	<u>\$ 107,812</u>	<u>\$ 193,654</u>	<u>\$ 256,276</u>	<u>\$ 148,380</u>	<u>\$ 1,468,946</u>
<b>LIABILITIES:</b>										
Accrued Wages and Benefits	\$ 2,293	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,293
Intergovernmental Payable	4,199	0	0	8,831	0	0	0	0	0	13,030
Interfund Payable	0	0	358,313	0	0	0	0	0	0	358,313
Deferred Revenue	236,896	0	0	0	0	33,896	57,132	83,948	50,961	462,833
<i>Total Liabilities</i>	<u>243,388</u>	<u>0</u>	<u>358,313</u>	<u>8,831</u>	<u>0</u>	<u>33,896</u>	<u>57,132</u>	<u>83,948</u>	<u>50,961</u>	<u>836,469</u>
<b>FUND BALANCES:</b>										
Restricted	32,127	29,085	0	366,004	79,908	73,916	136,522	172,328	97,419	987,309
Unassigned (Deficit)	0	0	(354,832)	0	0	0	0	0	0	(354,832)
<i>Total Fund Balances</i>	<u>32,127</u>	<u>29,085</u>	<u>(354,832)</u>	<u>366,004</u>	<u>79,908</u>	<u>73,916</u>	<u>136,522</u>	<u>172,328</u>	<u>97,419</u>	<u>632,477</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 275,515</u>	<u>\$ 29,085</u>	<u>\$ 3,481</u>	<u>\$ 374,835</u>	<u>\$ 79,908</u>	<u>\$ 107,812</u>	<u>\$ 193,654</u>	<u>\$ 256,276</u>	<u>\$ 148,380</u>	<u>\$ 1,468,946</u>

**CITY OF EUCLID, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NONMAJOR CAPITAL PROJECT FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Recreation</u> <u>Capital</u>	<u>Sidewalk</u> <u>Repair &amp;</u> <u>Replacement</u>	<u>Public Building</u> <u>Construction</u>	<u>Euclid</u> <u>Endowment</u>	<u>Sims Park</u>	<u>Bennington</u> <u>Hamlet</u>	<u>CMP Properties</u>	<u>Harbor Town</u> <u>TIF</u>	<u>Downtown</u> <u>District A TIF</u>	<u>Total Nonmajor</u> <u>Capital Projects</u>
<b>REVENUES:</b>										
Property Taxes	\$ 165,154	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 165,154
Payments in Lieu of Taxes	0	0	0	0	0	28,783	57,132	41,974	51,511	179,400
Special Assessments	0	0	0	0	0	0	0	39,810	0	39,810
Intergovernmental	16,610	0	0	0	0	0	0	0	0	16,610
Interest	0	0	0	116	0	0	0	0	0	116
Other	250	0	0	288	0	0	0	0	0	538
<i>Total Revenues</i>	<u>182,014</u>	<u>0</u>	<u>0</u>	<u>404</u>	<u>0</u>	<u>28,783</u>	<u>57,132</u>	<u>81,784</u>	<u>51,511</u>	<u>401,628</u>
<b>EXPENDITURES:</b>										
Capital Outlay	188,791	0	299	123,024	0	62,167	2,722	53,420	5,231	435,654
<b>Debt Service:</b>										
Principal Retirements	52,677	0	0	0	0	0	0	0	0	52,677
Interest and Fiscal Charges	2,743	0	0	0	0	0	0	0	0	2,743
<i>Total Expenditures</i>	<u>244,211</u>	<u>0</u>	<u>299</u>	<u>123,024</u>	<u>0</u>	<u>62,167</u>	<u>2,722</u>	<u>53,420</u>	<u>5,231</u>	<u>491,074</u>
<i>Excess of Revenues Over(Under) Expenditures</i>	<u>(62,197)</u>	<u>0</u>	<u>(299)</u>	<u>(122,620)</u>	<u>0</u>	<u>(33,384)</u>	<u>54,410</u>	<u>28,364</u>	<u>46,280</u>	<u>(89,446)</u>
<b>OTHER FINANCING SOURCES AND USES:</b>										
Proceeds from Sale of Capital Assets	0	0	0	2,450	0	0	0	0	0	2,450
Insurance Recoveries	35,500	0	0	0	0	0	0	0	0	35,500
<i>Total Other Financing Sources and Uses</i>	<u>35,500</u>	<u>0</u>	<u>0</u>	<u>2,450</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>37,950</u>
<i>Net Change in Fund Balance</i>	(26,697)	0	(299)	(120,170)	0	(33,384)	54,410	28,364	46,280	(51,496)
<i>Fund Balance (Deficit) at Beginning of Year</i>	58,824	29,085	(354,533)	486,174	79,908	107,300	82,112	143,964	51,139	683,973
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 32,127</u>	<u>\$ 29,085</u>	<u>\$ (354,832)</u>	<u>\$ 366,004</u>	<u>\$ 79,908</u>	<u>\$ 73,916</u>	<u>\$ 136,522</u>	<u>\$ 172,328</u>	<u>\$ 97,419</u>	<u>\$ 632,477</u>

**CITY OF EUCLID, OHIO**  
**COMBINING STATEMENT – NONMAJOR FUNDS**

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**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 has no trust funds. 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 Fund* - 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, 2011**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<b>Municipal Court</b>				
ASSETS:				
Equity in Pooled Cash and Cash Equivalents	\$ 126,758	\$ 4,416,002	\$ 4,408,848	\$ 133,912
LIABILITIES:				
Deposits Held and Due to Others	\$ 126,758	\$ 4,416,002	\$ 4,408,848	\$ 133,912
<b>Employee Flex Spending</b>				
ASSETS:				
Equity in Pooled Cash and Cash Equivalents	25,729	233,882	232,445	27,166
LIABILITIES:				
Deposits Held and Due to Others	25,729	233,882	232,445	27,166
<b>Retirees - Insurance Payments</b>				
ASSETS:				
Equity in Pooled Cash and Cash Equivalents	5,191	22,438	20,657	6,972
LIABILITIES:				
Deposits Held and Due to Others	5,191	22,438	20,657	6,972
<b>Building Deposits</b>				
ASSETS:				
Equity in Pooled Cash and Cash Equivalents	72,895	39,387	10,000	102,282
LIABILITIES:				
Deposits Held and Due to Others	72,895	39,387	10,000	102,282
<b>Street Opening</b>				
ASSETS:				
Equity in Pooled Cash and Cash Equivalents	48,475	9,000	0	57,475
LIABILITIES:				
Deposits Held and Due to Others	48,475	9,000	0	57,475
<b>Revolving</b>				
ASSETS:				
Equity in Pooled Cash and Cash Equivalents	444,694	29,280,551	29,096,354	628,891
LIABILITIES:				
Deposits Held and Due to Others	444,694	29,280,551	29,096,354	628,891
<b>Temporary Suspense</b>				
ASSETS:				
Equity in Pooled Cash and Cash Equivalents	33,055	75,955	89,956	19,054
LIABILITIES:				
Deposits Held and Due to Others	33,055	75,955	89,956	19,054
<b>Totals</b>				
ASSETS:				
Equity in Pooled Cash and Cash Equivalents	\$ 756,797	\$ 34,077,215	\$ 33,858,260	\$ 975,752
LIABILITIES:				
Deposits Held and Due to Others	\$ 756,797	34,077,215	33,858,260	\$ 975,752

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

**CITY OF EUCLID, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>			
Property Taxes	\$ 2,086,744	\$ 1,676,899	\$ (409,845)
Income Taxes	22,216,065	22,739,645	523,580
Special Assessments	885,000	910,404	25,404
Charges for Services	5,624,660	5,648,732	24,072
Licenses and Permits	156,034	180,020	23,986
Fines and Forfeitures	1,657,571	1,395,202	(262,369)
Intergovernmental	4,721,842	4,070,018	(651,824)
Interest	180,000	67,766	(112,234)
Rent	47,000	98,267	51,267
Contributions and Donations	100	1,000	900
Other	678,242	661,664	(16,578)
<b>Total Revenues</b>	<b>38,253,258</b>	<b>37,449,617</b>	<b>(803,641)</b>
<b>EXPENDITURES:</b>			
<b>Current:</b>			
General Government			
Legislative			
Personal Services	159,797	156,884	2,913
Materials and Supplies	2,607	1,351	1,256
Other	147	76	71
<b>Total - Legislative</b>	<b>162,551</b>	<b>158,311</b>	<b>4,240</b>
Judicial			
Personal Services	795,023	727,936	67,087
Contractual Services	30,622	25,981	4,641
Materials and Supplies	69,271	50,869	18,402
Other	2,543	1,867	676
<b>Total - Judicial</b>	<b>897,459</b>	<b>806,653</b>	<b>90,806</b>
Executive			
Personal Services	265,189	265,120	69
Materials and Supplies	4,196	2,737	1,459
Other	144	94	50
<b>Total - Executive</b>	<b>269,529</b>	<b>267,951</b>	<b>1,578</b>
Finance			
Personal Services	880,338	802,029	78,309
Contractual Services	67,676	63,810	3,866
Materials and Supplies	76,753	68,898	7,855
Capital Outlay	1,912	1,716	196
Other	50,205	47,136	3,069
<b>Total - Finance</b>	<b>1,076,884</b>	<b>983,589</b>	<b>93,295</b>
Law			
Personal Services	512,333	501,635	10,698
Contractual Services	73,730	69,538	4,192
Materials and Supplies	24,940	23,522	1,418
Other	3,732	3,520	212
<b>Total - Law</b>	<b>614,735</b>	<b>598,215</b>	<b>16,520</b>

**CITY OF EUCLID, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**  
**(CONTINUED)**

<b>Buildings</b>			
Personal Services	1,345,634	1,305,553	40,081
Contractual Services	145,981	130,615	15,366
Materials and Supplies	612,653	554,378	58,275
Capital Outlay	5,773	5,225	548
Other	4,271	3,866	405
<b>Total - Buildings</b>	<b>2,114,312</b>	<b>1,999,637</b>	<b>114,675</b>
<b>Administration</b>			
Personal Services	324,540	287,341	37,199
Contractual Services	157,972	143,097	14,875
Materials and Supplies	12,929	12,882	47
Other	2,425	2,153	272
<b>Total - Administration</b>	<b>497,866</b>	<b>445,473</b>	<b>52,393</b>
<b>Other Department</b>			
Personal Services	4,618,654	4,356,956	261,698
Contractual Services	281,009	252,600	28,409
Materials and Supplies	1,865,806	1,677,243	188,563
Capital Outlay	6,367	5,729	638
Other	382,633	342,226	40,407
<b>Total - Other Department</b>	<b>7,154,469</b>	<b>6,634,754</b>	<b>519,715</b>
<b>Total - General Government</b>	<b>12,787,805</b>	<b>11,894,583</b>	<b>893,222</b>
<b>Security of Persons and Property</b>			
<b>Police</b>			
Personal Services	11,327,920	11,088,283	239,637
Contractual Services	129,569	123,221	6,348
Materials and Supplies	89,090	86,552	2,538
Capital Outlay	5,057	4,809	248
Other	37,404	35,572	1,832
<b>Total - Police</b>	<b>11,589,040</b>	<b>11,338,437</b>	<b>250,603</b>
<b>Fire</b>			
Personal Services	7,746,075	7,682,223	63,852
Contractual Services	12,530	10,948	1,582
Materials and Supplies	41,253	38,200	3,053
Capital Outlay	3,052	1,518	1,534
Other	3,914	3,716	198
<b>Total - Fire</b>	<b>7,806,824</b>	<b>7,736,605</b>	<b>70,219</b>
<b>Corrections</b>			
Personal Services	1,425,865	1,361,341	64,524
Contractual Services	157,096	111,302	45,794
Materials and Supplies	246,613	174,948	71,665
Capital Outlay	4,376	3,105	1,271
Other	946	671	275
<b>Total - Corrections</b>	<b>1,834,896</b>	<b>1,651,367</b>	<b>183,529</b>
<b>Total - Security of Persons and Property</b>	<b>21,230,760</b>	<b>20,726,409</b>	<b>504,351</b>

**CITY OF EUCLID, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**  
**(CONTINUED)**

Sanitation			
Contractual Services	2,091,277	2,022,528	68,749
Other	3,360	3,250	110
Total - Sanitation	<u>2,094,637</u>	<u>2,025,778</u>	<u>68,859</u>
Public Health			
Personal Services	41,147	40,809	338
Contractual Services	198,874	195,053	3,821
Materials and Supplies	558	547	11
Other	43,321	42,489	832
Total - Public Health	<u>283,900</u>	<u>278,898</u>	<u>5,002</u>
Leisure Time Services			
Personal Services	361,758	359,365	2,393
Contractual Services	19,201	15,402	3,799
Materials and Supplies	13,017	9,606	3,411
Total - Leisure Time Services	<u>393,976</u>	<u>384,373</u>	<u>9,603</u>
Community and Economic Development			
Unclaimed Monies			
Other	2,000	535	1,465
Total - Unclaimed Monies	<u>2,000</u>	<u>535</u>	<u>1,465</u>
Protective Inspection			
Personal Services	663,088	643,054	20,034
Contractual Services	80,025	67,906	12,119
Materials and Supplies	12,919	10,944	1,975
Other	32,587	27,604	4,983
Total - Protective Inspection	<u>788,619</u>	<u>749,508</u>	<u>39,111</u>
Community Service and Economic Development			
Personal Services	120,650	117,056	3,594
Materials and Supplies	2,935	1,819	1,116
Other	517	321	196
Total - Community Service and Economic Development	<u>124,102</u>	<u>119,196</u>	<u>4,906</u>
Economic Opportunity			
Personal Services	210,851	188,866	21,985
Contractual Services	10,694	6,285	4,409
Materials and Supplies	30,946	30,884	62
Total - Economic Opportunity	<u>252,491</u>	<u>226,035</u>	<u>26,456</u>
Total - Community and Economic Development	<u>1,167,212</u>	<u>1,095,274</u>	<u>71,938</u>

**CITY OF EUCLID, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**  
**(CONTINUED)**

Debt Service			
Principal Retirement	1,065,000	210,000	(855,000)
Interest and Fiscal Charges	120,468	71,494	48,974
Bond Issuance Costs	0	17,250	(17,250)
Advance Refund Escrow	0	7,363	(7,363)
Total - Debt Service	<u>1,185,468</u>	<u>306,107</u>	<u>(830,639)</u>
Total Expenditures	<u>39,143,758</u>	<u>36,711,422</u>	<u>2,432,336</u>
Excess of Revenues Over(Under) Expenditures	<u>(890,500)</u>	<u>738,195</u>	<u>1,628,695</u>
OTHER FINANCING SOURCES AND USES:			
Transfers In	140,000	140,000	0
Refunding Bonds Issued	850,000	1,015,000	165,000
Proceeds from Sale of Capital Assets	500	930	430
Advances In	0	850,000	850,000
Transfers Out	(1,061,985)	(1,061,985)	0
Advances Out	0	(885,000)	(885,000)
Payment to Refunded Bond Escrow Agent	0	(997,750)	(997,750)
Total Other Financing Sources and Uses	<u>(71,485)</u>	<u>(938,805)</u>	<u>(867,320)</u>
Net Change in Fund Balance	(961,985)	(200,610)	761,375
Fund Balance (Deficit) at Beginning of Year	2,777,636	2,777,636	0
Prior Year Encumbrances Appropriated	37,509	37,509	0
Fund Balance (Deficit) at End of Year	<u>\$ 1,853,160</u>	<u>\$ 2,614,535</u>	<u>\$ 761,375</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, 2011**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>			
Property Taxes	\$ 287,332	\$ 226,278	\$ (61,054)
Special Assessments	500	51	(449)
Intergovernmental	23,025	23,729	704
Interest	0	15	15
Contributions and Donations	33,285	1,548,043	1,514,758
Other	150	3,187	3,037
Total Revenues	<u>344,292</u>	<u>1,801,303</u>	<u>1,457,011</u>
<b>EXPENDITURES:</b>			
Capital Outlay			
Contractual Services	493,556	486,756	6,800
Materials and Supplies	44,950	25,378	19,572
Capital Outlay	5,311,002	4,561,095	749,907
Other	47,731	26,948	20,783
Total Expenditures	<u>5,897,239</u>	<u>5,100,177</u>	<u>797,062</u>
Excess of Revenues Over(Under) Expenditures	<u>(5,552,947)</u>	<u>(3,298,874)</u>	<u>2,254,073</u>
<b>OTHER FINANCING SOURCES AND USES:</b>			
Notes Issued	3,866,961	3,415,000	(451,961)
Proceeds from Sale of Capital Assets	75,000	58,648	(16,352)
Total Other Financing Sources and Uses	<u>3,941,961</u>	<u>3,473,648</u>	<u>(468,313)</u>
Net Change in Fund Balance	(1,610,986)	174,774	1,785,760
Fund Balance (Deficit) at Beginning of Year	1,586,688	1,586,688	0
Prior Year Encumbrances Appropriated	536,324	536,324	0
Fund Balance (Deficit) at End of Year	<u>\$ 512,026</u>	<u>\$ 2,297,786</u>	<u>\$ 1,785,760</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, 2011**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>			
Property Taxes	\$ 2,601,026	\$ 2,629,552	\$ 28,526
Special Assessments	80,000	141,789	61,789
Intergovernmental	350,714	361,509	10,795
Interest	84,388	46,654	(37,734)
Rent	35,350	39,375	4,025
Other	2,376	51,259	48,883
<b>Total Revenues</b>	<u>3,153,854</u>	<u>3,270,138</u>	<u>116,284</u>
<b>EXPENDITURES:</b>			
<b>Current:</b>			
General Government			
Personal Services	61,022	45,126	15,896
Contractual Services	10,868	10,860	8
Other	79,194	79,027	167
<b>Total - General Government</b>	<u>151,084</u>	<u>135,013</u>	<u>16,071</u>
<b>Debt Service:</b>			
Principal Retirement	6,813,825	6,799,519	14,306
Interest and Fiscal Charges	1,101,591	982,663	118,928
Bond Issuance Costs	16,698	136,528	(119,830)
Advance Refund Escrow	0	116,615	(116,615)
<b>Total - Debt Service</b>	<u>7,932,114</u>	<u>8,035,325</u>	<u>(103,211)</u>
<b>Total Expenditures</b>	<u>8,083,198</u>	<u>8,170,338</u>	<u>(87,140)</u>
<b>Excess of Revenues Over(Under) Expenditures</b>	<u>(4,929,344)</u>	<u>(4,900,200)</u>	<u>29,144</u>
<b>OTHER FINANCING SOURCES AND USES:</b>			
General Obligation Bonds Issued	4,568,424	4,316,000	(252,424)
Refunding Bonds Issued	0	4,467,000	4,467,000
Premium on Debt Issued	0	138,681	138,681
Advances In	0	885,000	885,000
Advances Out	0	(850,000)	(850,000)
Discount on Debt Issued	0	(25,287)	(25,287)
Payment to Refunded Bond Escrow Agent	0	(4,470,466)	(4,470,466)
<b>Total Other Financing Sources and Uses</b>	<u>4,568,424</u>	<u>4,460,928</u>	<u>(107,496)</u>
<b>Net Change in Fund Balance</b>	(360,920)	(439,272)	(78,208)
<b>Fund Balance (Deficit) at Beginning of Year</b>	<u>1,441,602</u>	<u>1,441,602</u>	<u>0</u>
<b>Fund Balance (Deficit) at End of Year</b>	<u>\$ 1,080,682</u>	<u>\$ 1,002,330</u>	<u>\$ (78,208)</u>

**CITY OF EUCLID, OHIO**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY -**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**WASTE WATER TREATMENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>			
Charges for Services	\$ 10,403,031	\$ 10,931,709	\$ 528,678
Tap-In Fees	16,201	35,712	19,511
Other	50,000	367	(49,633)
Interest	51	23	(28)
Property Taxes	0	11,475	11,475
Total Revenues	<u>10,469,283</u>	<u>10,979,286</u>	<u>510,003</u>
<b>EXPENSES:</b>			
Personal Services	4,354,881	4,188,172	166,709
Contractual Services	2,505,800	2,401,700	104,100
Materials and Supplies	2,779,112	2,384,749	394,363
Claims	165,688	150,000	15,688
Capital Outlay	505,304	282,284	223,020
Other	48,260	43,690	4,570
Debt Service:			
Principal Retirement	3,169,222	2,814,449	354,773
Interest and Fiscal Charges	393,625	350,236	43,389
Bond Issuance Costs	0	16,558	(16,558)
Total Expenses	<u>13,921,892</u>	<u>12,631,838</u>	<u>1,290,054</u>
Excess of Revenue Over(Under) Expenses	<u>(3,452,609)</u>	<u>(1,652,552)</u>	<u>1,800,057</u>
<b>OTHER FINANCING SOURCES AND USES:</b>			
General Obligation Bonds Issued	740,000	748,000	8,000
Proceeds from OPWC Loans	377,974	184,451	(193,523)
Premium on Debt Issued	0	7,558	7,558
Transfers In	570,000	570,000	0
Total Other Financing Sources and Uses	<u>1,687,974</u>	<u>1,510,009</u>	<u>(177,965)</u>
Net Change in Fund Equity	(1,764,635)	(142,543)	1,622,092
Fund Equity (Deficit) at Beginning of Year	1,960,658	1,960,658	0
Prior Year Encumbrances Appropriated	547,005	547,005	0
Fund Equity (Deficit) at End of Year	<u>\$ 743,028</u>	<u>\$ 2,365,120</u>	<u>\$ 1,622,092</u>

**CITY OF EUCLID, OHIO**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY -**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**WATER LINE IMPROVEMENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>			
Charges for Services	\$ 1,450,000	\$ 1,690,144	\$ 240,144
Other	688,000	482,926	(205,074)
Interest	500	225	(275)
Total Revenues	<u>2,138,500</u>	<u>2,173,295</u>	<u>34,795</u>
<b>EXPENSES:</b>			
Contractual Services	1,025,243	625,007	400,236
Capital Outlay	4,533,168	4,196,941	336,227
<b>Debt Service:</b>			
Principal Retirement	7,123,296	9,206,380	(2,083,084)
Interest and Fiscal Charges	349,676	395,079	(45,403)
Bond Issuance Costs	0	173,822	(173,822)
Total Expenses	<u>13,031,383</u>	<u>14,597,229</u>	<u>(1,565,846)</u>
Excess of Revenue Over(Under) Expenses	<u>(10,892,883)</u>	<u>(12,423,934)</u>	<u>(1,531,051)</u>
<b>OTHER FINANCING SOURCES AND USES</b>			
Capital Grants and Contributions	891,047	891,047	0
General Obligation Bonds Issued	6,300,000	6,376,000	76,000
Refunding Bonds Issued	0	2,488,000	2,488,000
Proceeds from OPWC Loans	1,384,971	879,760	(505,211)
Premium on Debt Issued	0	109,500	109,500
Total Other Finance Sources and Uses	<u>8,576,018</u>	<u>10,744,307</u>	<u>2,168,289</u>
Net Change in Fund Equity	(2,316,865)	(1,679,627)	637,238
Fund Equity (Deficit) at Beginning of Year	1,592,447	1,592,447	0
Prior Year Encumbrances Appropriated	1,136,267	1,136,267	0
Fund Equity (Deficit) at End of Year	<u>\$ 411,849</u>	<u>\$ 1,049,087</u>	<u>\$ 637,238</u>

**CITY OF EUCLID, OHIO**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY -**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**BRIARDALE GREENS GOLF COURSE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
EXPENSES:			
Personal Services	\$ 18,000	\$ 15,906	\$ 2,094
Total Expenses	<u>18,000</u>	<u>15,906</u>	<u>2,094</u>
 Change in Fund Equity	 (18,000)	 (15,906)	 2,094
 Fund Equity (Deficit) at Beginning of Year	 <u>18,718</u>	 <u>18,718</u>	 <u>0</u>
Fund Equity (Deficit) at End of Year	<u>\$ 718</u>	<u>\$ 2,812</u>	<u>\$ 2,094</u>

**CITY OF EUCLID, OHIO**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY -**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**SELF INSURANCE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>			
Charges for Services	\$ 250,000	\$ 250,000	\$ 0
Total Revenues	<u>250,000</u>	<u>250,000</u>	<u>0</u>
<b>EXPENSES:</b>			
Contractual Services	59,574	40,734	18,840
Claims	<u>219,426</u>	<u>150,034</u>	<u>69,392</u>
Total Expenses	<u>279,000</u>	<u>190,768</u>	<u>88,232</u>
Change in Fund Equity	(29,000)	59,232	88,232
Fund Equity (Deficit) at Beginning of Year	<u>59,787</u>	<u>59,787</u>	<u>0</u>
Fund Equity (Deficit) at End of Year	<u>\$ 30,787</u>	<u>\$ 119,019</u>	<u>\$ 88,232</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, 2011**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>			
Intergovernmental	\$ 113,280	\$ 111,956	\$ (1,324)
Total Revenues	<u>113,280</u>	<u>111,956</u>	<u>(1,324)</u>
<b>EXPENDITURES:</b>			
Current:			
Transportation			
Materials and Supplies	111,508	108,326	3,182
Total Expenditures	<u>111,508</u>	<u>108,326</u>	<u>3,182</u>
Net Change in Fund Balance	1,772	3,630	1,858
Fund Balance (Deficit) at Beginning of Year	9,467	9,467	0
Fund Balance (Deficit) at End of Year	<u>\$ 11,239</u>	<u>\$ 13,097</u>	<u>\$ 1,858</u>

**CITY OF EUCLID, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**INDIGENT DRIVERS ALCOHOL TREATMENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>			
Fines and Forfeitures	\$ 17,965	\$ 16,408	\$ (1,557)
Total Revenues	<u>17,965</u>	<u>16,408</u>	<u>(1,557)</u>
<b>EXPENDITURES:</b>			
Current:			
Security of Persons and Property			
Contractual Services	<u>31,331</u>	<u>145</u>	<u>31,186</u>
Total Expenditures	<u>31,331</u>	<u>145</u>	<u>31,186</u>
Net Change in Fund Balance	(13,366)	16,263	29,629
Fund Balance (Deficit) at Beginning of Year	<u>94,658</u>	<u>94,658</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ 81,292</u>	<u>\$ 110,921</u>	<u>\$ 29,629</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, 2011**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>			
Fines and Forfeitures	\$ 77,212	\$ 60,456	\$ (16,756)
Total Revenues	<u>77,212</u>	<u>60,456</u>	<u>(16,756)</u>
<b>EXPENDITURES:</b>			
Current:			
Security of Persons and Property			
Personal Services	40,144	25,801	14,343
Contractual Services	35,673	28,226	7,447
Materials and Supplies	8,056	6,374	1,682
Capital Outlay	32,407	25,642	6,765
Total Expenditures	<u>116,280</u>	<u>86,043</u>	<u>30,237</u>
Net Change in Fund Balance	(39,068)	(25,587)	13,481
Fund Balance (Deficit) at Beginning of Year	98,971	98,971	0
Fund Balance (Deficit) at End of Year	<u>\$ 59,903</u>	<u>\$ 73,384</u>	<u>\$ 13,481</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, 2011**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with</u> <u>Final Budget</u>
<b>REVENUES:</b>			
Fines and Forfeitures	\$ 120,381	\$ 86,220	\$ (34,161)
Total Revenues	<u>120,381</u>	<u>86,220</u>	<u>(34,161)</u>
<b>EXPENDITURES:</b>			
Current:			
Security of Persons and Property			
Personal Services	116,445	109,516	6,929
Contractual Services	517	500	17
Materials and Supplies	8,188	7,925	263
Capital Outlay	4,805	4,650	155
Other	928	898	30
Total Expenditures	<u>130,883</u>	<u>123,489</u>	<u>7,394</u>
Net Change in Fund Balance	(10,502)	(37,269)	(26,767)
Fund Balance (Deficit) at Beginning of Year	173,632	173,632	0
Fund Balance (Deficit) at End of Year	<u>\$ 163,130</u>	<u>\$ 136,363</u>	<u>\$ (26,767)</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, 2011**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>			
Charges for Services	\$ 23,934	\$ 25,856	\$ 1,922
Rent	36,996	36,996	0
Total Revenues	<u>60,930</u>	<u>62,852</u>	<u>1,922</u>
<b>EXPENDITURES:</b>			
Current:			
Security of Persons and Property			
Personal Services	81,396	78,342	3,054
Contractual Services	4,048	4,042	6
Materials and Supplies	2,897	2,653	244
Other	7,673	6,956	717
Total Expenditures	<u>96,014</u>	<u>91,993</u>	<u>4,021</u>
Excess of Revenues Over(Under) Expenditures	<u>(35,084)</u>	<u>(29,141)</u>	<u>5,943</u>
<b>OTHER FINANCING SOURCES AND USES:</b>			
Transfers In	35,300	35,300	0
Total Other Financing Sources and Uses	<u>35,300</u>	<u>35,300</u>	<u>0</u>
Net Change in Fund Balance	216	6,159	5,943
Fund Balance (Deficit) at Beginning of Year	7	7	0
Fund Balance (Deficit) at End of Year	<u>\$ 223</u>	<u>\$ 6,166</u>	<u>\$ 5,943</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, 2011**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>			
Special Assessments	\$ 135,195	\$ 131,140	\$ (4,055)
Charges for Services	35,000	24,258	(10,742)
Total Revenues	<u>170,195</u>	<u>155,398</u>	<u>(14,797)</u>
<b>EXPENDITURES:</b>			
Current:			
Community and Economic Development			
Contractual Services	68,503	63,557	4,946
Materials and Supplies	1,497	1,375	122
Total Expenditures	<u>70,000</u>	<u>64,932</u>	<u>5,068</u>
Excess of Revenues Over(Under) Expenditures	<u>100,195</u>	<u>90,466</u>	<u>(9,729)</u>
<b>OTHER FINANCING SOURCES AND USES:</b>			
Transfers Out	(140,000)	(140,000)	0
Total Other Financing Sources and Uses	<u>(140,000)</u>	<u>(140,000)</u>	<u>0</u>
Net Change in Fund Balance	(39,805)	(49,534)	(9,729)
Fund Balance (Deficit) at Beginning of Year	<u>93,191</u>	<u>93,191</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ 53,386</u>	<u>\$ 43,657</u>	<u>\$ (9,729)</u>

**CITY OF EUCLID, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**INDIGENT DRIVERS INTERLOCK AND ALCOHOL MONITORING FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>			
Fines and Forfeitures	\$ 5,000	\$ 6,785	\$ 1,785
Total Revenues	<u>5,000</u>	<u>6,785</u>	<u>1,785</u>
<b>EXPENDITURES:</b>			
Current:			
Security of Persons and Property			
Other	1,795	0	1,795
Total Expenditures	<u>1,795</u>	<u>0</u>	<u>1,795</u>
Net Change in Fund Balance	3,205	6,785	3,580
Fund Balance (Deficit) at Beginning of Year	<u>6,447</u>	<u>6,447</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ 9,652</u>	<u>\$ 13,232</u>	<u>\$ 3,580</u>

**CITY OF EUCLID, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**STREET MAINTENANCE AND CONSTRUCTION FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>			
Intergovernmental	\$ 1,657,145	\$ 1,630,367	\$ (26,778)
Other	183,000	253,783	70,783
Total Revenues	<u>1,840,145</u>	<u>1,884,150</u>	<u>44,005</u>
<b>EXPENDITURES:</b>			
Current:			
Transportation			
Personal Services	1,397,506	1,371,939	25,567
Contractual Services	83,046	82,401	645
Materials and Supplies	517,438	483,416	34,022
Other	27	25	2
Total Expenditures	<u>1,998,017</u>	<u>1,937,781</u>	<u>60,236</u>
Net Change in Fund Balance	(157,872)	(53,631)	104,241
Fund Balance (Deficit) at Beginning of Year	134,213	134,213	0
Prior Year Encumbrances Appropriated	24,611	24,611	0
Fund Balance (Deficit) at End of Year	<u>\$ 952</u>	<u>\$ 105,193</u>	<u>\$ 104,241</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, 2011**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>			
Charges for Services	\$ 700	\$ 525	\$ (175)
Contributions and Donations	1,000	120	(880)
Total Revenues	<u>1,700</u>	<u>645</u>	<u>(1,055)</u>
<b>EXPENDITURES:</b>			
<b>Current:</b>			
Community and Economic Development			
Personal Services	62,795	61,573	1,222
Contractual Services	4,295	777	3,518
Materials and Supplies	3,205	580	2,625
Total Expenditures	<u>70,295</u>	<u>62,930</u>	<u>7,365</u>
Excess of Revenues Over(Under) Expenditures	<u>(68,595)</u>	<u>(62,285)</u>	<u>6,310</u>
<b>OTHER FINANCING SOURCES AND USES:</b>			
Transfers In	60,000	60,000	0
Total Other Financing Sources and Uses	<u>60,000</u>	<u>60,000</u>	<u>0</u>
Net Change in Fund Balance	(8,595)	(2,285)	6,310
Fund Balance (Deficit) at Beginning of Year	11,168	11,168	0
Fund Balance (Deficit) at End of Year	<u>\$ 2,573</u>	<u>\$ 8,883</u>	<u>\$ 6,310</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, 2011**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>			
Property Taxes	\$ 395,436	\$ 316,371	\$ (79,065)
Charges for Services	407,500	394,085	(13,415)
Intergovernmental	29,934	30,848	914
Rent	54,970	53,994	(976)
Contributions and Donations	4,000	5,253	1,253
Other	0	451	451
Total Revenues	<u>891,840</u>	<u>801,002</u>	<u>(90,838)</u>
<b>EXPENDITURES:</b>			
<b>Current:</b>			
Leisure Time Services			
Personal Services	702,225	669,849	32,376
Contractual Services	71,478	60,293	11,185
Materials and Supplies	357,251	301,612	55,639
Other	24,225	20,378	3,847
Total Expenditures	<u>1,155,179</u>	<u>1,052,132</u>	<u>103,047</u>
Excess of Revenues Over(Under) Expenditures	<u>(263,339)</u>	<u>(251,130)</u>	<u>12,209</u>
<b>OTHER FINANCING SOURCES AND USES:</b>			
Transfers In	<u>262,000</u>	<u>262,000</u>	<u>0</u>
Total Other Financing Sources and Uses	<u>262,000</u>	<u>262,000</u>	<u>0</u>
Net Change in Fund Balance	(1,339)	10,870	12,209
Fund Balance (Deficit) at Beginning of Year	<u>16,858</u>	<u>16,858</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ 15,519</u>	<u>\$ 27,728</u>	<u>\$ 12,209</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, 2011**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with</u> <u>Final Budget</u>
<b>REVENUES:</b>			
Intergovernmental	\$ 1,934,500	\$ 927,351	\$ (1,007,149)
Total Revenues	<u>1,934,500</u>	<u>927,351</u>	<u>(1,007,149)</u>
<b>EXPENDITURES:</b>			
Current:			
Community and Economic Development			
Personal Services	811,071	718,064	93,007
Contractual Services	391,223	118,985	272,238
Materials and Supplies	201,052	61,147	139,905
Capital Outlay	6,576	2,000	4,576
Other	89,285	27,155	62,130
Total Expenditures	<u>1,499,207</u>	<u>927,351</u>	<u>571,856</u>
Net Change in Fund Balance	435,293	0	(435,293)
Fund Balance (Deficit) at Beginning of Year	864	864	0
Fund Balance (Deficit) at End of Year	<u>\$ 436,157</u>	<u>\$ 864</u>	<u>\$ (435,293)</u>

**CITY OF EUCLID, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**NEIGHBORHOOD STABILIZATION PROGRAM FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with</u> <u>Final Budget</u>
<b>REVENUES:</b>			
Intergovernmental	\$ 2,091,230	\$ 862,124	\$ (1,229,106)
Other	2,746,500	106,629	(2,639,871)
Total Revenues	<u>4,837,730</u>	<u>968,753</u>	<u>(3,868,977)</u>
<b>EXPENDITURES:</b>			
Current:			
Community and Economic Development			
Personal Services	175,232	69,742	105,490
Contractual Services	747,295	135,285	612,010
Capital Outlay	3,644,970	659,859	2,985,111
Other	295,573	53,508	242,065
Total Expenditures	<u>4,863,070</u>	<u>918,394</u>	<u>3,944,676</u>
Net Change in Fund Balance	(25,340)	50,359	75,699
Fund Balance (Deficit) at Beginning of Year	27,241	27,241	0
Fund Balance (Deficit) at End of Year	<u>\$ 1,901</u>	<u>\$ 77,600</u>	<u>\$ 75,699</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, 2011**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>			
Charges for Services	\$ 0	\$ 2,021	\$ 2,021
Fines and Forfeitures	2,500	50,346	47,846
Intergovernmental	1,852,429	746,342	(1,106,087)
Contributions and Donations	57,436	52,990	(4,446)
Other	281,903	51,900	(230,003)
Total Revenues	<u>2,194,268</u>	<u>903,599</u>	<u>(1,290,669)</u>
<b>EXPENDITURES:</b>			
<b>Current:</b>			
General Government			
Personal Services	806,524	600,089	206,435
Contractual Services	905,340	294,477	610,863
Materials and Supplies	11,086	2,732	8,354
Capital Outlay	652,930	148,568	504,362
Other	6,277	1,547	4,730
Total Expenditures	<u>2,382,157</u>	<u>1,047,413</u>	<u>1,334,744</u>
Net Change in Fund Balance	(187,889)	(143,814)	44,075
Fund Balance (Deficit) at Beginning of Year	131,845	131,845	0
Prior Year Encumbrances Appropriated	56,775	56,775	0
Fund Balance (Deficit) at End of Year	<u>\$ 731</u>	<u>\$ 44,806</u>	<u>\$ 44,075</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, 2011**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>			
Intergovernmental	\$ 85,361	\$ 71,083	\$ (14,278)
Interest	0	343	343
Other	18,182	0	(18,182)
Total Revenues	<u>103,543</u>	<u>71,426</u>	<u>(32,117)</u>
<b>EXPENDITURES:</b>			
Current:			
Security of Persons and Property			
Personal Services	46,795	18,729	28,066
Contractual Services	35,916	9,233	26,683
Capital Outlay	132,884	34,163	98,721
Other	23,771	6,111	17,660
Total Expenditures	<u>239,366</u>	<u>68,236</u>	<u>171,130</u>
Net Change in Fund Balance	(135,823)	3,190	139,013
Fund Balance (Deficit) at Beginning of Year	221,595	221,595	0
Fund Balance (Deficit) at End of Year	<u>\$ 85,772</u>	<u>\$ 224,785</u>	<u>\$ 139,013</u>

**CITY OF EUCLID, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**SHORE CORPORATION FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>			
Rent	\$ 66,368	\$ 0	\$ (66,368)
Total Revenues	<u>66,368</u>	<u>0</u>	<u>(66,368)</u>
<b>EXPENDITURES:</b>			
Current:			
Leisure Time Services			
Contractual Services	66,368	0	66,368
Other	140,868	140,190	678
Total Expenditures	<u>207,236</u>	<u>140,190</u>	<u>67,046</u>
Excess of Revenues Over(Under) Expenditures	<u>(140,868)</u>	<u>(140,190)</u>	<u>678</u>
<b>OTHER FINANCING SOURCES AND USES:</b>			
Transfers In	0	134,685	134,685
Total Other Financing Sources and Uses	<u>0</u>	<u>134,685</u>	<u>134,685</u>
Net Change in Fund Balance	(140,868)	(5,505)	135,363
Fund Balance (Deficit) at Beginning of Year	74,579	74,579	0
Prior Year Encumbrances Appropriated	66,368	66,368	0
Fund Balance (Deficit) at End of Year	<u>\$ 79</u>	<u>\$ 135,442</u>	<u>\$ 135,363</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, 2011**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>			
Property Taxes	\$ 207,690	\$ 165,154	\$ (42,536)
Intergovernmental	16,119	16,610	491
Other	0	250	250
Total Revenues	<u>223,809</u>	<u>182,014</u>	<u>(41,795)</u>
<b>EXPENDITURES:</b>			
Capital Outlay			
Personal Services	85,520	84,797	723
Contractual Services	149,172	109,760	39,412
Materials and Supplies	26,866	17,495	9,371
Capital Outlay	48,462	47,968	494
Other	6,746	4,864	1,882
Total Expenditures	<u>316,766</u>	<u>264,884</u>	<u>51,882</u>
Excess of Revenues Over(Under) Expenditures	<u>(92,957)</u>	<u>(82,870)</u>	<u>10,087</u>
<b>OTHER FINANCING SOURCES AND USES:</b>			
Insurance Recoveries	35,500	35,500	0
Total Other Financing Sources and Uses	<u>35,500</u>	<u>35,500</u>	<u>0</u>
Net Change in Fund Balance	(57,457)	(47,370)	10,087
Fund Balance (Deficit) at Beginning of Year	60,601	60,601	0
Prior Year Encumbrances Appropriated	6,985	6,985	0
Fund Balance (Deficit) at End of Year	<u>\$ 10,129</u>	<u>\$ 20,216</u>	<u>\$ 10,087</u>

**CITY OF EUCLID, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**SIDEWALK REPAIR AND REPLACEMENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with</u> <u>Final Budget</u>
EXPENDITURES:			
Capital Outlay			
Capital Outlay	\$ 29,084	\$ 0	\$ 29,084
Total Expenditures	<u>29,084</u>	<u>0</u>	<u>29,084</u>
Excess of Revenues Over(Under) Expenditures	<u>(29,084)</u>	<u>0</u>	<u>29,084</u>
Net Change in Fund Balance	(29,084)	0	29,084
Fund Balance (Deficit) at Beginning of Year	<u>29,085</u>	<u>29,085</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ 1</u>	<u>\$ 29,085</u>	<u>\$ 29,084</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, 2011**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
EXPENDITURES:			
Capital Outlay			
Capital Outlay	\$ 3,780	\$ 299	\$ 3,481
Total Expenditures	<u>3,780</u>	<u>299</u>	<u>3,481</u>
 Net Change in Fund Balance	 (3,780)	 (299)	 3,481
 Fund Balance (Deficit) at Beginning of Year	 3,180	 3,180	 0
Prior Year Encumbrances Appropriated	600	600	0
Fund Balance (Deficit) at End of Year	<u>\$ 0</u>	<u>\$ 3,481</u>	<u>\$ 3,481</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, 2011**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>			
Interest	\$ 0	\$ 116	\$ 116
Other	350,000	288	(349,712)
Total Revenues	<u>350,000</u>	<u>404</u>	<u>(349,596)</u>
<b>EXPENDITURES:</b>			
Capital Outlay			
Contractual Services	221,827	71,199	150,628
Capital Outlay	103,250	34,748	68,502
Other	26,139	8,796	17,343
Total Expenditures	<u>351,216</u>	<u>114,743</u>	<u>236,473</u>
Excess of Revenues Over(Under) Expenditures	<u>(1,216)</u>	<u>(114,339)</u>	<u>(113,123)</u>
<b>OTHER FINANCING SOURCES AND USES:</b>			
Proceeds from Sale of Capital Assets	0	352,450	352,450
Transfers Out	(134,685)	0	134,685
Total Other Financing Sources and Uses	<u>(134,685)</u>	<u>352,450</u>	<u>487,135</u>
Net Change in Fund Balance	(135,901)	238,111	374,012
Fund Balance (Deficit) at Beginning of Year	124,274	124,274	0
Prior Year Encumbrances Appropriated	11,900	11,900	0
Fund Balance (Deficit) at End of Year	<u>\$ 273</u>	<u>\$ 374,285</u>	<u>\$ 374,012</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, 2011**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
EXPENDITURES:			
Capital Outlay			
Capital Outlay	\$ 77,510	\$ 0	\$ 77,510
Total Expenditures	<u>77,510</u>	<u>0</u>	<u>77,510</u>
Net Change in Fund Balance	(77,510)	0	77,510
Fund Balance (Deficit) at Beginning of Year	79,908	79,908	0
Fund Balance (Deficit) at End of Year	<u>\$ 2,398</u>	<u>\$ 79,908</u>	<u>\$ 77,510</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, 2011**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>			
Payments in Lieu of Taxes	\$ 25,000	\$ 28,783	\$ 3,783
Total Revenues	<u>25,000</u>	<u>28,783</u>	<u>3,783</u>
<b>EXPENDITURES:</b>			
Capital Outlay			
Contractual Services	133,599	84,746	48,853
Total Expenditures	<u>133,599</u>	<u>84,746</u>	<u>48,853</u>
Net Change in Fund Balance	(108,599)	(55,963)	52,636
Fund Balance (Deficit) at Beginning of Year	21,475	21,475	0
Prior Year Encumbrances Appropriated	87,599	87,599	0
Fund Balance (Deficit) at End of Year	<u>\$ 475</u>	<u>\$ 53,111</u>	<u>\$ 52,636</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, 2011**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>			
Payments in Lieu of Taxes	\$ 50,000	\$ 57,132	\$ 7,132
Total Revenues	<u>50,000</u>	<u>57,132</u>	<u>7,132</u>
<b>EXPENDITURES:</b>			
Capital Outlay			
Contractual Services	59,597	1,948	57,649
Materials and Supplies	<u>74,252</u>	<u>2,548</u>	<u>71,704</u>
Total Expenditures	<u>133,849</u>	<u>4,496</u>	<u>129,353</u>
Net Change in Fund Balance	(83,849)	52,636	136,485
Fund Balance (Deficit) at Beginning of Year	76,537	76,537	0
Prior Year Encumbrances Appropriated	<u>7,349</u>	<u>7,349</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ 37</u>	<u>\$ 136,522</u>	<u>\$ 136,485</u>

**CITY OF EUCLID, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**HARBOR TOWN TIF FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>			
Payments in Lieu of Taxes	\$ 80,000	\$ 41,974	\$ (38,026)
Special Assessments	0	39,810	39,810
Total Revenues	<u>80,000</u>	<u>81,784</u>	<u>1,784</u>
<b>EXPENDITURES:</b>			
Capital Outlay			
Contractual Services	<u>223,000</u>	<u>85,521</u>	<u>137,479</u>
Total Expenditures	<u>223,000</u>	<u>85,521</u>	<u>137,479</u>
Net Change in Fund Balance	(143,000)	(3,737)	139,263
Fund Balance (Deficit) at Beginning of Year	58,964	58,964	0
Prior Year Encumbrances Appropriated	<u>85,000</u>	<u>85,000</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ 964</u>	<u>\$ 140,227</u>	<u>\$ 139,263</u>

**CITY OF EUCLID, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL -**  
**DOWNTOWN DISTRICT A TIF**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>			
Payments in Lieu of Taxes	\$ 40,000	\$ 51,511	\$ 11,511
Total Revenues	<u>40,000</u>	<u>51,511</u>	<u>11,511</u>
<b>EXPENDITURES:</b>			
Capital Outlay			
Contractual Services	<u>90,000</u>	<u>5,231</u>	<u>84,769</u>
Total Expenditures	<u>90,000</u>	<u>5,231</u>	<u>84,769</u>
Net Change in Fund Balance	(50,000)	46,280	96,280
Fund Balance (Deficit) at Beginning of Year	<u>51,139</u>	<u>51,139</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ 1,139</u>	<u>\$ 97,419</u>	<u>\$ 96,280</u>



# **STATISTICAL SECTION**



**CITY OF EUCLID, OHIO  
STATISTICAL SECTION**

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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.

**Contents**

**Page**

***Financial Trends***

These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.

S2-S8

***Revenue Capacity***

These schedules contain information to help the reader assess the City’s most significant local revenue sources, the municipal income tax and the property tax.

S9-S14

***Debt Capacity***

These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.

S15-S20

***Demographic and Economic Information***

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.

S21-S22

***Operating Information***

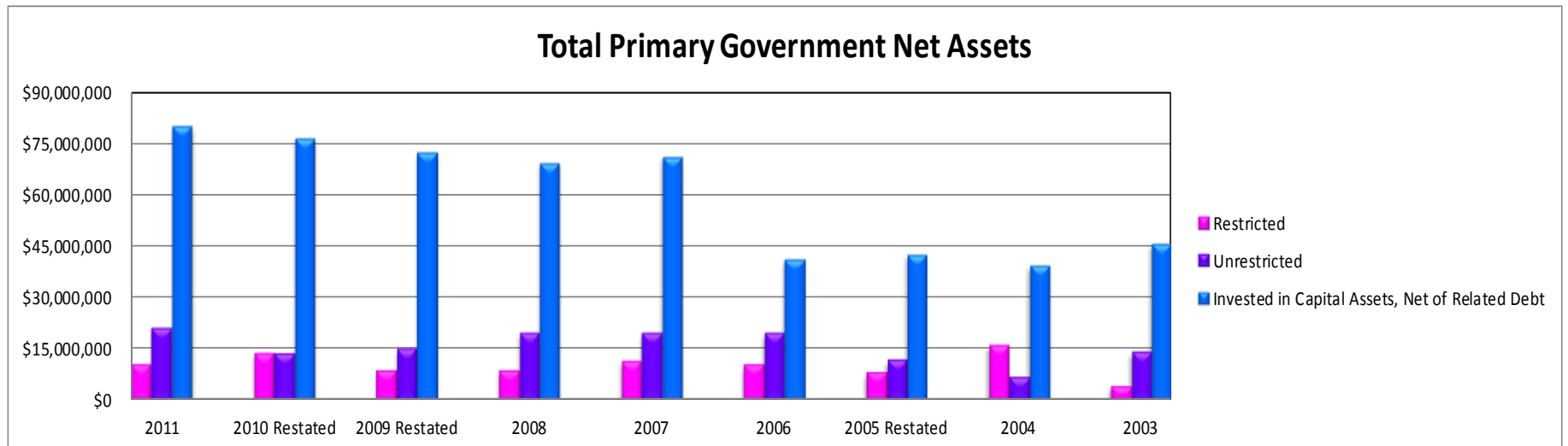
These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the government provides and the activities it performs.

S23-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 NINE YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**

	2011	2010 Restated	2009 Restated	2008	2007	2006	2005 Restated	2004	2003
<b>Governmental Activities</b>									
Invested in Capital Assets, Net of Related Debt	\$ 36,596,632	\$ 36,290,780	\$ 37,644,890	\$ 39,956,632	\$ 41,151,610	\$ 12,190,259	\$ 13,335,911	\$ 9,441,514	\$ 16,919,428
Restricted	10,288,367	13,342,663	8,307,210	8,179,008	11,000,386	10,020,313	7,732,966	14,394,303	4,018,418
Unrestricted	12,173,955	5,052,623	3,360,059	5,636,227	4,075,405	6,065,273	2,959,733	2,339,507	6,910,033
<b>Total Governmental Activities Net Assets</b>	<b>\$ 59,058,954</b>	<b>\$ 54,686,066</b>	<b>\$ 49,312,159</b>	<b>\$ 53,771,867</b>	<b>\$ 56,227,401</b>	<b>\$ 28,275,845</b>	<b>\$ 24,028,610</b>	<b>\$ 26,175,324</b>	<b>\$ 27,847,879</b>
<b>Business Type - Activities</b>									
Invested in Capital Assets, Net of Related Debt	\$ 43,523,835	\$ 40,280,422	\$ 34,567,361	\$ 29,214,805	\$ 29,982,118	\$ 28,971,722	\$ 29,207,199	\$ 29,795,176	\$ 28,646,313
Restricted	0	0	0	0	0	0	0	1,200,000	0
Unrestricted	8,403,106	8,285,405	11,352,949	13,829,216	11,908,239	13,304,043	8,390,986	4,378,060	6,786,523
<b>Total Business-Type Activities Net Assets</b>	<b>\$ 51,926,941</b>	<b>\$ 48,565,827</b>	<b>\$ 45,920,310</b>	<b>\$ 43,044,021</b>	<b>\$ 41,890,357</b>	<b>\$ 42,275,765</b>	<b>\$ 37,598,185</b>	<b>\$ 35,373,236</b>	<b>\$ 35,432,836</b>
<b>Primary Government</b>									
Invested in Capital Assets, Net of Related Debt	\$ 80,120,467	\$ 76,571,202	\$ 72,212,251	\$ 69,171,437	\$ 71,133,728	\$ 41,161,981	\$ 42,543,110	\$ 39,236,690	\$ 45,565,741
Restricted	10,288,367	13,342,663	8,307,210	8,179,008	11,000,386	10,020,313	7,732,966	15,594,303	4,018,418
Unrestricted	20,577,061	13,338,028	14,713,008	19,465,443	19,369,316	19,369,316	11,350,719	6,717,567	13,696,556
<b>Total Primary Government Net Assets</b>	<b>\$110,985,895</b>	<b>\$103,251,893</b>	<b>\$ 95,232,469</b>	<b>\$ 96,815,888</b>	<b>\$101,503,430</b>	<b>\$ 70,551,610</b>	<b>\$ 61,626,795</b>	<b>\$ 61,548,560</b>	<b>\$ 63,280,715</b>



**CITY OF EUCLID, OHIO  
CHANGES IN NET ASSETS  
LAST NINE YEARS  
(ACCRUAL BASIS OF ACCOUNTING)**

	2011	2010 Restated	2009 Restated	2008	2007	2006	2005 Restated	2004	2003
<b><u>Program Revenues</u></b>									
Governmental Activities:									
Charges for Services:									
General Government	\$ 4,940,224	\$ 4,317,024	\$ 2,301,388	\$ 564,303	\$ 1,031,766	\$ 1,019,146	\$ 1,630,952	\$ 2,101,899	\$ 2,074,682
Security of Persons and Property	3,448,103	3,732,402	2,845,690	4,073,600	4,999,375	4,975,827	2,897,560	2,150,294	2,645,843
Public Health	77,382	82,068	78,398	83,793	91,602	92,922	33,424	85,666	85,730
Leisure Time Services	450,554	433,648	590,597	730,006	883,285	796,916	615,674	755,333	660,437
Community and Economic Development	1,702,985	1,512,112	1,413,183	1,554,640	542,492	236,343	532,403	323,664	268,828
Sanitation	1,797,856	1,337,454	0	0	0	0	231,521	942,743	1,083,386
Transportation	0	0	114,156	39,637	207,307	88,588	191,361	459,799	444,152
Subtotal - Charges for Services	<u>12,417,104</u>	<u>11,414,708</u>	<u>7,343,412</u>	<u>7,045,979</u>	<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	550,724	587,960	137,338	0	498,055	428,589	243,965	0	0
Security of Persons and Property	667,415	1,084,936	491,637	487,231	18,906	139,422	1,400	91,319	123,014
Leisure Time Services	51,895	3,766	10,039	4,327	5,947	43,084	36,744	0	0
Community and Economic Development	1,770,441	2,738,366	1,215,829	1,247,025	889,458	1,123,011	1,116,634	87,740	379,087
Transportation	1,707,991	1,819,510	1,699,535	1,861,667	1,935,960	1,835,670	1,927,988	0	0
Subtotal - Operating Grants and Contributions	<u>4,748,466</u>	<u>6,234,538</u>	<u>3,554,378</u>	<u>3,600,250</u>	<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	65,527	350,000	0	279,401	0	18,690	31,219	0	0
Security of Persons and Property	25,511	0	0	0	0	0	0	0	0
Transportation	1,514,633	0	0	0	0	0	0	0	0
Community Development	0	0	0	0	0	0	0	1,320,553	1,435,493
Leisure Time Activities	67,597	0	0	0	0	11,170	19,767	0	90,146
Subtotal - Capital Grants and Contributions	<u>1,673,268</u>	<u>350,000</u>	<u>0</u>	<u>279,401</u>	<u>0</u>	<u>29,860</u>	<u>50,986</u>	<u>1,320,553</u>	<u>1,525,639</u>
<b>Total Governmental Activities Program Revenues</b>	<u><b>18,838,838</b></u>	<u><b>17,999,246</b></u>	<u><b>10,897,790</b></u>	<u><b>10,925,630</b></u>	<u><b>11,104,153</b></u>	<u><b>10,809,378</b></u>	<u><b>9,510,612</b></u>	<u><b>8,319,010</b></u>	<u><b>9,290,798</b></u>
<b><u>Business-Type Activities</u></b>									
Charges for Services:									
Briardale Greens Golf Course	0	8,746	939,058	1,035,336	1,019,279	987,636	795,003	786,232	780,200
Waste Water Treatment	11,068,529	9,238,260	10,663,957	10,887,935	10,876,879	11,498,677	9,396,074	9,730,420	12,383,945
Water Line Improvement	1,606,374	1,551,174	1,967,426	1,623,543	1,671,736	1,605,235	840,218	0	0
Operating Grants and Contributions:									
Wastewater Treatment	0	184,648	227,712	52,675	39,479	814,589	0	0	0
Capital Grants and Contributions									
Briardale Golf Course	0	98,794	0	0	0	121,449	0	0	250,488
Wastewater Treatment	0	321,351	94,932	276,000	0	0	0	0	0
Water Line Improvement	1,053,139	464,161	1,042,281	65,348	0	0	0	0	0
<b>Total Business-Type Activities Program Revenues</b>	<u><b>13,728,042</b></u>	<u><b>11,867,134</b></u>	<u><b>14,935,366</b></u>	<u><b>13,940,837</b></u>	<u><b>13,607,373</b></u>	<u><b>15,027,586</b></u>	<u><b>11,031,295</b></u>	<u><b>10,516,652</b></u>	<u><b>13,414,633</b></u>
<b>Total Primary Government Program Revenues</b>	<u><b>\$ 32,566,880</b></u>	<u><b>\$ 29,866,380</b></u>	<u><b>\$ 25,833,156</b></u>	<u><b>\$ 24,866,467</b></u>	<u><b>\$ 24,711,526</b></u>	<u><b>\$ 25,836,964</b></u>	<u><b>\$ 20,541,907</b></u>	<u><b>\$ 18,835,662</b></u>	<u><b>\$ 22,705,431</b></u>

**CITY OF EUCLID, OHIO  
CHANGES IN NET ASSETS  
LAST NINE YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(CONTINUED)**

	2011	2010 Restated	2009 Restated	2008	2007	2006	2005 Restated	2004	2003
<b><u>Expenses</u></b>									
Governmental Activities:									
General Government	\$ 14,243,665	\$ 13,105,802	\$ 13,389,365	\$ 12,894,864	\$ 14,000,128	\$ 12,352,031	\$ 11,114,592	\$ 11,965,470	\$ 12,180,369
Security of Persons and Property:	21,678,327	20,607,153	21,052,721	23,445,910	22,884,517	21,466,024	21,544,601	21,147,901	19,842,460
Sanitation	2,185,892	1,916,687	2,251,317	2,506,683	2,219,004	2,013,501	1,777,289	1,912,089	1,848,221
Public Health	285,793	273,641	280,112	260,044	277,425	257,280	256,582	234,887	287,591
Leisure Time Services	1,696,202	1,766,298	2,095,133	2,423,707	1,706,870	2,109,410	1,924,054	4,077,885	1,914,797
Community and Economic Development	2,920,142	2,873,059	2,846,921	3,201,584	2,955,795	3,173,312	2,619,435	478,828	965,181
Transportation	6,101,441	6,647,276	7,382,963	6,343,637	7,396,063	2,695,350	4,446,355	1,489,045	1,432,019
Interest and Fiscal Charges	846,954	1,418,378	1,406,102	1,505,395	1,553,302	1,546,588	1,566,775	2,069,348	1,913,236
<b>Total Governmental Activities Expenses</b>	<b>49,958,416</b>	<b>48,608,294</b>	<b>50,704,634</b>	<b>52,581,824</b>	<b>52,993,104</b>	<b>45,613,496</b>	<b>45,249,683</b>	<b>43,375,453</b>	<b>40,383,874</b>
<b><u>Business-Type Activities</u></b>									
Briardale Golf Course	80,540	131,602	894,060	988,166	1,059,840	996,359	1,206,580	770,115	716,146
Wastewater Treatment	9,601,656	9,938,574	10,920,206	11,061,437	10,109,869	9,438,610	10,732,693	10,313,927	12,131,189
Water Line Improvement	800,228	965,870	1,033,398	792,165	765,993	915,675	557,637	0	0
<b>Total Business-Type Activities Expenses</b>	<b>10,482,424</b>	<b>11,036,046</b>	<b>12,847,664</b>	<b>12,841,768</b>	<b>11,935,702</b>	<b>11,350,644</b>	<b>12,496,910</b>	<b>11,084,042</b>	<b>12,847,335</b>
<b>Total Primary Government Program Expenses</b>	<b>60,440,840</b>	<b>59,644,340</b>	<b>63,552,298</b>	<b>65,423,592</b>	<b>64,928,806</b>	<b>56,964,140</b>	<b>57,746,593</b>	<b>54,459,495</b>	<b>53,231,209</b>
<b><u>Net (Expense)/Revenue</u></b>									
Governmental Activities	(31,119,578)	(30,609,048)	(39,806,844)	(41,656,194)	(41,888,951)	(34,804,118)	(35,739,071)	(35,056,443)	(31,093,076)
Business-Type Activities	3,245,618	831,088	2,087,702	1,099,069	1,671,671	3,676,942	(1,465,615)	(567,390)	567,298
<b>Total Primary Government Net Expense</b>	<b>(27,873,960)</b>	<b>(29,777,960)</b>	<b>(37,719,142)</b>	<b>(40,557,125)</b>	<b>(40,217,280)</b>	<b>(31,127,176)</b>	<b>(37,204,686)</b>	<b>(35,623,833)</b>	<b>(30,525,778)</b>

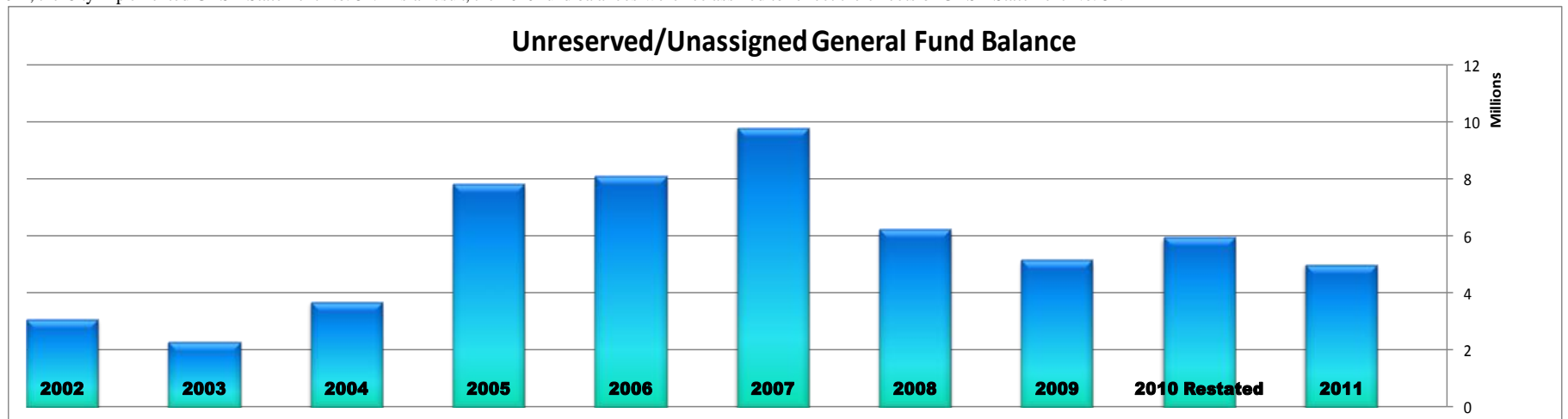
**CITY OF EUCLID, OHIO**  
**CHANGES IN NET ASSETS**  
**LAST NINE YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**  
**(CONTINUED)**

	2011	2010 Restated	2009 Restated	2008	2007	2006	2005 Restated	2004	2003
<b><u>General Revenues and Other Changes in Net Assets</u></b>									
Governmental Activities									
Property Taxes	4,940,319	5,162,960	5,069,206	5,158,520	5,839,560	7,391,165	5,471,671	9,724,482	9,514,574
Municipal Income Taxes	24,315,337	22,994,810	22,527,179	24,124,792	24,286,649	26,227,696	22,004,837	20,213,175	18,311,962
Grants and Entitlements not Restricted to									
Specific Programs	4,458,718	6,874,711	5,885,372	6,460,923	5,647,600	3,846,566	5,745,954	3,208,030	3,540,576
Payments in Lieu of Taxes	179,400	174,801	172,310	123,164	72,269	68,730	59,293	0	0
Investment Income	94,986	173,483	451,410	921,534	1,303,442	1,163,865	663,536	398,378	257,951
Gain/Loss on Sale of Capital Assets	0	128,453	45,431	0	176,305	0	0	0	(48,192)
Miscellaneous	1,082,783	478,952	1,196,228	1,743,907	18,771	66,875	10,827	53,367	0
Transfers	420,923	(5,215)	0	667,820	286,456	286,456	(625,806)	286,456	286,456
Total Governmental Activities	<u>35,492,466</u>	<u>35,982,955</u>	<u>35,347,136</u>	<u>39,200,660</u>	<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	11,475	365,166	465,667	639,606	626,240	767,977	670,778	609,316	776,352
Grants and Entitlements not Restricted to									
Specific Programs	0	0	0	0	0	0	614,188	183,912	0
Investment Income	41,651	9,856	4,339	56,180	63,583	48,163	351	1,018	987
Miscellaneous	483,293	1,434,192	318,581	26,629	294	0	0	0	0
Transfers	(420,923)	5,215	0	(667,820)	(286,456)	(286,456)	625,806	(286,456)	(286,456)
Total Business-Type Activities	<u>115,496</u>	<u>1,814,429</u>	<u>788,587</u>	<u>54,595</u>	<u>403,661</u>	<u>529,684</u>	<u>1,911,123</u>	<u>507,790</u>	<u>490,883</u>
<b>Total Primary Government General Revenues and Other Changes in Net Assets</b>	<u>35,607,962</u>	<u>37,797,384</u>	<u>36,135,723</u>	<u>39,255,255</u>	<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>
<b><u>Change in Net Assets</u></b>									
Governmental Activities	4,372,888	5,373,907	(4,459,708)	(2,455,534)	(4,257,899)	4,247,235	(2,408,759)	(1,172,555)	770,251
Business-Type Activities	3,361,114	2,645,517	2,876,289	1,153,664	2,075,332	4,206,626	445,508	(59,600)	1,058,181
<b>Total Primary Government Change in Net Assets</b>	<u>\$ 7,734,002</u>	<u>\$ 8,019,424</u>	<u>\$ (1,583,419)</u>	<u>\$ (1,301,870)</u>	<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 – GOVERNMENTAL FUNDS**  
**LAST TEN YEARS**

	2011	2010 Restated	2009	2008	2007	2006	2005	2004	2003	2002
<b>General Fund</b>										
Nonspendable	\$ 1,367,748	\$ 1,460,576	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Committed	183,472	216,334	0	0	0	0	0	0	0	0
Assigned	36,008	28,105	0	0	0	0	0	0	0	0
Unassigned	4,995,875	5,938,091	0	0	0	0	0	0	0	0
Reserved	0	0	1,389,906	1,529,833	97,896	99,257	37,934	3,837,679	1,909,424	2,021,963
Unreserved	0	0	5,143,251	6,220,960	9,782,186	8,076,295	7,821,849	3,678,477	2,288,627	3,075,721
<b>Total General Fund</b>	<b>6,583,103</b>	<b>7,643,106</b>	<b>6,533,157</b>	<b>7,750,793</b>	<b>9,880,082</b>	<b>8,175,552</b>	<b>7,859,783</b>	<b>7,516,156</b>	<b>4,198,051</b>	<b>5,097,684</b>
<b>All Other Governmental Funds</b>										
Nonspendable	95,779	71,887	0	0	0	0	0	0	0	0
Restricted	5,985,513	8,028,597	0	0	0	0	0	0	0	0
Unassigned	(1,543,358)	(438,584)	0	0	0	0	0	0	0	0
Reserved	0	0	498,970	728,790	1,257,678	346,199	522,175	5,739,842	3,206,235	904,389
Unreserved, Undesignated, Reported in:										
Special Revenue funds	0	0	1,281,141	1,425,191	1,787,192	1,684,898	1,520,080	1,180,356	982,576	(365,426)
Debt Service funds	0	0	2,767,975	2,708,149	3,775,688	2,947,437	3,056,034	3,008,900	2,764,898	3,024,670
Capital Projects funds	0	0	2,095,459	2,081,323	2,131,623	2,499,812	401,209	2,558,005	(3,112,551)	866,054
<b>Total All Other Governmental Funds</b>	<b>4,537,934</b>	<b>7,661,900</b>	<b>6,643,545</b>	<b>6,943,453</b>	<b>8,952,181</b>	<b>7,478,346</b>	<b>5,499,498</b>	<b>12,487,103</b>	<b>3,841,158</b>	<b>4,429,687</b>
<b>Total Governmental Funds</b>	<b>\$ 11,121,037</b>	<b>\$ 15,305,006</b>	<b>\$ 13,176,702</b>	<b>\$ 14,694,246</b>	<b>\$ 18,832,263</b>	<b>\$ 15,653,898</b>	<b>\$ 13,359,281</b>	<b>\$ 20,003,259</b>	<b>\$ 8,039,209</b>	<b>\$ 9,527,371</b>

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

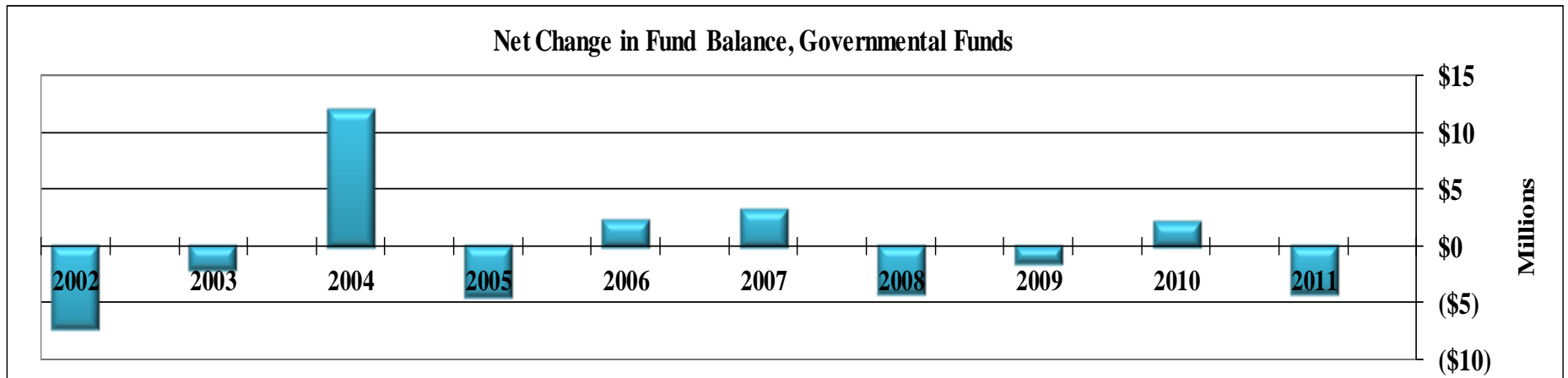


**CITY OF EUCLID, OHIO**  
**CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS**  
**LAST TEN YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>Revenues</b>										
Property Taxes	\$ 5,014,254	\$4,908,989	\$ 4,863,732	\$ 5,317,922	\$6,511,494	\$6,213,540	\$ 5,893,239	\$ 29,815,540	\$ 27,489,246	\$ 26,810,629
Income Taxes	23,868,290	22,165,312	22,295,312	23,949,387	25,508,186	23,084,613	23,029,224	0	0	0
Charges for Services	6,048,437	6,120,126	4,396,344	4,468,421	5,011,318	4,357,413	4,201,706	4,709,566	4,769,455	4,149,742
Licenses and Permits	180,020	148,341	136,019	119,297	131,568	45,638	241,899	572,019	436,977	305,921
Fines and Forfeitures	1,607,230	1,778,448	1,849,083	2,115,947	1,843,132	1,760,313	1,350,888	1,488,128	1,443,538	1,363,606
Payments in Lieu of Taxes	179,400	174,801	172,310	123,164	72,269	68,730	59,293	0	0	0
Intergovernmental	9,113,247	13,061,780	9,702,823	10,781,759	8,544,675	8,123,702	8,401,874	4,725,839	5,272,087	5,344,993
Special Assessments	1,223,194	335,115	320,199	505,921	84,684	190,634	88,111	270,469	232,264	287,221
Rent	220,757	205,560	928,741	378,566	438,302	370,186	329,315	300,078	277,330	268,929
Contributions and Donations	1,610,147	57,741	51,034	35,658	27,517	144,696	35,280	0	0	0
Interest	97,802	256,825	500,049	862,215	1,286,011	1,162,032	663,536	397,135	252,601	246,511
Miscellaneous	1,082,783	478,952	1,196,228	891,394	18,771	66,875	10,827	186,241	248,911	74,088
<b>Total Revenues</b>	<b>50,245,561</b>	<b>49,691,990</b>	<b>46,411,874</b>	<b>49,549,651</b>	<b>49,477,927</b>	<b>45,588,372</b>	<b>44,305,192</b>	<b>42,465,015</b>	<b>40,422,409</b>	<b>38,851,640</b>
<b>Expenditures</b>										
Current:										
General Government	13,662,590	13,904,635	12,846,810	13,255,819	12,389,735	11,367,827	10,527,754	12,064,453	9,980,456	11,056,302
Security of Persons and Property	22,383,910	20,337,564	20,493,264	22,504,755	20,876,789	20,107,626	18,582,973	20,605,101	19,574,377	20,583,109
Public Health	289,293	272,263	272,496	260,044	277,809	257,651	257,846	235,365	287,592	445,574
Leisure Time Services	1,548,289	1,568,545	1,826,333	2,142,829	1,998,691	1,836,370	1,662,926	3,858,686	2,946,549	2,317,867
Community and Economic Development	2,944,087	2,863,379	2,728,006	3,084,899	2,613,273	2,743,472	2,277,566	2,039,604	2,473,339	2,666,776
Sanitation	2,180,946	1,916,687	2,251,317	2,506,683	2,204,171	1,857,975	1,786,082	1,912,089	1,848,221	1,870,822
Transportation	1,906,637	2,109,236	2,232,410	2,596,559	2,242,299	2,096,922	1,587,855	1,589,464	1,819,574	4,331,625
Capital Outlay	4,967,119	2,547,975	3,015,982	5,376,523	3,579,883	2,780,690	3,227,405	0	0	0
Debt Service:										
Principal Retirement	7,151,780	5,240,760	3,305,944	9,590,395	6,419,365	2,927,010	8,711,529	6,861,073	2,697,510	2,387,632
Interest and Fiscal Charges	1,070,780	1,311,229	1,367,743	1,492,737	1,529,377	1,518,668	1,568,293	2,086,281	1,928,585	1,876,224
Bond Issuance Costs	179,065	0	0	275,697	0	0	0	0	0	0
Advance Refund Escrow	123,978	0	0	0	0	0	0	0	0	0
<b>Total Expenditures</b>	<b>58,408,474</b>	<b>52,072,273</b>	<b>50,340,305</b>	<b>63,086,940</b>	<b>54,131,392</b>	<b>47,494,211</b>	<b>50,190,229</b>	<b>51,252,116</b>	<b>43,556,203</b>	<b>47,535,931</b>
Excess of Revenues Over (Under) Expenditures	(8,162,913)	(2,380,283)	(3,928,431)	(13,537,289)	(4,653,465)	(1,905,839)	(5,885,037)	(8,787,101)	(3,133,794)	(8,684,291)

**CITY OF EUCLID, OHIO**  
**CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS**  
**LAST TEN YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**  
**(CONTINUED)**

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>Other Financing Sources (Uses)</b>										
Sale of Capital Assets	62,028	197,309	52,620	55,191	224,113	0	0	2,800	724,808	0
Special Assessment Bonds Issued	0	0	0	0	0	0	0	0	0	0
General Obligation Bonds Issued	4,316,000	0	0	10,625,000	0	0	0	13,097,000	0	0
Refunding Bonds Issued	5,482,000									
Premium on Debt Issued	121,632	21,278	0	215,765	40,280	0	0	0	0	0
OPWC Loan	0	0	18,267	1,119,127	434,981	98,000	0	0	0	447,179
Notes Issued	0	4,290,000	2,340,000	0	6,846,000	3,816,000	100,000	5,981,000	0	0
Inception of Capital Lease	0	0	0	205,758	0	0	1,077,689	1,583,897	15,780	824,509
Insurance Recoveries	35,500	0	0	0	0	0	0	0	0	0
Transfers In	342,300	553,800	1,061,859	1,195,820	825,300	1,085,900	918,056	689,115	586,880	1,304,019
Transfers Out	(912,300)	(553,800)	(1,061,859)	(528,000)	(538,844)	(799,444)	(631,600)	(602,659)	(300,424)	(1,149,563)
Payment to Refunded Bond Escrow Agent	(5,468,216)	0	0	(3,489,389)	0	0	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>3,978,944</b>	<b>4,508,587</b>	<b>2,410,887</b>	<b>9,399,272</b>	<b>7,831,830</b>	<b>4,200,456</b>	<b>1,464,145</b>	<b>20,751,153</b>	<b>1,027,044</b>	<b>1,426,144</b>
<b>Net Change in Fund Balances</b>	<b><u>\$(4,183,969)</u></b>	<b><u>\$2,128,304</u></b>	<b><u>\$(1,517,544)</u></b>	<b><u>\$(4,138,017)</u></b>	<b><u>\$3,178,365</u></b>	<b><u>\$2,294,617</u></b>	<b><u>\$(4,420,892)</u></b>	<b><u>\$11,964,052</u></b>	<b><u>\$(2,106,750)</u></b>	<b><u>\$(7,258,147)</u></b>
Debt Service as a Percentage of Noncapital Expenditures	16.44%	13.48%	9.70%	19.68%	15.38%	9.79%	20.63%	18.47%	11.41%	9.06%





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

	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>Unvoted Millage</b>									
Bond Sinking Fund	3.88	3.88	3.88	3.88	3.88	3.88	3.88	3.88	3.88
<b>Total Unvoted Millage</b>	<b>3.88</b>	<b>3.88</b>	<b>3.88</b>	<b>3.88</b>	<b>3.88</b>	<b>3.88</b>	<b>3.88</b>	<b>3.88</b>	<b>3.88</b>
<b>Voted Millage</b>									
1964 Charter Current Expense	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
1964 Charter Recreational	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
1976 Sewage Levy	0.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
<b>Total Voted Millage</b>	<b>9.72</b>	<b>11.72</b>	<b>11.72</b>	<b>11.72</b>	<b>11.72</b>	<b>11.72</b>	<b>11.72</b>	<b>11.72</b>	<b>11.72</b>
<b>Total Millage</b>	<b>13.60</b>	<b>15.60</b>	<b>15.60</b>	<b>15.60</b>	<b>15.60</b>	<b>15.60</b>	<b>15.60</b>	<b>15.60</b>	<b>15.60</b>
<b>Overlapping Rates by Taxing District</b>									
<b>City of Euclid</b>									
Residential/Agricultural Effective Rate	6.3749	6.3560	6.8571	6.5566	6.5540	6.5523	6.8792	6.8787	6.8790
Commerical/Industrial and Public Utility Effective Rate	9.5791	9.4690	10.6120	10.3296	10.3634	10.3668	10.3549	9.9554	9.7881
General Business and Public Utility Personal Property	13.6000	13.6000	15.6000	15.6000	15.6000	15.6000	15.6000	15.6000	15.6000
<b>Euclid City Schools</b>									
Residential/Agricultural Effective Rate	53.3148	54.4667	54.4664	46.1446	39.1132	39.0934	43.0313	37.5124	35.0153
Commerical/Industrial and Public Utility Effective Rate	71.9537	72.7342	72.8014	66.1743	59.4467	59.4747	59.3941	51.2261	47.5742
General Business and Public Utility Personal Property	88.4000	89.8000	89.9000	85.2000	78.2000	78.2000	78.2000	72.8000	70.3000
<b>Cuyahoga County</b>									
Residential/Agricultural Effective Rate	13.1182	13.1866	13.1789	12.6607	11.8688	11.8655	11.7227	10.9754	10.9899
Commerical/Industrial and Public Utility Effective Rate	12.7846	12.8412	12.8457	12.8153	12.4535	12.4941	12.5881	11.9846	12.0433
General Business and Public Utility Personal Property	13.2200	13.3200	13.3200	13.3200	13.4200	13.4200	13.5200	13.5200	13.5200
<b>Special Taxing Districts (1)</b>									
Residential/Agricultural Effective Rate	9.0041	8.9900	7.9811	7.2832	7.2794	7.2761	7.7965	6.3793	5.7037
Commerical/Industrial and Public Utility Effective Rate	8.8649	8.8450	7.9119	7.8711	7.8782	7.8962	8.0597	6.7804	6.2102
General Business and Public Utility Personal Property	9.0800	9.0800	8.2800	8.2800	8.2800	8.2800	8.2800	7.2800	6.9800

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 (4.0 mills), Community College (3.1 mills)

**CITY OF EUCLID, OHIO**  
**ASSESSED VALUATION 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
2011	\$ 546,762,120	\$ 175,905,170	\$ 2,064,763,686	\$ 16,043,950	\$ 18,231,761
2010	\$ 551,393,850	\$ 179,899,430	\$ 2,089,409,371	\$ 15,476,470	\$ 17,586,898
2009	\$ 553,341,120	\$ 181,540,130	\$ 2,099,660,714	\$ 15,108,400	\$ 17,168,636
2008	\$ 615,910,790	\$ 183,124,340	\$ 2,282,957,514	\$ 13,964,270	\$ 15,868,489
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

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

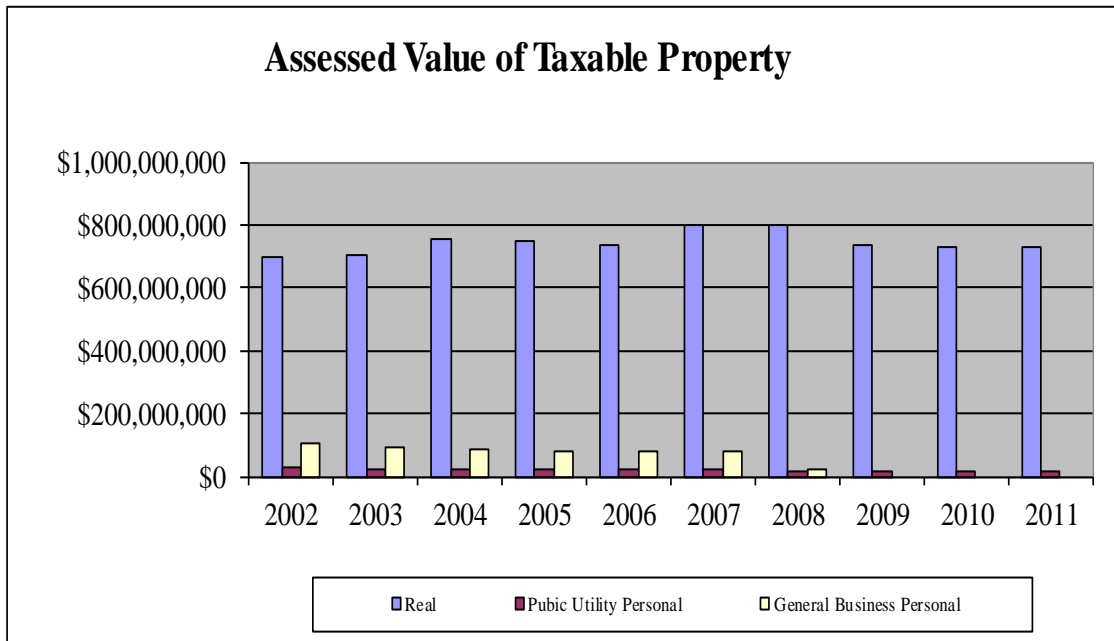
The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General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

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

Source: Ohio Department of Taxation

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

Collection Year	Tangible Personal Property		Total		Ratio	Weighted Average Tax Rate
	General Business		Assessed Value	Estimated Actual Value		
	Assessed Value	Estimated Actual Value				
2011	\$ -	\$ -	\$ 738,711,240	\$ 2,082,995,447	35.46%	0.3388
2010	\$ -	\$ -	\$ 746,769,750	\$ 2,106,996,269	35.44%	0.3233
2009	\$ -	\$ -	\$ 749,989,650	\$ 2,116,829,351	35.43%	7.9421
2008	\$ 24,916,620	\$ 132,888,640	\$ 837,916,020	\$ 2,431,714,643	34.46%	7.8008
2007	\$ 81,771,053	\$ 436,112,283	\$ 904,734,233	\$ 2,751,264,875	32.88%	8.3575
2006	\$ 77,001,463	\$ 410,674,469	\$ 833,249,133	\$ 2,533,338,423	32.89%	8.4756
2005	\$ 80,320,200	\$ 321,280,800	\$ 850,325,160	\$ 2,479,708,728	34.29%	8.7551
2004	\$ 88,592,903	\$ 354,371,612	\$ 865,435,613	\$ 2,530,992,969	34.19%	8.7436
2003	\$ 90,128,261	\$ 360,513,044	\$ 816,485,001	\$ 2,393,549,896	34.11%	8.8146
2002	\$ 102,144,004	\$ 408,576,016	\$ 826,000,544	\$ 2,432,496,222	33.96%	9.1256



**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
2011	\$ 6,884,315	\$ 5,171,119	75.11%	\$ 316,071	\$ 5,487,190	79.71%	\$ 433,724	6.30%
2010	\$ 7,526,417	\$ 5,778,277	76.77%	\$ 457,077	\$ 6,235,354	82.85%	\$ 496,190	6.59%
2009	\$ 7,636,772	\$ 5,849,893	76.60%	\$ 423,626	\$ 6,273,519	82.15%	\$ 547,502	7.17%
2008	\$ 7,755,667	\$ 6,345,313	81.82%	\$ 489,718	\$ 6,835,031	88.13%	\$ 511,356	6.59%
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%

Source: County Auditor

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

**CITY OF EUCLID, OHIO  
PRINCIPAL TAXPAYERS – REAL ESTATE TAX  
2011 AND 2002**

Taxpayer	<i>2011</i>	
	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Cleve Electric Illum Co	\$ 13,184,900	1.82 %
Niederst Indian Hills, LLC	10,500,000	1.45 %
Northpointe Towers LTD	6,685,000	0.93 %
Lincoln Electric Co	6,521,910	0.90 %
Harbor Crest LTD.	5,510,970	0.76 %
Willo Arms Euclid LLC	5,017,300	0.69 %
Horizon House LTD	3,638,640	0.50 %
AE Portfolio, LLC	2,975,000	0.41 %
Normandy Towers East I & E	2,664,210	0.37 %
Dowel MCB Euclid, LLC	2,537,500	0.35 %
Total	<u>\$ 59,235,430</u>	<u>8.18 %</u>
Total Assessed Valuation	<u>\$ 722,667,290</u>	

Taxpayer	<i>2002</i>	
	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Lincoln Electric Co.	\$ 12,224,820	1.75 %
Cleve Electric Illum Co.	11,463,450	1.64 %
Ohio Bell Telephone Co.	9,996,990	1.43 %
Indian Hills Senior Community, Inc.	8,263,500	1.18 %
Argo Tech Corporation	7,728,840	1.11 %
Aerc-Watertgate, Inc	7,053,800	1.01 %
Harbor Crest Ltd.	5,335,060	0.76 %
Troy CMBS Property, LLC	4,566,630	0.65 %
Willo Arms Associates, LTD	4,222,670	0.60 %
Depot Land Co.	3,865,990	0.55 %
Total	<u>\$ 74,721,750</u>	<u>10.68 %</u>
Total Assessed Valuation	<u>\$ 698,146,480</u>	

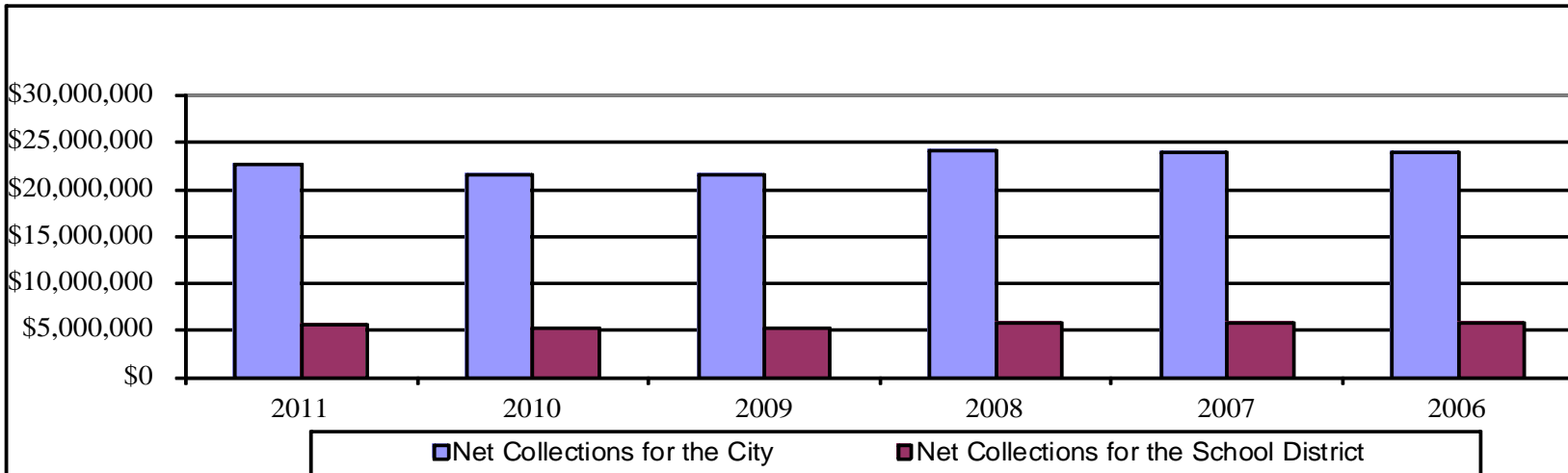
Source: County Auditor

(1) The amounts presented represent the assessed values upon which 2011 and 2002 collections were based.

**CITY OF EUCLID, OHIO  
INCOME TAX COLLECTION  
LAST SIX YEARS**

<u>Year</u>	<u>Tax Rate</u>	<u>Individual</u>	<u>Net Profit</u>	<u>Payroll Withholding</u>	<u>Penalty and Interest</u>	<u>Miscellaneous Revenue</u>	<u>Gross Collections</u>	<u>Refunds and Adjustments</u>	<u>Net Collections</u>	<u>Net Collections for the City</u>	<u>Net Collections for the School District</u>
2011	2.85%	\$5,024,705	\$3,148,360	\$19,758,688	\$625,900	\$187,785	\$28,745,438	(\$465,598)	\$28,279,840	\$22,732,211	\$5,547,629
2010	2.85%	\$5,082,908	\$3,567,641	\$17,882,748	\$586,113	\$92,518	\$27,211,928	(\$458,849)	\$26,753,079	\$21,511,064	\$5,242,015
2009	2.85%	\$5,571,815	\$2,205,169	\$19,127,921	\$501,077	\$139,475	\$27,545,457	(\$710,927)	\$26,834,530	\$21,570,417	\$5,264,113
2008	2.85%	\$5,613,660	\$3,506,412	\$20,750,925	\$658,185	\$31,777	\$30,560,960	(\$621,987)	\$29,938,973	\$24,076,487	\$5,862,486
2007	2.85%	\$5,828,145	\$3,057,660	\$21,195,076	\$562,751	\$37,298	\$30,680,930	(\$823,011)	\$29,857,919	\$24,021,190	\$5,836,729
2006	2.85%	\$5,875,202	\$2,250,314	\$21,436,836	\$533,447	\$103,748	\$30,199,547	(\$515,617)	\$29,683,931	\$23,914,232	\$5,769,698

- Note:
1. The information provided was determined on a cash basis.
  2. As the function of collections and administration of the income tax was transferred from the Central Collection Agency in November 2005, only the years from 2006 forward are presented.
  3. The City is prohibited by statute from presenting information regarding individual taxpayers.

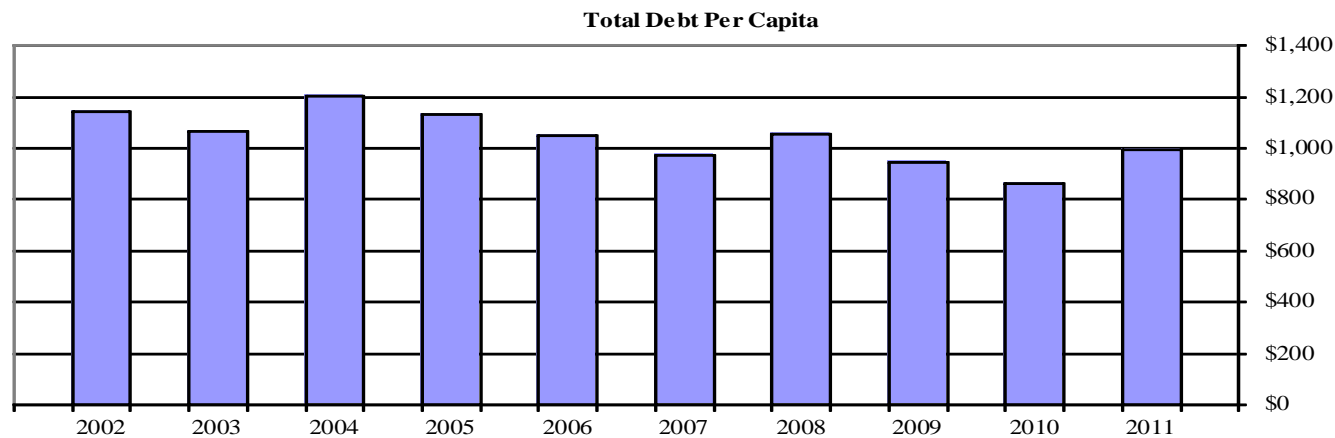


**CITY OF EUCLID, OHIO**  
**RATIO OF OUTSTANDING DEBT TO TOTAL PERSONAL INCOME AND DEBT PER CAPITA**  
**LAST TEN YEARS**

Year	Governmental Activities					Business-Type Activities					Percentage of Personal Income	Per Capita
	General Obligation Bonds (1)	Special Assessment Bonds	OPWC Loans	Capital Leases	Development Revenue Bonds	General Obligation Bonds (1)	Capital Leases	OWDA Loans	OPWC Loans	Total Debt		
2011	\$ 25,114,131	\$ 786,155	\$1,503,337	\$ 286,628	\$ 665,000	\$12,612,758	\$ 108,395	\$ 3,184,851	\$8,134,229	\$ 52,395,484	5.05%	\$ 994
2010	\$ 23,114,489	\$ 995,000	\$1,586,856	\$ 473,890	\$ 995,000	\$ 5,945,106	\$246,279	\$ 4,790,889	\$7,372,374	\$ 45,519,883	4.39%	\$ 863
2009	\$ 25,667,580	\$1,080,000	\$1,670,375	\$ 653,131	\$1,120,000	\$ 6,537,151	\$357,699	\$ 6,779,135	\$5,971,616	\$ 49,836,687	4.81%	\$ 945
2008	\$ 28,354,079	\$1,160,000	\$1,652,108	\$ 1,085,075	\$1,235,000	\$ 6,962,444	\$449,192	\$ 8,620,444	\$6,079,837	\$ 55,598,179	5.36%	\$ 1,055
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

(1) Amounts include associated premiums and gains

Note: Population and Personal Income data are presented on Demographic and Economic Statistics



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

<u>Year</u>	<u>Population (1)</u>	<u>Estimated Actual Value of Taxable Property (2)</u>	<u>Net 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>
2011	52,717	\$ 2,082,995,447	\$34,936,226	1.68 %	\$ 663
2010	52,717	\$ 2,106,996,269	\$25,814,059	1.23 %	\$ 490
2009	52,717	\$ 2,116,829,351	\$28,608,582	1.35 %	\$ 543
2008	52,717	\$ 2,431,714,643	\$31,720,374	1.30 %	\$ 602
2007	52,717	\$ 2,751,264,875	\$25,778,362	0.94 %	\$ 489
2006	52,717	\$ 2,533,338,423	\$28,959,411	1.14 %	\$ 549
2005	52,717	\$ 2,479,708,728	\$31,373,614	1.27 %	\$ 595
2004	52,717	\$ 2,530,992,969	\$33,966,100	1.34 %	\$ 644
2003	52,717	\$ 2,393,549,896	\$26,440,102	1.10 %	\$ 502
2002	52,717	\$ 2,432,496,222	\$28,530,330	1.17 %	\$ 541

Sources:

(1) U. S. Bureau of Census, Census of Population.  
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 TEN YEARS**

	2011	2010	2009	2008	2007
<b>Total Assessed Property Value</b>	<u>\$ 738,711,240</u>	<u>\$ 746,769,750</u>	<u>\$ 749,989,650</u>	<u>\$ 837,916,020</u>	<u>\$ 904,734,233</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>77,564,680</u>	<u>78,410,824</u>	<u>78,748,913</u>	<u>87,981,182</u>	<u>94,997,094</u>
<b>Debt Outstanding:</b>					
General Obligation Bonds	\$ 25,114,131	\$ 23,114,489	\$ 25,481,000	\$ 28,160,000	\$ 23,029,000
General Obligation Bonds - Enterprise	12,612,758	5,945,106	6,454,000	6,870,000	6,536,000
Special Assessment Bonds	786,155	995,000	1,080,000	1,160,000	1,235,000
Notes	3,432,049	4,290,000	2,340,000	0	6,846,000
Notes - Enterprise	0	7,040,000	7,040,000	5,600,000	3,000,000
OPWC Loans	1,503,337	1,586,856	1,670,375	1,652,108	532,981
OPWC Loans - Enterprise	8,134,229	7,372,374	5,971,616	6,079,837	6,352,551
OWDA Loans	3,184,851	4,790,889	6,779,135	8,620,444	10,328,970
Industrial Development Revenue Bonds	<u>665,000</u>	<u>995,000</u>	<u>1,120,000</u>	<u>1,235,000</u>	<u>1,340,000</u>
<b>Total Gross Indebtedness</b>	<u>55,432,510</u>	<u>56,129,714</u>	<u>57,936,126</u>	<u>59,377,389</u>	<u>59,200,502</u>
Less:					
General Obligation Bonds - Enterprise	(12,612,758)	(5,945,106)	(6,454,000)	(6,870,000)	(6,536,000)
Special Assessment Bonds	(786,155)	(995,000)	(1,080,000)	(1,160,000)	(1,235,000)
Notes	0	(4,290,000)	(2,340,000)	0	(6,846,000)
Notes - Enterprise	0	(7,040,000)	(7,040,000)	(5,600,000)	(3,000,000)
OPWC Loans	(1,503,337)	(1,586,856)	(1,670,375)	(1,652,108)	(532,981)
OPWC Loans - Enterprise	(8,134,229)	(7,372,374)	(5,971,616)	(6,079,837)	(6,352,551)
OWDA Loans	(3,184,851)	(4,790,889)	(6,779,135)	(8,620,444)	(10,328,970)
Industrial Development Revenue Bonds	(665,000)	(995,000)	(1,120,000)	(1,235,000)	(1,340,000)
General Obligation Bond Retirement Fund Balance	<u>(2,790,663)</u>	<u>(3,245,536)</u>	<u>(3,596,149)</u>	<u>(3,596,149)</u>	<u>(3,775,688)</u>
<b>Total Net Debt Applicable to Debt Limit</b>	<u>25,755,517</u>	<u>19,868,953</u>	<u>21,884,851</u>	<u>24,563,851</u>	<u>19,253,312</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$ 51,809,163</u>	<u>\$ 58,541,871</u>	<u>\$ 56,864,062</u>	<u>\$ 63,417,331</u>	<u>\$ 75,743,782</u>
Legal Debt Margin as a Percentage of the Debt Limit	66.79%	74.66%	72.21%	72.08%	79.73%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$ 40,629,118</u>	<u>\$ 41,072,336</u>	<u>\$ 41,249,431</u>	<u>\$ 46,085,381</u>	<u>\$ 49,760,383</u>
<b>Total Gross Indebtedness</b>	\$ 55,432,510	\$ 56,129,714	\$ 57,936,126	\$ 59,377,389	\$ 59,200,502
Less:					
General Obligation Bonds - Enterprise	(12,612,758)	(5,945,106)	(6,454,000)	(6,870,000)	(6,536,000)
Special Assessment Bonds	(786,155)	(995,000)	(1,080,000)	(1,160,000)	(1,235,000)
Notes	0	(4,290,000)	(2,340,000)	0	(6,846,000)
Notes - Enterprise	0	(7,040,000)	(7,040,000)	(5,600,000)	(3,000,000)
OPWC Loans	(1,503,337)	(1,586,856)	(1,670,375)	(1,652,108)	(532,981)
OPWC Loans - Enterprise	(8,134,229)	(7,372,374)	(5,971,616)	(6,079,837)	(6,352,551)
OWDA Loans	(3,184,851)	(4,790,889)	(6,779,135)	(8,620,444)	(10,328,970)
Industrial Development Revenue Bonds	(665,000)	(995,000)	(1,120,000)	(1,235,000)	(1,340,000)
General Obligation Bond Retirement Fund Balance	<u>(2,790,663)</u>	<u>(3,245,536)</u>	<u>(3,596,149)</u>	<u>(3,596,149)</u>	<u>(3,775,688)</u>
<b>Net Debt Within 5 ½ % Limitations</b>	<u>25,755,517</u>	<u>19,868,953</u>	<u>21,884,851</u>	<u>24,563,851</u>	<u>19,253,312</u>
<b>Unvoted Legal Debt Margin Within 5 ½ % Limitations</b>	<u>\$ 14,873,601</u>	<u>\$ 21,203,383</u>	<u>\$ 19,364,580</u>	<u>\$ 21,521,530</u>	<u>\$ 30,507,071</u>
<b>Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation</b>	36.61%	51.62%	46.95%	46.70%	61.31%

Source: City Financial Records

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

	2006	2005	2004	2003	2002
<b>Total Assessed Property Value</b>	<u>\$ 833,249,133</u>	<u>\$ 850,325,160</u>	<u>\$ 865,435,613</u>	<u>\$ 816,485,001</u>	<u>\$ 826,000,544</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>87,491,159</u>	<u>89,284,142</u>	<u>90,870,739</u>	<u>85,730,925</u>	<u>86,730,057</u>
<b>Debt Outstanding:</b>					
General Obligation Bonds	\$ 25,073,000	\$ 27,302,000	\$ 34,057,000	\$ 27,440,000	\$ 29,710,000
General Obligation Bonds - Enterprise	6,852,000	7,153,000	2,918,000	1,765,000	1,845,000
Special Assessment Bonds	1,305,000	1,375,000	1,440,000	1,500,000	1,560,000
Notes	3,816,000	100,000	5,981,000	0	0
Notes - Enterprise	3,000,000	1,000,000	1,200,000	0	0
OPWC Loans	98,000	0	2,393,316	2,534,696	2,606,540
OPWC Loans - Enterprise	6,515,556	6,069,001	4,080,513	4,288,338	4,296,009
OWDA Loans	11,915,515	13,389,914	14,765,846	16,042,064	17,226,034
Industrial Development Revenue Bonds	1,440,000	1,530,000	1,615,000	1,695,000	1,765,000
<b>Total Gross Indebtedness</b>	<u>60,015,071</u>	<u>57,918,915</u>	<u>68,450,675</u>	<u>55,265,098</u>	<u>59,008,583</u>
Less:					
General Obligation Bonds - Enterprise	(6,852,000)	(7,153,000)	(2,918,000)	(1,765,000)	(1,845,000)
Special Assessment Bonds	(1,305,000)	(1,375,000)	0	0	0
Notes	(3,816,000)	(100,000)	(5,981,000)	0	0
Notes - Enterprise	(3,000,000)	(1,000,000)	(1,200,000)	0	0
OPWC Loans	(98,000)	0	(2,393,316)	(2,534,696)	(2,606,540)
OPWC Loans - Enterprise	(6,515,556)	(6,069,001)	(4,080,513)	(4,288,338)	(4,296,009)
OWDA Loans	(11,915,515)	(13,389,914)	(14,765,846)	(16,042,064)	(17,226,034)
Industrial Development Revenue Bonds	(1,440,000)	(1,530,000)	0	0	0
General Obligation Bond Retirement Fund Balance	(2,947,437)	(3,056,034)	(3,008,900)	(2,764,898)	(3,024,670)
<b>Total Net Debt Applicable to Debt Limit</b>	<u>22,125,563</u>	<u>24,245,966</u>	<u>34,103,100</u>	<u>27,870,102</u>	<u>30,010,330</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$ 65,365,596</u>	<u>\$ 65,038,176</u>	<u>\$ 56,767,639</u>	<u>\$ 57,860,823</u>	<u>\$ 56,719,727</u>
Legal Debt Margin as a Percentage of the Debt Limit	74.71%	72.84%	62.47%	67.49%	65.40%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$ 45,828,702</u>	<u>\$ 46,767,884</u>	<u>\$ 47,598,959</u>	<u>\$ 44,906,675</u>	<u>\$ 45,430,030</u>
<b>Total Gross Indebtedness</b>	\$ 60,015,071	\$ 57,918,915	\$ 68,450,675	\$ 55,265,098	59,008,583
Less:					
General Obligation Bonds - Enterprise	(6,852,000)	(7,153,000)	(2,918,000)	(1,765,000)	(1,845,000)
Special Assessment Bonds	(1,305,000)	(1,375,000)	0	0	0
Notes	(3,816,000)	(100,000)	(5,981,000)	0	0
Notes - Enterprise	(3,000,000)	(1,000,000)	(1,200,000)	0	0
OPWC Loans	(98,000)	0	(2,393,316)	(2,534,696)	(2,606,540)
OPWC Loans - Enterprise	(6,515,556)	(6,069,001)	(4,080,513)	(4,288,338)	(4,296,009)
OWDA Loans	(11,915,515)	(13,389,914)	(14,765,846)	(16,042,064)	(17,226,034)
Industrial Development Revenue Bonds	(1,440,000)	(1,530,000)	0	0	0
General Obligation Bond Retirement Fund Balance	(2,947,437)	(3,056,034)	(3,008,900)	(2,764,898)	(3,024,670)
<b>Net Debt Within 5 ½ % Limitations</b>	<u>22,125,563</u>	<u>24,245,966</u>	<u>34,103,100</u>	<u>27,870,102</u>	<u>30,010,330</u>
<b>Unvoted Legal Debt Margin Within 5 ½ % Limitations</b>	<u>\$ 23,703,139</u>	<u>\$ 22,521,918</u>	<u>\$ 13,495,859</u>	<u>\$ 17,036,573</u>	<u>\$ 15,419,700</u>
<b>Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation</b>	51.72%	48.16%	28.35%	37.94%	33.94%

**CITY OF EUCLID, OHIO  
COMPUTATION OF DIRECT AND OVERLAPPING  
GOVERNMENTAL ACTIVITIES DEBT  
DECEMBER 31, 2011**

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
<b>Direct - City of Euclid</b>			
General Obligation Bonds	\$ 25,114,131	100.00%	\$ 25,114,131
Special Assessment Bonds	786,155	100.00%	786,155
OPWC Loans	1,503,337	100.00%	1,503,337
Capital Leases	286,628	100.00%	286,628
Development Revenue Bonds	665,000	100.00%	665,000
General Obligation Notes	3,432,049	100.00%	3,432,049
<b>Total Direct Debt</b>	<u>31,787,300</u>		<u>31,787,300</u>
<b>Overlapping</b>			
Euclid City School District			
General Obligation Bonds	44,791,928	100.00%	44,791,928
County			
General Obligation Bonds	298,113,842	2.48%	7,390,761
Regional			
Transit Authority	142,080,000	2.48%	3,522,411
<b>Total Overlapping Debt</b>	<u>484,985,770</u>		<u>55,705,100</u>
<b>Total</b>	<u>\$ 516,773,070</u>		<u>\$ 87,492,400</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	
2011	\$ 109,336	\$ 0	\$ 109,336	\$ 165,000	\$ 33,114	\$ 198,114	0.55
2010	\$ 109,336	\$ 0	\$ 109,336	\$ 125,000	\$ 92,400	\$ 217,400	0.50
2009	\$ 109,336	\$ 0	\$ 109,336	\$ 115,000	\$ 101,888	\$ 216,888	0.50
2008	\$ 109,336	\$ 0	\$ 109,336	\$ 105,000	\$ 110,550	\$ 215,550	0.51
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

(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  
2011 AND 2006**

**2011**

Employer	Number of W-2 Issued	Percentage of Total City Employment
Lincoln Electric	2,355	9.69%
Cleveland Clinic	1,475	6.07%
Euclid Board of Education	1,279	5.26%
City of Euclid	639	2.63%
University Hospital Health System	644	2.65%
Cuyahoga County	525	2.16%
Easton Industrial Corporation	424	1.74%
Babcock& Wilcox Nuclear Operations	300	1.23%
Hose Masters	286	1.18%
HC Starck Incorporated	254	1.04%
<b>Total</b>	<b>8,181</b>	<b>33.65%</b>
Total Estimated Employment within the City	<u>24,315</u>	

**2006**

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

Source: City Income Tax Department

(1) Information prior to 2006 is not available

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

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)	Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Cuyahoga County Unemployment Rate (3)	Average Sales Price of Residential Property (4)	Total Assessed Property Value (4)
2011	52,717	\$ 1,036,627,088	\$ 19,664	\$ 35,151	38.9	19.6%	5,793	7.1%	\$ 50,265	\$ 738,711,240
2010	52,717	\$ 1,036,627,088	\$ 19,664	\$ 35,151	38.9	19.6%	6,168	9.5%	\$ 71,632	\$ 746,769,750
2009	52,717	\$ 1,036,627,088	\$ 19,664	\$ 35,151	38.9	19.6%	6,040	9.0%	\$ 69,136	\$ 749,989,650
2008	52,717	\$ 1,036,627,088	\$ 19,664	\$ 35,151	38.9	19.6%	6,042	7.1%	\$ 81,777	\$ 837,916,020
2007	52,717	\$ 1,036,627,088	\$ 19,664	\$ 35,151	38.9	19.6%	6,303	6.3%	\$ 99,664	\$ 904,734,233
2006	52,717	\$ 1,036,627,088	\$ 19,664	\$ 35,151	38.9	19.6%	6,414	5.7%	\$ 107,011	\$ 833,249,133
2005	52,717	\$ 1,036,627,088	\$ 19,664	\$ 35,151	38.9	19.6%	6,301	6.0%	\$ 111,934	\$ 850,325,160
2004	52,717	\$ 1,036,627,088	\$ 19,664	\$ 35,151	38.9	19.6%	6,021	6.7%	\$ 105,056	\$ 865,435,613
2003	52,717	\$ 1,036,627,088	\$ 19,664	\$ 35,151	38.9	19.6%	5,992	6.5%	\$ 104,931	\$ 816,485,001
2002	52,717	\$ 1,036,627,088	\$ 19,664	\$ 35,151	38.9	19.6%	5,891	4.7%	\$ 99,723	\$ 826,000,544

(1) Source: U. S. Census

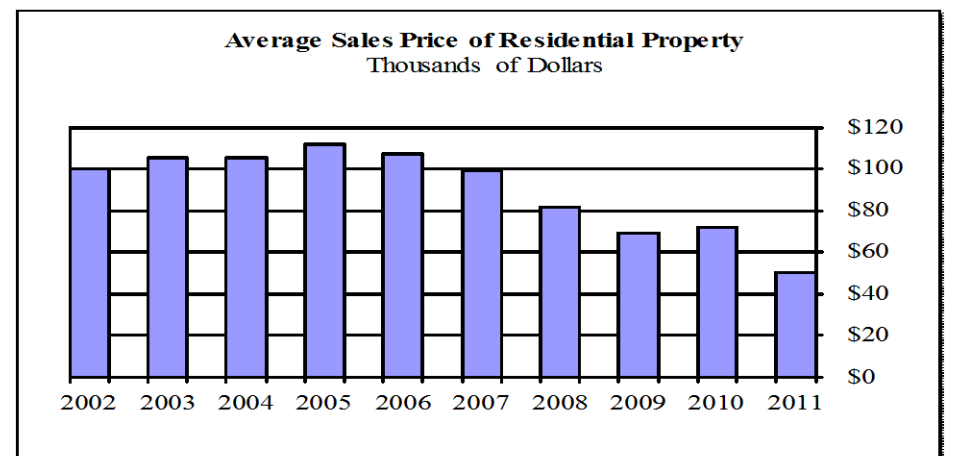
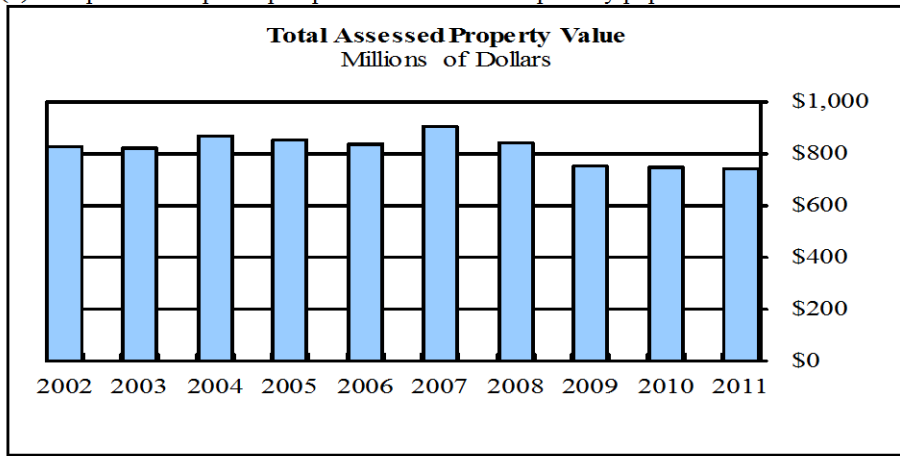
(a) Years 2001 through 2010 - 2000 Federal Census

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

(3) Source: County Planning Commission

(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 TEN YEARS**

Function/Program	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>General Government</b>										
Council	10	10	11	11	11	11	11	11	11	11
Finance	12	14	15	16	15	13	13	13	17	20
Tax	8	8	10	10	10	7	7	0	0	0
Mayor	22	22	22	24	24	24	24	25	26	29
Law	11	11	10	9	9	10	8	8	7	10
Municipal Court	26	28	28	26	26	23	27	26	26	26
Public Service Administration	5	6	7	6	6	6	6	6	6	8
Engineer	6	6	2	3	3	3	3	3	3	4
Public Building	8	8	10	10	10	9	10	10	11	12
<b>Security of Persons and Property</b>										
Police	93	97	96	99	95	95	95	95	95	98
Police - Administration	11	11	11	9	7	7	7	7	8	15
Police - Records Room	5	6	6	6	6	6	5	5	6	7
Police - School Guards	11	11	11	10	10	10	10	10	13	12
Police - Communications	17	16	16	17	16	15	14	16	18	19
Police - Corrections	28	28	28	38	38	36	32	38	40	36
Police - Animal Control	2	2	2	3	2	2	2	3	4	6
Fire	81	79	79	82	82	80	77	78	82	83
<b>Leisure Time Activities</b>										
Recreation - Administration	4	4	4	5	4	4	4	4	4	5
Parks & Rec Maintenance	12	13	14	15	14	17	16	16	22	26
Recreation - Programs	56	75	75	75	75	75	75	88	119	129
Shore Cultural Center	0	0	0	4	4	4	4	4	5	5
Golf Course	0	0	27	34	34	34	33	31	32	34
<b>Community Development</b>										
Economic Development	7	6	6	8	7	6	5	7	7	8
Building	4	4	5	4	4	3	2	2	3	6
Housing	11	10	12	13	11	10	10	7	10	11
Weatherization	4	5	5	6	6	6	7	6	7	7
Senior Programs	11	8	15	23	21	20	21	22	25	29
<b>Transportation</b>										
Motor Maintenance	8	8	12	12	12	12	12	12	14	14
Traffic Maintenance	1	0	4	4	4	4	4	4	4	5
Street M&R	25	26	29	27	25	23	23	24	26	37
<b>Basic Utility Services</b>										
Wastewater	42	43	43	43	43	44	44	42	44	44
<b>Totals:</b>	<u>541</u>	<u>565</u>	<u>615</u>	<u>652</u>	<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 TEN YEARS**

Function/Program	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>General Government</b>										
<i>Council and Clerk</i>										
Number of Ordinances & Resolutions Passed	183	178	218	250	258	220	202	229	246	242
<i>Finance Department</i>										
Number of checks/ vouchers issued	4,785	4,781	6,492	6,966	6,839	6,292	5,258	5,459	5,455	6,210
Amount of checks written	\$ 19,158,227	\$ 22,146,777	\$ 21,145,225	\$ 21,301,660	\$ 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)	\$ 114,879	\$ 261,703	\$ 578,273	\$ 970,513	\$ 1,393,041	\$ 968,963	\$ 488,302	\$ 323,793	\$ 286,042	\$ 564,599
Agency Ratings - Moody's Financial Services	A1	A1	A1	A1	A1	A1	A1	Aa3	Aa3	Aa3
Health Insurance Costs vs General Fund Expenditures %	11.90%	11.96%	9.89%	8.96%	8.81%	9.19%	9.04%	9.04%	9.19%	7.98%
General Fund Receipts (cash basis)	\$ 38,435,617	\$ 37,792,896	\$ 36,206,654	\$ 38,721,325	\$ 38,573,561	\$ 37,147,964	\$ 34,784,647	\$ 34,633,913	\$ 30,962,129	\$ 31,970,610
General Fund Expenditures (cash basis)	\$ 38,582,867	\$ 36,685,422	\$ 38,143,278	\$ 39,123,349	\$ 37,588,519	\$ 36,015,179	\$ 33,973,504	\$ 34,146,031	\$ 32,303,473	\$ 34,484,278
General Fund Cash Balances	\$ 2,591,536	\$ 2,796,536	\$ 1,689,062	\$ 3,625,687	\$ 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	25,125	24,552	25,487	32,180	28,916	34,128	n/a	n/a	n/a	n/a
Number of Business Returns	3,168	2,950	2,958	2,928	2,638	2,853	n/a	n/a	n/a	n/a
Number of Business Withholding Accounts	3,022	2,979	3,043	3,050	3,117	3,131	n/a	n/a	n/a	n/a
Amount of Penalties and Interest Collected	\$ 625,900	\$ 586,113	\$ 501,077	\$ 658,185	\$ 562,411	\$ 533,448	n/a	n/a	n/a	n/a
Annual number of Corporate withholding forms processed	16,720	17,045	17,746	18,434	18,448	17,992	n/a	n/a	n/a	n/a
Annual number of balance due statements forms processed	10,926	7,471	6,484	7,779	6,914	7,033	n/a	n/a	n/a	n/a
Annual number of estimated payment forms processed	22,123	12,844	14,883	15,916	15,512	20,167	n/a	n/a	n/a	n/a
Annual number of reconciliations of withholdings processed	2,391	2,188	3,112	2,230	1,643	2,325	n/a	n/a	n/a	n/a
<i>Municipal Court</i>										
Number of Civil Cases	3,671	3,614	4,234	4,937	4,670	4,041	3,246	2,723	2,639	2,234
Number of Traffic/Criminal cases	6,720	7,430	7,510	8,718	7,573	6,398	5,908	7,801	8,363	7,942
<i>Vital Statistics</i>										
Certificates Filed										
Number of Births	0	4	2	1	2	2	4	0	4	na
Number of Deaths	366	404	430	491	406	440	512	529	553	na
Certificates Issued										
Number of Births	1,616	1,482	1,724	1,855	2,401	2,458	2,518	2,469	2,713	na
Number of Deaths	1,391	1,703	1,830	2,128	2,080	2,218	2,684	2,769	2,889	na
Burial Permits Issued	639	625	675	601	579	456	478	550	na	na
<i>Civil Service</i>										
Number of police entry tests administered	0	1	0	0	0	1	1	(a)	(a)	(a)
Number of fire entry tests administered	0	1	0	0	1	(a)	1	(a)	(a)	1
Number of police promotional tests administered	2	3	0	0	4	1	(a)	(a)	(a)	(a)
Number of fire promotional tests administered	0	3	0	3	0	4	(a)	1	(a)	2
Number of hires of Police Officers from certified lists	6	4	0	0	3	2	6	(a)	(a)	(a)
Number of hires of Fire/Medics from certified lists	10	0	0	0	5	(a)	12	(a)	(a)	0
Number of promotions from police certified lists	18	0	1	0	4	1	(a)	(a)	(a)	(a)
Number of promotions from fire certified lists	3	3	0	3	1	11	(a)	1	(a)	3

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



**CITY OF EUCLID, OHIO**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
**LAST TEN YEARS**

Function/Program	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>General Government</b>										
<i>Building Department Indicators</i>										
Estimated Value of Construction	\$ 10,879,053	\$ 22,004,556	\$ 17,632,080	\$ 19,829,373	\$ 19,199,769	\$ 14,337,881	\$ 12,461,795	\$ 12,927,470	\$ 17,409,525	\$ 39,586,980
Number of permits issued	2,978	2,504	2,964	2,430	2,194	2,294	2,291	2,713	2,138	2,100
Amount of Revenue generated from permits	\$ 1,271,562	\$ 325,992	\$ 231,664	\$ 221,555	\$ 268,817	\$ 218,779	\$ 203,544	\$ 239,570	\$ 174,801	\$ 192,670
Number of contractor registrations issued	989	794	969	919	910	808	785	930	990	915
<i>Housing Department Indicators</i>										
Total dwelling / housing units	26,181	26,205	26,235	26,235	26,265	26,284	26,284	26,304	26,276	26,280
Number of point of sale inspections	654	748	859	1,218	1,153	1,288	1,229	1,161	1,227	1,068
Number of rental inspections performed	11,126	11,138	10,890	10,435	9,482	9,761	9,017	7,636	7,542	7,778
Revenue generated from Housing Fees	\$ 729,035	\$ 735,200	\$ 839,055	\$ 876,234	\$ 732,683	\$ 720,042	\$ 579,290	\$ 562,178	\$ 576,939	\$ 555,516
<b>Security of Persons &amp; Property</b>										
<i>Police</i>										
Total Crimes/Offenses	13,956	18,130	15,592	17,187	19,789	21,446	16,677	18,320	20,321	20,456
Motor Vehicle Accidents	1,269	1,223	1,149	1,315	1,428	1,456	1,516	1,488	1,696	1,667
Fatalities from Motor Vehicle Accidents	3	2	1	3	3	1	2	4	2	4
Number of criminal arrests	2,665	2,988	2,654	3,201	2,942	2,883	2,566	2,986	2,823	2,375
Number of traffic citations issued	8,983	10,712	12,373	12,023	10,094	8,498	7,719	10,001	10,545	9,702
Number of parking citations issued	3,389	3,208	3,596	5,133	6,311	3,980	3,997	5,430	5,802	6,513
Narcotics & Vice Criminal Charges	1,457	1,760	1,798	2,524	2,277	2,710	2,252	1,969	1,543	972
Warrants Processed	2,390	1,926	2,669	3,351	4,247	3,335	3,465	4,280	3,723	3,605
Emergency Response Team (ERT) calls for service	7	13	29	25	14	6	10	6	15	12
Police Dept. Auxiliary hours worked	2,573.00	1,912.75	2,088.00	2,330.00	2,818.75	2,976.50	3,068.50	3,216.00	2,589.45	2,233.50
Grant Awards	\$ 585,689	\$ 1,807,491	\$ 1,665,907	\$ 296,910	\$ 238,261	\$ 296,860	\$ 265,784	\$ 103,627	\$ 128,090	\$ 371,521
Prisoners (Total Jail Days)	14,482	20,957	19,166	30,364	29,591	29,339	25,416	25,991	23,437	23,514
Prisoner revenue	\$ 385,031	\$ 719,895	\$ 469,059	\$ 678,661	\$ 997,818	\$ 519,437	\$ 666,896	\$ 467,210	\$ 546,320	\$ 555,704
Juvenile Diversion Program - referred	240	264	255	165	557	363	347	159	184	106
Juvenile Diversion Program - accepted	205	114	203	82	456	324	181	115	175	98
<i>Fire</i>										
EMS Calls	6,670	6,208	5,636	5,575	5,466	5,544	5,452	5,397	5,217	4,993
Ambulance Billing Collections (net)	\$ 1,370,438	\$ 1,231,380	\$ 1,228,840	\$ 1,178,278	\$ 1,175,599	\$ 1,174,427	\$ 1,124,218	\$ 979,105	\$ 925,934	\$ 815,156
Fire Calls	1,212	1,225	1,152	1,403	1,259	1,236	1,165	1,086	1,068	1,148
Fire Losses	\$ 3,409,405	\$ 1,256,000	\$ 380,450	\$ 1,585,500	\$ 1,119,925	\$ 917,200	\$ 1,219,400	\$ 1,867,400	\$ 883,325	\$ 3,162,325
Fire Safety Company Inspections	1,452	1,460	1,462	1,355	1,433	1,664	2,273	3,142	3,084	3,059
Fire Prevention Bureau Inspections	2,691	2,704	2,978	2,614	2,841	2,616	2,763	2,920	2,671	2,838
EMS Training (Man Hours)	1,450.00	1,255.00	1,452.75	1,334.50	1,996.75	1,917.75	1,071.50	1,919.75	1,247.25	1,501.50
Fire Training (Man Hours)	6,223.00	6,381.00	7,001.25	8,591.00	7,028.00	6,939.75	6,784.00	8,742.25	8,351.50	7,960.00
<b>Public Health and Welfare</b>										
Cemetery burials	5	1	3	1	0	0	3	5	3	7
Cemetery cremations	2	3	2	4	0	1	1	1	5	0
Cemetery sale of lots	0	0	0	0	0	0	0	0	0	0
Cemetery receipts	\$ 2,475	\$ 600	\$ 1,000	\$ 1,000	\$ 400	\$ 400	\$ 1,415	\$ 2,300	\$ 1,372	\$ 1,725

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

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

Function/Program	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>Leisure Time Activities</b>										
<i>Recreation</i>										
Swimming pool receipts	\$ 91,655	\$ 96,334	\$ 98,348	\$ 98,716	\$ 102,644	\$ 98,214	\$ 100,703	\$ 96,681	\$ 119,347	\$ 149,727
Ice Arena receipts	\$ 141,293	\$ 115,074	\$ 141,666	\$ 178,106	\$ 173,572	\$ 174,213	\$ 134,925	\$ 183,108	\$ 180,999	\$ 179,539
Youth & Adult Sports receipts	\$ 159,667	\$ 177,020	\$ 179,836	\$ 210,318	\$ 222,765	\$ 231,549	\$ 232,096	\$ 225,916	\$ 257,347	\$ 259,317
Shore Cultural Facility rentals*	\$ 360,401	\$ 290,623	\$ 117,887	\$ 211,921	\$ 229,676	\$ 195,479	\$ 178,188	\$ 194,067	\$ 187,464	\$ 213,103
<i>Golf</i>										
Rounds of Golf	31,169	31,856	35,118	40,486	44,636	44,742	46,776	50,003	48,679	51,316
Golf/Pro-shop receipts	\$ 569,643	\$ 601,983	\$ 623,533	\$ 679,953	\$ 658,739	\$ 673,323	\$ 624,760	\$ 674,592	\$ 668,676	\$ 679,600
Food & Beverage receipts	\$ 295,821	\$ 244,397	\$ 318,844	\$ 359,389	\$ 326,050	\$ 305,959	\$ 153,072	\$ 111,636	\$ 111,525	\$ 113,906
<b>Community Development</b>										
Grant amounts received due to Economic Development Dept.	\$ 2,292,241	\$ 3,157,430	\$ 1,245,302	\$ 1,244,705	\$ 1,663,793	\$ 1,165,922	\$ 1,567,271	\$ 1,279,625	\$ 1,515,890	\$ 1,301,484
<b>Transportation</b>										
Motor Maintenance - Number of vehicles & equip. maintained	512	542	544	513	509	501	554	552	556	556
Motor Maintenance - Repair Orders	1,777	1,905	2,151	2,332	2,437	3,031	2,994	3,271	3,852	4,211
Traffic Maintenance - No. of responses to EPD Signals/Signs	N/A	N/A	N/A	239	271	248	265	236	287	292
Snow & Ice Removal - Salt (tons)	4,483.51	6,763.83	5,261.25	9,572.00	8,902.30	4,404.69	9,758.94	6,220.75	8,065.38	4,472.31
Snow & Ice Removal - Salt (cost)	\$ 202,215	\$ 311,652	\$ 221,330	\$ 354,225	\$ 313,080	\$ 152,509	\$ 329,886	\$ 236,840	\$ 262,568	\$ 140,160
Street Repair Maintenance - Cold Patch (tons)	357.20	291.27	296.97	577.00	477.43	425.55	382.11	352.46	402.06	227.09
Street Repair Maintenance - Cold Patch (cost)	\$ 30,716	\$ 25,807	\$ 29,714	\$ 43,432	\$ 24,349	\$ 21,704	\$ 16,813	\$ 15,508	\$ 18,093	\$ 10,219
Street Repair Maintenance - Hot Mix (tons)	468.46	904.07	741.38	657.00	1,036.73	1,072.37	781.30	762.05	793.00	1,075.46
Street Repair Maintenance - Hot Mix (cost)	\$ 26,307	\$ 49,451	\$ 41,493	\$ 29,550	\$ 31,450	\$ 31,163	\$ 18,907	\$ 18,402	\$ 21,470	\$ 29,018
Street Repair Maintenance - Emulsion/Crack Sealer (gallons)	909	1,898	1,766	1,815	2,442	2,637	1,428	1,714	1,886	1,146
Street Repair Maintenance - Emulsion/Crack Sealer (cost)	\$ 2,518	\$ 5,542	\$ 4,681	\$ 3,936	\$ 4,533	\$ 4,199	\$ 1,572	\$ 1,650	\$ 2,460	\$ 1,143
Sewer Jet Cleaning - Sanitary Sewers (feet)	172,530	250,510	193,475	213,225	223,435	169,100	6,345	3,100	8,605	208,990
Sewer Jet Cleaning - Storm Sewers (feet)	2,000	20,390	2,100	5,225	4,635	4,320	2,500	1,450	1,000	19,010
Sewer Repairs (includes Water Department damage)	36	47	76	71	78	61	68	41	59	59
House Call Sewer Jobs/Residential & Business	1,431	1,058	1,185	1,139	1,195	1,595	1,492	1,327	1,732	2,235
Catch Basin Repairs	62	49	55	66	39	54	45	37	40	72
Catch Basin Cleaning	576	1,134	1,194	849	569	623	320	75	54	2,274
Man Hole Repairs	20	20	23	13	30	13	5	11	16	44
Sidewalk Repairs	16	14	16	9	25	12	19	5	12	18
Curb & Apron Repairs	40	52	80	31	50	17	25	23	26	54
Leaf Collection - Number of Loads	845	754	750	691	774	1,139	734	840	745	965
Street Sweeping - Number of Loads (dirt & debris)	248	381	386	471	321	582	352	301	285	473
Street Sweeping - Number of times whole city sweep	3	3	4	8	5	6	3	3	2	7
Water Hole Maintenance - New Water Openings	259	213	250	264	312	190	229	165	220	176
Water Hole Maintenance - Completed (cemented/asphalted)	265	326	288	265	195	221	279	265	326	153
Water Hole Maintenance - Total not completed	361	363	538	493	480	355	388	432	496	518
Fire Hydrants Painted	0	0	0	2,034	103	58	80	634	8	880

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

Function/Program	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>Wastewater Department</b>										
Wastewater Rates for Water Consumption Based Customers (per 1000 MCF)										
Euclid	\$ 35.17	\$ 33.01	\$ 31.01	\$ 29.01	\$ 29.01	\$ 29.01	\$ 29.01	\$ 28.71	\$ 28.71	\$ 28.26
Cuyahoga County (So.Euclid, Highland Hts, Richmond Hts)	\$ 29.21	\$ 29.05	\$ 29.05	\$ 29.05	\$ 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	\$ 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	\$ 1.73	\$ 1.73	\$ 1.73	\$ 1.73
Willowick	\$ 1.73	\$ 1.73	\$ 1.73	\$ 1.73	\$ 1.73	\$ 1.73	\$ 1.73	\$ 1.73	\$ 1.73	\$ 1.73
Waste Water Flow MGD (Million Gallons per Day)										
Euclid	15.50	11.70	10.59	13.80	16.74	15.58	14.09	15.19	12.86	12.05
Wickliffe	2.93	1.93	1.92	2.14	2.36	2.60	2.51	2.38	2.51	2.15
Willowick	2.25	1.70	1.88	2.08	1.85	2.00	1.49	1.26	1.28	1.06
Total	20.68	15.33	14.39	18.02	20.95	20.18	18.09	18.83	16.65	15.26
<b>Water Line Construction Fund</b>										
Euclid (charges included with wastewater billing) (per 1000 MCF)	\$ 9.00	\$ 9.00	\$ 9.00	\$ 8.00	\$ 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	\$ 1.39	\$ 1.39	\$ 1.39	\$ 1.39
Capital Costs	0.28	0.28	0.28	0.28	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	0.06	0.06	0.06	0.06
Total	\$ 1.73	\$ 1.73	\$ 1.73	\$ 1.73	\$ 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	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60
Capital Costs	4.08	4.08	4.08	4.08	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	0.48	0.48	0.48	0.48
Total	\$ 24.16	\$ 24.16	\$ 24.16	\$ 24.16	\$ 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	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60
Capital Costs	4.08	4.08	4.08	4.08	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	0.48	0.48	0.48	0.48
Equalization under billing (2nd quarter 2000)	0.00	0.00	0.00	0.00	0.00	0.44	0.44	0.44	0.44	0.00
Equalization under billing (3rd quarter 2000)	1.94	1.94	1.94	1.94	1.94	1.94	0.00	0.00	0.00	0.00
Meter Reading/Billing Charges (City of Cleveland)	1.61	1.45	1.45	1.45	1.45	1.45	1.45	1.15	1.15	0.70
Administrative Expenses (City of Euclid)	1.50	1.50	1.50	1.50	1.50	1.50	0.00	0.00	0.00	0.00
Total	\$ 29.21	\$ 29.05	\$ 29.05	\$ 29.05	\$ 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	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60
Capital Costs	4.08	4.08	4.08	4.08	4.08	4.08	4.08	4.08	4.08	4.08
Peterson Construction Fund	9.88	7.88	5.88	3.88	3.88	3.88	3.88	3.88	3.88	3.88
Meter Reading/Billing Charges	1.61	1.61	1.61	1.45	1.45	1.45	1.45	1.15	1.15	0.70
Total	\$ 35.17	\$ 33.17	\$ 31.17	\$ 29.01	\$ 29.01	\$ 29.01	\$ 29.01	\$ 28.71	\$ 28.71	\$ 28.26

Source: City Departments

(1) Information prior to 2002 is not available

**CITY OF EUCLID, OHIO**  
**CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM**  
**LAST EIGHT YEARS (1)**

Function/Program	2011	2010	2009	2008	2007	2006	2005	2004
<b>General Government</b>								
Square Footage Occupied	11,392	11,392	11,392	11,392	11,392	11,392	11,392	11,392
Administrative Vehicles	3	2	1	1	17	21	20	20
Inspection Vehicles	14	11	12	14	14	13	13	13
Municipal Court Vehicles	1	1	1	1	1	1	1	1
Lands & Buildings Vehicles	14	11	11	11	10	9	9	9
<b>Police</b>								
Stations	1	1	1	1	1	1	1	1
Mini-stations	2	2	2	2	2	2	1	0
Square Footage of Buildings	58,384	58,384	58,384	58,384	58,384	58,384	51,194	49,094
Vehicles	63	63	64	64	66	69	59	60
<b>Fire</b>								
Stations	3	3	3	3	3	3	4	4
Square Footage of Buildings	27,389	27,389	27,389	27,389	27,389	27,389	34,579	34,579
Vehicles	18	13	16	18	18	18	18	21
<b>Recreation</b>								
Number of Parks	6	3	3	3	3	3	3	3
Acres of Parks	106	106	106	106	106	106	106	106
Acres of Playgrounds/Recreation	254	254	254	254	254	254	254	254
Number of Playgrounds	14	14	14	14	14	14	14	14
Number of Tennis Courts	6	6	6	6	6	6	6	6
Number of Skateboarding Areas	1	1	1	1	1	1	1	1
Number of Baseball Diamonds	9	9	9	9	9	9	9	9
Number of Soccer Fields	7	7	7	7	7	7	7	7
Number of Swimming Pools	4	5	6	6	6	6	6	6
Number of Ice Rinks	1	1	1	1	1	1	1	1
Acres of Golf Course	126	126	126	126	126	126	126	126
Square Footage of Shore Center Building	153,525	153,525	153,525	153,525	153,525	153,525	153,525	153,525
<b>Other Public Works</b>								
Streets (miles)	143.065	143.065	143.065	143.065	143.065	143.065	143.065	143.065
Service Vehicles	54	43	43	40	35	35	33	32
<b>Wastewater</b>								
Sanitary Sewers (miles)	262.38	262.38	262.38	262.38	262.38	262.38	262.38	262.38
Vehicles	10	11	10	11	20	13	13	13
<b>Water Department</b>								
Water Lines (miles)	139.65	139.65	139.65	139.65	139.65	139.65	139.65	139.65

Source: City Departments

(1) Information prior to 2004 is not available





# Dave Yost • 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  
AUGUST 07, 2012