

City Of Euclid, Ohio

SINGLE AUDIT REPORTS

DECEMBER 31, 1999

CITY OF EUCLID, OHIO

FOR THE YEAR ENDED DECEMBER 31, 1999

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STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

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Members of City Council of the
City of Euclid, Ohio

We have reviewed the Independent Auditor's Report of the City of Euclid, Cuyahoga County, prepared by Ciuni & Panichi, Inc., for the audit period January 1, 1999 to December 31, 1999. 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, appearing to read "Jim Petro", written over a large, stylized flourish that loops around the text below.

JIM PETRO
Auditor of State

June 30, 2000

**Report On Compliance And On Internal Control Required By
*Government Auditing Standards***

Members of the City Council of the
City of Euclid, Ohio

We have audited the financial statements of the City of Euclid, Ohio as of and for the year ended December 31, 1999, and have issued our report thereon dated April 20, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City 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 grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Euclid, Ohio's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the City of Euclid, Ohio's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings as items 99-01 and 99-02.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness. We also noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the City of Euclid, Ohio, in a separate letter dated April 20, 2000.

This report is intended for the information and use of City Council, management, 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.

Cimini & Partners Inc.

Cleveland, Ohio
April 20, 2000

**Report On Compliance With Requirements Applicable To Each
Major Program And On Internal Control Over Compliance And
On The Schedule Of Expenditures Of Federal Awards In
Accordance With OMB Circular A-133**

Members of the City Council of the
City of Euclid, Ohio

Compliance

We have audited the compliance of the City of Euclid, Ohio with the types of compliance requirements described in *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal programs for the year ended December 31, 1999. The City of Euclid, Ohio's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program 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 generally accepted auditing standards; 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 occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. 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 requirements referred to above that are applicable to its major federal program for the year ended December 31, 1999.

Internal Control Over Compliance

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the general-purpose financial statements of the City of Euclid, Ohio as of and for the year ended December 31, 1999, and have issued our report thereon dated April 20, 2000. Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

This report is intended for the information and use of City Council, Management, 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.

Cimini & Panichi, Inc.

Cleveland, Ohio
April 20, 2000

CITY OF EUCLID, OHIO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 1999

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
U.S. Department of Housing and Urban Development						
Community Development Block Grant Entitlement Grant	14.218	N/A	\$ 1,168,089	\$ -	\$ 1,164,783	\$ -
Special Purpose Grant Program	14.227	N/A	<u>112,913</u>	-	<u>39,365</u>	-
Total U.S. Department of Housing and Urban Development			<u>1,281,002</u>	-	<u>1,204,148</u>	-
U.S. Department of Justice:						
COPS Ahead Program	16.710	N/A	-	-	-	-
COPS Universal Hiring Program	16.710	N/A	63,521	-	-	-
COPS More Program	16.710	N/A	76,203	-	-	-
Local Law Enforcement Block Grant	16.710	N/A	32,345	-	-	-
Weed and Seed	16.595	N/A	135,872	-	104,231	-
Asset Forfeiture	16.595	N/A	11,704	-	32,558	-
Total U.S. Department of Justice			<u>319,645</u>	-	<u>136,789</u>	-
U.S. Department of Health and Human Services:						
Pass-Through Program From:						
State Department of Aging and the Western Reserve Area Agency on Aging: Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	N/A	23,447	-	57,126	-
Total U.S. Department of Health and Human Services			<u>23,447</u>	-	<u>57,126</u>	-
Total Expenditures of Federal Awards			\$ <u>1,624,094</u>	\$ -	\$ <u>1,398,063</u>	\$ -

The accompanying notes are an integral part of this schedule

CITY OF EUCLID, OHIO

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 1999**

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Euclid, Ohio and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general-purpose financial statements.

NOTE 2 - SUBRECIPIENTS

Of the federal expenditures presented in the schedule, the City of Euclid provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
Community Development Block Grant Entitlement Grants	14.218	\$ 66,759

NOTE 3 - LOANS OUTSTANDING

In 1994 the City received and expended a \$945,000 loan from HUD under Section 108 of Title I of the Housing and Community Development Act, as amended. The funds were to be used in connection with an economic development and rehabilitation project of a local business. Principal and interest are to be repaid in nine annual installments beginning in 1994. The loan and related activities have not been reflected in the Schedule of Expenditures of Federal Awards. The outstanding loan balance as of December 31, 1999 was \$315,000.

CITY OF EUCLID, OHIO

SCHEDULE OF FINDINGS
OMB CIRCULAR A-133, SECTION .505

DECEMBER 31, 1999

1. SUMMARY OF AUDITOR'S RESULTS

(d)(I)(I)	Type of Financial Statement Opinion	Unqualified
(d)(I)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(I)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	Yes
(d)(I)(iii)	Was there any material reported noncompliance at the financial statement level (GAGAS)?	No
(d)(I)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(I)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(I)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(I)(vi)	Are there any reportable findings under Section .501?	No
(d)(I)(vii)	Major Programs	Community Development Block Grant CFDA No. 14.218
(d)(I)(viii)	Dollar Threshold: Type A/B Programs	Type A: >\$300,000 Type B: >All Others
(d)(I)(ix)	Low Risk Auditee?	Yes

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

99-1 Fixed Asset Recordkeeping

Although formal procedures to ensure the proper maintenance of fixed asset records do exist, fixed asset additions and disposals are not being recorded on a timely basis. This could result in the City reporting an overstated or understated fixed asset balance.

We understand that the City has implemented a new fixed asset system and obtained additional staff to aid in fixed asset maintenance. We recommend that the City ensure this system and staff member facilitate reliable and timely fixed asset reporting.

CITY OF EUCLID, OHIO

SCHEDULE OF FINDINGS
OMB CIRCULAR A-133, SECTION .505

DECEMBER 31, 1999

99-2 Fixed Assets Detail Report

During our audit, we noted that a comprehensive fixed asset detail list for governmental fixed assets does not exist. The lack of a detail listing could result in an overstatement or understatement of total assets. Due to the fact that original costs are unknown at the time of disposal, an estimated cost must be calculated.

We recommend that the City establish a comprehensive fixed asset list for the governmental fixed assets. This would eliminate the necessity to estimate the cost of fixed assets at the time of disposal.

3. FINDINGS FOR FEDERAL AWARDS

There were no findings or questioned costs for federal awards to report in 1999.

CITY OF EUCLID, OHIO

SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A-133, SECTION .315(b)

DECEMBER 31, 1999

Finding No.	Finding Summary	Fully Corrected?	Explanation
98-01	Fixed Asset Recordkeeping	No	The City has purchased governmental fixed asset management system software but has not yet entered into it the data from their independent appraisal.
98-02	Fixed Asset Transfers/Retirements	Yes	
98-03	Fixed Asset Detail Report	No	A fixed asset detail report should be available after the City has inputted the data into their new fixed asset system (referred to in 98-01 above).

CITY OF EUCLID

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(216) 289-2700

RESPONSE TO FINDINGS ASSOCIATED WITH AUDIT CONDUCTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* FOR THE YEAR ENDED DECEMBER 31, 1999

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
99-01	A Fixed Asset module within the City's financial management system was made available to a member of the Finance Department responsible for the fixed asset recordkeeping. In addition, the City has recently purchased a governmental fixed asset management system software program. This system will allow for better recordkeeping and reporting of the City's fixed assets. All fixed assets recorded during the independent appraisal completed at December 31, 1994 will be loaded into this new system. Additions and disposals of fixed assets subsequent to December 31, 1994 will also be incorporated into this new system.	December 31, 2000	Richard T. Balazs, Finance Director
99-02	A more complete fixed asset detail report will be available as the fixed asset management system mentioned in Finding 99-01 is implemented.	December 31, 2000	Richard T. Balazs, Finance Director

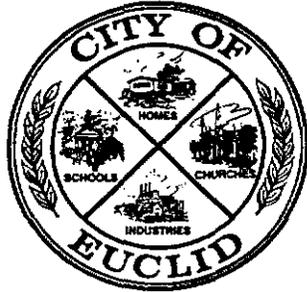
CITY OF EUCLID, OHIO

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For The Year Ended December 31, 1999

Issued by:
the Department
of Finance

RICHARD T. BALAZS
Director



**CITY OF EUCLID, OHIO
INTRODUCTORY SECTION**

CITY OF EUCLID, OHIO

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CITY OF EUCLID, OHIO

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CITY OF EUCLID, OHIO

TRANSMITTAL LETTER:

The Transmittal Letter is a non-technical narrative that explains the legal and policy reasons for the publication of a Comprehensive Annual Financial Report and discusses its substantive highlights.



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

<http://www.ci.euclid.oh.us>

Department of FINANCE
Richard T. Balazs, Director
Phone: 216/289-2850
Fax: 216/289-2764

June 19, 2000

Honorable Mayor Paul Oyaski,
Members of Euclid City Council and
Residents of the City of Euclid:

We are pleased to submit to you the City of Euclid's (the City) Comprehensive Annual Financial Report for the fiscal year ending December 31, 1999. We believe this report, prepared by the Department of Finance, presents comprehensive financial and operating information about the City's activities during 1999 that should be useful to citizens, elected officials, investment institutions, rating agencies and other interested parties.

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 my 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 and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The Comprehensive Annual Financial Report is presented in three sections: the Introductory Section, a series of Financial Sections and a Statistical Section.

The Introductory Section includes this transmittal letter from the Director of Finance, a list of the principal officials, and a general governmental organizational chart. The transmittal letter includes summarized financial information about the City of Euclid, an analysis of the past year's operations of general government and major enterprise activities, and an overview of the City of Euclid's current economic picture as well as its initiatives and financial accomplishments for the year.

The Financial Section includes our external auditor's letter expressing an opinion as to the accuracy and fairness of the presentation, the audited general purpose financial statements and the supporting schedules and notes. The combined statements in this section present an overview of the City of Euclid's entire financial operations. Combined and individual fund statements present financial data of each of the separate funds and account groups of the City of Euclid. Data from the prior fiscal year, which ended December 31, 1998, has been included in certain statements and schedules for comparative purposes.

The Statistical Section includes a number of statistical tables and charts representing various financial, economic, social and demographic information presented on a ten year basis.

The City of Euclid receives federal financial assistance through various federal grant programs. An audit in accordance with the Single Audit Act of 1984, and 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, 1999. The required reports on supplementary information, compliance, and internal controls along with various supplementary schedules will be provided under a separate report cover.

THE REPORTING ENTITY

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

Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity," establishes the criteria used for defining the financial reporting entity of a governmental unit. These principles provide that the reporting entity is comprised of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that the exclusion would cause the general purpose financial statements to be misleading or incomplete. Pursuant to these principles, the City has included in this report all funds, account groups, agencies, boards and commissions for which the City is financially accountable. In addition, the activities of the Euclid Development Corporation (EDCOR) are included as a discretely presented component unit in this report. EDCOR provides administrative assistance to the City in conjunction with its Community Development Block Grant award and is an integral part of the City's economic development program.

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 and University Mednet's Clinic.

The City operates two enterprises, Briardale Greens golf course and the Waste Water Treatment Plant. Both are accounted for in the City's enterprise funds. The City of Euclid provides waste water treatment for the cities of Wickliffe, Willowick, Willoughby Hills, and parts of Richmond Heights, Ohio. Each of these communities depends in whole or in part on the City 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 David M. Griffith & Associates determines annually and independently the revenues required to provide waste water services and recommends a rate structure that would equitably recover these costs from the system users.

The Cleveland Electric Illuminating Company (nka FirstEnergy Corp.) and the East Ohio Gas Company, both independent, publicly-owned utilities, provide the residents of the City with electricity and natural gas, respectively. Cleveland Public Power, a municipally owned electric utility, serves a small portion of the community and the Regional Transit Authority, a county wide transit system provides bus service within the city.

ECONOMIC CONDITION AND OUTLOOK

During 1999 the diversification of Euclid's Commercial/Industrial Citizens played an important part in enabling a stable but strong economy. Some business sectors were down (i.e. first full year of PMX Industries closing/the uncertainty of Euclid Square Mall) while others continued to grow such as Lincoln Electric, Argo-Tech, and Hose Master. There is no doubt that the over 107 small to medium industrial firms within the City continued to provide the stability necessary to keep a city moving forward economically.

The strength that diversity brings is also evident in the City's unemployment rate. Euclid's 1999 average unemployment rate was 3.6% compared to Cuyahoga County's 4.6% and the State of Ohio's overall 4.3% average.

Stability and economic strength can never be guaranteed. With this in mind, the City administration with the help and support of City Council began to implement programs to continue positive reinvestment and suburban renewal. Through purchase/demolition, the City has opened up 30 acres of prime land located in the southeast corner of the City adjacent and accessible to the I-90 freeway. An additional 65 acres of privately owned vacant land abuts 20 of the acres owned by the City. With the cooperation of the private owner, the south east corner of the City could see 95 acres of newly developed land something unheard of for an inner ring suburban community.

On South Lakeland Blvd., the City razed its incinerator to open up 11 acres for industrial development and worked closely with The Home Depot to facilitate the building of a new store at East 200 and North Lakeland Blvd.

Not to be forgotten, the City is actively working with several developers that could lead to two new supermarkets and the expansion of the Lake Theater in downtown Euclid.

The City as an economic development tool contracted for an Urban Renewal Analysis Redevelopment Plan for the entire downtown area.

The City is also continuing to pursue its goal of more new upscale housing development by pursuing the purchase of a vacant school that borders the Briardale Greens Golf course.

Last but not least the City will be undertaking a massive promotional campaign to market all aspects of commercial/industrial development potential.

The City of Euclid is not standing pat but aggressively looking to the future. With strong leadership from the City Administration and the City Council, Euclid continues to proactively pursue every opportunity for reinvestment, stability and economic growth. The year 2000 looks to be one of much anticipated excitement.

FINANCIAL INFORMATION

Internal Accounting and Reporting Control

As part of its continuing commitment to excellence in financial reporting, the City administration and Council have continued to rely on a fully integrated computerized financial accounting, budgeting and reporting system that has proven successful since its implementation in 1992. Because of the nature of the 2000 issue, various software systems were updated concerning the accounting process that enhanced the success of related remediated efforts, which were successful in addressing the 2000 effort. Being an integrated and widely deployed system, the City's current financial status is available to management on a moment's notice. The timeliness and accuracy of the information provided to management allows for more informed daily decision making, performance evaluation and planning.

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 and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, though not absolute, 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 determination 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.

Summary of Accounting Policies and Budgetary Control

The City of Euclid's financial statements for its governmental and fiduciary funds are prepared on a modified accrual basis of accounting which conforms to generally accepted accounting principles. Revenues on this basis are recognized when measurable and available to finance current City operations; expenditures are recognized when the liability is incurred, if measurable, except for interest on general obligation debt, which is recognized when due.

The City's enterprise and internal service funds are accounted for on the accrual basis. Under the accrual basis, revenues are recognized when earned and expenses are recognized when incurred. See Note 1 to the general purpose financial statements for a summary of the City's significant accounting policies.

The City's budgeting process is governed by Ohio law and is divided between the City's Mayor and Finance Director (who prepares the tax budget), Council, the Cuyahoga County Budget Commission (consisting of the County Auditor, County Treasurer and County Prosecutor) and the County Auditor. The major features of the budgeting process are discussed below.

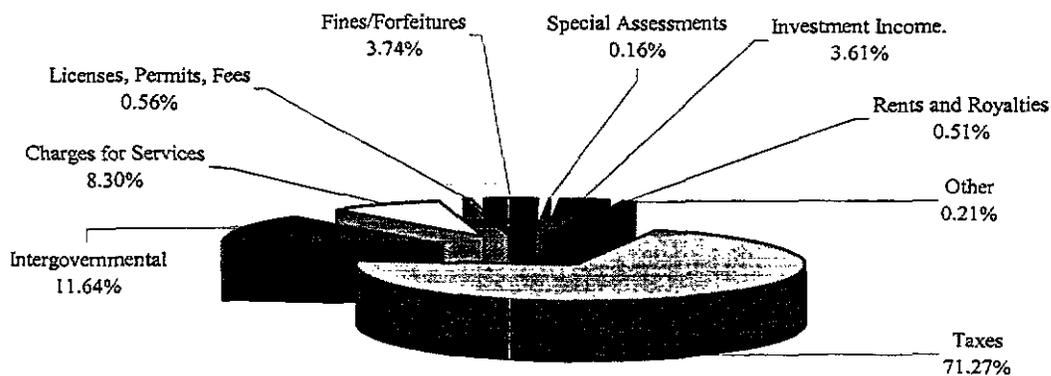
On or before the fifteenth day of July of each year, the Council must adopt a tax budget for the next succeeding fiscal year. The tax budget is prepared on a cash or non-GAAP basis. Based upon its review of the tax budget, the County Budget Commission certifies tax levies that may be levied within and in excess of the ten-mill tax limitation. The County Budget Commission also issues an "Official Certificate of Estimated Resources," stating the City's estimated resources, by fund. The City must then revise its tax budget so that the total contemplated appropriations and expenditures, by fund, will not exceed the City's estimated resources, by fund, as determined by the County Budget Commission's certificate. The revised tax budget is the basis of the annual appropriation measure. On or about the first of each year, the fiscal officer of the City certifies the total amount of all sources (taxes and revenues) available for expenditure from each fund, together with balances existing at the end of the preceding year. Year-end balances are to be unencumbered balances; that is, the balances shall be reduced by unliquidated and outstanding obligations at the end of the year. The County Budget Commission then issues an amended official certificate of estimated resources.

The total appropriations made during the fiscal year from any fund may not exceed the amount set forth as available for expenditure from such fund in the official certificate of estimated resources, or any amendment thereto, certified prior to the appropriations. Based on the revised tax budget and official certificate of estimated resources, or amendments thereto, the City's Council will pass the annual appropriation measure and any supplemental appropriations. The Council may pass a temporary appropriation measure and delay the passage of the annual appropriation measure to a date not later than April 1st. Appropriation measures are not effective until the County Auditor files with the Council a certificate that the total appropriations from each fund, taken together with all other outstanding appropriations, do not exceed the amounts shown in the official or amended official certificate of estimated resources. When the County Auditor may properly give such certificate, he must do so forthwith upon his receipt from the Council of a certified copy of the appropriation measure. The temporary, annual and supplemental appropriation measures establish the maximum amount that may be encumbered or expended from each fund during the fiscal year. These encumbrances are reported as a reservation of fund balance at December 31, 1999. Budgets are legally adopted and controlled on a cash/encumbrance basis. Unencumbered appropriations lapse at year-end and become available for future appropriations.

General Governmental Functions

The following chart presents a summary and compares revenues for the general governmental functions that include the General Fund; Special Revenue Funds and Debt Service Fund revenues for the year ended December 31, 1999.

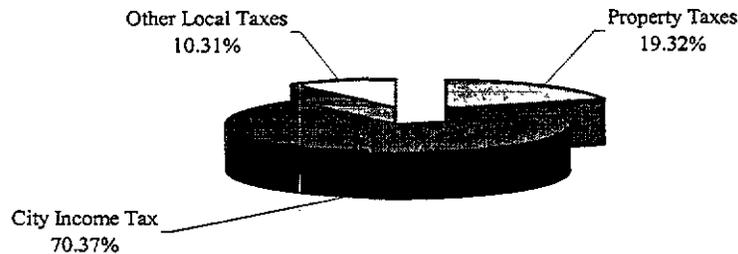
Revenue Sources



<u>Revenue Sources</u>	<u>1999 Amount</u>	<u>Percentage of Total</u>	<u>Increase (Decrease) From 1998</u>
Taxes	\$ 30,659,859	71.27%	\$ (2,018,211)
Intergovernmental	5,007,937	11.64%	348,885
Charges for Services	3,569,033	8.30%	102,006
License, Permits, Fees	240,531	0.56%	22,108
Fines and Forfeitures	1,608,146	3.74%	(33,402)
Special Assessments	68,949	0.16%	(39,506)
Investment Income	1,551,154	3.61%	167,864
Rental and Royalties	220,947	0.51%	(12,554)
Other	91,050	0.21%	26,209
Total	\$ 43,017,606	100.00%	\$ (1,436,601)

The revenue source that showed a significant decrease compared to the prior year is the Municipal Income Tax. Although the diligent pursuit of delinquent tax collection continued, the reduction in income tax revenues can be attributed to the downturn of certain business sectors. Property taxes were affected by the County auditor's reappraisal of property values and the subsequent reduction in the assessed value. Charges for Services increased due to an increase in presale inspections. The Investment Income revenue increased due to a rise in interest rates.

Tax Revenue



<u>Tax Revenue</u>	<u>1999 Amount</u>	<u>Percentage of Total</u>	<u>Increase (Decrease) from 1998</u>
Property Taxes	\$ 5,922,451	19.32%	\$ (421,731)
City Income Tax	21,576,183	70.37%	(1,546,940)
Other Local Taxes	3,161,225	10.31%	(49,540)
Total	\$ 30,659,859	100.00%	\$ (2,018,211)

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

The City's income tax is levied upon the net income of corporations and other business entities and on the wages, salaries and compensation of individuals. The income tax is collected and administered on behalf of the City by the Central Collection Agency, a regional council of governments organized under Ohio law.

In Ohio, the assessed value of real property is equal to 35% of its appraised value. The County auditor is responsible for administering the property tax, including establishment of real property assessed values. The Auditor's office conducts a reappraisal of property every six years and an update adjustment in the third year following reappraisal. These functions are known as the "sexennial" reappraisal and the "triennial" adjustment. The most recent reappraisal was conducted in 1994 and in the ad valorem taxes distributed to the City in 1995.

Under Ohio law for tax year 1999 (collection year 2000) tangible personal property used in business (except for the public utility business) is assessed at 25% of true value (in general, true value is net book value). The assessment level of public utility tangible personal property, except that of a railroad and a rural electric company whose tangible personal property is assessed at 25% and 50% respectively, was changed from 100% for all such property to either 88% or 100% of true value depending on the nature of the public utility. The true value of the production equipment of an electric company is the equipment's original cost less fifty-percent (50%) of that cost as an allowance for depreciation and obsolescence.

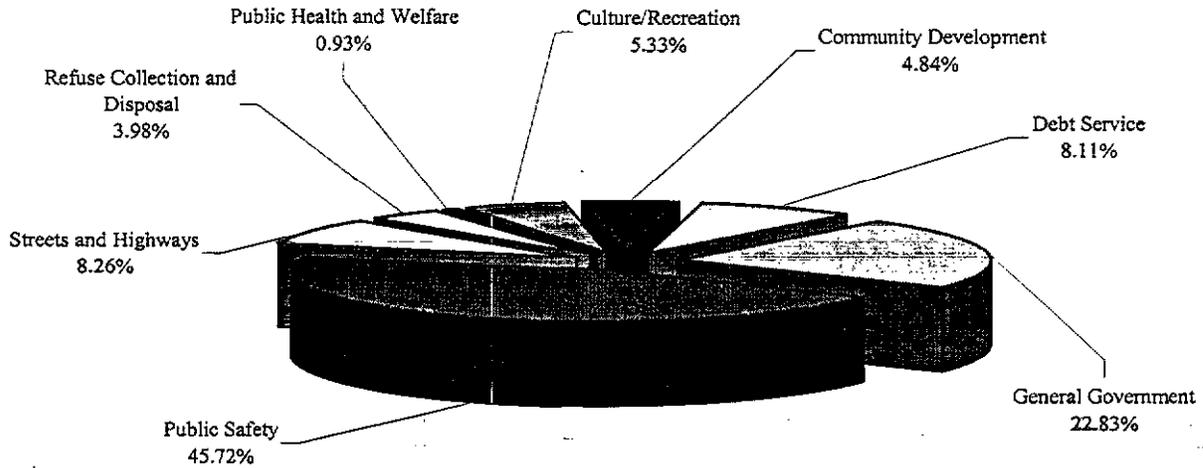
The details of property tax valuations and tax rates relating to collections for the last three years are as follows:

TAX RATES (Per \$1,000 of assessed Valuation)

Purpose	1999	1998	1997
General Fund	\$ 6.72	\$ 6.92	\$ 6.92
Recreation Operating	1.30	1.30	1.30
Bond Retirement	3.88	3.88	3.88
Capital Improvements	1.70	1.70	1.70
Sewers	2.00	2.00	2.00
Totals	<u>\$ 15.60</u>	<u>\$ 15.80</u>	<u>\$ 15.80</u>
Assessed Valuation	<u>\$ 790,617,336</u>	<u>\$ 793,607,480</u>	<u>\$ 765,365,505</u>

The following schedule presents a summary of General Fund, Special Revenue Funds and Debt Service Fund expenditures for the year ended December 31, 1999 and the increases and decreases in relation to prior year expenditures.

Expenditures



<u>Functions</u>	<u>1999 Amount</u>	<u>Percentage of Total</u>	<u>Increase (Decrease) from 1998</u>
General Government	\$ 10,019,450	22.83%	\$ 13,900
Public Safety	20,060,585	45.72%	1,655,349
Streets and Highways	3,624,730	8.26%	1,761,638
Refuse Collection and Disposal	1,747,728	3.98%	271,101
Public Health and Welfare	406,503	0.93%	(17,320)
Culture/Recreation	2,336,502	5.33%	311,194
Community Development	2,125,874	4.84%	(317,365)
Debt Service	3,558,941	8.11%	(3,211,328)
Total	\$ 43,880,313	100.00%	\$ 467,169

The major decrease in the category of expenditures is reflected in the Debt Service category. This was due to the fact that in 1998 there was an advance refunding issue and in 1999 there was no such issue. Public Safety functions increased due to: 1) a three-percent (3%) pay increase given to City employees pursuant to agreements with various bargaining unions and the increase in related fringe benefits; and 2) the safety forces increased uniform personnel.

The City of Euclid has classified its funds into three categories: governmental funds, proprietary funds and fiduciary funds. The funds within each category are described as follows:

Governmental Funds

The acquisition, use and balance of the City's expendable financial resources and the related current liabilities (except those accounted for in the Proprietary Funds) are accounted for through governmental funds. The measurement focus is based upon determination of financial position.

General Fund

The primary operating fund of the City, the General fund traditionally accounts for most of the general governmental revenue and expenditures. The General Fund is responsible for funding the major services of the City, which include the safety forces, parks and recreation, administrative departments, appointed commissions, health and sanitation services. The General Fund budget is prepared by the Mayor with the assistance of the Finance Director and all other City directors, and is submitted to Council for its consideration prior to the start of the new fiscal year. A series of public budget hearings, which take place on various dates over a period of up to 60 days, constitutes the review process. Final appropriations and amendments thereof are passed by Council in the form of ordinances as required by the City Charter and State statutes.

The City's major revenue source is the municipal income tax. A great variety of other sources of income flow into the General Fund, including general property taxes, licenses, fees, permits, sales taxes, court fines, penalties and amounts received from other governments.

The fund balance of the General Fund at December 31, 1999 was \$12,979,232. The General Fund balance is available to the City for any purpose provided it is expended or transferred according to the Charter of the City of Euclid and the general laws of the State of Ohio. It is the goal of the Mayor and his administration to provide a sufficient fund balance in the General Fund to serve as a hedge against any future economic downturn.

Special Revenue Fund

Special Revenue Funds of the City are funds used to account for revenues (other than expendable trusts or major capital projects) derived from specific taxes or other legally restricted revenue sources. The funds include the Community Development Block Grant Fund, the Streets and Highways Fund, and the Recreation Operating Fund. The expenditures of these funds are legally restricted for specified purposes.

All special revenue funds are controlled through the same detailed budget process used for the General Fund. Federal monies have continued to play an important role in the City's revitalization programs and the Community Development staff, which is responsible for monitoring the City's compliance with applicable federal laws and regulations has provided for the administration and utilization of these resources at an optimum level.

Capital Projects Funds

The Capital Projects Funds account for financial resources to be used for acquisition or construction of major capital facilities except for those financed by Proprietary or Trust funds. Major sewer reconstruction projects, street resurfacing and curbs, and real estate and equipment acquisitions are accounted for in capital projects funds. The main sources of revenue for capital projects funds are property taxes, the sale of bond and notes, special assessments and government grants.

Proprietary Funds

Proprietary Funds are used to account for the City's ongoing organizations and activities that are similar to those found in the private sector. The measurement focus is based upon determination of net income, financial position and cash flows. The intent of the City concerning these funds is that the cost of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges. The following are the City's proprietary fund types:

Enterprise Funds

Enterprise Funds of the City of Euclid include the Golf Course Fund (Briardale Greens) and the Waste Water Treatment Fund. These funds, which are comparable to for-profit businesses, were established to account for the City's self-supporting activities. The Waste Water Treatment Fund accounts for the operation of the City's sanitary sewer and waste water treatment system which not only services Euclid, but several other surrounding communities. The City's enterprise funds are required to adopt budgets and operate under the same budgetary controls as the General Fund

The firm of David M. Griffith and Associates, LTD., to date, has completed their eighth (8th) rate study analysis concerning the adequacy of user rates. Upon their recommendations, user fees rate increases went into effect July 1, 1992 for all users. The rate increase was earmarked to continue to fund the United States Environmental Protection Agency court mandated projects and provide the necessary operating funds for this enterprise fund. David M. Griffith and Associates, LTD. has been retained to evaluate the User Charge System annually.

The Briardale Greens Golf Course had a net income of \$63,954 in 1999. This is the third consecutive year that the golf course has produced a profit. A rate increase in 1999 was approved by the Euclid City Council to provide additional revenue from the users to enable this fund to operate as a profit making business. Renovations to the Driving Range and the retirement of some capital debt should further improve the financial outcome of the course.

Internal Service Fund

The Internal Service Fund is used to account for self-funded insurance programs initiated by the City. The City of Euclid's Self-Insurance Program has continued under the authority of Section 2744.08 of the Ohio Revised Code. The program has operated successfully since its inception based on an incident generated "Risk Management" concept initiated and operated by the City administration. See Note 15 to the general purpose financial statements for a discussion of funding requirements related to this fund.

The City's Self-Insurance Risk Management Program has accepted the following types of potential loss exposures: general liability, automobile liability and physical damage, and public officials and law enforcement professional liability. In an ongoing effort to reduce the City's potential liability within the self-insurance risk categories, the City has continued to make procedural changes in day-to-day operations along with safety and loss control programs

Risk Management

In 1988, the City undertook and implemented its own self-funded insurance plan that covers all areas of Risk Management, including general liability, property and vehicle coverage. The City instituted a medical self-insurance program in 1989 designed to provide city employees with maximum health care benefits while controlling the increasing cost of health insurance. Individual funds are charged for the per-capita cost of specific claims and administration. The level of risk assumed is limited by the City's purchase of specific stop-loss coverage per employees. A detailed listing of the insurance coverage carried by the City can be found in Table 20 in the Statistical Section of this report.

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

Debt Administration

The City's outstanding General Obligation debt is currently rated "Aa3" by Moody's Investors Service. This rating was confirmed in 1999 with the City's last long-term bond issue. This high investment grade rating is attributed to the City's conservative financial management, diverse tax base and moderate debt position. Maintaining its superior credit rating enables the City to obtain short term and long term financing at the lowest possible interest rates.

As of December 31, 1999, the City's General Obligation debt totaled \$34,440,000. This debt consists of \$6,525,000 in short-term bond anticipation notes and \$27,915,000 in long-term bonds. With historically low interest rates continuing, the City anticipates renewing their short-term notes with fixed rate, long term bonds as the notes mature in the fall of the year 2000.

Debt Capacity

The City is well within statutory limitations for both voted and not voted debt. The computation of the legal debt margins at December 31, 1999 is included in the Statistical Section of this report under the heading "Debt Statistics" along with other related computations and ratios relevant to the City's note and bonded debt.

The ratio of 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, 1999 for the City of Euclid is as follows:

	<u>Amount</u>	<u>Ratio of Net Bonded Debt To Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
General Obligation Debt (Bonded)	\$ 27,915,000	3.30%	\$ 425.49

Cash Management

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

The program's efficiency is enhanced using direct deposits and wire transfers to accelerate the availability of investable balances; cash budgeting and the use of controlled disbursements to control expenditures; and the use of appropriate portfolio management techniques to maximize earnings.

This portfolio program, which aggregates the excess cash of substantially all funds for investment purchases, adheres to the following priorities: assuring the safety of all invested principal, providing needed liquidity to meet the City's obligations on a timely basis, and earning a market rate of return over budgetary and economic cycles.

The securities and maturities utilized are authorized by the Ohio Revised Code, Section 135.14 as amended. The City approaches investment selection in two ways: (1) it purchases eligible securities which mature at specific times to pay known obligations of the City (maturity matching); and (2) it diversifies other maturities over the permissible investment horizon, given cash flow forecasts and market conditions, by constructing a "laddered" configuration.

The City purchases Certificates of Deposit, over-night repurchase agreements with eligible depositories, and Treasury and Agency/Instrumentality securities permitted by the Ohio Revised Code. It also uses the State Treasurers' Star Ohio account for short-term investments. The City does not invest in derivative securities nor engage in leverage. It utilizes yield curve analysis and relative value approaches to investment selection.

All investments are transacted competitively, using three bids/offers from eligible bank and dealer firms. The City uses a third-party safekeeping bank and securities transactions are settled on a delivery versus payment basis.

The City follows the procedure permitted by Ohio law regarding the safekeeping of deposits and investments. Deposits are generally secured by a pool of eligible investments, not in the City's name, held by depository institutions or at their Federal Reserve Bank account for the City. The Governmental Accounting Standards Board, using strict standards of deposit segregation, refers to these deposits as "uncollateralized". The State of Ohio does not require that this criteria be met. Investments in specific instruments, such as U.S. Treasury notes, are held in safekeeping for the City by an eligible depository institution in their Federal Reserve account, for the Account of the City of Euclid.

Fixed Assets

The City is required to maintain and record City assets that it owns or has within its responsibility. Fixed assets that are directly involved in revenue producing activities pertaining to enterprise funds are accounted for within those funds and their related costs are included in the determination of the user charge rate structure.

The City of Euclid engaged the appraisal firm of American Appraisal Associates to conduct a professional asset valuation service. The purpose of this appraisal was to provide an accurate valuation report to establish improved property record reporting and controls and to provide more accurate asset reporting to enable a sound basis for the management and accounting of the general fixed asset group of accounts. The current fixed asset program is an ongoing program that provides accurate up-to-date data and is integrated into a fixed asset financial reporting system.

The General Fixed Assets Account Group includes all fixed assets of the City not used in a proprietary operation. Such assets include the solid waste disposal plant, buildings, land, parks and recreation facilities other than the golf course, motor vehicles and other major equipment. Infrastructure (streets, highways, sidewalks, curbs, gutters and bridges) which the City owns and is responsible for is excluded from the amounts shown. Depreciation of general fixed assets is not recorded in the General Fixed Assets Account Group. As of December 31, 1999, the general fixed assets of the City of Euclid amounted to \$44,287,644.

Pension Obligations

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

OTHER INFORMATION

Independent Audit

In accordance with Ohio law, annual independent audits are required to be performed on all financial operations of the City. The accounting firm of Ciuni & Panichi, Inc. performed the 1999 audit. The independent accountants' unqualified opinion has been included in this report. The administration plans to continue this audit procedure as required by law as part of the preparation of a Comprehensive Annual Financial Report. The annual audit and management letter submitted by the independent public accounting firm provides information to the City to enable it to maintain and strengthen the City's accounting and budgeting controls.

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Euclid for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 1998. This was the seventeenth (17th) consecutive year the City of Euclid has achieved this prestigious award. 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.

The Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the Government Finance Officers Association (GFOA) to determine its eligibility for another certificate.

ACKNOWLEDGMENTS

While there is no legal requirement for the preparation of this report, it represents a commitment by the City of Euclid to conform to nationally recognized standards of excellence in financial reporting. Responsibility for both the accuracy of the presented data and presentation of this report rest mainly with the City's Finance Department. Successful preparation of a report of this magnitude that meets rigid conformance guidelines requires significant dedication of the many staff employees who have participated in producing this report. The performance of the Finance Department represented a great team effort, but a special thanks and acknowledgement to Paul C. Beckwith for his efforts in coordinating the production, Fred J. Wendel for his research contributions and Nancy Fisher in providing the necessary financial information, as well as the fine coordinated efforts of the entire department. A special thanks to Mr. Robert Gliha on his narrative in expressing the business and economic outlook for the City of Euclid. In addition, I want to express my gratitude to the auditors of Ciuni & Panichi, Inc. for their efficient and professional manner in auditing the City of Euclid for the fourth (4th) year.

POSTSCRIPT

The publication of this comprehensive annual financial report is indicative of the City's commitment to provide significantly enhanced financial information and accountability to the citizens, its elected officials, City management and investors. In addition, recipients of this report will include state and federal officials, university students, schools, libraries, newspapers, investment banking firms, banks and rating agencies. A copy of this report will be made available to any person or organization requesting it.

I would like to emphasize that our administration policy pertaining to financial information is a continual open book policy for all residents, investors and interested parties, so that they may have a greater awareness of the financial transactions and statistics of our City, known as the "City of Superior Services", Euclid, Ohio.

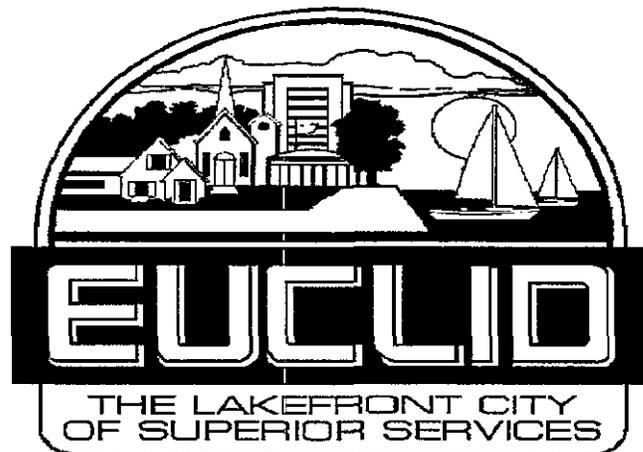
Respectfully submitted,

A handwritten signature in cursive script that reads "Richard T. Balazs". The signature is written in black ink and is positioned above the printed name and title.

Richard T. Balazs
Director of Finance

CITY OF EUCLID, OHIO
“A City of Superior Services”

Mayor
PAUL OYASKI



Administrative Directors

PATRICK MURPHY - *Law*

JACK JOHNSON - *Administration*

RICHARD BALAZS - *Finance*

ANTHONY DINERO - *Public Service*

KORY KORAN - *Community Development*

ROBERT DEMINICO - *Recreation*

CHIEF WAYNE BAUMGART - *Police*

CHIEF MICHAEL DWORNING - *Fire*

DEBORAH LEBARRON - *Judge Municipal Court*

Euclid City Council

WILLIAM CERVENIK - *President of Council*

KIRSTEN HOLZHEIMER-GAIL - *Ward I*

DANIEL FLOWERS - *At-Large*

MEG MC GARRY - *Ward II*

PATRICK GALLAGHER - *At-Large*

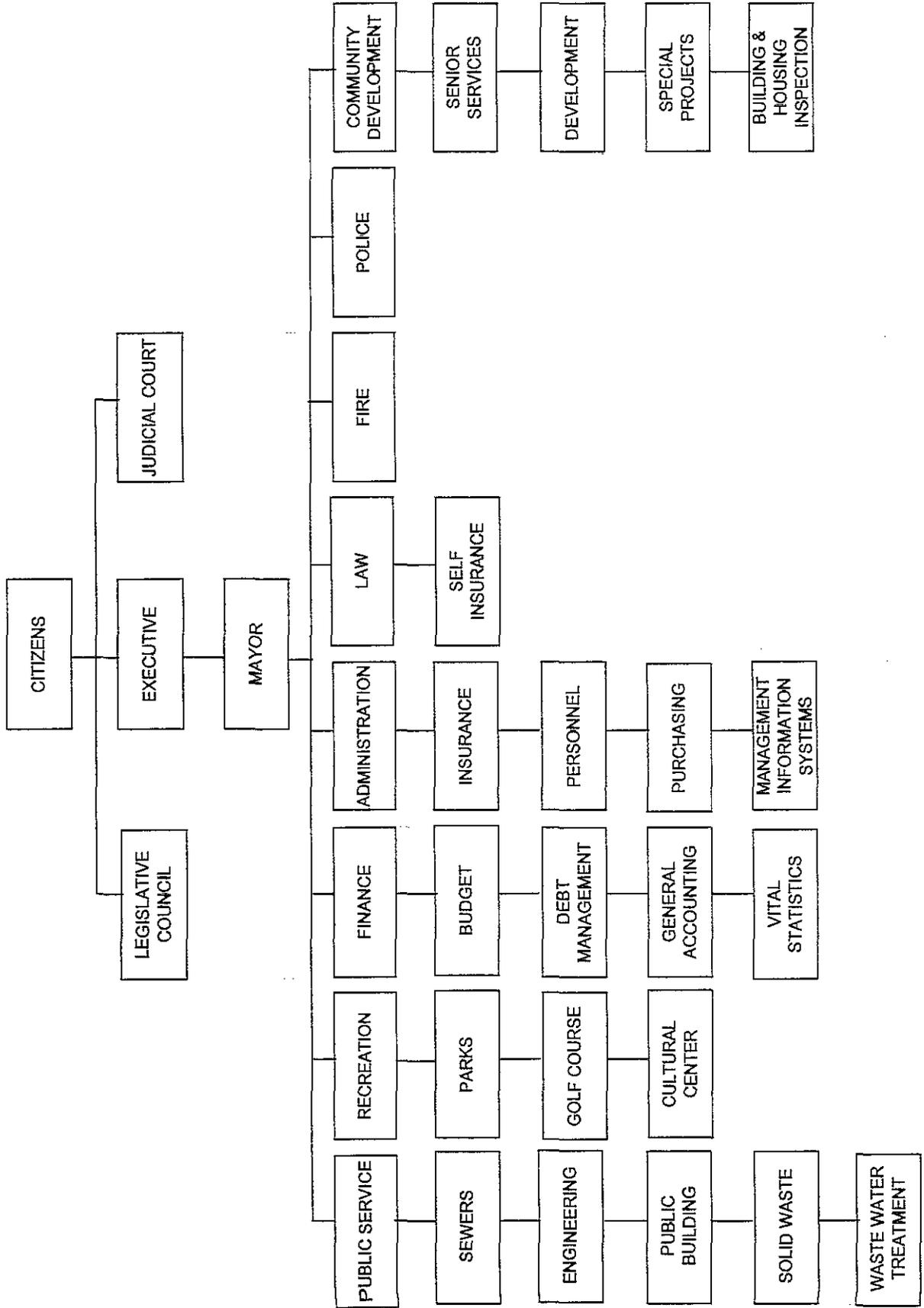
JOHN KOROSEC - *Ward III*

D. FAY MILLER - *At-Large*

CHRISTOPHER GRUBER - *Ward IV*

BEVERLY VALENCIC - *At-Large*

CITY OF EUCLID
 Organizational Chart
 December 31, 1999



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, 1998

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.



Greg Brubaker
President

Jeffrey L. Esler
Executive Director

INDEPENDENT AUDITORS' REPORT

Members of the City Council of the
City of Euclid, Ohio

We have audited the accompanying general-purpose financial statements of the City of Euclid, Ohio, as of and for the year ended December 31, 1999, as listed in the *Table of Contents*. These general-purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Euclid, Ohio, as of December 31, 1999, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 20, 2000 on our consideration of the City of Euclid's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

The combining and individual fund and account group financial statements and schedules listed in the *Table of Contents* are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements of the City of Euclid, Ohio. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

We did not audit the introductory and statistical information as listed in the *Table of Contents* and therefore express no opinion thereon.

Ciuni & Panichi, Inc.

Cleveland, Ohio
April 20, 2000

CITY OF EUCLID, OHIO

GENERAL PURPOSE FINANCIAL STATEMENTS

The general purpose financial statements of the City include the basic combined financial statements, presented by fund type and account group, and notes to the financial statements that are essential to the fair presentation of financial position and results of operations and cash flows of proprietary fund types.

CITY OF EUCLID, OHIO

**COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS AND
DISCRETELY PRESENTED COMPONENT UNIT**

DECEMBER 31, 1999 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 1998

	<u>Governmental Fund Types</u>				<u>Proprietary Fund Types</u>	
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Enterprise</u>	<u>Internal Service</u>
<u>ASSETS AND OTHER DEBITS</u>						
Cash and Cash Equivalents	\$ 6,758,660	\$ 1,484,526	\$ 3,291,739	\$ 5,960,919	\$ 5,279,002	\$ 1,376,648
Receivables:						
Taxes	7,502,609	-	3,037,173	652,236	767,329	-
Accounts (Net of Allowances For Doubtful Accounts)	44,299	632,909	3,987	327,088	2,232,188	-
Interest	605,479	27,658	179,881	150,703	36,899	48,014
Intergovernmental	252,019	108,155	-	-	-	-
Special Assessments	-	-	1,279,367	88,940	-	-
Notes	2,000,000	-	-	-	-	-
Interfund Receivable	130,647	-	-	-	-	-
Inventory of Supplies at Cost	58,555	95,441	-	-	22,597	-
Deposits	-	-	-	-	-	-
	<u>17,352,268</u>	<u>2,348,689</u>	<u>7,792,147</u>	<u>7,179,886</u>	<u>8,338,015</u>	<u>1,424,662</u>
<u>Restricted Assets</u>						
Cash and Cash Equivalents	-	-	-	-	-	-
<u>Fixed Assets</u>						
Land	-	-	-	-	6,451,502	-
Land Improvements	-	-	-	-	1,146,298	-
Utility Plant/Sanitary Sewers	-	-	-	-	71,737,280	-
Buildings and Improvements	-	-	-	-	1,612,915	-
Furniture, Fixtures and Equipment	-	-	-	-	2,033,606	-
Less: Accumulated Depreciation	-	-	-	-	(31,814,315)	-
Net Fixed Assets	-	-	-	-	<u>51,167,286</u>	-
Amount Available in Debt Service Funds	-	-	-	-	-	-
Amount to be Provided for Retirement of General Long-Term Debt	-	-	-	-	-	-
Total Assets and Other Debits	\$ <u>17,352,268</u>	\$ <u>2,348,689</u>	\$ <u>7,792,147</u>	\$ <u>7,179,886</u>	\$ <u>59,505,301</u>	\$ <u>1,424,662</u>

The Accompanying Notes are an Integral Part of These Financial Statements

Fiduciary Fund Types Trust And Agency	Account Groups		Totals (Memorandum Only)	Component Unit	Totals (Memorandum Only)	Reporting Entity	
	General Fixed Assets	General Long-Term Obligations	Primary Government 1999		1999	1998	
\$ 599,926	\$ -	\$ -	\$ 24,751,420	\$ -	\$ 24,751,420	\$ -	\$ 26,453,180
-	-	-	11,959,347	-	11,959,347	-	12,747,838
-	-	-	3,240,471	-	3,240,471	-	1,984,524
-	-	-	1,048,634	-	1,048,634	-	738,867
-	-	-	360,174	-	360,174	-	-
-	-	-	1,368,307	-	1,368,307	-	1,438,893
-	-	-	2,000,000	1,471,452	3,471,452	-	3,306,858
-	-	-	130,647	-	130,647	-	140,891
-	-	-	176,593	-	176,593	-	225,856
-	-	-	-	15	15	-	15
<u>599,926</u>	<u>-</u>	<u>-</u>	<u>45,035,593</u>	<u>1,471,467</u>	<u>46,507,060</u>	<u>-</u>	<u>47,036,922</u>
<u>241,699</u>	<u>-</u>	<u>-</u>	<u>241,699</u>	<u>13,954</u>	<u>255,653</u>	<u>-</u>	<u>351,375</u>
-	8,271,266	-	14,722,768	-	14,722,768	-	10,406,572
-	-	-	1,146,298	-	1,146,298	-	1,094,709
-	-	-	71,737,280	-	71,737,280	-	71,458,066
-	26,563,643	-	28,176,558	-	28,176,558	-	27,883,075
-	9,452,735	-	11,486,341	-	11,486,341	-	10,801,066
-	-	-	(31,814,315)	-	(31,814,315)	-	(30,014,661)
-	<u>44,287,644</u>	<u>-</u>	<u>95,454,930</u>	<u>-</u>	<u>95,454,930</u>	<u>-</u>	<u>91,628,827</u>
-	-	4,563,786	4,563,786	-	4,563,786	-	4,673,877
-	-	<u>32,349,174</u>	<u>32,349,174</u>	<u>-</u>	<u>32,349,174</u>	<u>-</u>	<u>30,775,145</u>
\$ <u>841,625</u>	\$ <u>44,287,644</u>	\$ <u>36,912,960</u>	\$ <u>177,645,182</u>	\$ <u>1,485,421</u>	\$ <u>179,130,603</u>	\$ <u>-</u>	\$ <u>174,466,146</u>

Continued

CITY OF EUCLID, OHIO

**COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS AND
DISCRETELY PRESENTED COMPONENT UNIT (CONTINUED)**

DECEMBER 31, 1999 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 1998

	<u>Governmental Fund Types</u>				<u>Proprietary Fund Types</u>	
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Enterprise</u>	<u>Internal Service</u>
<u>LIABILITIES, FUND EQUITY AND OTHER CREDITS</u>						
Accounts Payable	\$ 265,023	\$ 204,696	\$ -	\$ 661,167	\$ 410,340	\$ -
Claims Payable	-	-	-	-	132,000	925,000
Accrued Wages and Benefits	707,879	92,216	1,342	-	120,367	2,719
Accrued Compensated Absences	260,361	17,887	4,601	-	900,242	23,668
Due to Other Governments	925,270	266,244	3,712	-	540,317	2,607
Interfund Payable	-	9,550	-	-	-	-
Deferred Revenue	2,083,307	384,478	3,204,902	591,720	591,500	-
Accrued Pension	131,196	14,918	806	-	23,065	758
Accrued Interest Payable	-	-	10,375	70,175	732,426	-
Notes Payable	-	-	-	6,525,000	-	-
Loan Payable	-	-	-	-	-	-
Ohio Water Development Authority Loans	-	-	-	-	20,303,427	-
Capital Lease Payable	-	-	-	-	26,468	-
General Obligation Bonds Payable	-	-	-	-	2,080,000	-
Deposits Held	-	-	-	-	-	-
Total Liabilities	<u>4,373,036</u>	<u>989,989</u>	<u>3,225,738</u>	<u>7,848,062</u>	<u>25,860,152</u>	<u>954,752</u>
<u>Fund Equity and Other Credits</u>						
Investment in General Fixed Assets	-	-	-	-	-	-
Contributed Capital	-	-	-	-	18,274,455	-
Retained Earnings:						
Reserved for Capital Improvements	-	-	-	-	226,210	-
Unreserved	-	-	-	-	15,144,484	469,910
Total Retained Earnings	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,370,694</u>	<u>469,910</u>
Fund Balance:						
Reserve for Encumbrances	228,837	58,647	2,623	222,862	-	-
Reserve for Inventory	58,555	95,441	-	-	-	-
Reserve for Notes Receivable	2,000,000	-	-	-	-	-
Unreserved (Deficit)	<u>10,691,840</u>	<u>1,204,612</u>	<u>4,563,786</u>	<u>(891,038)</u>	<u>-</u>	<u>-</u>
Total Fund Balance	<u>12,979,232</u>	<u>1,358,700</u>	<u>4,566,409</u>	<u>(668,176)</u>	<u>-</u>	<u>-</u>
Total Fund Equity and Other Credits	<u>12,979,232</u>	<u>1,358,700</u>	<u>4,566,409</u>	<u>(668,176)</u>	<u>33,645,149</u>	<u>469,910</u>
Total Liabilities, Fund Equity and Other Credits	\$ <u>17,352,268</u>	\$ <u>2,348,689</u>	\$ <u>7,792,147</u>	\$ <u>7,179,886</u>	\$ <u>59,505,301</u>	\$ <u>1,424,662</u>

The Accompanying Notes are an Integral Part of These Financial Statements

Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	Component Unit	Totals (Memorandum Only)	
	General Fixed Assets	General Long-Term Obligations	Primary Government 1999		Reporting Entity	1999
Trust And Agency						
\$ -	\$ -	\$ -	\$ 1,541,226	\$ -	\$ 1,541,226	\$ 1,566,186
-	-	-	1,057,000	-	1,057,000	1,170,000
-	-	-	924,523	272	924,795	619,645
-	-	7,388,051	8,594,810	-	8,594,810	8,092,937
23,746	-	-	1,761,896	-	1,761,896	1,552,795
121,097	-	-	130,647	-	130,647	140,891
-	-	-	6,855,907	-	6,855,907	6,797,470
-	-	-	170,743	-	170,743	473,171
-	-	-	812,976	-	812,976	887,505
-	-	-	6,525,000	-	6,525,000	4,115,000
-	-	1,420,569	1,420,569	-	1,420,569	-
-	-	-	20,303,427	-	20,303,427	20,284,868
-	-	189,340	215,808	-	215,808	361,605
-	-	27,915,000	29,995,000	-	29,995,000	30,380,000
<u>696,782</u>	-	-	<u>696,782</u>	-	<u>696,782</u>	<u>708,673</u>
<u>841,625</u>	-	<u>36,912,960</u>	<u>81,006,314</u>	<u>272</u>	<u>81,006,586</u>	<u>77,150,746</u>
-	44,287,644	-	44,287,644	-	44,287,644	39,156,641
-	-	-	18,274,455	-	18,274,455	18,262,190
-	-	-	226,210	-	226,210	1,131,000
-	-	-	<u>15,614,394</u>	-	<u>15,614,394</u>	<u>13,770,575</u>
-	-	-	<u>15,840,604</u>	-	<u>15,840,604</u>	<u>14,901,575</u>
-	-	-	512,969	-	512,969	1,862,740
-	-	-	153,996	-	153,996	200,214
-	-	-	2,000,000	1,471,452	3,471,452	3,306,858
-	-	-	<u>15,569,200</u>	<u>13,697</u>	<u>15,582,897</u>	<u>19,625,182</u>
-	-	-	<u>18,236,165</u>	<u>1,485,149</u>	<u>19,721,314</u>	<u>24,994,994</u>
-	<u>44,287,644</u>	-	<u>96,638,868</u>	<u>1,485,149</u>	<u>98,124,017</u>	<u>97,315,400</u>
\$ <u>841,625</u>	\$ <u>44,287,644</u>	\$ <u>36,912,960</u>	\$ <u>177,645,182</u>	\$ <u>1,485,421</u>	\$ <u>179,130,603</u>	\$ <u>174,466,146</u>

CITY OF EUCLID, OHIO

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNIT

DECEMBER 31, 1999 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 1998

	<u>General</u>	<u>Special Revenue</u>
<u>Revenues</u>		
Taxes	\$ 25,735,381	\$ 1,956,992
Intergovernmental	3,705,822	1,302,115
Charges for Services	2,269,376	1,291,532
License/Permit and Inspection Fees	240,531	-
Fines and Forfeitures	1,584,801	-
Special Assessments	-	-
Investment Income	1,325,307	32,443
Rents and Royalties	205,047	15,900
Other	31,488	55,575
Total Revenues	<u>35,097,753</u>	<u>4,654,557</u>
<u>Expenditures</u>		
Current:		
General Government	9,861,370	158,080
Public Safety	19,655,764	404,821
Streets and Highways	-	3,624,730
Refuse Collection and Disposal	1,423,506	324,222
Public Health and Welfare	406,503	-
Culture/Recreation	1,063,252	1,273,250
Community Development	879,469	1,246,405
Debt Service:		
Principal Retirement	55,000	35,000
Interest and Fiscal Charges	165,000	48,680
Total Expenditures	<u>33,509,864</u>	<u>7,115,188</u>
Excess of Revenues Over (Under) Expenditures	<u>1,587,889</u>	<u>(2,460,631)</u>
<u>Other Financing Sources (Uses)</u>		
Proceeds from Loan	-	1,420,569
Operating Transfers - In	385,458	485,000
Operating Transfers - Out	(4,375,000)	(83,098)
Total Other Financing Sources (Uses)	<u>(3,989,542)</u>	<u>1,822,471</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(2,401,653)	(638,160)
Fund Balance at Beginning of Year	15,377,643	2,046,320
Increase (Decrease) in Inventory Reserve	3,242	(49,460)
Fund Balance (Deficit) at End of Year	\$ <u>12,979,232</u>	\$ <u>1,358,700</u>

The Accompanying Notes are an Integral Part of These Financial Statements

Debt Service	Capital Projects	Totals (Memorandum Only)		Totals (Memorandum Only)	
		Primary Government	Component Unit	Reporting Entity	
		1999		1999	1998
\$ 2,967,486	\$ 606,909	\$ 31,266,768	\$ -	\$ 31,266,768	\$ 33,400,892
-	184,314	5,192,251	40,344	5,232,595	5,223,593
8,125	544,407	4,113,440	-	4,113,440	3,490,663
-	-	240,531	-	240,531	218,423
23,345	-	1,608,146	-	1,608,146	1,641,548
68,949	207,438	276,387	-	276,387	118,302
193,404	173,191	1,724,345	35,827	1,760,172	1,460,921
-	-	220,947	-	220,947	233,501
3,987	9,500	100,550	87,526	188,076	64,841
<u>3,265,296</u>	<u>1,725,759</u>	<u>44,743,365</u>	<u>163,697</u>	<u>44,907,062</u>	<u>45,852,684</u>
-	4,902,650	14,922,100	-	14,922,100	11,247,088
-	579,799	20,640,384	-	20,640,384	18,759,053
-	1,743,216	5,367,946	-	5,367,946	3,005,473
-	462,659	2,210,387	-	2,210,387	1,987,935
-	3,133	409,636	-	409,636	423,823
-	646,509	2,983,011	-	2,983,011	2,313,214
-	59,052	2,184,926	43,390	2,228,316	3,627,522
1,844,000	234,811	2,168,811	-	2,168,811	4,751,949
<u>1,411,261</u>	<u>161,921</u>	<u>1,786,862</u>	<u>-</u>	<u>1,786,862</u>	<u>2,200,532</u>
<u>3,255,261</u>	<u>8,793,750</u>	<u>52,674,063</u>	<u>43,390</u>	<u>52,717,453</u>	<u>48,316,589</u>
<u>10,035</u>	<u>(7,067,991)</u>	<u>(7,930,698)</u>	<u>120,307</u>	<u>(7,810,391)</u>	<u>(2,463,905)</u>
1,715,000	-	3,135,569	-	3,135,569	10,585,000
-	4,867,503	5,737,961	-	5,737,961	6,128,150
<u>(1,832,503)</u>	<u>-</u>	<u>(6,290,601)</u>	<u>-</u>	<u>(6,290,601)</u>	<u>(7,681,694)</u>
<u>(117,503)</u>	<u>4,867,503</u>	<u>2,582,929</u>	<u>-</u>	<u>2,582,929</u>	<u>9,031,456</u>
(107,468)	(2,200,488)	(5,347,769)	120,307	(5,227,462)	6,567,551
4,673,877	1,532,312	23,630,152	1,364,842	24,994,994	18,478,091
-	-	(46,218)	-	(46,218)	(50,648)
<u>\$ 4,566,409</u>	<u>\$ (668,176)</u>	<u>\$ 18,236,165</u>	<u>\$ 1,485,149</u>	<u>\$ 19,721,314</u>	<u>\$ 24,994,994</u>

CITY OF EUCLID, OHIO

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL - ALL
GOVERNMENTAL FUND TYPES**

FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>General Fund</u>		Variance Favorable (Unfavorable)
	<u>Budget</u>	<u>Actual</u>	
<u>Revenues</u>			
Taxes	\$ 26,029,054	\$ 26,218,180	\$ 189,126
Intergovernmental	3,397,535	3,661,713	264,178
Charges for Services	1,951,108	2,520,636	569,528
License/Permit and Inspection Fees	200,000	240,531	40,531
Fines and Forfeitures	1,430,000	1,626,010	196,010
Investment Income	805,755	1,056,504	250,749
Rents and Royalties	194,000	205,047	11,047
Other	<u>30,000</u>	<u>31,488</u>	<u>1,488</u>
Total Revenues	<u>34,037,452</u>	<u>35,560,109</u>	<u>1,522,657</u>
<u>Expenditures</u>			
Current:			
General Government	10,375,118	9,829,683	545,435
Public Safety	19,353,647	19,518,279	(164,632)
Refuse Collection and Disposal	1,557,960	1,298,932	259,028
Public Health and Welfare	431,191	422,840	8,351
Culture/Recreation	1,026,121	974,806	51,315
Community Development	948,568	892,696	55,872
Debt Service:			
Principal Retirement	55,000	55,000	-
Interest and Fiscal Charges	<u>165,000</u>	<u>165,000</u>	<u>-</u>
Total Expenditures	<u>33,912,605</u>	<u>33,157,236</u>	<u>755,369</u>
Excess of Revenues Over (Under) Expenditures	<u>124,847</u>	<u>2,402,873</u>	<u>2,278,026</u>
<u>Other Financing Sources (Uses)</u>			
Operating Transfers - In	286,456	360,004	73,548
Operating Transfers - Out	<u>(4,375,000)</u>	<u>(4,375,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(4,088,544)</u>	<u>(4,014,996)</u>	<u>73,548</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(3,963,697)	(1,612,123)	2,351,574
Unencumbered Fund Balance at Beginning of Year	<u>8,149,674</u>	<u>8,149,674</u>	<u>-</u>
Unencumbered Fund Balance at End of Year	\$ <u>4,185,977</u>	\$ <u>6,537,551</u>	\$ <u>2,351,574</u>

Continued

CITY OF EUCLID, OHIO

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL - ALL GOVERNMENTAL FUND TYPES (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Special Revenue Funds</u>		
	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Taxes	\$ 1,844,639	\$ 1,905,244	\$ 60,605
Intergovernmental	2,169,810	1,322,405	(847,405)
Charges for Services	1,232,985	1,168,121	(64,864)
Investment Income	2,900	4,785	1,885
Rents and Royalties	6,450	30,300	23,850
Other	<u>37,312</u>	<u>55,575</u>	<u>18,263</u>
Total Revenues	<u>5,294,096</u>	<u>4,486,430</u>	<u>(807,666)</u>
<u>Expenditures</u>			
Current:			
General Government	175,085	153,073	22,012
Public Safety	474,701	390,797	83,904
Streets and Highways	1,826,462	2,900,414	(1,073,952)
Refuse Collection and Disposal	1,234,727	991,062	243,665
Culture/Recreation	1,300,897	1,277,825	23,072
Community Development	2,089,623	1,266,265	823,358
Debt Service:			
Principal Retirement	35,000	35,000	-
Interest and Fiscal Charges	<u>48,680</u>	<u>48,680</u>	<u>-</u>
Total Expenditures	<u>7,185,175</u>	<u>7,063,116</u>	<u>122,059</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,891,079)</u>	<u>(2,576,686)</u>	<u>(685,607)</u>
<u>Other Financing Sources (Uses)</u>			
Loan Proceeds	-	1,420,569	1,420,569
Operating Transfers - In	<u>485,000</u>	<u>411,452</u>	<u>(73,548)</u>
Total Other Financing Sources (Uses)	<u>485,000</u>	<u>1,832,021</u>	<u>1,347,021</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,406,079)	(744,665)	661,414
Unencumbered Fund Balances at Beginning of Year	<u>2,026,430</u>	<u>2,026,430</u>	<u>-</u>
Unencumbered Fund Balances at End of Year	\$ <u>620,351</u>	\$ <u>1,281,765</u>	\$ <u>661,414</u>

Continued

The Accompanying Notes are an Integral Part of These Financial Statements

CITY OF EUCLID, OHIO

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL - ALL GOVERNMENTAL FUND TYPES (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Debt Service Fund</u>		Variance Favorable (Unfavorable)
	<u>Budget</u>	<u>Actual</u>	
<u>Revenues</u>			
Taxes	\$ 2,970,967	\$ 2,985,734	\$ 14,767
Charges for Services	-	8,125	8,125
Fines and Forfeitures	-	23,345	23,345
Special Assessments	107,000	68,949	(38,051)
Investment Income	<u>300,881</u>	<u>403,111</u>	<u>102,230</u>
Total Revenues	<u>3,378,848</u>	<u>3,489,264</u>	<u>110,416</u>
<u>Expenditures</u>			
Current:			
General Government	-	1,156	(1,156)
Debt Service:			
Principal Retirement	9,940,000	5,959,000	3,981,000
Interest and Fiscal Charges	<u>2,110,000</u>	<u>1,564,676</u>	<u>545,324</u>
Total Expenditures	<u>12,050,000</u>	<u>7,524,832</u>	<u>4,525,168</u>
Excess of Revenues Over (Under) Expenditures	(8,671,152)	(4,035,568)	4,635,584
<u>Other Financing Sources (Uses)</u>			
Proceeds from Sale of Debt	<u>5,475,000</u>	<u>4,130,000</u>	<u>(1,345,000)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(3,196,152)	94,432	3,290,584
Unencumbered Fund Balances at Beginning of Year	<u>3,197,307</u>	<u>3,197,307</u>	<u>-</u>
Unencumbered Fund Balances at End of Year	\$ <u>1,155</u>	\$ <u>3,291,739</u>	\$ <u>3,290,584</u>

Continued

The Accompanying Notes are an Integral Part of These Financial Statements

CITY OF EUCLID, OHIO

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL - ALL
GOVERNMENTAL FUND TYPES (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Capital Projects Funds</u>		
	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Property Taxes	\$ 640,296	\$ 662,945	\$ 22,649
Intergovernmental	371,706	556,020	184,314
Charges for Services	545,000	226,819	(318,181)
Special Assessments	150,236	207,438	57,202
Investment Income	<u>15,001</u>	<u>23,058</u>	<u>8,057</u>
Total Revenues	<u>1,722,239</u>	<u>1,676,280</u>	<u>(45,959)</u>
<u>Expenditures</u>			
Current:			
General Government	7,188,028	4,826,320	2,361,708
Public Safety	834,094	592,113	241,981
Streets and Highways	2,842,985	1,914,323	928,662
Refuse Collection and Disposal	569,553	303,376	266,177
Public Health and Welfare	4,023	3,133	890
Culture/Recreation	689,008	372,887	316,121
Community Development	63,167	54,186	8,981
Debt Service:			
Principal Retirement	234,830	234,811	19
Interest and Fiscal Charges	<u>50,172</u>	<u>49,795</u>	<u>377</u>
Total Expenditures	<u>12,475,860</u>	<u>8,350,944</u>	<u>4,124,916</u>
Excess of Revenues Over (Under) Expenditures	<u>(10,753,621)</u>	<u>(6,674,664)</u>	<u>4,078,957</u>
<u>Other Financing Sources (Uses)</u>			
Proceeds from Sale of Debt	3,510,000	4,110,000	600,000
Operating Transfers - In	<u>3,111,738</u>	<u>3,035,000</u>	<u>(76,738)</u>
Total Other Financing Sources (Uses)	<u>6,621,738</u>	<u>7,145,000</u>	<u>523,262</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(4,131,883)	470,336	4,602,219
Unencumbered Fund Balances at Beginning of Year	<u>4,983,507</u>	<u>4,983,507</u>	<u>-</u>
Unencumbered Fund Balances at Net Income	\$ <u>851,624</u>	\$ <u>5,453,843</u>	\$ <u>4,602,219</u>

The Accompanying Notes are an Integral Part of These Financial Statements

CITY OF EUCLID, OHIO

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN TOTAL FUND EQUITY - ALL PROPRIETARY FUND TYPES

**FOR THE YEAR ENDED DECEMBER 31, 1999 WITH COMPARATIVE TOTALS
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Totals (Memorandum Only)</u>	
			<u>1999</u>	<u>1998</u>
<u>Operating Revenues</u>				
Charges for Services	\$ 11,134,377	\$ -	\$ 11,134,377	\$ 8,262,987
License/Permit and Inspection Fees	17,905	-	17,905	5,220
Other	12,061	122,494	134,555	12,233
Total Operating Revenues	<u>11,164,343</u>	<u>122,494</u>	<u>11,286,837</u>	<u>8,280,440</u>
<u>Operating Expenses</u>				
Personal Services	4,194,657	93,084	4,287,741	4,035,655
Materials and Supplies	884,134	334	884,468	983,879
Contractual Services	1,645,230	10,579	1,655,809	2,335,060
Utilities	1,584,233	-	1,584,233	2,054,328
Depreciation	1,785,496	-	1,785,496	1,737,327
Claims	-	20,532	20,532	743
Total Operating Expenses	<u>10,093,750</u>	<u>124,529</u>	<u>10,218,279</u>	<u>11,146,992</u>
Operating Income (Loss)	<u>1,070,593</u>	<u>(2,035)</u>	<u>1,068,558</u>	<u>(2,866,552)</u>
<u>Non-Operating Income (Expense)</u>				
Interest Income	48,183	68,920	117,103	111,798
Interest Expense	(1,512,119)	-	(1,512,119)	(1,645,453)
Sewer Levy	749,897	-	749,897	787,312
Loss on Sale of Fixed Assets	(7,050)	-	(7,050)	-
Total Non-Operating Income (Expense)	<u>(721,089)</u>	<u>68,920</u>	<u>(652,169)</u>	<u>(746,343)</u>
Income (Loss) Before Operating Transfers	<u>349,504</u>	<u>66,885</u>	<u>416,389</u>	<u>(3,612,895)</u>

Continued

The Accompanying Notes are an Integral Part of These Financial Statements

CITY OF EUCLID, OHIO

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN TOTAL FUND EQUITY - ALL PROPRIETARY FUND TYPES (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 1999 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 1998

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Totals</u>	
			<u>(Memorandum Only)</u>	
			<u>1999</u>	<u>1998</u>
<u>Operating Transfers</u>				
Operating Transfers - In	1,513,000	625,000	2,138,000	3,429,687
Operating Transfers - Out	<u>(1,615,360)</u>	<u>-</u>	<u>(1,615,360)</u>	<u>(1,876,143)</u>
Total Operating Transfers	<u>(102,360)</u>	<u>625,000</u>	<u>522,640</u>	<u>1,553,544</u>
Net Income (Loss)	247,144	691,885	939,029	(2,059,351)
Retained Earnings (Deficit), January 1	<u>15,123,550</u>	<u>(221,975)</u>	<u>14,901,575</u>	<u>16,960,926</u>
Retained Earnings, December 31	<u>15,370,694</u>	<u>469,910</u>	<u>15,840,604</u>	<u>14,901,575</u>
Contributed Capital, January 1	18,262,190	-	18,262,190	18,262,190
Contributions to Capital	<u>12,265</u>	<u>-</u>	<u>12,265</u>	<u>-</u>
Contributed Capital, December 31	<u>18,274,455</u>	<u>-</u>	<u>18,274,455</u>	<u>18,262,190</u>
Fund Equity at End of Year	\$ <u>33,645,149</u>	\$ <u>469,910</u>	\$ <u>34,115,059</u>	\$ <u>33,163,765</u>

The Accompanying Notes are an Integral Part of These Financial Statements

CITY OF EUCLID, OHIO

**COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND
BALANCES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL - ALL
PROPRIETARY FUND TYPES**

FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Enterprise Funds</u>		
	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Charges for Services	\$ 10,049,649	\$ 9,747,101	\$ (302,548)
Sewer Levy	753,290	752,756	(534)
License/Permit and Inspection Fees	17,500	17,905	405
Investment Income	10,500	11,285	785
Other	<u>10,000</u>	<u>12,061</u>	<u>2,061</u>
Total Revenues	<u>10,840,939</u>	<u>10,541,108</u>	<u>(299,831)</u>
<u>Expenses</u>			
Current:			
Personal Services	4,321,271	4,153,269	168,002
Materials and Supplies	1,403,316	1,161,660	241,656
Contractual Services	5,423,685	2,013,683	3,410,002
Utilities	1,766,430	1,743,572	22,858
Claims	33,000	33,000	-
Debt Service:			
Principal Retirement	1,439,086	927,679	511,407
Interest and Fiscal Charges	<u>1,747,601</u>	<u>1,554,995</u>	<u>192,606</u>
Total Expenses	<u>16,134,389</u>	<u>11,587,858</u>	<u>4,546,531</u>
Excess of Revenues Over (Under) Expenses	<u>(5,293,450)</u>	<u>(1,046,750)</u>	<u>4,246,700</u>
<u>Other Financing Sources (Uses)</u>			
Proceeds from Sale of Debt	869,254	869,254	-
Operating Transfers - In	1,513,000	1,513,000	-
Operating Transfers - Out	<u>(1,599,456)</u>	<u>(1,599,456)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>782,798</u>	<u>782,798</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenses and Other Financing Uses	(4,510,652)	(263,952)	4,246,700
Unencumbered Fund Balances at Beginning of Year	<u>5,187,759</u>	<u>5,187,759</u>	<u>-</u>
Unencumbered Fund Balances at End of Year	\$ <u>677,107</u>	\$ <u>4,923,807</u>	\$ <u>4,246,700</u>

Continued

The Accompanying Notes are an Integral Part of These Financial Statements

CITY OF EUCLID, OHIO

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND
BALANCES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL - ALL
PROPRIETARY FUND TYPES (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Internal Service Fund</u>		
	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Investment Income	\$ 30,000	\$ 32,933	\$ 2,933
Other	<u>120,000</u>	<u>122,494</u>	<u>2,494</u>
Total Revenues	<u>150,000</u>	<u>155,427</u>	<u>5,427</u>
<u>Expenses</u>			
Current:			
Personal Services	87,934	89,215	(1,281)
Materials and Supplies	4,300	334	3,966
Contractual Services	65,625	10,579	55,046
Claims	<u>1,058,692</u>	<u>100,532</u>	<u>958,160</u>
Total Expenses	<u>1,216,551</u>	<u>200,660</u>	<u>1,015,891</u>
Excess of Revenues Over (Under) Expenses	(1,066,551)	(45,233)	1,021,318
<u>Other Financing Sources (Uses)</u>			
Operating Transfers - In	<u>475,000</u>	<u>625,000</u>	<u>150,000</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenses and Other Financing Uses	(591,551)	579,767	1,171,318
Unencumbered Fund Balances at Beginning of Year	<u>796,881</u>	<u>796,881</u>	<u>-</u>
Unencumbered Fund Balances at End of Year	\$ <u>205,330</u>	\$ <u>1,376,648</u>	\$ <u>1,171,318</u>

The Accompanying Notes are an Integral Part of These Financial Statements

CITY OF EUCLID, OHIO

COMBINED STATEMENTS OF CASH FLOWS - ALL PROPRIETARY FUND TYPES

**FOR THE YEAR ENDED DECEMBER 31, 1999 WITH COMPARATIVE TOTALS
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Totals (Memorandum Only)</u>	
			<u>1999</u>	<u>1998</u>
<u>Cash Flows from Operating Activities</u>				
Cash Received From Customers	\$ 9,747,100	\$ -	\$ 9,747,100	\$ 9,512,968
Cash Payments for Goods and Services	(4,529,959)	(10,913)	(4,540,872)	(5,340,368)
Cash Payments to Employees	(4,153,268)	(89,215)	(4,242,483)	(3,957,025)
Other Operating Revenues	29,966	122,494	152,460	17,453
Other Operating Expenses	<u>(33,000)</u>	<u>(100,532)</u>	<u>(133,532)</u>	<u>(311,906)</u>
Net Cash Provided by (Used in)				
Operating Activities	<u>1,060,839</u>	<u>(78,166)</u>	<u>982,673</u>	<u>(78,878)</u>
<u>Cash Flows from Non-Capital Financing Activities</u>				
Operating Transfers - In				
From Other Funds	1,513,000	625,000	2,138,000	2,359,687
Operating Transfers - Out				
To Other Funds	<u>(1,599,456)</u>	<u>-</u>	<u>(1,599,456)</u>	<u>(1,821,143)</u>
Net Cash Provided by (Used in)				
Non-Capital Financing	<u>(86,456)</u>	<u>625,000</u>	<u>538,544</u>	<u>538,544</u>
<u>Cash Flows from Capital and Related Financing Activities</u>				
Principal Payment on Capital Leases	(11,986)	-	(11,986)	(69,386)
Acquisition and Construction				
on Capital Assets	(475,381)	-	(475,381)	(1,623,597)
Proceeds from Additional Borrowings				
on Construction Loans	869,254	-	869,254	2,090,000
Principal Payment on Construction Loans	(915,695)	-	(915,695)	(2,953,336)
Proceeds Received from a Sewer Levy	752,756	-	752,756	778,160
Interest Paid on Loans	<u>(1,554,993)</u>	<u>-</u>	<u>(1,554,993)</u>	<u>(1,736,446)</u>
Net Cash Used in Capital and				
Related Financing Activities	<u>(1,336,045)</u>	<u>-</u>	<u>(1,336,045)</u>	<u>(3,514,605)</u>

Continued

The Accompanying Notes are an Integral Part of These Financial Statements

CITY OF EUCLID, OHIO

**COMBINED STATEMENTS OF CASH FLOWS - ALL PROPRIETARY FUND TYPES
(CONTINUED)**

**FOR THE YEAR ENDED DECEMBER 31, 1999 WITH COMPARATIVE TOTALS
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Totals (Memorandum Only)</u>	
			<u>1999</u>	<u>1998</u>
<u>Cash Flows From Investing Activities</u>				
Interest on Investments	11,285	32,933	44,218	167,274
Net Increase (Decrease) in Cash and Cash Equivalents	(350,377)	579,767	229,390	(2,887,665)
Cash and Cash Equivalents at Beginning of Year	<u>5,629,379</u>	<u>796,881</u>	<u>6,426,260</u>	<u>9,313,925</u>
Cash and Cash Equivalents at End of Year	\$ <u>5,279,002</u>	\$ <u>1,376,648</u>	\$ <u>6,655,650</u>	\$ <u>6,426,260</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash From Operating Activities</u>				
Operating Income (Loss)	1,070,593	(2,035)	1,068,558	(2,866,552)
<u>Adjusting to Reconcile Operating Income (Loss) to Net Cash</u>				
Depreciation Expense	1,785,496	-	1,785,496	1,737,327
Decrease (Increase) in Accounts Receivable, Net	(1,387,276)	-	(1,387,276)	1,249,980
Increase (Decrease) in Accounts Payable	(419,317)	-	(419,317)	131,498
Increase (Decrease) in Claims Payable	(33,000)	(80,000)	(113,000)	(428,500)
Increase in Accrued Wages and Benefits	11,232	3,060	14,292	13,002
Increase in Due to Other Governments	30,066	809	30,875	63,572
Decrease in Inventory of Supplies	3,045	-	3,045	20,795
Total Adjustments	<u>(9,754)</u>	<u>(76,131)</u>	<u>(85,885)</u>	<u>2,787,674</u>
Net Cash Provided by (Used in) Operating Activities	\$ <u>1,060,839</u>	\$ <u>(78,166)</u>	\$ <u>982,673</u>	\$ <u>(78,878)</u>

**Noncash Investments, Capital and
Financing Activities:**

In 1999, the Waste Water Enterprise Fund acquired fixed assets of \$31,603 with accumulated depreciation of \$19,338 via governmental contributions. The Golf Course Enterprise Fund acquired a fully depreciated fixed asset in the amount of \$6,150.

The Accompanying Notes are an Integral Part of These Financial Statements

CITY OF EUCLID, OHIO

NOTES TO COMBINED FINANCIAL STATEMENTS

DECEMBER 31, 1999

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. THE REPORTING ENTITY

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

Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity" defines the financial reporting entity of a governmental unit. These principles provide that the reporting entity is comprised of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the general purpose financial statements to be misleading or incomplete.

As required by generally accepted accounting principles, these financial statements present the City (the primary government) and its component unit. The primary government consists of all funds, account groups and agencies that are not legally separate from the City. The component unit discussed below is included in the City's reporting entity because of the significance of its operational and financial relationship with the City.

The following governmental organizations are included in the reporting entity of the City as required by generally accepted accounting principles:

The Euclid Municipal Court — The City budgets and appropriates funds for the operation of the Court. The City also establishes the compensation of certain Court employees and is ultimately responsible for any operating deficits sustained by the Court. The City's share of the fines collected by the Court, along with its share of the Court's administrative and operating costs, are recorded in the City's General Fund. Due to this relationship, the Court is not considered a component unit of the City but rather as part of the primary government unit itself. Monies held by the Court in a fiduciary capacity are recorded as an agency fund in the accompanying financial statements.

Euclid Development Corporation — In 1978, the City established the Euclid Development Corporation (EDCOR), a nonprofit corporation formed 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 within the City of Euclid. EDCOR directly benefits the City through cost effective administration of low interest home improvement loans to Euclid residents under terms which satisfy and comply with the short and long-term objectives relating to the rehabilitation of existing housing units as specified in the City's Housing and Community Development Block Grant (CDBG) application filed annually. EDCOR has been included as a discretely presented component unit of the government for financial reporting purposes. The City subsidizes EDCOR's entire operation from its Community Development Block Grant. By performing this administrative CDBG program assistance, EDCOR is providing a vital service to the City of Euclid in order to help it meet the terms of its CDBG grant agreement. EDCOR issues a stand alone financial report. That report may be obtained by writing to the Euclid Development Corporation at 291 East 222nd Street, Euclid, Ohio 44123.

CITY OF EUCLID, OHIO

NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 1999

B. BASIS OF PRESENTATION — FUND ACCOUNTING

The accounting system is organized and operated on the basis of funds and account groups, each of which is defined as a fiscal and accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures (expenses). The various funds are summarized by type in the general purpose financial statements. The following fund types and account groups are used by the City:

Governmental Funds — are those funds through which most governmental functions of the City are financed. The acquisition, use and balances of the City's expendable financial resources and the related current liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon determination of net income. The following are the City's governmental fund types:

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

Special Revenue Funds — are used to account for the proceeds of specific revenue sources (other than expendable trusts, or major capital projects) that are legally restricted to expenditure for specified purposes.

Debt Service Fund — is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

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

Proprietary Funds — are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to achieve sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds). The measurement focus is upon determination of net income, financial position and cash flows.

Fiduciary Funds — are used to account for assets held by a government unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. Agency funds generally are used to account for assets that the government holds on behalf of others as their agent. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Account Groups — are used to establish accounting control and accountability for the City's general fixed assets and general long-term debt obligations. The following are the City's account groups:

General Fixed Assets Account Group — is used to account for fixed assets other than those accounted for in the proprietary funds.

CITY OF EUCLID, OHIO

NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 1999

B. BASIS OF PRESENTATION — FUND ACCOUNTING (CONTINUED)

General Long-Term Debt Account Group — is used to account for all long-term obligations of the City that are not a specific liability of any proprietary fund.

Component Unit — The accounts of EDCOR are organized on the basis of funds using the modified accrual basis of accounting. The operations are accounted for in a General Fund.

C. BASIS OF ACCOUNTING

The accounting and reporting treatment applied to a fund is determined by its measurement focus. The financial statements of the governmental funds and agency funds are prepared using the modified accrual basis of accounting. Under this basis, revenues are recognized in the accounting period in which they become measurable and available to finance current City operations. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for interest on general long-term debt which is recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available (i.e., collectible within the current period or soon enough thereafter to be used to pay obligations of the current period): investment earnings, income taxes and certain charges for services. Reimbursements due for federally funded community development projects are recognized as revenue at the time qualified expenditures are made.

Other revenues, including licenses and permits, certain charges for services and miscellaneous revenues are recorded as revenue when received in cash as they are generally not measurable until actually received.

Property taxes are considered available for use within the period they are received. Property taxes which are levied in a year prior to when they are collected (real and public utility taxes) are recognized as a receivable and recorded as deferred revenue in the year they are levied.

All proprietary fund types are accounted for using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when they are incurred.

D. BUDGETARY PROCESS

The budgetary process is prescribed by the Charter and by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriation ordinance, all of which are prepared on a Non-GAAP budgetary basis of accounting. The certificate of estimated resources and the appropriation ordinance are subject to amendment throughout the year.

All funds, other than agency funds, are legally required to be budgeted and appropriated; however, only governmental funds are required to be reported. The primary level of budget control is at the fund level. Expenditures may not legally exceed budgeted appropriations at the fund level. Budgetary modifications at the fund level may only be made by ordinance of City Council.

CITY OF EUCLID, OHIO

NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 1999

D. BUDGETARY PROCESS (CONTINUED)

1. Tax Budget

By July 15, the Finance Director submits an annual tax budget for the following fiscal year to City Council for consideration and passage. The adopted budget is submitted to the County Auditor, as secretary of the County Budget Commission, by July 20th of each year, for the period January 1 to December 31 of the following year.

2. Estimated Resources

The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenues. The Budget Commission then certifies its action to the City by September 1st of each year. As part of the certification process the City receives an official certificate of estimated resources which states the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The budgeted revenues reported in the Budget and Actual (Non-GAAP Budgetary Basis) statements reflect the amounts in the final amended official certificate of estimated resources issued during 1999.

3. Appropriations

A temporary appropriation ordinance to control expenditures may be passed on or about January 1st of each year for the period January 1 through March 31. An annual appropriation ordinance must be passed by April 1st of each year for the period January 1 through December 31. The appropriation ordinance establishes spending controls at the fund level. The appropriation ordinance may be amended during the year by ordinance of City Council as additional information becomes available, provided that total fund appropriations do not exceed the current estimated resources as certified. Expenditures may not legally exceed budgeted appropriations at the fund level. During the year, several amended appropriation ordinances were approved.

Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances — Budget and Actual (Non-GAAP Budgetary Basis) — All Governmental Fund Types are provided on the budgetary basis to provide a comparison of actual results, including encumbrances, with the final budget, including all amendments and modifications.

CITY OF EUCLID, OHIO

NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 1999

D. BUDGETARY PROCESS (CONTINUED)

4. Encumbrances

As part of the formal budgetary control, purchase orders, contracts and other commitments for expenditures are encumbered and recorded as the equivalent of expenditures in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. Encumbrances outstanding at year-end, however, are reported as reservations of fund balances in the governmental funds for subsequent year expenditures in the accompanying general purpose financial statements.

5. Lapsing of Appropriations

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the subsequent fiscal year and need not be reappropriated.

6. Budgetary Basis of Accounting

The City's budgetary process accounts for certain transactions on a basis other than generally accepted accounting principles (GAAP). The major difference between the budgetary basis and the GAAP basis lies in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on the cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting.

A reconciliation of the results of operations for the year from the GAAP basis to the budgetary basis for Governmental Fund Types and Proprietary Fund Types is as follows:

	<u>Excess of Revenues and Other Financing Sources Over (Under)</u> <u>Expenditures and Other Financing Uses</u>			
	<u>General</u>	<u>Special</u>	<u>Debt</u>	<u>Capital</u>
	\$	\$	\$	\$
GAAP Basis	(2,401,653)	(638,160)	(107,468)	(2,200,488)
<u>Increase (Decrease) Due to:</u>				
Revenue Accruals	363,354	(1,662,244)	2,638,968	2,228,018
Expenditure Accruals	205,067	1,352,978	(2,437,068)	(64,270)
Net Impact of Encumbrances on Budget Basis Expenditures	<u>221,109</u>	<u>202,761</u>	<u>-</u>	<u>507,076</u>
Budgetary Basis	\$ <u>(1,612,123)</u>	\$ <u>(744,665)</u>	\$ <u>94,432</u>	\$ <u>470,336</u>

CITY OF EUCLID, OHIO

NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 1999

D. BUDGETARY PROCESS (CONTINUED)

Excess Revenues Over (Under)
Expenses, Advances and Transfers/Net Income (Loss)

	<u>Enterprise Funds</u>	<u>Internal Service Fund</u>
Net Income	\$ 247,144	\$ 691,885
<u>Increase (Decrease) Due to:</u>		
Revenue Accruals	(552,062)	(35,987)
Expense Accruals	(2,096,680)	(76,131)
Decrease in Inventory	(3,045)	-
Depreciation Expense	1,785,496	-
Budget Basis Encumbrances	<u>355,195</u>	<u>-</u>
Budget Basis	\$ <u>(263,952)</u>	\$ <u>579,767</u>

E. INVENTORY OF SUPPLIES

Inventory is stated at cost (first-in, first-out) in the governmental funds, and at the lower of cost (first-in, first-out) or market in the proprietary funds. The costs of inventory items are recorded as expenditures in the governmental funds when purchased and as expenses in the proprietary funds when used.

F. FIXED ASSETS AND DEPRECIATION

Fixed assets acquired or constructed for general governmental purposes are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for those assets for which historical cost is not practicably determinable) in the General Fixed Asset Account Group. Contributed fixed assets are recorded at their fair market value as of the date received.

Fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems (i.e., infrastructure assets), have not been capitalized. Such assets are normally immovable and of value only to the City. Therefore, the purpose of stewardship for capital expenditures can be satisfied without recording these assets.

The City has elected not to record depreciation in the General Fixed Assets Account Group. Assets that have been transferred between operating departments have been recorded net (assets transferred-in minus assets transferred-out) on the Schedule of Changes in General Fixed Assets by Function and Activity. The balance of net transfers represents transfers to the enterprise funds.

CITY OF EUCLID, OHIO

NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 1999

F. FIXED ASSETS AND DEPRECIATION (CONTINUED)

Property, plant and equipment acquired by proprietary funds are stated at cost (or estimated historical cost), including architectural and engineering fees where applicable. Interest, if significant, is capitalized during the construction period for proprietary fund assets. Contributed fixed assets are recorded at their fair market value as of the date received.

Depreciation on proprietary fund fixed assets has been provided using the straight-line method over the following estimated useful lives:

Land Improvements	20-40 years
Utility Plant and Sanitary Sewers	40-50 years
Buildings and Improvements	20-40 years
Furniture, Fixtures and Equipment	3-10 years

G. LONG-TERM OBLIGATIONS

General Obligation Bonds/Notes recorded in the General Long-Term Debt Account Group are being repaid from the Debt Service Fund.

H. COMPENSATED ABSENCES

In conformity with GASB Statement No. 16, the City accrues vacation and compensatory time benefits as earned by its employees if the leave is attributable to past service and it is probable that the City will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement. Likewise, the City accrues for sick pay benefits as earned by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future. These compensated absences are measured using the pay rates in effect at December 31, 1999. Additionally, certain salary-related payments associated with the payment of compensated absences have been accrued. For governmental fund types, the portion of the liability that will not be liquidated with expendable, available financial resources is recorded in the General Long-Term Debt Account Group.

All employees earn sick leave at a 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 and fire department employees who accrue sick leave at a rate of 1.5 days per month. Accumulated vacation is based upon length of service as follows:

After 1 year	2 weeks earned per year
After 5 years	3 weeks earned per year
After 10 years	4 weeks earned per year
After 15 years	5 weeks earned per year
After 20 years	6 weeks earned per year

Accumulated vacation may not be carried forward without specific approval.

CITY OF EUCLID, OHIO

NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 1999

H. COMPENSATED ABSENCES (CONTINUED)

At December 31, 1999, the City's accumulated, unpaid compensated absences, primarily vacation and sick leave benefits, amounted to \$8,594,810, of which \$7,388,051 is recorded in the General Long-Term Debt Account Group.

Employees receive payment in cash for a certain portion of their accumulated sick leave hours upon retirement or death. Employees also receive payments in cash for accumulated vacation time upon resignation, termination or retirement.

I. INTERFUND TRANSACTIONS

During the course of its operations, the City has numerous transactions between funds, most of which are in the form of transfers of resources to provide services, construct assets and service debt. Transfers for current operations are recorded as operating transfers. The classification of amounts recorded as operating transfers, advances, or equity contributions is determined by City management.

J. RESERVATIONS OF FUND BALANCE

Reservations of fund balance or retained earnings indicate that a portion of the balance is not available for expenditure or is legally segregated for a specific future use. Balances are reserved for inventories of materials and supplies, prepaid expenses, encumbrances and long-term receivables (for governmental funds) and contractual commitments.

K. TOTAL COLUMNS ON COMBINED FINANCIAL STATEMENTS

Total columns on the Combined Statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns does not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles, nor is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

L. RISK MANAGEMENT

The City is self-insured with respect to certain costs and has entered into a retrospective premium rating program for workers' compensation. Estimable incurred claims (both reported and not reported) are included as liabilities in the accompanying combined balance sheet.

M. RECLASSIFICATIONS

Certain reclassifications have been made to prior year amounts to conform to current year presentations.

CITY OF EUCLID, OHIO

NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 1999

N. FINANCIAL REPORTING AND ACCOUNTING FOR PROPRIETARY FUNDS

Under the Guidelines of GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting," the City has elected not to apply Financing Accounting Standards Board Statements and Interpretations issued after November 30, 1989, to its proprietary activities. The adoption of this approach to accounting for proprietary activities by the City required no change from prior years.

NOTE 2 — CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash resources for a majority of the City's individual funds are combined to form a pool of cash and investments which are stated at cost and amortized cost. The City's policy is to allocate investment earnings to the General Fund unless the allocation of such earnings is legally or otherwise restricted.

The City considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents. None of the investments are reported at amortized cost at year end.

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

- Bonds, notes or other obligations guaranteed by the United States, or those for which the faith of the United States is pledged for payment of principal and interest;
- Discount notes of the Federal National Mortgage Association;
- Bonds of the State of Ohio; and
- 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.

Ohio law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the City places deposits must pledge as collateral eligible securities with an aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 110% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state or any instrumentality of such county, municipal corporation or other authority.

The Governmental Accounting Standards Board, Statement No. 3, has established risk categories for deposits and investments as follows:

Deposits:

- Category 1 – Insured or collateralized with securities held by the City or by its agent in the City's name.

CITY OF EUCLID, OHIO

NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 1999

NOTE 2 — CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Category 2 – Collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.

Category 3 – Uncollateralized, although secured by pooled securities pledged by financial institutions.

Investments:

Category 1 – Insured or registered, or securities held by the City or its agent in the City's name.

Category 2 – Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the City's name.

Category 3 – Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the City's name.

A. DEPOSITS AND SHORT-TERM INVESTMENTS

At year end, the carrying amount of the City's deposits, excluding the Component Unit, was \$975,569 and the bank balance was \$1,002,830. Of the bank balance:

1. \$436,588 was covered by the federal depository insurance, by collateral held by the City or by its agent in the name of the City.
2. \$566,242 was collateralized with securities held by the pledging financial institution or their trust departments or agents but not in the City's name.

At year end, the carrying amount of the Component Unit (EDCOR's) deposits was \$13,954 and the bank balance was \$20,886. Of the bank balance, \$20,886 was covered by the federal depository insurance, by collateral held by EDCOR or by its agent in the name of EDCOR.

B. INVESTMENTS

The City's investments are detailed below by type and are categorized to give an indication of the level of risk assumed as of year-end.

<u>Description</u>	<u>Risk Category 3</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
U.S. Government Securities	\$ 21,917,550	\$ 21,917,550	\$ 21,917,550
State Treasurer's Investment Pool (Star Ohio)*	-	2,100,000	2,100,000
Total Investments	\$ 21,917,550	\$ 24,017,550	\$ 24,017,550

*Non-categorized

CITY OF EUCLID, OHIO

NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 1999

NOTE 2 — CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

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, 1999.

NOTE 3 — TAXES

A. PROPERTY TAXES

Property taxes include amounts levied against all real, public utility and tangible personal property located in the City. Taxes collected from real property (other than public utility) in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revalued every six years with a triennial update. Real property taxes are payable annually or semiannually. If paid annually, payment is due January 20; if paid semiannually, the first payment is due January 20, with the remainder payable by June 20. In certain circumstances, state statute permits earlier or later payment dates to be established.

Taxpayers become liable for tangible personal property taxes (other than public utility) on January 1 of the current calendar year based on tax rates determined in the preceding year and assessed values determined as of the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of the current calendar year. In 1999, tangible personal property used in business (except for public utilities) was assessed for ad valorem taxation purposes at 25 percent of its true value. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30 with the remainder payable by September 20. Under Ohio law, personal property taxes do not attach as a lien on the personal property.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding year on assessed values of December 31 of that preceding year, the lien date. Public utility tangible personal property currently is generally assessed at 88 percent of its true value. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Euclid. The County Auditor periodically remits to the City its portion of the taxes collected with final settlement in June and December for taxes payable in the first and second halves of the year, respectively.

The full tax rate of all City operations for the year ended December 31, 1999 was \$15.60 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 1999 property tax receipts were based totaled \$790,617,336 which was comprised of \$643,825,810 in real property, \$36,010,170 in public utility property and \$110,781,356 in personal property.

CITY OF EUCLID, OHIO

NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 1999

NOTE 3 — TAXES (CONTINUED)

B. INCOME TAXES

The City levies a 2.85 percent income tax on substantially all income earned within the City. Of this amount, .85 percent of the taxes collected are to be split between the City and the school board at a ratio of .38 percent for the City and .47 percent for the schools. In addition, residents are required to pay City income tax on income earned outside the City; however, a 100 percent credit is allowed for income taxes paid to other municipalities. Employers within the City are required to withhold income tax on employees' compensation and remit the tax to the City's agent, Central Collection Agency (CCA), either monthly or quarterly, as required. Corporations and other individual taxpayers are required to pay their estimated tax liability quarterly and file a declaration annually. All income tax proceeds are recorded in the General Fund.

C. OTHER TAXES

In addition to property and income taxes, certain other taxes are recognized as revenue by the City. These taxes include state shared taxes, gasoline taxes, inheritance taxes and miscellaneous other taxes which have various lien, levy and collection dates.

NOTE 4 — NOTES RECEIVABLE

General funds 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%. The City will incur interest charges at a rate of 8.25% on the bonds that had been issued by the City in conjunction with this program. The difference in the interest rates is a subsidy which will be funded by nontax revenue sources.

Component unit notes receivable represent low interest loans for home improvements granted to eligible City residents through 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 periods ranging from five to fifteen years.

CITY OF EUCLID, OHIO

NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 1999

NOTE 5 — OPERATING TRANSFERS

Following is a summary of operating transfers for all funds for 1999 from the general purpose financial statements:

<u>Fund</u>	<u>Transfers-In</u>	<u>Transfers-Out</u>
General	\$ <u>385,458</u>	\$ <u>4,375,000</u>
Special Revenue:		
Streets and Highways	300,000	-
Community Development Block Grant	-	83,098
Recreation Operating	60,000	-
Other Grants	<u>125,000</u>	-
Total Special Revenue	<u>485,000</u>	<u>83,098</u>
Debt Service:	-	1,832,503
Capital Projects:		
Capital Bond and Note Construction	3,004,740	-
Capital Improvements	<u>1,862,763</u>	-
Total Capital Projects	<u>4,867,503</u>	-
Enterprise:		
Waste Water	<u>1,513,000</u>	<u>1,615,360</u>
Internal Service	<u>625,000</u>	-
Agency	<u>30,000</u>	-
Total All Funds	\$ <u>7,905,961</u>	\$ <u>7,905,961</u>

NOTE 6 — FIXED ASSETS

General Fixed Assets

A summary of changes in the General Fixed Assets Account Group follows:

	<u>Balance</u> <u>1-1-99</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12-31-99</u>
Land	\$ 3,955,070	\$ 4,316,196	\$ -	\$ 8,271,266
Buildings and Improvements	26,276,680	286,963	-	26,563,643
Furniture, Fixtures and Equipment	<u>8,924,891</u>	<u>1,167,726</u>	<u>639,882</u>	<u>9,452,735</u>
Total	\$ <u>39,156,641</u>	\$ <u>5,770,885</u>	\$ <u>639,882</u>	\$ <u>44,287,644</u>

CITY OF EUCLID, OHIO

NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 1999

NOTE 6 — FIXED ASSETS (CONTINUED)

Included in buildings and improvements at December 31, 1999 is approximately \$6,500,000 relating to an incinerator plant which became idle during 1987 when the City contracted with an outside firm to perform its sanitation services. The plant is being held for future use in the event that it is decided to again use City personnel and facilities to provide sanitation services. Future use of the plant could require substantial start-up costs, the amount of which cannot presently be determined.

In November 1992, the City entered into an agreement with Waste Management of Ohio, Inc., (Waste Management) that gives Waste Management the right to operate and maintain a recycling-transfer station and provide solid waste disposal and recycling services on the site of the City's idle incinerator plant. The term of the agreement is 20 years, beginning November 1, 1992, with one 10-year option. The City retains ownership of the property throughout the term of the agreement and any property improvements made by Waste Management become the property of the City at the end of the agreement. Under the terms of the agreement, Waste Management paid the City \$2,000,000 in 1992 and 1993, respectively.

Proprietary Fund Type Fixed Assets

A summary of proprietary fund type property, plant and equipment at December 31, 1999 follows:

	<u>Balance</u> <u>1-1-99</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12-31-99</u>
Land	\$ 6,451,502	\$ -	\$ -	\$ 6,451,502
Land Improvements	1,094,709	51,589	-	1,146,298
Utility Plant/Sanitary Sewers	71,458,066	279,214	-	71,737,280
Buildings and Improvements	1,606,395	6,520	-	1,612,915
Furniture, Fixtures and Equipment	<u>1,876,175</u>	<u>175,811</u>	<u>(18,380)</u>	<u>2,033,606</u>
Total	82,486,847	513,134	(18,380)	82,981,601
Less Accumulated Depreciation	<u>(30,014,661)</u>	<u>(1,810,984)</u>	<u>11,330</u>	<u>(31,814,315)</u>
Net Proprietary Fund Type Fixed Assets	\$ <u>52,472,186</u>	\$ <u>(1,297,850)</u>	\$ <u>(7,050)</u>	\$ <u>51,167,286</u>

NOTE 7 — CAPITAL LEASES

The City has entered into agreements to lease equipment. Such agreements are, in substance, lease purchases (capital leases) and are classified as long-term lease obligations in the financial statements. The lease contracts contain options that would allow the City to cancel the leases if sufficient funds are not appropriated by City Council. Since cancellation of the leases is not foreseen, the leases have been capitalized. Further, upon satisfaction of the lease obligations, title to the equipment will pass to the City. During 1999, operating lease payments for the City were immaterial.

CITY OF EUCLID, OHIO

NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 1999

NOTE 7 — CAPITAL LEASES (CONTINUED)

The capital leases payable are recorded in the General Long-Term Obligations Account Group and the Golf Course Enterprise Fund in the amount of \$189,340 and \$26,468, respectively. The leases relate to vehicles and equipment which are leased under a long-term agreement which meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13 "Accounting for Leases."

The following is a schedule of the future minimum lease payments under capital leases and the present value of net minimum lease payments at December 31, 1999:

	<u>General Long-Term Obligations</u>	<u>Golf Course Enterprise Fund</u>
2000	\$ 108,376	\$ 14,594
2001	<u>99,584</u>	<u>14,594</u>
Total Minimum Lease Payments	207,960	29,188
Less: Amount Representing Interest	<u>18,620</u>	<u>2,720</u>
Present Value of Net Minimum Lease Payments	\$ <u>189,340</u>	\$ <u>26,468</u>

The vehicles are capitalized in the General Fixed Assets Account Group at a cost of approximately \$550,806. The equipment is capitalized and depreciated in the Golf Course Enterprise Fund.

NOTE 8 — DEFINED BENEFIT PENSION PLANS

A. PUBLIC EMPLOYEES RETIREMENT SYSTEM

The City of Euclid contributes to the Public Employees Retirement System of Ohio ("System"), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees Retirement Board. The System provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State statute per Chapter 145 of the Ohio Revised Code. The System issues a stand-alone financial report. That report may be obtained by writing to the Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085 or 1-800-222-PERS (7377).

Plan members, other than those engaged in law enforcement, are required to contribute 8.5 percent of their annual covered salary to fund pension obligations and the City is required to contribute 9.35 percent. Contributions are authorized by state statute. The contribution rates are determined actuarially. The City's contributions to the System for the years ended December 31, 1999, 1998, and 1997, were \$1,248,453, \$1,170,777 and \$1,048,750, respectively, equal to the required contributions for each year.

CITY OF EUCLID, OHIO

NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 1999

NOTE 8 — DEFINED BENEFIT PENSION PLANS (CONTINUED)

B. OHIO POLICE AND FIRE PENSION FUND

The City of Euclid 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. The OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10 percent of their annual covered salary, while employers are required to contribute 19.5 percent and 24 percent, respectively for police officers and firefighters. The City of Euclid's contributions to OP&F for the years ending December 31, 1999, 1998 and 1997, were \$2,235,673, \$2,197,650 and \$2,104,039, respectively, equal to the required contributions for each year.

NOTE 9 — POSTEMPLOYMENT BENEFITS

A. PUBLIC EMPLOYEES RETIREMENT SYSTEM

PERS of Ohio provides postretirement health care coverage to age and service retirants with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirants. Health care coverage for disability recipients is available. The health care coverage provided by the retirement systems is considered an Other Postemployment Benefits (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to PERS of Ohio is set aside for the funding of postretirement health care based on the authority granted by State statutes. During 1999, the employer contribution rate was 13.55 percent of which 4.20 percent was used to fund health care benefits.

The Ohio Revised Code provides the statutory authority requiring public employers to fund postretirement health care through their contributions to PERS.

OPEB are financed through employer contributions and investments earnings thereon. The contributions allocated to retiree health care and Medicare, along with investment income on allocated assets and periodic adjustments in health care provisions are expected to be sufficient to sustain the program indefinitely.

The number of benefit recipients eligible for OPEB at December 31, 1999 was 118,062. The City's actual contributions for 1999, which were used to fund postemployment benefits, were \$560,802. The actual contribution and the actuarially required contribution rate are the same. The PERS of Ohio's unaudited estimated net assets available for future OPEB payments at December 31, 1999 were \$9,870,285,641. Expenditures for OPEB during 1999 were \$523,599,349.

CITY OF EUCLID, OHIO

NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 1999

NOTE 9 — POSTEMPLOYMENT BENEFITS (CONTINUED)

A. PUBLIC EMPLOYEES RETIREMENT SYSTEM (CONTINUED)

During 1997, the Retirement Board adopted a new calculation method for determining employer contributions applied to OPEB. Under the new method, effective January 1, 1998, employer contributions, equal to 4.2% of member covered payroll, are used to fund health care expenses. Under the prior method, accrued liabilities and normal cost rates were determined for retiree health care coverage.

B. OHIO POLICE AND FIRE PENSION FUND

The Ohio Police and Fire Pension Fund ("OP&F") provides postretirement health care coverage to any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of eighteen whether or not the child is attending school or under the age of twenty two if attending school full-time or on a two-thirds basis. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in GASB Statement No. 12. The Ohio Revised Code Chapter 742 provides the authority allowing OP&F's Board of Trustees to provide health care coverage to all eligible individuals and states that health care cost be included in the employer's contribution rate. The contribution rate for police is 19.50 percent and firemen is 24.00 percent of covered payroll of which 6.50 percent and 7.00 percent was applied to the postemployment health care program for 1998 and 1999, respectively. The allocation is 7.25% in 2000. Health care funding and accounting is on a pay-as-you-go basis.

The number of participants eligible to receive health care benefits as of December 31, 1998, the date of the last actuarial valuation available, was 11,424 for police and 9,186 for firefighters. The City's actual contributions for 1999 that were used to fund postemployment benefits were \$384,877 for police and \$339,359 for firefighters. The OP&F's total health care expenses for the year ending December 31, 1998, the date of the last actuarial valuation available, was \$78,596,790, which was net of member contributions of \$5,331,515.

NOTE 10 — NOTES PAYABLE

The City has pledged its full faith and credit as collateral for the general obligation notes. All notes have been issued in anticipation of long-term bond financing. Ohio law permits the issuance and renewal of bond anticipation notes such that the notes may remain outstanding for 20 years consecutively before such notes must be retired either from available funds of the City or from the proceeds of bonds issued to redeem the anticipation notes. If such notes and renewal of such notes remain outstanding for a period in excess of five years, any such period in excess of five years must be deducted from the permitted maximum maturity of the bonds anticipated. Furthermore, a certain portion of the principal amount of such notes must be retired in the amounts and at the times that would have been required for the payment of principal maturities on the bonds anticipated as if the bonds had been issued at the expiration of the initial five-year period.

CITY OF EUCLID, OHIO

NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 1999

NOTE 10 -- NOTES PAYABLE - CONTINUED

Detail of the changes in short-term notes payable for the year ended December 31, 1999 is as follows:

	Balance January 1, <u>1999</u>	<u>Additions</u>	<u>Retirements</u>	Balance December 31, <u>1999</u>
GENERAL OBLIGATION NOTES:				
Various Purpose Improvement Note (Incinerator) - 1998 Issue (3.22%)	\$ 375,000	\$ -	\$ 375,000	\$ -
Various Purpose Improvement Note (Parklawn) - 1998 Issue (3.22%)	2,040,000	-	2,040,000	-
Various Purpose Improvement Note (Heritage) - 1998 Issued (3.22%)	1,700,000	-	1,700,000	-
Various Purpose Improvement Note (Computer Equipment) - 1999 Issue (3.70%)	-	106,719	-	106,719
Various Purpose Improvement Note (Motorized Equipment) - 1999 Issue (3.70%)	-	221,500	-	221,500
Various Purpose Improvement Note (Resurfacing Streets) 1999 Issue (3.70%)	-	303,781	-	303,781
Various Purpose Improvement Note (Jail Facilities) 1999 Issue (3.70%)	-	68,000	-	68,000
Various Purpose Improvement Note (Service Garage) 1999 Issue (3.70%)	-	600,000	-	600,000
Various Purpose Improvement Note (Parklawn) 1999 Issue (3.70%)	-	2,810,000	-	2,810,000
Various Purpose Improvement Note (Property Development) 1999 Issue (4.50%)	-	2,415,000	-	2,415,000
Total Short-Term Notes Payable	\$ <u>4,115,000</u>	\$ <u>6,525,000</u>	\$ <u>4,115,000</u>	\$ <u>6,525,000</u>

CITY OF EUCLID, OHIO

NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 1999

NOTE 11 — LONG-TERM OBLIGATIONS

Detail of the changes in the bonds, notes and other long-term obligations of the City, included in the General Long-Term Debt Account Group, for the year ended December 31, 1999 is as follows:

	<u>Balance January 1, 1999</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance December 31, 1999</u>
GENERAL OBLIGATION BONDS:				
7.875% Various Purpose Improvement Bonds Due Through 2000	\$ 750,000	\$ -	\$ 375,000	\$ 375,000
9.00% Apple Creek Subdivision Bonds Due Through 2000	45,000	-	20,000	25,000
4.80% to 6.625% Various Purpose Bonds, Series 1991 Due Through 2011	4,060,000	-	310,000	3,750,000
3.70% to 5.55% Various Purpose Bonds, Series 1995 Due Through 2009	6,635,000	-	470,000	6,165,000
3.70% to 5.50% Various Purpose Bonds, Series 1995 Due Through 2015	7,360,000	-	495,000	6,865,000
8.25% Development Revenue Bond Due Through 2016	2,000,000	-	55,000	1,945,000
3.80% to 4.90% Various Purpose Bonds, Series 1998 Due Through 2018	6,360,000	-	275,000	6,085,000
3.80% to 5.125% Peterson Improvement Bonds, Series 1998 Due Through 2018	1,025,000	-	35,000	990,000
5.60% to 6.15% Heritage Drive Improvement Bonds, Series 1999 Due Through 2019	-	1,715,000	-	1,715,000
Total General Obligation Bonds	<u>\$ 28,235,000</u>	<u>\$ 1,715,000</u>	<u>\$ 2,035,000</u>	<u>\$ 27,915,000</u>
OTHER OBLIGATIONS:				
Ohio Public Works Commission Loan Payable	\$ -	\$ 1,420,569	\$ -	\$ 1,420,569
Capital Lease Obligations	323,151	-	133,811	189,340
Accrued Compensated Absences	6,890,871	497,180	-	7,388,051
Total Other Obligations	<u>\$ 7,214,022</u>	<u>\$ 1,917,749</u>	<u>\$ 133,811</u>	<u>\$ 8,997,960</u>
Total Long-Term General Obligations Bonds and Other Obligations	<u>\$ 35,449,022</u>	<u>\$ 3,632,749</u>	<u>\$ 2,168,811</u>	<u>\$ 36,912,960</u>

CITY OF EUCLID, OHIO

NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 1999

NOTE 11 — LONG-TERM OBLIGATIONS (CONTINUED)

In 1998, the City defeased a general obligation bond issue by placing proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the City's General Long-Term Debt Account Group. As of December 31, 1999, the amount of defeased debt outstanding amounted to \$2,935,000.

In 1995, the City defeased a general obligation bond issue by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the City's General Long-Term Debt Account Group. As of December 31, 1999, the amount of defeased debt outstanding amounted to \$6,130,000.

Detail of the changes in Capital Leases of the Enterprise Funds for the year ended December 31, 1999 is as follows:

	<u>Balance</u> <u>January 1,</u> <u>1999</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>December 31,</u> <u>1999</u>
Capital Lease Obligations	\$ <u>38,454</u>	\$ <u>-</u>	\$ <u>11,986</u>	\$ <u>26,468</u>

Detail of the changes in General Obligation Bonds and Ohio Water Development Authority Loans of the Enterprise Funds for the year ended December 31, 1999 is as follows:

	<u>Balance</u> <u>January 1,</u> <u>1999</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>December 31,</u> <u>1999</u>
General Obligation Bonds:				
3.80% to 5.125% Waterline Improvement Bonds, Series 1998				
Due Through 2018	\$ <u>2,145,000</u>	\$ <u>-</u>	\$ <u>65,000</u>	\$ <u>2,080,000</u>
Total General Obligation Bonds	\$ <u>2,145,000</u>	\$ <u>-</u>	\$ <u>65,000</u>	\$ <u>2,080,000</u>
OWDA Loans:				
5.2% Ohio Water Development Authority Waste Water Facility Project Loan Due Through 2013	\$ 11,404,280	\$ -	\$ 494,024	\$ 10,910,256
4.56% Ohio Water Development Authority Waste Water Facility Project Loan Due Through 2014	1,830,070	869,254	70,831	2,628,493
11.19% Ohio Water Development Authority Waste Water Facility Project Loan Due Through 2011	<u>7,050,518</u>	<u>-</u>	<u>285,840</u>	<u>6,764,678</u>
Total OWDA Loan Payable	\$ <u>20,284,868</u>	\$ <u>869,254</u>	\$ <u>850,695</u>	\$ <u>20,303,427</u>

CITY OF EUCLID, OHIO

NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 1999

NOTE 11 — LONG-TERM OBLIGATIONS (CONTINUED)

In 1992, the City entered into a loan agreement with the Ohio Water Development Authority (OWDA) to fund certain improvements mandated by the United States Environmental Protection Agency. The borrowings under the original loan agreement were limited to \$13,338,783. The loan bears interest at the rate of 5.2% per year and is payable over 20 years, beginning in 1994. During 1994, the City made a supplemental agreement with OWDA increasing the maximum amount borrowable under the 5.2% OWDA Waste Water Facility Project Loan by \$3,797,401 to \$17,136,184. The interest rate for the amounts borrowed under the supplemental agreement will be 4.56% per year.

All Ohio Water Development Authority Waste Water Facility Project Loans are secured by the revenues of the facility. Under the terms of the loans, the City is required to charge rates and fees for the services of the facility so that revenues will be at least sufficient to service the loan principal and interest payments and provide resources for the payment of the necessary operating and maintenance expenses of the facility. The City did not pledge the general resources or the general credit of the City to secure the repayment of the loans. The City, at its option, may use any of its general resources in meeting its obligations for the construction, maintenance, operation or debt service of the facility.

The loan payable, from the Ohio Public Works Commission, represents a 20-year interest-free loan, with principal only payments, to begin in 2000.

A summary of the City's future debt service requirements, including principal and interest at December 31, 1999 is as follows:

	<u>General Obligation Bonds</u>		<u>Ohio Water Development Authority Loans</u>		<u>Ohio Public Works Commission Loan</u>	<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	
2000	\$ 2,155,000	\$ 1,566,603	\$ 1,594,651	\$ 1,437,367	\$ 71,028	\$ 6,824,649
2001	1,795,000	1,438,002	1,033,455	1,368,562	71,028	5,706,047
2002	1,885,000	1,352,057	1,107,953	1,294,064	71,028	5,710,102
2003	1,970,000	1,265,912	1,188,678	1,213,340	71,028	5,708,958
2004	2,020,000	1,174,272	1,276,216	1,125,801	71,028	5,667,317
2005-2009	10,020,000	4,380,077	7,981,983	4,028,102	355,140	26,765,302
2010-2014	6,625,000	2,080,166	6,120,491	928,742	355,140	16,109,539
2015-2019	3,525,000	446,920	-	-	355,149	4,327,069
Total	\$ 29,995,000	\$ 13,704,009	\$ 20,303,427	\$ 11,395,978	\$ 1,420,569	\$ 76,818,983

NOTE 12 — COMMITMENTS AND CONTINGENCIES

Litigation — The City is a party to various legal proceedings for which it has established accruals for estimated loss contingencies. In the opinion of the City Law Director, the ultimate disposition of these proceedings will not have a material, adverse effect on the City's financial position or results of operations.

CITY OF EUCLID, OHIO

NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 1999

NOTE 12 — COMMITMENTS AND CONTINGENCIES (CONTINUED)

Federal and State Grants — Under the terms of various grants, periodic audits are required where certain costs could be questioned as not being an eligible expenditure under the terms of the grants. At December 31, 1999, there were no questioned costs that had not been resolved with various federal and state agencies. Questioned costs could still be identified during audits to be conducted in the future. In the opinion of City officials, no material grant expenditures will be disallowed.

Worker's Compensation — Beginning in 1989, the City elected to participate in the Retrospective Rating Program provided by the Ohio Bureau of Worker's Compensation (OBWC). Under this program, the City will be required to make a final payment on claims, once ten years has elapsed. The OBWC will calculate the amount due to cover future liabilities on the claims; and thus assume the liability from the City on an ongoing basis. The City is not able to estimate the amount of the future payment at December 31, 1999 and, therefore, no liability has been recorded in the General Long-Term Debt Account Group.

Community Development Block Grant/Section 108 Loan Guarantee — In connection with an economic development and rehabilitation project of a major corporation, the City received a Section 108 loan guarantee from the U.S. Department of Housing and Urban Development in 1994. Under this agreement, the City provided the corporation \$1,250,000 to be used for this project of which \$315,000 is subject to the Section 108 loan guarantee as of December 31, 1999. The City has pledged as security only the use of future Community Development Block Grant funds for the payment of principal and interest due on this obligation which is guaranteed by the full faith and credit of the United States Government. This obligation will be repaid through future allocations of Community Development Block Grant Awards of approximately \$180,000 per year over the next five years.

Financial Matters — Over the past few years, the City has been operating at a level whereby certain governmental fund types have incurred a deficiency of revenues over expenditures and debt levels have increased. The City continues to evaluate alternative measures to increase revenues and/or reduce expenditures to improve its financial position. The recently passed individual income tax increase (Note 3B) will provide an increase in tax revenues.

CITY OF EUCLID, OHIO

NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 1999

NOTE 13 — SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The City maintains two enterprise funds which provide sewer service and leisure time services. Financial information as of December 31, 1999 and for the year then ended for the two enterprise funds is summarized as follows:

	<u>Waste Water</u>	<u>Golf Course</u>	<u>Total</u>
Operating Revenues	\$ 10,272,031	\$ 892,312	\$ 11,164,343
Sewer Levy	749,897	-	749,897
Depreciation	1,709,840	75,656	1,785,496
Operating Income	997,557	73,036	1,070,593
Operating Transfers - In	1,513,000	-	1,513,000
Operating Transfers - Out	(1,615,360)	-	(1,615,360)
Net Income	183,190	63,954	247,144
Property, Plant and Equipment Additions	373,696	139,438	513,134
Net Working Capital	4,859,637	28,121	4,887,758
Total Assets	52,163,762	7,341,539	59,505,301
Long-Term Debt	22,383,427	26,468	22,409,895
Total Equity	26,537,489	7,107,660	33,645,149

NOTE 14 — INTERFUND RECEIVABLES AND PAYABLES

The General Fund has interfund receivables from the Municipal Court Agency Fund and the Community Development Block Grant Special Revenue Fund in the amounts of \$121,097 and \$9,550, respectively.

NOTE 15 — RISK MANAGEMENT

The City is exposed to various risks of loss related to property, machinery, general liability, workers' compensation and employees medical benefits.

The City of Euclid is self-funded with regard to general liability, and has been since 1988. An internal service fund is used to process claims made against the City. The fund was created to accumulate monies within the General Fund to pay third-party 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. The City annually appropriates transfers to the Self-Insurance Fund sufficient to cover its cash basis requirements.

Contracts with commercial insurance companies exist to provide property, boiler and machinery insurance. The City carries a commercial package property insurance policy for blanket coverage in excess of \$77,000,000. The policy coverage includes loss of business income for specific locations, personal property, crime, securities and property in the open. The deductible payable by the City is \$5,000. The City also carries a boiler and machinery policy through a commercial insurance carrier with a \$50,000,000 limit. The deductible for this coverage is \$5,000 and the limit per occurrence is \$1,000,000 for all related claims submitted under the policy.

CITY OF EUCLID, OHIO

NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 1999

NOTE 15 — RISK MANAGEMENT (CONTINUED)

There were no reductions in insurance coverage from the previous year, nor have settlements exceeded insurance coverage in any of the prior three fiscal years.

The City accounts for its insurance premiums as well as its deductibles in the General Fund. Based on the requirements of Government Accounting Standards Board Statement No. 10, a liability for claims should be reported if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable. The City believes that, pursuant to these standards, no liability exists at December 31, 1999.

The City of Euclid provides to eligible employees a comprehensive major medical plan, which includes dental coverage. Some employees have an individual deductible of \$150 or co-insurance of \$125; for families the deductible is \$250 or the co-insurance is \$185. After the deductibles or co-insurances have been met the medical plan covers 100% of the usual, customary and reasonable charges. The remaining employees are under the prior medical plan agreement which pays 100% of the usual, customary and reasonable charges. Dental insurance for employees has no deductible. The medical and dental plan is self-funded utilizing a third party administrator. The plan has a catastrophic coverage at a threshold of \$100,000 per occurrence. Employee medical and dental benefits are charged to the various funds of the City in accordance with where an employee's salary is charged.

The City is required to purchase workers' compensation insurance through the State of Ohio. The City applied for and was accepted into the State's Retrospective Rating Plan whereby the City initially pays a fraction of the premium (the minimum premium) it would pay as an experience-rated risk. As costs for the City's injured workers' claims are incurred, the City must reimburse the State fund for those costs, subject to the plan's individual claim cost limitation and the City's premium limitation. The City pays workers' compensation claims from various funds based on payroll allocations. The City's retrospective rating plan provides for a \$250,000 catastrophic limit per claim and an unlimited claim limit.

At December 31, 1999, \$1,652,877 has been accrued (in various funds of the City as a component of Due to Other Governments) for workers' compensation claims representing estimates of amounts to be paid for reported claims and incurred but not reported claims based upon the current available information.

The schedule below presents the changes in Workers' Compensation claims liabilities as of December 31, 1999:

	<u>1999</u>	<u>1998</u>
Beginning of Fiscal Year Liability	\$ 1,185,877	\$ 931,527
Current Year Claims and Changes in Estimates	858,353	490,452
Claim Payments	<u>(391,353)</u>	<u>(236,102)</u>
Balance at Fiscal Year End	\$ <u>1,652,877</u>	\$ <u>1,185,877</u>

CITY OF EUCLID, OHIO

NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 1999

NOTE 16 — ACCOUNTABILITY — FUND EQUITY DEFICIT

Special Revenue Fund — The Community Development Block Grant Fund has a fund deficit of \$182,222, due to a reclassification of the prior years accounts receivable. The General Fund is liable for any deficit in this fund and provides operating transfers when cash is required, not when accruals occur.

Capital Projects Fund — The Capital Improvement Fund has a fund deficit of \$3,341,083, caused by the application of generally accepted accounting principles to this fund. Bond anticipation note proceeds used to finance the projects are not recognized as “other financing sources,” but rather as a fund liability. The deficit in this fund will be eliminated when the projects near completion and the notes are bonded and/or as resources are provided for the retirement of the notes.

NOTE 17 — SOLID WASTE

In accordance with a notice letter received from the Ohio Environmental Protection Agency, the City of Euclid executed the final closure financial assurance instrument for the temporary solid waste transfer station by the required September 30, 1999 deadline. The sum of post-closure cost estimate assured by the financial test was \$180,000 and the City met all of the requirements set forth by Ohio Administrative Code Rule 3745-27-17.

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CITY OF EUCLID, OHIO

COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS

DECEMBER 31, 1999

WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1998

	<u>Streets and Highways</u>	<u>Community Development Block Grant</u>	<u>Recreation Operating</u>
<u>Assets</u>			
Cash and Cash Equivalents	\$ 1,091,330	\$ 6,287	\$ 296,203
Receivables:			
Taxes	-	-	-
Accounts	134,143	-	498,766
Interest	27,658	-	-
Intergovernmental	108,155	-	-
Inventory of Supplies at Cost	<u>90,660</u>	<u>-</u>	<u>4,781</u>
Total Assets	<u>\$ 1,451,946</u>	<u>\$ 6,287</u>	<u>\$ 799,750</u>
<u>Liabilities and Fund Equity</u>			
Liabilities:			
Accounts Payable	\$ 154,378	\$ 30,530	\$ 19,548
Accrued Wages and Benefits	54,267	14,363	18,178
Accrued Compensated Absences	5,354	9,622	1,776
Due to Other Governments	125,884	121,194	18,631
Interfund Payable	-	9,550	-
Deferred Revenue	-	-	384,478
Accrued Pension	<u>8,078</u>	<u>3,250</u>	<u>2,703</u>
Total Liabilities	<u>347,961</u>	<u>188,509</u>	<u>445,314</u>
Fund Equity:			
Reserve for Encumbrances	45,530	483	11,734
Reserve for Inventory	90,660	-	4,781
Unreserved (Deficit)	<u>967,795</u>	<u>(182,705)</u>	<u>337,921</u>
Total Fund Balance	<u>1,103,985</u>	<u>(182,222)</u>	<u>354,436</u>
 Total Liabilities and Fund Equity	 <u>\$ 1,451,946</u>	 <u>\$ 6,287</u>	 <u>\$ 799,750</u>

Other Grants	Totals	
	1999	1998
\$ 90,706	\$ 1,484,526	\$ 2,224,545
-	-	499,606
-	632,909	153,577
-	27,658	-
-	108,155	-
-	95,441	144,901
<u>\$ 90,706</u>	<u>\$ 2,348,689</u>	<u>\$ 3,022,629</u>

\$ 240	\$ 204,696	\$ 100,847
5,408	92,216	87,676
1,135	17,887	50,939
535	266,244	257,799
-	9,550	-
-	384,478	437,065
<u>887</u>	<u>14,918</u>	<u>41,983</u>
<u>8,205</u>	<u>989,989</u>	<u>976,309</u>

900	58,647	146,063
-	95,441	144,901
<u>81,601</u>	<u>1,204,612</u>	<u>1,755,356</u>
<u>82,501</u>	<u>1,358,700</u>	<u>2,046,320</u>
<u>\$ 90,706</u>	<u>\$ 2,348,689</u>	<u>\$ 3,022,629</u>

CITY OF EUCLID, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 1999

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 1998

	<u>Streets and Highways</u>	<u>Community Development Block Grant</u>	<u>Recreation Operating</u>
<u>Revenues</u>			
Taxes	\$ 1,433,129	\$ -	\$ 523,863
Intergovernmental	-	1,279,296	-
Charges for Services	612,965	1,706	676,524
Investment Income	32,443	-	-
Rents and Royalties	-	-	15,900
Other	<u>2,024</u>	<u>-</u>	<u>17,496</u>
Total Revenues	<u>2,080,561</u>	<u>1,281,002</u>	<u>1,233,783</u>
<u>Expenditures</u>			
Current:			
General Government	-	-	-
Public Safety	381,012	-	-
Streets and Highways	3,624,730	-	-
Refuse Collection and Disposal	324,222	-	-
Culture/Recreation	-	-	1,273,250
Community Development	-	1,203,257	-
Debt Service:			
Principal Retirement	35,000	-	-
Interest and Fiscal Charges	<u>48,680</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>4,413,644</u>	<u>1,203,257</u>	<u>1,273,250</u>
Excess of Revenues Over (Under) Expenditures	<u>(2,333,083)</u>	<u>77,745</u>	<u>(39,467)</u>
<u>Other Financing Sources (Uses)</u>			
Loan Proceeds	1,420,569	-	-
Operating Transfers - In	300,000	-	60,000
Operating Transfers - Out	<u>-</u>	<u>(83,098)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>1,720,569</u>	<u>(83,098)</u>	<u>60,000</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(612,514)	(5,353)	20,533
Fund Balance (Deficit) at Beginning of Year	1,773,834	(176,869)	326,028
Increase (Decrease) in Inventory Reserve	<u>(57,335)</u>	<u>-</u>	<u>7,875</u>
Fund Balance (Deficit) at End of Year	\$ <u>1,103,985</u>	\$ <u>(182,222)</u>	\$ <u>354,436</u>

Other Grants	Totals	
	1999	1998
\$ -	\$ 1,956,992	\$ 1,853,321
22,819	1,302,115	1,248,023
337	1,291,532	1,357,605
-	32,443	40,286
-	15,900	20,813
<u>36,055</u>	<u>55,575</u>	<u>64,841</u>
<u>59,211</u>	<u>4,654,557</u>	<u>4,584,889</u>
158,080	158,080	137,147
23,809	404,821	333,891
-	3,624,730	1,863,092
-	324,222	118,773
-	1,273,250	1,148,882
43,148	1,246,405	1,623,722
-	35,000	-
-	<u>48,680</u>	<u>52,392</u>
<u>225,037</u>	<u>7,115,188</u>	<u>5,277,899</u>
<u>(165,826)</u>	<u>(2,460,631)</u>	<u>(693,010)</u>
-	1,420,569	1,000,000
125,000	485,000	453,537
-	<u>(83,098)</u>	-
<u>125,000</u>	<u>1,822,471</u>	<u>1,453,537</u>
(40,826)	(638,160)	760,527
123,327	2,046,320	1,331,265
-	<u>(49,460)</u>	<u>(45,472)</u>
\$ <u>82,501</u>	\$ <u>1,358,700</u>	\$ <u>2,046,320</u>

CITY OF EUCLID, OHIO

STREETS AND HIGHWAYS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<u>Revenues</u>			
Taxes	\$ 1,355,000	\$ 1,433,129	\$ 78,129
Charges for Services	570,528	488,320	(82,208)
Investment Income	2,900	4,785	1,885
Other	<u>4,000</u>	<u>2,024</u>	<u>(1,976)</u>
Total Revenues	<u>1,932,428</u>	<u>1,928,258</u>	<u>(4,170)</u>
<u>Expenditures</u>			
Current:			
Public Safety	415,085	383,076	32,009
Streets and Highways	1,826,462	2,900,414	(1,073,952)
Refuse Collection and Disposal	1,234,727	991,062	243,665
Debt Service:			
Principal Retirement	35,000	35,000	-
Interest and Fiscal Charges	<u>48,680</u>	<u>48,680</u>	<u>-</u>
Total Expenditures	<u>3,559,954</u>	<u>4,358,232</u>	<u>(798,278)</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,627,526)</u>	<u>(2,429,974)</u>	<u>(802,448)</u>
<u>Other Financing Sources (Uses)</u>			
Loan Proceeds	-	1,420,569	1,420,569
Operating Transfers - In	<u>300,000</u>	<u>300,000</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>300,000</u>	<u>1,720,569</u>	<u>1,420,569</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,327,526)	(709,405)	618,121
Unencumbered Fund Balances at Beginning of Year	<u>1,610,861</u>	<u>1,610,861</u>	<u>-</u>
Unencumbered Fund Balances at End of Year	\$ <u>283,335</u>	\$ <u>901,456</u>	\$ <u>618,121</u>

CITY OF EUCLID, OHIO

COMMUNITY DEVELOPMENT BLOCK GRANT

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**

FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental	\$ 2,115,826	\$ 1,279,296	\$ (836,530)
Charges for Services	1,706	1,706	-
Total Revenues	<u>2,117,532</u>	<u>1,281,002</u>	<u>(836,530)</u>
<u>Expenditures</u>			
Current:			
Community Development	<u>2,037,414</u>	<u>1,213,694</u>	<u>823,720</u>
Excess of Revenues Over (Under) Expenditures	80,118	67,308	(12,810)
<u>Other Financing Sources (Uses)</u>			
Operating Transfers - Out	<u>-</u>	<u>(73,548)</u>	<u>(73,548)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	80,118	(6,240)	(86,358)
Unencumbered Fund Balances at Beginning of Year	<u>12,527</u>	<u>12,527</u>	<u>-</u>
Unencumbered Fund Balances at End of Year	\$ <u>92,645</u>	\$ <u>6,287</u>	\$ <u>(86,358)</u>

CITY OF EUCLID, OHIO

RECREATION OPERATING

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Taxes	\$ 489,639	\$ 472,115	\$ (17,524)
Charges for Services	660,751	677,758	17,007
Rents and Royalties	6,450	30,300	23,850
Other	<u>3,312</u>	<u>17,496</u>	<u>14,184</u>
Total Revenues	<u>1,160,152</u>	<u>1,197,669</u>	<u>37,517</u>
<u>Expenditures</u>			
Current:			
Culture/Recreation	<u>1,300,897</u>	<u>1,277,825</u>	<u>23,072</u>
Excess of Revenues Over (Under) Expenditures	(140,745)	(80,156)	60,589
<u>Other Financing Sources (Uses)</u>			
Operating Transfers - In	<u>60,000</u>	<u>60,000</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(80,745)	(20,156)	60,589
Unencumbered Fund Balances at Beginning of Year	<u>304,421</u>	<u>304,421</u>	<u>-</u>
Unencumbered Fund Balances at End of Year	\$ <u>223,676</u>	\$ <u>284,265</u>	\$ <u>60,589</u>

CITY OF EUCLID, OHIO

OTHER GRANTS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**

FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental	\$ 53,984	\$ 43,109	\$ (10,875)
Charges for Services	-	337	337
Other	<u>30,000</u>	<u>36,055</u>	<u>6,055</u>
Total Revenues	<u>83,984</u>	<u>79,501</u>	<u>(4,483)</u>
<u>Expenditures</u>			
Current:			
General Government	175,085	153,073	22,012
Public Safety	59,616	7,721	51,895
Community Development	<u>52,209</u>	<u>52,571</u>	<u>(362)</u>
Total Expenditures	<u>286,910</u>	<u>213,365</u>	<u>73,545</u>
Excess of Revenues Over (Under) Expenditures	(202,926)	(133,864)	69,062
<u>Other Financing Sources (Uses)</u>			
Operating Transfers - In	<u>125,000</u>	<u>125,000</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(77,926)	(8,864)	69,062
Unencumbered Fund Balances at Beginning of Year	<u>98,621</u>	<u>98,621</u>	<u>-</u>
Unencumbered Fund Balances at End of Year	<u>\$ 20,695</u>	<u>\$ 89,757</u>	<u>\$ 69,062</u>

CITY OF EUCLID, OHIO

TOTAL SPECIAL REVENUE FUNDS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Taxes	\$ 1,844,639	\$ 1,905,244	\$ 60,605
Intergovernmental	2,169,810	1,322,405	(847,405)
Charges for Services	1,232,985	1,168,121	(64,864)
Investment Income	2,900	4,785	1,885
Rents and Royalties	6,450	30,300	23,850
Other	<u>37,312</u>	<u>55,575</u>	<u>18,263</u>
Total Revenues	<u>5,294,096</u>	<u>4,486,430</u>	<u>(807,666)</u>
<u>Expenditures</u>			
Current:			
General Government	175,085	153,073	22,012
Public Safety	474,701	390,797	83,904
Streets and Highways	1,826,462	2,900,414	(1,073,952)
Refuse Collection and Disposal	1,234,727	991,062	243,665
Culture/Recreation	1,300,897	1,277,825	23,072
Community Development	2,089,623	1,266,265	823,358
Debt Service:			
Principal Retirement	35,000	35,000	-
Interest and Fiscal Charges	<u>48,680</u>	<u>48,680</u>	<u>-</u>
Total Expenditures	<u>7,185,175</u>	<u>7,063,116</u>	<u>122,059</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,891,079)</u>	<u>(2,576,686)</u>	<u>(685,607)</u>
<u>Other Financing Sources (Uses)</u>			
Loan Proceeds	-	1,420,569	1,420,569
Operating Transfers - In	485,000	485,000	-
Operating Transfers - Out	<u>-</u>	<u>(73,548)</u>	<u>(73,548)</u>
Total Other Financing Sources (Uses)	<u>485,000</u>	<u>1,832,021</u>	<u>1,347,021</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,406,079)	(744,665)	661,414
Unencumbered Fund Balances at Beginning of Year	<u>2,026,430</u>	<u>2,026,430</u>	<u>-</u>
Unencumbered Fund Balances at End of Year	\$ <u>620,351</u>	\$ <u>1,281,765</u>	\$ <u>661,414</u>

CITY OF EUCLID, OHIO

COMBINING BALANCE SHEET - CAPITAL PROJECTS FUNDS

DECEMBER 31, 1999

WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1998

	Capital Bond and Note <u>Construction</u>	Capital <u>Improvement</u>	<u>Totals</u>	
			1999	1998
<u>Assets</u>				
Cash and Cash Equivalents	\$ 2,970,848	\$ 2,990,071	\$ 5,960,919	\$ 5,623,192
Receivables:				
Taxes	-	652,236	652,236	653,330
Accounts	-	327,088	327,088	371,706
Interest	48,060	102,643	150,703	570
Special Assessments	-	88,940	88,940	93,528
Total Assets	\$ <u>3,018,908</u>	\$ <u>4,160,978</u>	\$ <u>7,179,886</u>	\$ <u>6,742,326</u>
<u>Liabilities and Fund Equity</u>				
Liabilities:				
Accounts Payable	\$ 346,001	\$ 315,166	\$ 661,167	\$ 463,097
Deferred Revenue	-	591,720	591,720	541,365
Accrued Interest Payable	-	70,175	70,175	90,552
Notes Payable	-	6,525,000	6,525,000	4,115,000
Total Liabilities	<u>346,001</u>	<u>7,502,061</u>	<u>7,848,062</u>	<u>5,210,014</u>
Fund Equity:				
Reserve for Encumbrances	54,548	168,314	222,862	1,244,339
Unreserved (Deficit)	<u>2,618,359</u>	<u>(3,509,397)</u>	<u>(891,038)</u>	<u>287,973</u>
Total Fund Equity (Deficit)	<u>2,672,907</u>	<u>(3,341,083)</u>	<u>(668,176)</u>	<u>1,532,312</u>
Total Liabilities and Fund Equity	\$ <u>3,018,908</u>	\$ <u>4,160,978</u>	\$ <u>7,179,886</u>	\$ <u>6,742,326</u>

CITY OF EUCLID, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - CAPITAL PROJECTS FUNDS

FOR THE YEAR ENDED DECEMBER 31, 1999

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 1998

	Capital Bond and Note <u>Construction</u>	Capital <u>Improvement</u>	<u>Totals</u>	
			1999	1998
<u>Revenues</u>				
Taxes	\$ 5,926	\$ 600,983	\$ 606,909	\$ 722,822
Intergovernmental	-	184,314	184,314	535,710
Charges for Services	-	544,407	544,407	23,636
Special Assessments	131,281	76,157	207,438	9,847
Investment Income	51,461	121,730	173,191	19,792
Other	-	9,500	9,500	-
Total Revenues	<u>188,668</u>	<u>1,537,091</u>	<u>1,725,759</u>	<u>1,311,807</u>
<u>Expenditures</u>				
Current:				
General Government	305,401	4,597,249	4,902,650	1,241,538
Public Safety	-	579,799	579,799	353,817
Streets and Highways	1,412,985	330,231	1,743,216	1,142,381
Refuse Collection and Disposal	219,905	242,754	462,659	511,308
Public Health and Welfare	-	3,133	3,133	-
Culture/Recreation	3,920	642,589	646,509	287,906
Community Development	-	59,052	59,052	1,140,052
Debt Service:				
Principal Retirement	-	234,811	234,811	136,949
Interest and Fiscal Charges	54,740	107,181	161,921	45,263
Total Expenditures	<u>1,996,951</u>	<u>6,796,799</u>	<u>8,793,750</u>	<u>4,859,214</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,808,283)</u>	<u>(5,259,708)</u>	<u>(7,067,991)</u>	<u>(3,547,407)</u>
<u>Other Financing Sources (Uses)</u>				
Proceeds from Sale of Debt	-	-	-	800,000
Operating Transfers - In	3,004,740	1,862,763	4,867,503	5,200,000
Operating Transfers - Out	-	-	-	(133,157)
Total Other Financing Sources (Uses)	<u>3,004,740</u>	<u>1,862,763</u>	<u>4,867,503</u>	<u>5,866,843</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	1,196,457	(3,396,945)	(2,200,488)	2,319,436
Fund Balance (Deficit) at Beginning of Year	<u>1,476,450</u>	<u>55,862</u>	<u>1,532,312</u>	<u>(787,124)</u>
Fund Balance (Deficit) at End of Year	\$ <u>2,672,907</u>	\$ <u>(3,341,083)</u>	\$ <u>(668,176)</u>	\$ <u>1,532,312</u>

CITY OF EUCLID, OHIO

CAPITAL BOND AND NOTE CONSTRUCTION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Taxes	\$ -	\$ 5,926	\$ 5,926
Intergovernmental	371,706	371,706	-
Special Assessments	109,000	131,281	22,281
Investment Income	-	3,648	3,648
Total Revenues	<u>480,706</u>	<u>512,561</u>	<u>31,855</u>
<u>Expenditures</u>			
Current:			
General Government	2,064,450	212,107	1,852,343
Streets and Highways	2,232,949	1,515,662	717,287
Culture/Recreation	44,911	3,920	40,991
Total Expenditures	<u>4,342,310</u>	<u>1,731,689</u>	<u>2,610,621</u>
Excess of Revenues Over (Under) Expenditures	(3,861,604)	(1,219,128)	2,642,476
<u>Other Financing Sources (Uses)</u>			
Operating Transfers - In	<u>1,326,738</u>	<u>1,250,000</u>	<u>(76,738)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(2,534,866)	30,872	2,565,738
Unencumbered Fund Balances at Beginning of Year	<u>2,699,308</u>	<u>2,699,308</u>	-
Unencumbered Fund Balances at End of Year	\$ <u>164,442</u>	\$ <u>2,730,180</u>	\$ <u>2,565,738</u>

CITY OF EUCLID, OHIO

CAPITAL IMPROVEMENT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Taxes	\$ 640,296	\$ 657,019	\$ 16,723
Intergovernmental	-	184,314	184,314
Charges for Services	545,000	226,819	(318,181)
Special Assessments	41,236	76,157	34,921
Investment Income	<u>15,001</u>	<u>19,410</u>	<u>4,409</u>
Total Revenues	<u>1,241,533</u>	<u>1,163,719</u>	<u>(77,814)</u>
<u>Expenditures</u>			
Current:			
General Government	5,123,578	4,614,213	509,365
Public Safety	834,094	592,113	241,981
Streets and Highways	610,036	398,661	211,375
Refuse Collection and Disposal	569,553	303,376	266,177
Public Health and Welfare	4,023	3,133	890
Culture/Recreation	644,097	368,967	275,130
Community Development	63,167	54,186	8,981
Debt Service:			
Principal Retirement	234,830	234,811	19
Interest and Fiscal Charges	<u>50,172</u>	<u>49,795</u>	<u>377</u>
Total Expenditures	<u>8,133,550</u>	<u>6,619,255</u>	<u>1,514,295</u>
Excess of Revenues Over (Under) Expenditures	<u>(6,892,017)</u>	<u>(5,455,536)</u>	<u>1,436,481</u>
<u>Other Financing Sources (Uses)</u>			
Proceeds from Sale of Debt	3,510,000	4,110,000	600,000
Operating Transfers - In	<u>1,785,000</u>	<u>1,785,000</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>5,295,000</u>	<u>5,895,000</u>	<u>600,000</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(1,597,017)</u>	<u>439,464</u>	<u>2,036,481</u>
Unencumbered Fund Balances at Beginning of Year	<u>2,284,199</u>	<u>2,284,199</u>	<u>-</u>
Unencumbered Fund Balances at End of Year	\$ <u>687,182</u>	\$ <u>2,723,663</u>	\$ <u>2,036,481</u>

CITY OF EUCLID, OHIO

TOTAL CAPITAL PROJECT FUNDS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**

FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Property Taxes	\$ 640,296	\$ 662,945	\$ 22,649
Intergovernmental	371,706	556,020	184,314
Charges for Services	545,000	226,819	(318,181)
Special Assessments	150,236	207,438	57,202
Investment Income	<u>15,001</u>	<u>23,058</u>	<u>8,057</u>
Total Revenues	<u>1,722,239</u>	<u>1,676,280</u>	<u>(45,959)</u>
<u>Expenditures</u>			
Current:			
General Government	7,188,028	4,826,320	2,361,708
Public Safety	834,094	592,113	241,981
Streets and Highways	2,842,985	1,914,323	928,662
Refuse Collection and Disposal	569,553	303,376	266,177
Public Health and Welfare	4,023	3,133	890
Culture/Recreation	689,008	372,887	316,121
Community Development	63,167	54,186	8,981
Debt Service:			
Principal Retirement	234,830	234,811	19
Interest and Fiscal Charges	<u>50,172</u>	<u>49,795</u>	<u>377</u>
Total Expenditures	<u>12,475,860</u>	<u>8,350,944</u>	<u>4,124,916</u>
Excess of Revenues Over (Under) Expenditures	<u>(10,753,621)</u>	<u>(6,674,664)</u>	<u>4,078,957</u>
<u>Other Financing Sources (Uses)</u>			
Proceeds from Sale of Debt	3,510,000	4,110,000	600,000
Operating Transfers - In	<u>3,111,738</u>	<u>3,035,000</u>	<u>(76,738)</u>
Total Other Financing Sources (Uses)	<u>6,621,738</u>	<u>7,145,000</u>	<u>523,262</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(4,131,883)	470,336	4,602,219
Unencumbered Fund Balances at Beginning of Year	<u>4,983,507</u>	<u>4,983,507</u>	<u> </u>
Unencumbered Fund Balances at Net Income	\$ <u>851,624</u>	\$ <u>5,453,843</u>	\$ <u>4,602,219</u>

CITY OF EUCLID, OHIO

COMBINING BALANCE SHEET - ENTERPRISE FUNDS

DECEMBER 31, 1999

WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1998

	Waste Water	Golf Course	Totals	
			1999	1998
Assets				
Cash and Cash Equivalents	\$ 5,052,377	\$ 226,625	\$ 5,279,002	\$ 5,629,379
Receivables:				
Taxes	767,329	-	767,329	768,623
Accounts (Net of Allowance for Doubtful Accounts)	2,232,188	-	2,232,188	844,912
Interest	36,899	-	36,899	15,904
Inventory of Supplies at Cost	<u>13,690</u>	<u>8,907</u>	<u>22,597</u>	<u>25,642</u>
Total Current Assets	<u>8,102,483</u>	<u>235,532</u>	<u>8,338,015</u>	<u>7,284,460</u>
Fixed Assets				
Land	84,776	6,366,726	6,451,502	6,451,502
Land Improvements	-	1,146,298	1,146,298	1,089,601
Utility Plant/Sanitary Sewers	71,737,280	-	71,737,280	71,458,066
Buildings and Improvements	1,413,673	199,242	1,612,915	1,611,503
Furniture, Fixtures and Equipment	1,681,052	352,554	2,033,606	1,876,175
Less: Accumulated Depreciation	<u>(30,855,502)</u>	<u>(958,813)</u>	<u>(31,814,315)</u>	<u>(30,014,661)</u>
Net Fixed Assets	<u>44,061,279</u>	<u>7,106,007</u>	<u>51,167,286</u>	<u>52,472,186</u>
 Total Assets	 \$ <u>52,163,762</u>	 \$ <u>7,341,539</u>	 \$ <u>59,505,301</u>	 <u>59,756,646</u>

Continued

CITY OF EUCLID, OHIO

COMBINING BALANCE SHEET - ENTERPRISE FUNDS (CONTINUED)

DECEMBER 31, 1999

WITH COMPARATIVE TOTALS FOR DECEMBER 31, 1998

	Waste Water	Golf Course	Totals	
			1999	1998
<u>Liabilities and Fund Equity</u>				
Current Liabilities:				
Accounts Payable	\$ 396,383	\$ 13,957	\$ 410,340	\$ 829,657
Claims Payable	132,000	-	132,000	165,000
Accrued Wages and Benefits	110,691	9,676	120,367	133,779
Accrued Compensated Absences	771,984	128,258	900,242	826,476
Due to Other Governments	489,188	51,129	540,317	510,251
Deferred Revenue	591,500	-	591,500	589,935
Accrued Pension	19,945	3,120	23,065	72,187
Accrued Interest Payable	731,155	1,271	732,426	775,299
Notes Payable	-	-	-	-
Total Current Liabilities	<u>3,242,846</u>	<u>207,411</u>	<u>3,450,257</u>	<u>3,902,584</u>
Long-Term Debt				
Ohio Water Development Authority				
Loans	20,303,427	-	20,303,427	20,284,868
Capital Lease Payable	-	26,468	26,468	38,454
General Obligation Bonds Payable	<u>2,080,000</u>	<u>-</u>	<u>2,080,000</u>	<u>2,145,000</u>
Total Liabilities	<u>25,626,273</u>	<u>233,879</u>	<u>25,860,152</u>	<u>26,370,906</u>
<u>Fund Equity and Other Credits</u>				
Contributed Capital	11,488,183	6,786,272	18,274,455	18,262,190
Retained Earnings:				
Reserved for Capital Improvements	215,405	10,805	226,210	1,131,000
Unreserved	<u>14,833,901</u>	<u>310,583</u>	<u>15,144,484</u>	<u>13,992,550</u>
Total Retained Earnings	<u>15,049,306</u>	<u>321,388</u>	<u>15,370,694</u>	<u>15,123,550</u>
Total Fund Equity and Other Credits	<u>26,537,489</u>	<u>7,107,660</u>	<u>33,645,149</u>	<u>33,385,740</u>
Total Liabilities, Fund Equity And Other Credits	\$ <u>52,163,762</u>	\$ <u>7,341,539</u>	\$ <u>59,505,301</u>	\$ <u>59,756,646</u>

CITY OF EUCLID, OHIO

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES - ENTERPRISE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 1999

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 1998

	Waste	Golf	Totals	
	Water	Course	1999	1998
<u>Operating Revenues</u>				
Charges for Services	\$ 10,254,126	\$ 880,251	\$ 11,134,377	\$ 8,262,987
License/Permit and Inspection Fees	17,905	-	17,905	5,220
Other Operating Revenues	-	12,061	12,061	12,233
Total Operating Revenues	<u>10,272,031</u>	<u>892,312</u>	<u>11,164,343</u>	<u>8,280,440</u>
<u>Operating Expenses</u>				
Personal Services	3,678,930	515,727	4,194,657	3,952,563
Materials and Supplies	727,254	156,880	884,134	981,827
Contractual Services	1,598,121	47,109	1,645,230	2,290,478
Utilities	1,560,329	23,904	1,584,233	2,054,328
Depreciation	1,709,840	75,656	1,785,496	1,737,327
Claims	-	-	-	743
Total Operating Expenses	<u>9,274,474</u>	<u>819,276</u>	<u>10,093,750</u>	<u>11,017,266</u>
Operating Income (Loss)	<u>997,557</u>	<u>73,036</u>	<u>1,070,593</u>	<u>(2,736,826)</u>
<u>Non-Operating Income (Expense)</u>				
Interest Income	48,183	-	48,183	77,580
Interest Expense	(1,510,087)	(2,032)	(1,512,119)	(1,645,453)
Sewer Levy	749,897	-	749,897	787,312
Loss on Sale of Fixed Assets	-	(7,050)	(7,050)	-
Total Non-Operating Income (Expense)	<u>(712,007)</u>	<u>(9,082)</u>	<u>(721,089)</u>	<u>(780,561)</u>
Income (Loss) Before Operating Transfers	<u>285,550</u>	<u>63,954</u>	<u>349,504</u>	<u>(3,517,387)</u>
<u>Operating Transfers</u>				
Operating Transfers - In	1,513,000	-	1,513,000	2,654,687
Operating Transfers - Out	<u>(1,615,360)</u>	<u>-</u>	<u>(1,615,360)</u>	<u>(1,876,143)</u>
Total Operating Transfers	<u>(102,360)</u>	<u>-</u>	<u>(102,360)</u>	<u>778,544</u>
Net Income (Loss)	183,190	63,954	247,144	(2,738,843)
Retained Earnings January 1	<u>14,866,116</u>	<u>257,434</u>	<u>15,123,550</u>	<u>17,862,393</u>
Retained Earnings December 31	<u>15,049,306</u>	<u>321,388</u>	<u>15,370,694</u>	<u>15,123,550</u>
Contributed Capital January 1	11,475,918	6,786,272	18,262,190	18,262,190
Contributions to Capital	<u>12,265</u>	<u>-</u>	<u>12,265</u>	<u>-</u>
Contributed Capital December 31	<u>11,488,183</u>	<u>6,786,272</u>	<u>18,274,455</u>	<u>18,262,190</u>
Fund Equity at End of Year	\$ <u>26,537,489</u>	\$ <u>7,107,660</u>	\$ <u>33,645,149</u>	\$ <u>33,385,740</u>

CITY OF EUCLID, OHIO

WASTE WATER

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Charges for Services	\$ 9,189,606	\$ 8,866,850	\$ (322,756)
Sewer Levy	753,290	752,756	(534)
License/Permit and Inspection Fees	17,500	17,905	405
Investment Income	<u>10,500</u>	<u>11,285</u>	<u>785</u>
Total Revenues	<u>9,970,896</u>	<u>9,648,796</u>	<u>(322,100)</u>
<u>Expenses</u>			
Personal Services	3,831,531	3,668,729	162,802
Materials and Supplies	1,221,872	995,574	226,298
Contractual Services	5,214,475	1,834,836	3,379,639
Utilities	1,738,850	1,719,668	19,182
Claims	33,000	33,000	-
<u>Debt Service:</u>			
Principal Retirement	1,427,100	915,693	511,407
Interest and Fiscal Charges	<u>1,744,993</u>	<u>1,552,387</u>	<u>192,606</u>
Total Expenses	<u>15,211,821</u>	<u>10,719,887</u>	<u>4,491,934</u>
Excess of Revenues Over (Under) Expenses	<u>(5,240,925)</u>	<u>(1,071,091)</u>	<u>4,169,834</u>
<u>Other Financing Sources (Uses)</u>			
Proceeds from Sale of Debt	869,254	869,254	-
Operating Transfers - In	1,513,000	1,513,000	-
Operating Transfers - Out	<u>(1,599,456)</u>	<u>(1,599,456)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>782,798</u>	<u>782,798</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenses and Other Financing Uses	(4,458,127)	(288,293)	4,169,834
Unencumbered Fund Balances at Beginning of Year	<u>4,999,395</u>	<u>4,999,395</u>	<u>-</u>
Unencumbered Fund Balances at End of Year	\$ <u>541,268</u>	\$ <u>4,711,102</u>	\$ <u>4,169,834</u>

CITY OF EUCLID, OHIO

GOLF COURSE

**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES -
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**

FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Charges for Services	\$ 860,043	\$ 880,251	\$ 20,208
Other	<u>10,000</u>	<u>12,061</u>	<u>2,061</u>
Total Revenues	<u>870,043</u>	<u>892,312</u>	<u>22,269</u>
<u>Expenses</u>			
Personal Services	489,740	484,540	5,200
Materials and Supplies	181,444	166,086	15,358
Contractual Services	209,210	178,847	30,363
Utilities	27,580	23,904	3,676
Debt Service:			
Principal Retirement	11,986	11,986	-
Interest and Fiscal Charges	<u>2,608</u>	<u>2,608</u>	<u>-</u>
Total Expenses	<u>922,568</u>	<u>867,971</u>	<u>54,597</u>
Excess of Revenues Over (Under) Expenses	(52,525)	24,341	76,866
Unencumbered Fund Balances at Beginning of Year	<u>188,364</u>	<u>188,364</u>	<u>-</u>
Unencumbered Fund Balances at End of Year	\$ <u>135,839</u>	\$ <u>212,705</u>	\$ <u>76,866</u>

CITY OF EUCLID, OHIO

TOTAL ENTERPRISE FUND

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL

FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Charges for Services	\$ 10,049,649	\$ 9,747,101	\$ (302,548)
Sewer Levy	753,290	752,756	(534)
License/Permit and Inspection Fees	17,500	17,905	405
Investment Income	10,500	11,285	785
Other	<u>10,000</u>	<u>12,061</u>	<u>2,061</u>
Total Revenues	<u>10,840,939</u>	<u>10,541,108</u>	<u>(299,831)</u>
<u>Expenses</u>			
Personal Services	4,321,271	4,153,269	168,002
Materials and Supplies	1,403,316	1,161,660	241,656
Contractual Services	5,423,685	2,013,683	3,410,002
Utilities	1,766,430	1,743,572	22,858
Claims	33,000	33,000	-
Debt Service:			
Principal Retirement	1,439,086	927,679	511,407
Interest and Fiscal Charges	<u>1,747,601</u>	<u>1,554,995</u>	<u>192,606</u>
Total Expenses	<u>16,134,389</u>	<u>11,587,858</u>	<u>4,546,531</u>
Excess of Revenues Over (Under) Expenses	<u>(5,293,450)</u>	<u>(1,046,750)</u>	<u>4,246,700</u>
<u>Other Financing Sources (Uses)</u>			
Proceeds from Sale of Debt	869,254	869,254	-
Operating Transfers - In	1,513,000	1,513,000	-
Operating Transfers - Out	<u>(1,599,456)</u>	<u>(1,599,456)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>782,798</u>	<u>782,798</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenses and Other Financing Uses	(4,510,652)	(263,952)	4,246,700
Unencumbered Fund Balances at Beginning of Year	<u>5,187,759</u>	<u>5,187,759</u>	<u>-</u>
Unencumbered Fund Balances at End of Year	\$ <u>677,107</u>	\$ <u>4,923,807</u>	\$ <u>4,246,700</u>

CITY OF EUCLID, OHIO

COMBINING STATEMENTS OF CASH FLOWS - ENTERPRISE FUND TYPES

FOR THE YEAR ENDED DECEMBER 31, 1999

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 1998

	Waste Water	Golf Course	Totals	
			1999	1998
<u>Cash Flows from Operating Activities</u>				
Cash Received From Customers	\$ 8,866,850	\$ 880,250	\$ 9,747,100	\$ 9,512,968
Cash Payments for Goods and Services	(4,307,381)	(222,578)	(4,529,959)	(5,321,138)
Cash Payments to Employees	(3,668,729)	(484,539)	(4,153,268)	(3,878,383)
Other Operating Revenues	17,905	12,061	29,966	17,453
Other Operating Expenses	<u>(33,000)</u>	<u>-</u>	<u>(33,000)</u>	<u>(33,743)</u>
Net Cash Provided by Operating Activities	<u>875,645</u>	<u>185,194</u>	<u>1,060,839</u>	<u>297,157</u>
<u>Cash Flows from Non-Capital Financing Activities</u>				
Operating Transfers - In From Other Funds	1,513,000	-	1,513,000	1,734,687
Operating Transfers - Out To Other Funds	<u>(1,599,456)</u>	<u>-</u>	<u>(1,599,456)</u>	<u>(1,821,143)</u>
Net Cash Used in Non-Capital Financing	<u>(86,456)</u>	<u>-</u>	<u>(86,456)</u>	<u>(86,456)</u>
<u>Cash Flows from Capital and Related Financing Activities</u>				
Principal Payment on Capital Leases Acquisition and Construction on Capital Assets	-	(11,986)	(11,986)	(69,386)
Proceeds from Additional Borrowings on Construction Loans	(342,093)	(133,288)	(475,381)	(1,623,597)
Principal Payment on Construction Loans	869,254	-	869,254	2,090,000
Proceeds Received from a Sewer Levy	(915,695)	-	(915,695)	(2,953,336)
Interest Paid on Loans	752,756	-	752,756	778,160
	<u>(1,552,385)</u>	<u>(2,608)</u>	<u>(1,554,993)</u>	<u>(1,736,446)</u>
Net Cash Used in Capital and Related Financing Activities	<u>(1,188,163)</u>	<u>(147,882)</u>	<u>(1,336,045)</u>	<u>(3,514,605)</u>

Continued

CITY OF EUCLID, OHIO

**COMBINING STATEMENTS OF CASH FLOWS - ENTERPRISE FUND TYPES
(CONTINUED)**

FOR THE YEAR ENDED DECEMBER 31, 1999
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 1998

	<u>Waste Water</u>	<u>Golf Course</u>	<u>Totals</u>	
			<u>1999</u>	<u>1998</u>
<u>Cash Flows From Investing Activities</u>				
Interest on Investments	<u>11,285</u>	<u>-</u>	<u>11,285</u>	<u>110,489</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(387,689)	37,312	(350,377)	(3,193,415)
Cash and Cash Equivalents at Beginning of Year	<u>5,440,066</u>	<u>189,313</u>	<u>5,629,379</u>	<u>8,822,794</u>
Cash and Cash Equivalents at End of Year	<u>\$ 5,052,377</u>	<u>\$ 226,625</u>	<u>\$ 5,279,002</u>	<u>\$ 5,629,379</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash From Operating Activities</u>				
Operating Income (Loss)	997,557	73,036	1,070,593	(2,736,826)
<u>Adjusting to Reconcile Operating Income (Loss) to Net Cash</u>				
Depreciation Expense	1,709,840	75,656	1,785,496	1,737,327
Decrease (Increase) in Accounts Receivable, Net	(1,387,276)	-	(1,387,276)	1,249,980
Increase (Decrease) in Accounts Payable	(425,150)	5,833	(419,317)	(13,243)
Increase (Decrease) in Claims Payable	(33,000)	-	(33,000)	(33,000)
(Decrease) Increase in Accrued Wages and Benefits	(16,576)	27,808	11,232	10,349
Increase (Decrease) in Due to Other Governments	26,801	3,265	30,066	61,775
Decrease (Increase) in Inventory Of Supplies	<u>3,449</u>	<u>(404)</u>	<u>3,045</u>	<u>20,795</u>
Total Adjustments	<u>(121,912)</u>	<u>112,158</u>	<u>(9,754)</u>	<u>3,033,983</u>
Net Cash Provided by Operating Activities	<u>\$ 875,645</u>	<u>\$ 185,194</u>	<u>\$ 1,060,839</u>	<u>\$ 297,157</u>

**Noncash Investments, Capital and
Financing Activities:**

In 1999, the Waste Water Enterprise Fund acquired fixed assets of \$31,603 with accumulated depreciation of \$19,338 via governmental contributions. The Golf Course Enterprise Fund acquired a fully depreciated fixed asset in the amount of \$6,150.

CITY OF EUCLID, OHIO

AGENCY FUNDS

COMBINING STATEMENTS OF CHANGES IN ASSETS AND LIABILITIES

FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Balance January 1, 1999</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 1999</u>
<u>MUNICIPAL COURT</u>				
<u>Assets</u>				
Restricted Cash and Cash Equivalents	\$ 292,079	\$ 2,955,091	\$ 3,005,471	\$ 241,699
Total Assets	\$ <u>292,079</u>	\$ <u>2,955,091</u>	\$ <u>3,005,471</u>	\$ <u>241,699</u>
<u>Liabilities</u>				
Due to Other Governments	\$ 27,350	\$ 308,387	\$ 311,991	\$ 23,746
Interfund Payable	140,891	1,603,351	1,623,145	121,097
Deposits Held	<u>123,838</u>	<u>1,043,353</u>	<u>1,070,335</u>	<u>96,856</u>
Total Liabilities	\$ <u>292,079</u>	\$ <u>2,955,091</u>	\$ <u>3,005,471</u>	\$ <u>241,699</u>
<u>BUILDING DEPOSITS</u>				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 154,709	\$ 116,934	\$ 61,782	\$ 209,861
Total Assets	\$ <u>154,709</u>	\$ <u>116,934</u>	\$ <u>61,782</u>	\$ <u>209,861</u>
<u>Liabilities</u>				
Deposits Held	\$ 154,709	\$ 116,934	\$ 61,782	\$ 209,861
Total Liabilities	\$ <u>154,709</u>	\$ <u>116,934</u>	\$ <u>61,782</u>	\$ <u>209,861</u>
<u>OTHER AGENCY FUNDS</u>				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 430,126	\$ 27,526,227	\$ 27,566,288	\$ 390,065
Total Assets	\$ <u>430,126</u>	\$ <u>27,526,227</u>	\$ <u>27,566,288</u>	\$ <u>390,065</u>
<u>Liabilities</u>				
Deposits Held	\$ 430,126	\$ 27,526,227	\$ 27,566,288	\$ 390,065
Total Liabilities	\$ <u>430,126</u>	\$ <u>27,526,227</u>	\$ <u>27,566,288</u>	\$ <u>390,065</u>
<u>TOTALS - ALL AGENCY FUNDS</u>				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 584,835	\$ 27,643,161	\$ 27,628,070	\$ 599,926
Restricted Cash and Cash Equivalents	<u>292,079</u>	<u>2,955,091</u>	<u>3,005,471</u>	<u>241,699</u>
Total Assets	\$ <u>876,914</u>	\$ <u>30,598,252</u>	\$ <u>30,633,541</u>	\$ <u>841,625</u>
<u>Liabilities</u>				
Due to Other Governments	\$ 27,350	\$ 308,387	\$ 311,991	\$ 23,746
Interfund Payable	140,891	1,603,351	1,623,145	121,097
Deposits Held	<u>708,673</u>	<u>28,686,514</u>	<u>28,698,405</u>	<u>696,782</u>
Total Liabilities	\$ <u>876,914</u>	\$ <u>30,598,252</u>	\$ <u>30,633,541</u>	\$ <u>841,625</u>

CITY OF EUCLID, OHIO

SCHEDULE OF GENERAL FIXED ASSETS BY SOURCE

AS OF DECEMBER 31, 1999

GENERAL FIXED ASSETS:

Land	\$ 8,271,266
Buildings and Improvements	26,563,643
Furniture, Fixtures and Equipment	<u>9,452,735</u>
Total General Fixed Assets	\$ <u>44,287,644</u>

INVESTMENTS IN GENERAL FIXED ASSETS FROM:

General Fund	\$ 6,896,819
Special Revenue Fund	1,945,221
Capital Projects Fund	23,712,802
Undistributed (1)	<u>11,732,802</u>
Total Investment in General Fixed Assets	\$ <u>44,287,644</u>

NOTE:

(1) Unrealized amount represents general fixed assets prior to December 31, 1983 for which the sources of funds are not available.

CITY OF EUCLID, OHIO

SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY

DECEMBER 31, 1999

<u>FUNCTION AND ACTIVITY</u>	<u>Land</u>	<u>Buildings And Improvements</u>	<u>Furniture, Fixtures and Equipment</u>	<u>Total</u>
General Government:				
Council	\$ -	\$ -	\$ 13,160	\$ 13,160
Court	-	-	85,009	85,009
Mayor	-	-	32,567	32,567
Finance	-	-	588,490	588,490
Law	-	-	49,427	49,427
General Operations	4,585,335	2,074,609	558,784	7,218,728
Building and Housing	-	24,459	189,217	213,676
Community Development Services	851,906	462,794	214,301	1,529,001
Economic Development	-	2,780	39,303	42,083
Building Maintenance	-	10,805	137,625	148,430
Engineering	-	-	59,543	59,543
Motor Maintenance	-	19,643	(2,073)	17,570
City Hall	<u>251,450</u>	<u>9,494,463</u>	<u>-</u>	<u>9,745,913</u>
Total General Government	<u>5,688,691</u>	<u>12,089,553</u>	<u>1,965,353</u>	<u>19,743,597</u>
Public Safety:				
Fire	100,400	642,062	1,930,119	2,672,581
Police	4,500	862,352	1,684,609	2,551,461
Traffic Control	-	38,975	102,325	141,300
Animal Shelter	<u>57,247</u>	<u>202,234</u>	<u>(8,489)</u>	<u>250,992</u>
Total Public Safety	<u>162,147</u>	<u>1,745,623</u>	<u>3,708,564</u>	<u>5,616,334</u>
Public Works:				
Sanitation	121,992	6,766,782	440,162	7,328,936
Public Properties	532,870	606,729	109,221	1,248,820
Streets	-	2,340,494	1,748,739	4,089,233
Water Main	<u>-</u>	<u>572,863</u>	<u>-</u>	<u>572,863</u>
Total Public Works	<u>654,862</u>	<u>10,286,868</u>	<u>2,298,122</u>	<u>13,239,852</u>
Recreation:				
Playgrounds	69,279	283,999	211,452	564,730
Pools	537,079	467,485	204,921	1,209,485
Parks	1,070,796	841,591	928,952	2,841,339
Cemetery	78,412	28,175	14,395	120,982
Historical Site	10,000	35,790	-	45,790
Arena	-	613,939	74,522	688,461
Community Center	<u>-</u>	<u>170,620</u>	<u>46,454</u>	<u>217,074</u>
Total Recreation	<u>1,765,566</u>	<u>2,441,599</u>	<u>1,480,696</u>	<u>5,687,861</u>
Total	\$ <u>8,271,266</u>	\$ <u>26,563,643</u>	\$ <u>9,452,735</u>	\$ <u>44,287,644</u>

CITY OF EUCLID, OHIO

SCHEDULE OF GENERAL FIXED ASSETS BY PROGRAM AND DEPARTMENT

FOR THE YEAR ENDED DECEMBER 31, 1999

<u>FUNCTION AND ACTIVITY</u>	Balance January 1, 1999	Additions	Deletions	Balance December 31, 1999
General Government:				
Council	\$ 13,160	\$ -	\$ -	\$ 13,160
Court	62,043	22,966	-	85,009
Mayor	32,567	-	-	32,567
Finance	579,489	9,001	-	588,490
Law	49,427	-	-	49,427
General Operations	3,300,294	3,918,434	-	7,218,728
Building & Housing	208,066	5,610	-	213,676
Community Development Services	1,536,132	9,300	16,431	1,529,001
Economic Development	2,780	39,303	-	42,083
Building Maintenance	148,430	-	-	148,430
Engineering	59,543	-	-	59,543
Motor Maintenance	35,923	17,473	35,826	17,570
City Hall	<u>9,745,913</u>	<u>-</u>	<u>-</u>	<u>9,745,913</u>
Total General Government	<u>15,773,767</u>	<u>4,022,087</u>	<u>52,257</u>	<u>19,743,597</u>
Public Safety:				
Fire	2,463,032	237,254	27,705	2,672,581
Police	2,454,249	344,162	246,950	2,551,461
Traffic Control	173,464	3,036	35,200	141,300
Animal Shelter	<u>269,670</u>	<u>-</u>	<u>18,678</u>	<u>250,992</u>
Total Public Safety	<u>5,360,415</u>	<u>584,452</u>	<u>328,533</u>	<u>5,616,334</u>
Public Works:				
Sanitation	7,155,441	221,500	48,005	7,328,936
Public Properties	603,559	654,261	9000	1,248,820
Streets	4,233,051	33,639	177,457	4,089,233
Water Main	<u>572,863</u>	<u>-</u>	<u>-</u>	<u>572,863</u>
Total Public Works	<u>12,564,914</u>	<u>909,400</u>	<u>234,462</u>	<u>13,239,852</u>
Recreation:				
Playgrounds	490,077	74,653	-	564,730
Pools	1,184,050	25,435	-	1,209,485
Parks	2,723,284	142,685	24,630	2,841,339
Cemetery	120,982	-	-	120,982
Historical Site	45,790	-	-	45,790
Arena	687,098	1,363	-	688,461
Community Center	<u>206,264</u>	<u>10,810</u>	<u>-</u>	<u>217,074</u>
Total Recreation	<u>5,457,545</u>	<u>254,946</u>	<u>24,630</u>	<u>5,687,861</u>
Total	\$ <u>39,156,641</u>	\$ <u>5,770,885</u>	\$ <u>639,882</u>	\$ <u>44,287,644</u>

CITY OF EUCLID, OHIO

**GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)
(AMOUNT IN 000's)**

LAST TEN FISCAL YEARS

TABLE 1

<u>Fiscal Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Streets And Highways</u>	<u>Refuse Collection And Disposal</u>	<u>Public Health And Welfare</u>	<u>Culture/ Recreation</u>	<u>Community Development</u>	<u>Capital Outlay</u>	<u>Debt Service</u>	<u>Total</u>
1990	\$ 7,232	\$ 12,002	\$ 1,686	\$ 1,549	\$ 545	\$ 1,251	\$ 1,285	\$ 4,643	\$ 4,742	\$ 34,935
1991	8,145	12,791	1,747	2,029	543	1,585	1,345	5,533	9,630	43,348
1992	7,348	14,818	1,629	2,104	708	1,624	1,645	3,614	8,034	41,524
1993	7,702	14,746	2,443	1,174	729	1,836	1,169	3,536	8,067	41,402
1994	7,876	14,416	1,778	966	679	1,771	2,363	2,782	11,174	43,805
1995	8,016	15,730	1,748	1,387	321	2,028	2,701	235	28,517	60,683
1996	8,888	17,287	3,294	1,259	384	2,285	2,123	-	3,703	39,223
1997	9,395	17,711	2,804	1,553	420	2,933	2,360	-	3,290	40,466
1998	11,247	18,759	3,005	1,988	424	2,313	3,583	-	6,953	48,272
1999	14,922	20,640	5,368	2,210	410	2,983	2,185	-	3,956	52,674

NOTE: (1) Includes General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Funds.

CITY OF EUCLID, OHIO

**GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)
(AMOUNTS IN 000's)**

LAST TEN FISCAL YEARS

TABLE 2

Fiscal Year	Taxes	Intergovernmental	Charges For Services	License/Permit And Inspection Fees	Fines And Forfeitures	Investment Income	Other	Total
1990	\$ 27,635	\$ 1,589	\$ 1,156	\$ 218	\$ 1,044	\$ 1,143	\$ 735	\$ 33,520
1991	25,481	1,272	1,597	202	1,154	1,382	1,232	32,320
1992	25,970	1,020	2,175	159	1,338	1,056	2,656 (2)	34,374
1993	25,606	1,849	2,338	142	1,162	418	3,099 (2)	34,614
1994	26,850	2,377	2,656	237	1,169	424	723	34,436
1995	29,051	4,801	3,006	230	1,349	1,077	288	39,802
1996	29,823	4,591	3,063	197	1,557	1,294	758	41,283
1997	31,005	4,574	2,724	219	1,387	1,517	998	42,424
1998	33,401	5,195	3,491	218	1,642	1,403	416	45,766
1999	31,267	5,192	4,113	241	1,608	1,724	598	44,743

NOTE: (1) Includes General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Funds.
(2) Includes \$2,000,000 in revenue related to the recycling-transfer station agreement.

CITY OF EUCLID, OHIO

PROPERTY TAX LEVIES AND COLLECTIONS

TABLE 3

LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent Of Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percent Of Total Tax Collections To Tax Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Percent Of Delinquent Taxes To Levy</u>
1990	\$ 8,166,635	\$ 7,952,515	97.4%	\$ 261,348	\$ 8,213,863	100.6%	\$ 825,279	10.1%
1991	8,599,182	7,490,799	87.1	192,116	7,682,915	89.3	819,044	9.5
1992	8,894,056	7,678,305	86.3	217,240	7,895,545	88.8	956,107	10.7
1993	8,963,996	7,602,300	84.8	207,223	7,809,523	87.1	938,722	10.5
1994	9,089,635	7,856,584	86.4	187,899	8,044,483	88.5	832,711	9.2
1995	8,644,603	7,616,218	88.1	174,516	7,790,734	90.1	628,556	7.3
1996	8,382,386	7,511,010	89.6	219,011	7,730,021	92.2	668,052	8.0
1997	9,057,723	7,372,636	81.4	167,871	7,540,507	83.2	700,358	7.7
1998	8,675,292	7,726,989	89.1	218,581	7,945,570	91.6	703,081	8.1
1999	7,397,989	7,103,735	96.0	223,873	7,327,608	99.0	590,818	7.9

SOURCE: Cuyahoga County Auditor

CITY OF EUCLID, OHIO

**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
(AMOUNTS IN 000's)**

LAST TEN FISCAL YEARS

TABLE 4

Tax Collection Year	Real Property		Public Utility Property		Tangible Personal Property		Total	
	Assessed Value (1)	Estimated Actual Value	Assessed Value (1)	Estimated Actual Value	Assessed Value (1)	Estimated Actual Value	Assessed Value	Estimated Actual Value
1990	\$ 520,258	\$ 1,486,451	\$ 41,257	\$ 41,257	\$ 134,541	\$ 480,504	\$ 696,056	\$ 2,008,212
1991	523,729	1,496,369	42,103	42,103	132,981	474,932	698,813	2,013,404
1992	560,432	1,601,234	43,451	43,451	122,558	453,918	726,441	2,098,603
1993	565,830	1,616,657	44,309	44,309	121,361	485,444	731,500	2,146,410
1994	559,331	1,598,089	44,524	50,595	117,835	471,340	721,690	2,120,024
1995	618,820	1,768,056	44,078	50,088	111,021	444,083	773,919	2,262,227
1996	615,152	1,757,577	40,352	45,855	99,698	398,792	755,202	2,202,224
1997	614,788	1,756,537	38,624	43,891	111,984	447,936	765,396	2,248,364
1998	645,220	1,843,487	36,902	41,934	111,485	445,940	793,607	2,331,361
1999	643,826	1,839,502	36,010	40,920	110,781	443,124	790,617	2,323,546

SOURCE: Cuyahoga County Auditor

NOTES: (1) The assessed value is computed at approximately the following percentages of estimated actual value: real property, 35%; public utilities, 88%; tangible personal property, 25%.

CITY OF EUCLID, OHIO

ASSESSED VALUE OF REAL PROPERTY BY CLASS (AMOUNT IN 000's)

LAST TEN FISCAL YEARS

TABLE 5

<u>Tax Collection Year</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Public Utility Real (1)</u>	<u>Total Real Property</u>
1990	\$ 344,366	\$ 120,917	\$ 54,717	\$ 258	\$ 520,258
1991	344,627	123,125	55,718	259	523,729
1992	373,267	128,986	57,951	228	560,432
1993	373,556	134,165	57,881	228	565,830
1994	373,866	126,625	58,608	232	559,331
1995	426,026	138,123	54,398	273	618,820
1996	424,366	136,627	53,814	345	615,152
1997	424,531	137,425	52,462	370	614,788
1998	459,729	136,864	48,242	386	645,221
1999	459,092	135,744	48,573	418	643,827

SOURCE: Cuyahoga County Auditor

NOTE: (1) Railroads are now the only values included in this class.

CITY OF EUCLID, OHIO

**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUE)**

LAST TEN FISCAL YEARS

TABLE 6

Tax Collection Year	General Fund	(2) Recreation Operating	City of Euclid				Total City Rate	City, Library And School District	County	Total
			Bond Retirement	(1) Special Revenue	Capital Improvement	Sewer Levy				
1990	\$ 6.36	\$ -	\$ 5.14	\$ 0.60	\$ 1.70	\$ 2.00	\$ 15.80	\$ 54.40	\$ 15.30	\$ 85.50
1991	4.56	1.30	5.14	0.60	1.70	2.00	15.30	57.30	16.80	89.40
1992	4.57	1.30	5.13	0.60	1.70	2.00	15.30	64.80	16.80	96.90
1993	4.61	1.30	5.09	0.60	1.70	2.00	15.30	64.80	16.80	96.90
1994	6.56	1.30	5.04	0.00	1.70	2.00	16.60	64.80	16.80	98.20
1995	6.96	1.30	4.34	0.00	1.70	2.00	16.30	64.70	16.80	97.80
1996	6.96	1.30	3.94	0.00	1.70	2.00	15.90	65.40	16.60	97.90
1997	6.92	1.30	3.88	0.00	1.70	2.00	15.80	65.50	16.60	97.90
1998	6.92	1.30	3.88	0.00	1.70	2.00	15.80	65.40	16.60	97.80
1999	6.72	1.30	3.88	0.00	1.70	2.00	15.60	65.30	15.30	96.20

SOURCE: Cuyahoga County Auditor

NOTES: (1) Comprised of a \$0.30 rate for police pension and fire pension levies, respectfully.
(2) The Recreation Operating rate was included in the General Fund rate prior to 1991.

CITY OF EUCLID, OHIO

RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE AND NET BONDED PER CAPITA

LAST TEN FISCAL YEARS

TABLE 7

Fiscal Year	(1) Population	Assessed Value (000's)	Gross General Bonded Debt	Debt Service Monies Available	Net Bonded Debt	Ratio of Net Bonded Debt To Assessed Value	Net Bonded Debt Per Capita
1990	59,999	\$ 696,055	\$ 16,680,680	\$ 3,861,360	\$ 12,819,320	0.018	\$ 213.66
1991	54,875	698,813	20,463,720	2,613,819	17,849,901	0.026	325.28
1992	54,875	726,441	18,706,760	2,079,464	16,627,296	0.023	303.00
1993	54,875	731,500	16,924,800	974,351	15,950,449	0.022	290.67
1994	54,875	721,690	15,122,840	1,397,472	13,725,368	0.019	250.12
1995	54,875	773,919	23,515,880	3,570,884	19,944,996	0.026	363.46
1996	54,875	755,202	23,898,920	1,984,415	21,914,505	0.029	399.35
1997	54,875	765,396	22,266,960	2,580,322	19,686,638	0.026	358.75
1998	54,875	793,607	28,325,000	4,673,877	23,651,123	0.030	431.00
1999	54,875	790,617	27,915,000	4,566,409	23,348,591	0.030	425.49

NOTE: (1) Population data for 1989 through 1990 is assumed to be the same as that of the 1980 census as no subsequent data is available. Population data for 1991 through 1999 is assumed to be the same as that of the 1990 census as no subsequent data is available.

CITY OF EUCLID, OHIO

COMPUTATION OF LEGAL DEBT MARGIN

DECEMBER 31, 1999

TABLE 8

	<u>Total Debt</u>	<u>Unvoted Debt</u>
Net Assessed Value (1997 for 1999 Collection)	\$ 790,617,336	\$ 790,617,336
Legal Debt Limitation (Percent)	10.5%	5.5%
Legal Debt Limitation (Dollar)	<u>83,014,820</u>	<u>43,483,953</u>
Applicable Debt Outstanding	36,520,000	36,520,000
Less: Applicable Debt Service Fund Amounts	<u>4,566,409</u>	<u>4,566,409</u>
Net Indebtedness Subject to Limitation	<u>31,953,591</u>	<u>31,953,591</u>
Legal Debt Margin	\$ <u><u>51,061,229</u></u>	\$ <u><u>11,530,362</u></u>

NOTE: (1) Direct debt limitation based upon Section 133 of the Ohio Revised Code.

CITY OF EUCLID, OHIO

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

DECEMBER 31, 1999

TABLE 9

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable To City of Euclid (1)</u>	<u>Amount Applicable To City Of Euclid</u>
City of Euclid, Ohio	\$ 31,953,591	100.00%	\$ 31,953,591
Cuyahoga County* (2)	141,004,636	3.12	4,399,345
Regional Transit Authority*	101,865,000	3.12	3,178,188
Euclid City School District*	<u>16,243,977</u>	100.00	<u>16,243,977</u>
Total	\$ <u>291,067,204</u>		\$ <u>55,775,101</u>

*SOURCE: Cuyahoga County Auditor

- NOTES: (1) The percentage of indebtedness of the City's overlapping political subdivisions was determined by dividing the City's assessed valuation by the total assessed valuation of each overlapping subdivision.
- (2) The special taxing districts' debt (which includes the Cleveland Metropolitan Park District, Cuyahoga Community College and the Cleveland-Cuyahoga Port Authority) is included in the County total.

CITY OF EUCLID, OHIO

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES

LAST TEN FISCAL YEARS

TABLE 10

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total General Governmental Expenditures (1)</u>	<u>Ratio Of Debt Service To Total General Governmental Expenditures</u>
1990	\$ 1,536,960	\$ 1,344,358	\$ 2,881,318	\$ 34,935,000	0.08
1991	1,551,960	1,387,767	2,939,727	43,348,000	0.07
1992	1,756,960	1,370,584	3,127,544	41,524,000	0.08
1993	1,781,960	1,262,472	3,044,432	41,402,000	0.07
1994	1,801,960	1,151,780	2,953,740	43,805,000	0.07
1995	8,746,960	908,497	9,655,457	60,683,000	0.16
1996	1,751,960	1,512,829	3,264,789	39,223,467	0.08
1997	1,631,960	1,346,415	2,978,375	40,465,908	0.07
1998	4,616,960	1,381,757	5,998,717	48,272,358	0.12
1999	2,035,000	1,570,559	3,605,559	52,674,063	0.07

NOTE: (1) Includes General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Funds.

REVENUE LOAN COVERAGE

LAST TEN FISCAL YEARS

TABLE 11

Fiscal Year	Gross Revenue (1)	Direct Operating Expenses (2)	Net Revenue Available For Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1990	\$ 7,266,535	\$ 6,379,947	\$ 886,588	\$ 542,369	\$ 1,020,503	\$ 1,562,872	0.57
1991	6,900,206	7,353,985	(453,779)	567,201	1,006,463	1,573,664	(0.29)
1992	7,863,239	7,990,426	(127,187)	366,366	938,753	1,305,119	(0.10)
1993	11,934,273	8,496,791	3,437,482	151,261	923,696	1,074,957	3.20
1994	10,450,750	7,507,468	2,943,282	361,299	1,252,615	1,613,914	1.82
1995	11,061,504	8,991,020	2,070,484	710,239	1,680,697	2,390,936	0.87
1996	9,478,725	7,811,294	1,667,431	756,587	1,690,356	2,446,943	0.68
1997	9,279,081	9,361,937	(82,856)	807,942	1,682,148	2,490,090	(0.03)
1998	8,174,448	10,210,340	(2,035,892)	863,334	1,583,607	2,446,941	(0.83)
1999	11,070,111	9,274,474	1,795,637	850,695	1,450,526	2,301,221	0.78

NOTE: (1) Gross revenues represent all operating and non-operating revenues in the Waste Water Fund with the exception of proceeds of notes.

(2) Direct operating expenses include expenses for personal services, materials and supplies, contractual services, utilities, depreciation and other.

(3) The Waste Water Fund has experienced operating losses. This fund had available cash balances and retained earnings to offset the recent operating deficits.

CITY OF EUCLID, OHIO

PRINCIPAL AMOUNT OF GENERAL LONG- AND SHORT-TERM DEBT

TABLE 12

LAST TEN FISCAL YEARS

	1994	1995	1996	1997	1998	1999
LONG-TERM INDEBTEDNESS:						
General Obligation Bonds -						
Sewer	\$ 380,000	\$ 245,000	\$ 110,000	\$ 55,000	\$ -	\$ -
Grade Crossing	125,000	105,000	85,000	65,000	45,000	25,000
Various Purposes	14,617,840	23,165,880	23,703,920	22,146,960	27,165,000	25,185,000
Peterson Improvements	-	-	-	-	1,025,000	990,000
Waterline Improvements	-	-	-	-	2,145,000	2,080,000
Heritage Drive	-	-	-	-	-	1,715,000
General Obligation Bond						
Anticipation Notes -						
Street Improvement	5,859,000	-	-	-	-	-
Underground Storage Tanks	210,000	-	-	-	-	-
Motorized Equipment	654,000	-	-	-	-	-
Industrial Development	2,065,000	2,065,000	-	-	-	-
Bennington Hamlet	500,000	-	-	-	-	-
Storm Damage	1,100,000	-	-	-	-	-
Other	9,242	-	-	-	-	-
Civic Center	400,000	-	-	-	-	-
Wells School Redevelopment	290,000	-	-	-	-	-
OPWC Loan	-	-	-	-	-	1,420,569
Enterprise Debt - OWDA Loans	17,614,888	21,380,270	21,956,146	21,148,204	20,284,868	20,303,427
Enterprise Debt - Capital Lease	212,286	164,109	112,802	107,840	38,454	26,468
Total Long-Term	44,037,256	47,125,259	45,967,868	43,523,004	50,703,322	51,745,464

Continued

PRINCIPAL AMOUNT OF GENERAL LONG- AND SHORT-TERM DEBT (CONTINUED)

LAST TEN FISCAL YEARS

TABLE 12

	1994	1995	1996	1997	1998	1999
SHORT-TERM INDEBTEDNESS:						
General Obligation Bond	-	1,038,000	1,420,000	1,420,000	-	410,500
Anticipated Notes -	-	525,000	-	-	-	-
Equipment and Street Improvement	-	-	-	-	-	-
Bennington Hamlet	-	-	-	-	375,000	-
Incinerator	-	-	-	-	-	-
Motorized Equipment	33,000	102,000	1,170,000	2,020,000	-	221,500
Triangle Park	150,000	-	-	-	-	-
Tree Program	29,000	-	-	-	-	-
Various Purposes	-	-	1,140,000	1,140,000	-	2,415,000
Field Lighting	-	-	180,000	830,000	-	-
Sanitary Sewers	-	-	-	2,090,000	-	-
Water Lines/Hydrants	-	-	-	1,000,000	-	-
Parklawn	-	-	-	-	2,040,000	2,810,000
Heritage	-	-	-	-	1,700,000	-
Jail Facility	-	-	-	-	-	68,000
Service Garage	-	-	-	-	-	600,000
Total Short-Term	212,000	1,665,000	3,910,000	8,500,000	4,115,000	6,525,000
Total Indebtedness	\$ 44,249,256	\$ 48,790,259	\$ 49,877,868	\$ 52,023,004	\$ 54,818,322	\$ 58,270,464

CITY OF EUCLID, OHIO

RATIO OF DEBT TO TOTAL POPULATION, ASSESSED VALUE OF REAL AND PERSONAL PROPERTY AND PER CAPITA INCOME

DECEMBER 31, 1999 **TABLE 13**

	1994	1995	1996	1997	1998	1999
Total Debt	\$ 44,249,256	\$ 48,790,259	\$ 49,877,868	\$ 52,023,004	\$ 54,818,322	\$ 58,270,464
Debt Per Capita	\$ 806.36	\$ 889.12	\$ 908.94	\$ 948.03	\$ 998.97	\$ 1,061.88
Percent Of Assessed Value	6.13%	6.30%	6.60%	6.80%	6.91%	7.37%
Debt Per Capita As A Percent Of Personal Income Per Capita (1)	5.58%	3.30%	3.38%	3.52%	3.71%	3.95%

Note: (1) Calculated Using The Per Capita Income From 1990 Census For All Five Years Shown.

CITY OF EUCLID, OHIO

PROPERTY VALUES, BANK DEPOSITS AND CONSTRUCTION

DECEMBER 31, 1999

TABLE 14

<u>Fiscal Year</u>	<u>Assessed Value Real And Personal Property (Amounts in 000's) (1)</u>	<u>Bank Deposits (Amounts in 000's) (2)</u>	<u>Building Permits Issued (3)</u>	
			<u>Number</u>	<u>Value</u>
1990	\$ 696,056	\$ 19,188,641	1,029	\$ 19,014,125
1991	698,813	18,392,243	1,065	30,373,390
1992	726,441	19,379,280	1,016	12,406,201
1993	731,500	21,900,421	1,383	10,296,588
1994	721,690	20,885,453	1,161	17,242,834
1995	773,919	22,694,304	923	11,469,358
1996	755,202	27,068,211	1,060	10,170,356
1997	765,396	53,941,971 (4)	1,191	11,987,836
1998	793,607	58,904,596	1,132	11,398,567
1999	790,617	57,816,942	1,059	14,819,890

SOURCES:

- (1) Cuyahoga County Auditor's Office Data Service (the values listed pertain to the year of collection).
- (2) Federal Reserve Bank of Cleveland (total demand, time and savings deposits for commercial banks in Cuyahoga County).
- (3) Division of Building and Housing, City of Euclid.
- (4) The majority of this increase is due to a merger/acquisition by Key Bank National Association.

CITY OF EUCLID, OHIO

PRINCIPAL PROPERTY TAXPAYERS - PERSONAL PROPERTY

DECEMBER 31, 1999

TABLE 15

<u>Property Owner</u>	<u>Assessed Value</u>	<u>Percent Of Total Assessed Value Of Personal Property</u>	<u>Percent Of Total Assessed Value</u>
Lincoln Electric Company	\$ 20,147,540	18.19%	2.55%
Argo Tech Corporation	5,654,450	5.10	.72
Northop Grumman Corp.	2,058,430	1.86	.26
Ajax Manufacturing Company	1,924,490	1.74	.24
Rockwell International Corp. (Reliance Electric Industrial)	4,907,430	4.43	.62
General Electric Company	4,576,690	4.13	.58
Turbine Engine Components	3,446,060	3.11	.44
CSM Industries Incorporated	2,725,400	2.46	.34
LBA Industries, Inc.	2,603,070	2.35	.33
Kerr Lakeside Incorporated	1,960,100	1.77	.25
KMart Corporation	1,854,920	1.67	.23
Motch Corporation	<u>2,335,880</u>	<u>2.11</u>	<u>.30</u>
Total	\$ <u>54,194,460</u>	<u>48.92%</u>	<u>6.86%</u>
Total Assessed Value of Personal Property	\$ <u>110,781,356</u>	<u>100.00%</u>	<u>14.01%</u>
Total Assessed Value	\$ <u>790,617,336</u>		<u>100.00%</u>

SOURCE: Cuyahoga County Auditor (MIS Department)

CITY OF EUCLID, OHIO

PRINCIPAL PROPERTY TAXPAYERS - REAL PROPERTY

DECEMBER 31, 1999

TABLE 16

<u>Property Owner</u>	<u>Assessed Value</u>	<u>Percent Of Total Assessed Value Of Personal Property</u>	<u>Percent Of Total Assessed Value</u>
Cleveland Electric Illuminating Co.	\$ 16,743,610	2.60%	2.12%
Ohio Bell Telephone Company	12,208,300	1.90	1.54
Lincoln Electric Company	8,127,320	1.26	1.03
Regency Towers Associates	6,975,150	1.08	.88
Argo Tech Corporation	5,939,990	.92	.75
Americana Apartments	5,224,900	.81	.66
East Ohio Gas Co.	5,123,330	.80	.65
Indian Hills Senior (19101 Euclid)	4,598,680	.71	.58
Troy CMBS Property, LLC	4,504,610	.70	.57
Metro Life Insurance Company	4,138,090	.64	.52
Reliance Electric & Engine Co.	3,810,840	.59	.48
Indian Hills Senior (E.191 St.)	<u>3,664,820</u>	<u>.57</u>	<u>.46</u>
Total	\$ <u>81,059,640</u>	<u>12.58%</u>	<u>10.24%</u>
Total Assessed Value of Real Property	\$ <u>643,825,810</u>	<u>100.00%</u>	<u>81.43%</u>
Total Assessed Value	\$ <u>790,617,336</u>		<u>100.00%</u>

CITY OF EUCLID, OHIO

DEMOGRAPHIC STATISTICS

DECEMBER 31, 1999

TABLE 17

POPULATION

<u>Year</u>	<u>Population (1)</u>	<u>Increase (Decrease) (1)</u>	<u>Percent Increase (Decrease) (1)</u>	<u>County Population (2)</u>	<u>State Population (2)</u>
1940	17,866	5,115	40.1 %	1,217,250	6,907,612
1950	41,396	23,530	131.7	1,389,532	7,946,627
1960	62,998	21,602	52.2	1,647,895	9,706,397
1970	71,552	8,554	13.6	1,721,300	10,652,017
1980	59,999	(11,553)	(16.2)	1,498,400	10,797,630
1990	54,875	(5,124)	(8.5)	1,412,140	10,847,115

AGE DISTRIBUTION (1)

<u>Age</u>	<u>1990</u>					
	<u>Total</u>		<u>Male</u>		<u>Female</u>	
	<u>Number</u>	<u>Percentage</u>	<u>Number</u>	<u>Percentage</u>	<u>Number</u>	<u>Percentage</u>
0-4	3,366	6.1%	1,731	3.2%	1,635	3.0%
5-9	2,982	5.4	1,512	2.8	1,470	2.7
10-14	2,741	5.0	1,388	2.5	1,353	2.5
15	549	1.0	300	0.5	249	0.5
16-17	1,072	2.0	499	0.9	573	1.0
18-19	1,088	2.0	531	1.0	557	1.0
20-24	3,285	6.0	1,579	2.9	1,706	3.1
25-44	17,245	31.4	8,374	15.3	8,871	16.2
45-54	4,917	9.0	2,242	4.1	2,675	4.9
55-59	2,388	4.4	1,057	1.9	1,331	2.4
60-64	3,062	5.5	1,320	2.3	1,742	3.1
65+	12,180	22.2	4,495	8.2	7,685	14.0
Total	54,875	100.0%	25,028	45.6%	29,847	54.4%

SOURCES:

- (1) 1990 U.S. Census of Population
- (2) City of Cleveland

CITY OF EUCLID, OHIO

DEMOGRAPHIC STATISTICS (CONTINUED)

DECEMBER 31, 1999

TABLE 17

DISTRIBUTION OF HOUSEHOLDS BY INCOME BRACKET - 1990

<u>Income</u>	<u>Number</u>	<u>Percent Of All Households</u>
\$ 0-4,999	1,084	4.3%
\$ 5,000 - \$ 9,999	2,734	11.0
\$ 10,000 - \$14,999	2,347	9.4
\$ 15,000 - \$19,999	2,555	10.3
\$ 20,000 - \$24,999	2,603	10.5
\$ 25,000 - \$29,999	2,408	9.7
\$ 30,000 - \$34,999	2,157	8.7
\$ 35,000 - \$39,999	1,956	7.9
\$ 40,000 - \$49,999	2,817	11.3
\$ 50,000 (+)	4,233	16.9
Totals	24,894	100.0%
Median Household Income		\$ 26,904

SOURCE: U.S. Census Data Public Demographics, Inc.

HOUSEHOLD TYPE (TOTAL HOUSEHOLDS - 24,894

	<u>Number</u>
ONE PERSON HOUSEHOLDS - 1990	
Total	9,236
TWO OR MORE PERSON HOUSEHOLDS - 1990	
Total	15,658
Married Couples	10,915
Male - No Wife	725
Female - No Husband	2,974
Nonfamily	1,044
MARITAL STATUS - PERSONS 15+ YEARS OLD - 1990	
Single	12,192
Married	22,564
Separated	744
Widowed	5,555
Divorced	4,731

CITY OF EUCLID, OHIO

DEMOGRAPHIC STATISTICS (CONTINUED)

DECEMBER 31, 1999

TABLE 17

ELDERLY HOUSEHOLDS - PERSONS 65+ YEARS OLD - 1990

Total Households with Persons 65+	11,574
Total Households with Head of Household 65+	7,110
Total One Person Households 65+	4,278

SOURCE: 1990 U.S. Census of Population

	<u>1970</u>	<u>1980</u>	<u>1990</u>
HOUSEHOLD SIZE			
Average Number of Persons Per unit (Total Units)	2.85	2.30	2.70
HOUSING UNITS:			
Total Units	25,303	26,396	26,586
Units Occupied	24,768	25,504	24,894
Owner Occupied	14,211	14,868	14,608
Renter Occupied	10,577	10,636	10,286
MEDIAN CONTRACT RENT - 1990	\$ 384		
MEDIAN VALUE OWNER OCCUPIED UNITS - 1990	\$ 65,000		

SOURCE: 1990 U.S. Census of Population

CITY OF EUCLID, OHIO

MISCELLANEOUS STATISTICAL DATA

DECEMBER 31, 1999

TABLE 18

GOVERNMENT:	Charter	Mayor and Council
	Founded	1797
	Township	1809
	Village	1903
	City	1931
POPULATION	Census 1990	54,875
AREA:	10.83 square miles (6,592 acres)	
ALTITUDE	700 feet above sea level	
CLIMATE:	Mean annual temperature	51 degrees Fahrenheit
	Average rainfall	33.5 inches
CITY STATISTICS:	Streets	143.065 miles (1,181 unpaved)
	Interstate Route 90	3.06 miles
	South Spur	1.65 miles
	Sewers	262.38 miles
	Water Mains	139.65 miles
HIGHWAYS:	U.S. Routes	6 - 20
	State Routes	2 - 175 - 283
	Interstate	90 (Lakeland Freeway), direct link with I-271 and I-77
POLICE:	Stations	1
	Mini Station	1
	Men	105
	Equipment (pieces)	59
	School guards	27
	Auxiliary	35
	Dispatchers	17
	Administrative personnel	14
	Corrections officers	42
	Humane officer	5
FIRE:	Stations	4
	Men	89
	Equipment (pieces)	20
ASSESSED VALUATION:	\$791,002,756; \$103.10 per \$1,000 combined millage (effective tax rate commercial/industrial \$79.48 per \$1,000)	
NUMBER OF DWELLINGS:	Total units	26,307
BANKS:	Banks and Savings & Loans	9
	Branches	15

CITY OF EUCLID, OHIO

MISCELLANEOUS STATISTICAL DATA (CONTINUED)

DECEMBER 31, 1999

TABLE 18

CHURCHES:	Total	25
	Denominations	13
BUILDINGS:	Permits issued in 1999	1,059
	Valuation	\$14,819,890
INDUSTRY:	Manufacturing plants	150
	Products	Machines, automobile parts, electrical, welding equipment and small machine shop specialities, aerospace
RAILROADS:	Con-Rail	2
	Norfolk & Southern	
BUS LINES:	Regional Transit Authority (Cuyahoga County)	
MEDICAL:	Euclid Hospital	339 beds (includes Extended Care Unit)
	University Mednet Euclid Clinic	
	Medical Clinics	3
	Industrial	2
	Immediate Care Centers	4
EDUCATION:	Public Elementary (K-4)	4
	Public Magnet (K-6)	1
	Public Magnet (5-6)	1
	Public Middle School (7-8)	1
	Public Senior High (9-12)	1
	Private and Parochial	6
	Enrollment -- Public	6,005
	Enrollment -- Private	2,414
	Teachers (Administrative Personnel included)	415
	Colleges (in County)	13
LIBRARIES:	Public libraries	1
	Volumes available	270,759
	Visual aids	43,235
NEWSPAPERS:	Daily	2
	Weekly	1
LODGING:	Motels	1
SHOPPING CENTERS:	Including enclosed mall	4

CITY OF EUCLID, OHIO

MISCELLANEOUS STATISTICAL DATA (CONTINUED)

DECEMBER 31, 1999

TABLE 18

RECREATION FACILITIES:	Recreation centers	1 (football, soccer, etc.)
	Lighted sports areas	1
	Parks -	3
	Euclid Park	17.5 acres
	Memorial Park	52 acres
	Sims Park	33.5 acres
	Metropolitan	233 acres
	Playgrounds -	
	Supervised	1
	Unsupervised	18
	Tennis courts	31 (10 lighted)
	Basketball courts	9
	Soccer fields	7
	Sand volleyball courts	3
	Bocci courts	2
	Ball diamonds	19 (6 lighted)
	Enclosed ice arena	1
	Batting cage	1 (7 units)
	Swimming Pools -	
	Indoor deep water	3 (45' x 75')
	Outdoor deep water	1 (75' x 150')
	Neighborhood deep water	1 (30' x 80')
	Neighborhood shallow water	4 (35' x 80')
	Golf course -	
	City owned public course	18 holes - 126 acres
PUBLIC MEETINGS:	Euclid Council	First and third Monday each month (7:00 p.m.)
	Zoning Board	Third Tuesday each month
	Civil Service Commission	First and Third Tuesday each month
	Recreation Commission	Fourth Tuesday each month
	Architectural Review	Fourth Thursday each month

CITY OF EUCLID, OHIO

**SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS
(AMOUNTS IN 000's)**

DECEMBER 31, 1999

TABLE 19

<u>Fiscal Year</u>	<u>Special Assessment Billings</u>	<u>Special Assessments Collected (1)</u>
1990	\$ 89	\$ 89
1991	84	83
1992	97	97
1993	121	120
1994	146	141
1995	146	142
1996	515 (2)	182
1997	156	147
1998	197	191
1999	209	198

(1) Includes delinquents, penalties and interest.

(2) Includes a special assessment of \$329,034 for the demolition of a building.

Source: Cuyahoga County Auditor

CITY OF EUCLID, OHIO

SCHEDULE OF INSURANCE

AS OF DECEMBER 31, 1999

TABLE 20

Type of Coverage	Policy Period		Coverage Limits		Annual Premium
	From	To			
Building & Contents	08/01/99	08/30/00	\$ 79,138,749	Blanket Coverage 5,000 Deductible	\$ 35,109
Boiler & Machinery	08/01/99	08/30/00	\$ 50,000,000	Blanket comprehensive 5,000 Deductible	\$ 4,059
Automobile Physical Damage	08/01/99	08/30/00	\$ 5,000	Comp/Collision physical for vehicles with a value of \$50,000 or more. 5,000 Deductible	\$ 1,750
Extra Expense	08/01/99	08/30/00	\$ 1,000,000	Blanket coverage at scheduled locations	prem above
Valuable Papers & Records	08/01/99	08/30/00	\$ 100,000	Blanket coverage at all locations	prem above
Accounts Receivable Insurance	08/01/99	08/30/00	\$ 100,000	Blanket coverage at all locations	prem above
Miscellaneous Articles Scheduled Floater Insurance	08/01/99	08/30/00	All Risk	ACV coverage	prem above
Contractor's Equipment in the Open			\$ 2,823,536	Blanket coverage 1,000 Deductible	prem above
Radios & Communications Equipment			\$ 1,397,323	Up to 1,000 Deductible	prem above
Television Broadcasting on/off Premises			\$ 196,920	Blanket coverage 1,000 Deductible	prem above
Electronic Data Processing Equipment			\$ 910,851	Blanket coverage 500 Deductible	prem above

CITY OF EUCLID, OHIO

SCHEDULE OF INSURANCE (CONTINUED)

AS OF DECEMBER 31, 1999 **TABLE 20**

Type of Coverage	Policy Period		Coverage Limits	Annual Premium
	From	To		
Money & Securities	08/01/99	08/30/00	\$ 25,000 Broad form inside outside premises	prem above
Public Employees Faithful Performance Blanket Position Bond	08/01/99	08/30/00	\$ 100,000 Blanket coverage for all employees including all required by ECO to provide a bond. Endorsed to Employee Dishonesty.	prem above
Business Income	08/01/99	08/30/00	\$ 1,225,000 Briardale Greens Golf Course	prem above
Consequential Loss	08/01/99	08/30/00	\$ 15,000 Coverage	prem above
Newly Acquired or Constructed Property	08/01/99	08/30/00	\$ 1,000,000 Coverage	prem above
Personal Property of Others (per person)	08/01/99	08/30/00	\$ 2,500 Coverage	prem above
Property Off Premises	08/01/99	08/30/00	\$ 100,000 Coverage	prem above
Property in/on Vehicle of an Exhibition	08/01/99	08/30/00	\$ 100,000 Coverage	prem above
Fire Protection Device Recharge/Refill	08/01/99	08/30/00	\$ 5,000 Coverage	prem above
Inventory or Appraisal	08/01/99	08/30/00	\$ 10,000 Coverage	prem above
Fine Arts	08/01/99	08/30/00	\$ 100,000 Coverage	prem above
Ordinance or Law	08/01/99	08/30/00	10% Total insured value 100	prem above

CITY OF EUCLID, OHIO

SCHEDULE OF INSURANCE (CONTINUED)

AS OF DECEMBER 31, 1999

TABLE 20

Type of Coverage	Policy Period		Coverage Limits		Annual Premium
	From	To			
Communications Tower	08/01/99	08/30/00	\$ 100,000	Coverage	prem above
Property in Transit	08/01/99	08/30/00	\$ 250,000	Coverage	prem above
Sewer Back Up	08/01/99	08/30/00	\$ 25,000	Coverage	prem above
C-Mac	07/24/99	07/24/00	\$ 1,000,000	CSL Liability	\$ 534
			\$	ACV Comprehensive Deductible	\$ 198
			\$	ACV Collision Deductible	\$ 414
Mayor's Bond	01/01/96	01/01/00	\$ 25,000	Official Bond and Oath	\$ 311
Finance Director's Bond	08/01/99	08/30/00	\$ 25,000	Coverage	prem above
Vital Statistics Registrar's Board	08/01/99	08/01/00	\$ 25,000	Coverage	prem above



STATE OF OHIO
OFFICE OF THE AUDITOR
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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.

By: Susan Babbitt

Date: JULY 18, 2000