

CITY OF SOUTH EUCLID, OHIO

AUDIT REPORT

FOR THE YEAR ENDED DECEMBER 31, 2009

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



Mary Taylor, CPA
Auditor of State

Honorable Members of City Council
City of South Euclid
1349 South Green Road
South Euclid, Ohio 44121

We have reviewed the *Independent Auditor's Report* of the City of South Euclid, Cuyahoga County, prepared by James G. Zupka, CPA, Inc., for the audit period January 1, 2009 through December 31, 2009. 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 South Euclid is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

June 4, 2010

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**CITY OF SOUTH EUCLID, OHIO
AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2009**

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

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5240 East 98th Street

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

To Members of the City Council
City of South Euclid

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the City of South Euclid, Cuyahoga County, Ohio as of and for the year ended December 31, 2009, which collectively comprise the City of South Euclid, Ohio's basic financial statements and have issued our report thereon dated April 30, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

We noted certain matters that we reported to the management of the City of South Euclid, Ohio, in a separate letter dated April 30, 2010.

This report is intended solely for the information and use of management, City Council, and others within the entity and is not intended to be and should not be used by anyone other than these specified parties.



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

April 30, 2010

CITY OF SOUTH EUCLID, OHIO
SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2009

No significant findings or questioned costs were included in the prior year's audit report. Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

CITY OF SOUTH EUCLID, OHIO

COMPREHENSIVE

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2009

ISSUED BY THE DEPARTMENT OF FINANCE

Joseph G. Filippo, CPA

FINANCE DIRECTOR

City of South Euclid, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2009
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CITY OF SOUTH EUCLID



FINANCE DEPARTMENT

Joseph G. Filippo, CPA
Director of Finance

April 30, 2010

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

It is my privilege to present to you the City of South Euclid's (the City) Comprehensive Annual Financial Report (CAFR). This report enables the City to comply with Ohio Administrative Code Section 117-2-03 (B), which requires reporting on a GAAP (Generally Accepted Accounting Principles) basis, and Ohio Revised Code Section 117.38 which requires the cities reporting on a GAAP basis to file unaudited General Purpose External Financial Statements with the Auditor of State within 150 days of year end.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Under Ohio law, regular audits are required to be performed on all financial related operations of the City. These audits may be done by either the State Auditor's Office or, if the State Auditor permits, an independent public accounting firm. For the year 2009, the City of South Euclid was audited by James G. Zupka, CPA Inc. Their unqualified opinion is included in the financial section of this report.

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

Reporting Entity

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

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

The City is a member of the Northern Ohio Risk Management Association, a shared risk pool. In addition, the City participates in the Tri-City Consortium on Aging and the South Euclid-Lyndhurst Recreation Commission which have been determined to be joint ventures and the Northeast Ohio Public Energy Council, the First Suburbs Consortium of Northeast Ohio Council of Governments and the Heights Area Special Rescue Team which are jointly governed organizations. The shared risk pool, joint ventures and the jointly governed organizations are discussed in Notes 9, 19 and 20 to the basic financial statements.

Form of Government

The City operates under and is governed by its Charter which voters first adopted in 1953 and which has been amended from time to time. The last amendment was made in 2005, effective 2006. The City is also subject to certain general laws applicable to all Ohio cities. Under the Ohio Constitution, the City may exercise all local self-government and police powers to the extent that none are in conflict with applicable general laws. The Charter also establishes certain administrative departments.

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

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

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

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

City Services

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

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

Economic Condition and Outlook

The City is primarily a residential community with a preponderance of single family homes. A major medical facility, University Suburban Health Care, provides quality health care to South Euclid residents as well as to our neighboring communities. South Euclid is home to Notre Dame College, a private, four-year institution of higher learning. The following industries are also vital to the City's financial condition and

contribute to the stable economic condition of the City: Aero Controlex, Division of Transdigm, Inc. is a Fortune 500 company which manufactures custom components for the aerospace industry; Glastic Corporation manufactures thermoset polymers used in appliances; Gent Machine Company manufactures automotive and aircraft components.

Several retail shopping districts, which are among the major tax contributors within the City, are available for the City's residents, including a 14,000 square foot shopping district at the intersection of Mayfield and Green Roads, anchored by CVS Pharmacy, and the Mayfield-Green Road shopping center, housing more than three dozen retail stores including Marc's discount store. Another small shopping center is located in the northern section of the City known as Glendale Shopping Center and houses 13 retail stores. A smaller strip is located on Cedar and Green Roads. The redevelopment of the Cedar Center shopping area is progressing into the site plan development phase. The project has been developed into a phased project with retail and residential development occurring in the first phase of the project. The current site plan shows 34,000 square feet of retail and food service, another 7,600 square feet of retail service and 60,000 square feet of residential living space. An exterior public civic space is planned to be developed in the first phase. The Coral Company has already developed the south side of Cedar Center, located in University Heights, which is anchored by Whole Foods and CVS. The City's development will be complimentary to the University Heights side and will again unify the Cedar Center area into a shopping and life style center.

Notre Dame College recently completed a dormitory project in order to meet the College's growing enrollment. The new dormitory building added living space for 208 students on the growing campus.

In residential areas, homeowners carefully maintain their property, which increase property value and enhance the appearance of the City's neighborhood. To encourage individual upkeep, the City continues to administer its exterior residential property maintenance program. This program establishes minimum standards governing the maintenance of dwelling structures, which allows the City to work to create neighborhoods that are enjoyable to inhabit. Without the support of property owners who have a genuine concern for the community, the goals of the program could not be reached. Under the program, each year a specific area of the City is selected for inspection with an annual average of 1,500 home inspections.

With an increase in foreclosed properties throughout our region, much of our efforts were focused on vacant and abandoned properties. Working with County grant funds, the Building Department was able to demolish a few condemned properties in the community. During the past year, residents have improved their homes by alterations and additions valued at \$4,203,729. In 2009, a total of 889 residential and 45 commercial permits for additions or improvements totaling \$1,575,011 were issued. The City is emphasizing enforcement of maintenance standards on its population of rental housing as well with a program goal of annual exterior inspections with interior inspections performed every three years.

Long term financial planning

The general fund balance decreased from the previous year in 2009. The net change in fund balance for the general fund was (\$458,098) which represents a 9.26 percent decrease. The general fund balance was still a healthy \$4,489,703.

The City income tax is the largest source of revenue for the funding of our governmental activities. The tax rate remained constant at 1.5 percent from 1984 through 2005. In August 2005 the citizens of South Euclid voted to raise the income tax rate to 2.00 percent becoming effective January 1, 2006.

The City has a Street Lighting special revenue fund which is used to maintain and pay the expenses of the street lights throughout the City. Revenue is collected as a special assessment paid by all property owners based on the front footage of their property. The expenses mainly represent the cost of electricity, as well as other necessary repairs to provide the street lighting.

The City also uses two funds for the maintenance and capital improvements of the City sewer system. Every person, including businesses, whose premise in the City is served by a connection with the sewer system of the City, shall pay a sewer rental charge. A portion of the charge goes into the Sewer Rehabilitation capital

projects fund which is used to pay for the cost of the management, maintenance and repair of the sewer system. The major portion of the revenue collected gets deposited into the Flood Control capital projects fund. This fund is used for the cost of improving the City's sewer system by construction, renovation or replacement.

The City also established a land bank to enhance the City's appearance and well-being.

Relevant financial policies

The City uses the City income tax to run its daily operations. All of the income tax goes into the general fund. When needed the general fund will subsidize other funds where revenue collected is not enough to cover their expenses. Funds that may receive an operating transfer include the parking lots and meters and swimming pools special revenue funds, and the safety forces vehicle, sewer rehabilitation, general capital improvements, road improvement and the flood control capital projects funds. All transfers are approved by City Council.

The City has a general obligation bond retirement fund which is used to pay for the bond issued for recreational improvements in the City. The source of revenue to pay this debt is collected from the property owners on their property tax bills. The millage was reduced from 1.3 mills to 1.1 mills beginning in the 2007 tax collection year.

Major Initiatives

For the Year In 2009, the City of South Euclid continued its commitment to provide quality services and facilities to the City's residents. Emphasis continued to be placed on the maintenance and improvement of the City's infrastructure, specifically streets and sewers. The City also continued its traditional annual road resurfacing program. Through the combination of the road improvement fund and the flood control fund 7 streets were able to be reconstructed or resurfaced. There were also a number of roads where preventative maintenance work was performed. Over \$1,000,000 was spent from the road improvement fund and over \$2,000,000 was spent from the flood control fund.

There were several major projects for 2009 starting with the replacement or renovation of various infrastructure assets within the City, including the completion of the Maplegrove Infrastructure project. The manhole replacement project that started in 2008 was completed in 2009. The Langerdale retention project was also completed in 2009, at a cost of almost \$1,000,000.

Although home construction has slowed down on a nationwide level, the Planned Unit Residential Development, (PURD), known as Cutter's Creek, still built a few units in 2009. The entire development is planned with 46 units. To date, 28 of those units are being constructed.

The City continues to improve communication with residents. In 2007, the City completed the process of updating the website, WWW.CITYOFSOUTHEUCLID.COM and in 2009 the website was redesigned to allow access for residents. This user-friendly upgrade allows residents the ability to easily contact any of the City's respective departments.

For the Future The Administration and City Council continue to reach out to the City's key employers by encouraging stimulating dialogue. Listening to business constituents allows the City to prosper. The City also continues to look for opportunities which will ensure our residents a high quality of life and create a stronger sense of community pride.

The redevelopment of the Cedar Center area is progressing. 2009 saw the continuation of the demolition of the site and buildings. Currently the infrastructure work for water and sewer lines for the project are out to bid with the anticipation of the work beginning in May or June of 2010.

The City continues to analyze the four quadrants at Mayfield and Green Roads, to allow the area to reach its full potential. The City continues to attract interest in all of our commercial districts which demonstrates the City's success in winning over the development community. In 2009, five building owners participated in a regional storefront renovation program.

The City continues to explore other avenues to encourage economic development. The City recognizes that our place in the regional market positions South Euclid as an ideal location to build a successful project.

Other Information

Awards

In December 2007, Mary Taylor, CPA, the Auditor of the State of Ohio, recognized the City of South Euclid for excellent financial accountability. Auditor of State Mary Taylor's office presented the city of South Euclid officials with the "Making your Tax Dollars Count" award for their fiscal year 2005 audit. Fewer than five percent of all Ohio government agencies are eligible for this award. "It is an honor to recognize South Euclid officials for their commitment to strong financial accountability," said Taylor.

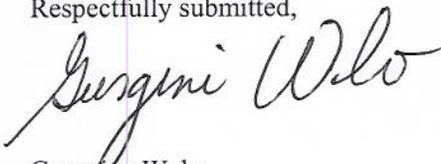
The Government Finance Officers Association of the United States and Canada awards a Certificate of Achievement for Excellence in Financial Reporting to a governmental unit that publishes an informative and efficiently organized Comprehensive Annual Financial Report (CAFR) whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. The City of South Euclid received the Certificate of Achievement for its 2008 Comprehensive Annual Financial Report.

A Certificate of Achievement is valid for a period of one year only. We believe that this CAFR for 2009 continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the Government Finance Officers Association to determine its eligibility for another certificate.

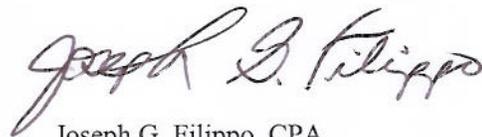
Acknowledgements

The preparation of this report would not be possible without the diligent and extra work by our Finance Department staff. I appreciate their efforts. Appreciation is also expressed to all City Hall Department Heads and Superintendents for their cooperation and assistance. In addition, my gratitude and compliments extend to the Auditor of State's Section of Local Government Services who helped us with this report. Finally, a thank you to Mayor Georgine Welo and the members of City Council is in order for their continued support of preparing a Comprehensive Annual Financial Report.

Respectfully submitted,

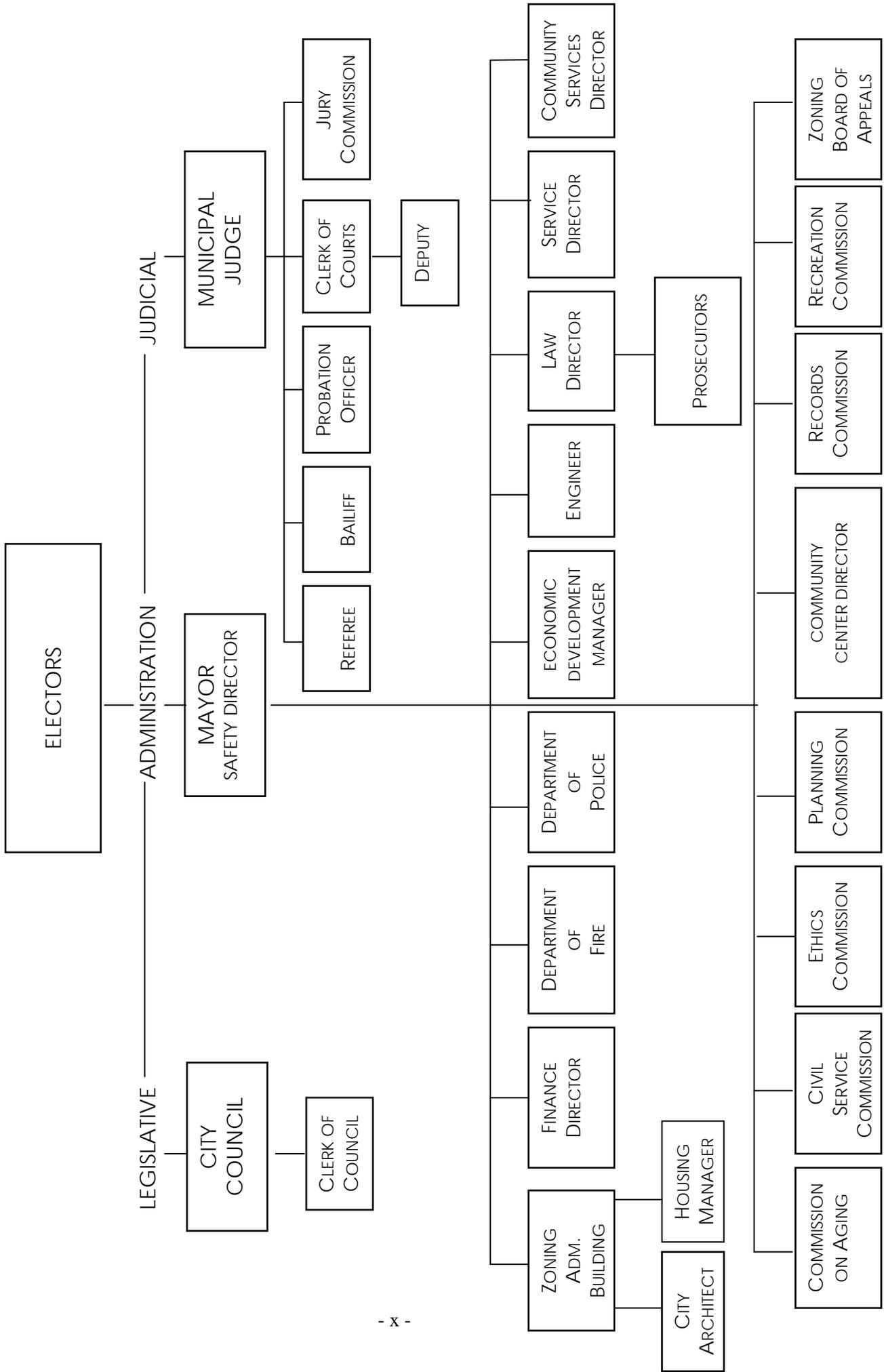


Georgine Welo
Mayor



Joseph G. Filippo, CPA
Finance Director

CITY OF SOUTH EUCLID
ORGANIZATION CHART



CITY OF SOUTH EUCLID

ELECTED AND APPOINTED CITY OFFICIALS

HONORABLE MAYOR GEORGINE WELO

CITY COUNCIL

Dr. David B. Miller, President, At Large

Modestino Romeo, Ward 2

Ruth Gray, Ward 1

Tony Caroscio, At Large

Sunny Simon, At Large

Edward A. Icové, Ward 3

Jane Goodman, Ward 4

MUNICIPAL JUDGE

Patricia A. Kleri

APPOINTED OFFICIALS

Joseph G. Filippo, Director of Finance

Michael Lograsso, Director of Law

James Anderson, Active Director of Service

Paul Kowalczyk, Building Commissioner

Kevin Nietert, Chief of Police

Thomas Cannell, Chief of Fire

Andrew K. Blackley, City Engineer

Edward J. Gallagher, Director of Economic Development

Meg Martines, Director of Community Center

Keith A. Benjamin, Director of Community Services

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of South Euclid
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2008

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.



President

Executive Director

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

Certified Public Accountants

5240 East 98th Street

Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants

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Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of South Euclid, Cuyahoga County, Ohio, as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of South Euclid, Ohio's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of South Euclid, Ohio, as of December 31, 2009, and the respective changes in financial position, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2010, on our consideration of the City of South Euclid, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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



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

April 30, 2010

City of South Euclid, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

The discussion and analysis of the City of South Euclid's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2009. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers are encouraged to consider information presented here in conjunction with the additional information contained in the transmittal letter, as well as the basic financial statements and the notes to the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

- The assets of the City of South Euclid exceeded its liabilities at December 31, 2009. Of this amount, the unrestricted net assets may be used to meet the City's ongoing obligations to citizens and vendors.
- Total assets decreased from 2008 to 2009. The current economy resulted in decreases in equity pooled in cash and cash equivalents, property taxes receivable, special assessments receivable and income tax receivable offset by increases to capital assets.
- Total liabilities decreased from 2008 to 2009 due to the City eliminating several large contracts payable and the continued pay down of outstanding debt obligations.
- Despite the slow economy, Cutter's Creek, the Planned Unit Residential Development, built a few units during 2009.
- The second-largest shopping area in the City is located at Cedar Road between Warrensville and Fenwick Roads. The 10+ acres of property the City purchased for a mixed-use residential, business and retail project is currently in the retail and residential development phase of the site plan development. The City has a developer's agreement with the Coral Company who is scheduled to purchase the property by the end of 2010.

Using this Annual Financial Report

This discussion and analysis is intended to serve as an introduction to the City of South Euclid's basic financial statements. These statements are organized so that the reader can understand the City as a financial whole or as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial conditions.

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole City. They provide both an aggregate view of the City's finances in addition to a longer-term view of those assets. Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what dollars remain for future spending. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in total in one column.

City of South Euclid, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

Government-wide financial statements – Reporting the City of South Euclid as a Whole

Statement of Net Assets and the Statement of Activities

The Statement of Net Assets presents information, excluding fiduciary funds, on all the City of South Euclid's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. However, in evaluating the overall position of the City, non-financial factors such as the City's tax base, change in tax laws and the condition of capital assets should also be considered. Both the Statement of Net Assets and the Statement of Activities use the accrual basis of accounting that is similar to the accounting method used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

The Statement of Net Assets and the Statement of Activities are divided into the following categories:

- Assets
- Liabilities
- Net Assets
- Program Revenues and Expenses
- General Revenues
- Net Assets Beginning of Year and Year's End

Reporting the City of South Euclid's Most Significant Funds

Fund Financial Statements

The analysis of the City's major funds begins on page 7. Fund financial reports provide detailed information about the City's major funds. The City of South Euclid has established many funds that account for the multitude of services, facilities and infrastructure provided to our residents. However, these fund financial statements focus on the City's most significant funds. The City's major funds are the general fund and the flood control and land acquisition capital projects funds.

Governmental Funds

Most of the City's activities are reported in the governmental funds which focus on how money flows into and out of those funds and the balances left at year end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting which measures cash and all other financial assets that are expected to be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general operations and the basic services it provides. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate a comparison between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds.

Government-wide Financial Analysis – City of South Euclid as a Whole

As noted earlier, the Statement of Net Assets looks at the City as a whole and can be used as an indicator of the City's financial position. Table 1 provides a summary of the City's net assets for 2009 compared to 2008.

City of South Euclid, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

Table 1
Net Assets

	Governmental Activities		
	2009	2008	Change
Assets			
Current and Other Assets	\$42,437,769	\$44,867,925	(\$2,430,156)
Capital Assets, Net	43,337,342	42,188,789	1,148,553
Total Assets	85,775,111	87,056,714	(1,281,603)
Liabilities			
Current Liabilities	8,940,363	9,776,805	836,442
Long-Term Liabilities:			
Due Within One Year	1,488,114	1,504,216	16,102
Due in More Than One Year	29,451,446	30,456,759	1,005,313
Total Liabilities	39,879,923	41,737,780	1,857,857
Net Assets			
Invested in Capital Assets, Net of Related Debt	32,938,396	30,383,626	2,554,770
Restricted for:			
Capital Projects	6,012,190	6,357,363	(345,173)
Debt Service	817,326	840,410	(23,084)
Street Maintenance	238,023	437,529	(199,506)
Street Lighting	437,834	514,248	(76,414)
Sewer Maintenance	435,148	384,037	51,111
Other Purposes	851,859	646,835	205,024
Unrestricted	4,164,412	5,754,886	(1,590,474)
Total Net Assets	\$45,895,188	\$45,318,934	\$576,254

Total assets decreased from 2008 to 2009. The decrease in equity pooled in cash and cash equivalents was a direct result of the current poor economy. This decrease was partially offset by an increase in capital assets, net of depreciation.

Total liabilities decreased due mostly to a reduction in contracts payable from a decrease in construction projects and the continued pay down of outstanding debt obligations.

Table 2 shows the changes in net assets for the years ended December 31, 2009 and 2008 and corresponds to the Statement of Activities on page 13.

City of South Euclid, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009
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Table 2
Changes in Net Assets

	Governmental Activities		
	2009	2008	Change
Revenues			
Program Revenues			
Charges for Services and Operating Assessments	\$4,541,380	\$5,049,521	(\$508,141)
Operating Grants	1,262,066	1,107,332	154,734
Capital Grants	95,906	245,873	(149,967)
Total Program Revenues	5,899,352	6,402,726	(503,374)
General Revenues			
Property Taxes	5,575,441	5,450,094	125,347
Income Taxes	8,332,487	9,085,439	(752,952)
Grants and Entitlements	2,143,984	2,351,687	(207,703)
Interest	155,891	426,403	(270,512)
Miscellaneous	500,572	521,451	(20,879)
Total General Revenues	16,708,375	17,835,074	(1,126,699)
Total Revenues	22,607,727	24,237,800	(1,630,073)
Program Expenses			
General Government:			
Legislative and Executive	2,653,976	2,819,870	165,894
Judicial System	571,587	467,629	(103,958)
Security of Persons and Property:			
Police	5,566,689	5,477,289	(89,400)
Fire	4,389,709	4,228,508	(161,201)
Public Health Services	129,249	133,196	3,947
Leisure Time Activities	356,693	585,200	228,507
Community Development	244,319	294,638	50,319
Building Department	743,044	770,710	27,666
Transportation	3,318,990	3,579,503	260,513
Basic Utility Services	2,464,808	3,928,628	1,463,820
Swimming Pools	406,544	420,665	14,121
Interest and Fiscal Charges	1,185,865	1,418,744	232,879
Total Program Expenses	22,031,473	24,124,580	2,093,107
<i>Increase in Net Assets</i>	576,254	113,220	463,034
<i>Net Assets Beginning of Year</i>	45,318,934	45,205,714	113,220
<i>Net Assets End of Year</i>	\$45,895,188	\$45,318,934	\$576,254

City of South Euclid, Ohio
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Program revenues decreased in 2009. The majority of the decrease is due to fewer charges for services. General revenues also decreased from 2008. The decrease in interest income was due to lower rates of return on the City's investments and less cash available for investments. Income taxes and grants and entitlements revenues decreased as a result of the tough economic conditions.

Governmental Activities

Several revenue sources fund our governmental activities with the City income tax being the largest contributor. The City's income tax rate was 1.5 percent from 1984 through 2005. In August 2005 the voters of South Euclid passed an income tax rate increase to 2.00 percent. The new rate of 2.00 percent became effective January 1, 2006. Residents of the City who work in another community receive a 0.75 percent credit on income earned outside the City and paid to another municipality. In prior years, the City has experienced a decline in income tax collections. The City remains committed to collecting all taxes due to it and during 2009 worked in conjunction with the Regional Income Tax Agency to identify and assess individuals who were delinquent in filing their income tax returns. Property tax revenues increased in 2009 and are the City's second largest source of revenues. Revenues from grants and entitlements represented approximately 10 percent of total governmental revenues. These funds are received from the State of Ohio in the form of Local Government Assistance and Estate Taxes.

The City of South Euclid has committed to devote major resources in its quest to renovate the City's aging infrastructure system, in particular the sewer system. As a part of this commitment, beginning in 2001, each property in the City is annually assessed \$231 per sewer connection. This assessment generates approximately \$330,000 devoted to ongoing sewer maintenance and \$2,000,000 designated for Flood Control projects. A portion of this assessment will be used to repay Issue II loans and note borrowings.

The City continued its commitment to providing quality roads and sidewalks to our residents. The expiring 3-mill property tax levy was renewed by the voters in November 2005. Using the proceeds from that 3-mill property tax levy, the City continues to reconstruct/resurface roads.

In order to maintain the safety and environment the residents deserve and expect, the City had to replace some of the antiquated equipment in the Service Department.

The City's Funds

Information about the City's major funds starts on page 14. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had a decrease in total revenues and expenditures from 2008. Revenues were down from less income tax collections and reduced charges from services revenue as the result of the economy. Expenditures were reduced from tighter spending controls put in place to compensate from the expected drop in revenues. The general fund experienced a significant drop in revenues from 2008 in income taxes, interest and charges for services from the poor economic situation. The City proactively reduced general fund expenditures with the largest savings in general government and basic utility services. General fund revenues exceeded expenditures, however as a result of a large transfer to other restricted funds, the general fund balance decreased from 2008.

During 2009, the flood control capital projects fund balance decreased as a result of the City completing the Suffolk Waverly Infrastructure project, the East Antisdale/Grosvenor Infrastructure project, and the Manhole Improvement project. The projects include new sanitary sewers, storm sewers and water lines within the City. During 2009, the Land Acquisition capital projects fund balance decreased due to the payment of interest expenditures for the bond anticipation notes.

City of South Euclid, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009
Unaudited

General Fund Budgeting Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on the basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund. An annual appropriation budget is legally required to be prepared for all funds of the City other than agency funds. Council is provided with a detailed line item budget for all departments and after a discussion at Finance Committee meetings, which are open to the public, the budget is adopted at an object level by City Council at a regularly held council meeting. Council must approve any revisions in the budget that alter the object level or the total appropriations for any department or fund.

During the course of 2009, the City amended its general fund budget numerous times. The actual revenue amount was more than the final budget. This variance is made up of higher than expected income tax and property tax collections. It also includes unanticipated nuisance abatement collections and court fees. Final appropriations exceeded actual expenditures. This variance was due primarily to the conservative budgeting techniques of the City and a concerted effort to reduce spending at the end of the year.

The City's ending unobligated budgetary fund balance was higher than the final budget amount.

Capital Assets and Debt Administration

Capital Assets

At the end of 2009, the City of South Euclid had \$43,337,342 invested in land, construction in progress, buildings, equipment, vehicles and infrastructure. Table 3 shows 2009 balances of capital assets as compared to 2008.

Table 3
Capital Assets at December 31
(Net of Depreciation)

	Governmental Activities	
	2009	2008
Land	\$1,182,897	\$1,182,897
Construction in Progress	945,127	2,036,998
Buildings and Improvements	2,916,993	3,228,226
Equipment	409,507	503,875
Vehicles	1,477,459	1,766,030
Infrastructure		
Streets	13,446,170	13,536,842
Bridges, Sewers and Culverts	21,055,725	17,989,199
Waterlines	1,859,335	1,899,638
Traffic Signals	44,129	45,084
Total Capital Assets	\$43,337,342	\$42,188,789

Capital assets increased in 2009. This was primarily due to the construction and renovation of various infrastructure assets within the City, including the Langerdale/Nine Mile project, the Brookline Flood project, the Maplegrove Sewer project, and the Ramblewood Sewer, all of which consist of sewers, bridges and culverts.

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In 2001, the City Council approved the implementation of fees for Emergency Medical Services (EMS) transports beginning in 2002. The first \$200,000 collected annually is designated for the replacement of safety forces vehicles. This will allow the Fire and Police Departments to follow their scheduled replacement timetable without relying on traditional revenue sources.

The City's garage staff works to maintain the fleet of vehicles at a high level of repair to extend their longevity. When replacement is required, City vehicles continue to be purchased or leased from the General Capital Improvement and Repair Fund, which receives funding from the General Fund.

The City Engineer maintains a comprehensive listing of all the streets, sewer and water lines and bridges and culverts within the City. Each spring, this inventory is updated with current conditions and recommendations made for repair or replacement. As mentioned before, the City has been very aggressive in pursuing funding to assist in the financing of infrastructure projects. For more information about the City's capital assets, see Note 10 to the basic financial statements.

Long-Term Obligations

At December 31, 2009, the City of South Euclid had \$30,939,560 in outstanding long-term obligations, of which \$7,078,990 was in General Obligation Bonds. Table 4 summarizes the long-term obligations outstanding.

Table 4
Outstanding Long-Term Obligations at Year End

	Governmental Activities	
	2009	2008
General Obligation Bonds	\$7,078,990	\$7,973,354
Special Assessment Bonds	230,000	270,000
OPWC Loans	1,869,186	1,935,257
OWDA Loans	1,810,714	1,893,877
Notes	18,558,639	18,010,000
Police and Fire Pension Liability	302,301	308,796
Capital Lease	254,052	406,035
Compensated Absences	835,678	1,163,656
Total	\$30,939,560	\$31,960,975

A portion of the general obligation bonds was issued for the purpose of improving the City's recreational areas, including all three of the City's swimming pools. Approved by the voters in 1990 payments are made from property taxes collected by the County Auditor. These bonds were refinanced in 1998 to take advantage of lower interest rates.

The general obligation various purpose improvement bonds in the amount of \$9,400,000 will be paid with revenues from the road improvement and flood control capital projects funds.

The Special Assessment Bonds were issued to reconstruct the Stanhope Parking Lot in 1994. Principal and interest for these bonds are paid from the collection of special assessments by the County Auditor.

The OPWC loans represent four, twenty-year zero-interest loans. The OPWC loan's repayment source is service assessments being collected in the Flood Control Fund. In fiscal year 2008, the City began the Nine

City of South Euclid, Ohio
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Mile Creek Rehabilitation OPWC project, and as of December 31, 2009 the project was not finalized. Therefore, the repayment schedule is not included in the schedule of debt service payments.

The \$11,550,000 and \$7,000,000 Land Acquisition Bond Anticipation notes issued January 25, 2009 at 3.80 and 2.50 percent and outstanding at December 31, 2009, will mature January 25, 2010.

A line of credit has been established with the Ohio Water Development Authority in the amount of \$2,154,990 for improvements to the Sewer system; however, since this loan is not finalized, the repayment schedule is not included in the schedule of debt service payments.

The City of South Euclid's overall legal debt margin is \$16,851,112 with an unvoted debt margin of \$2,735,324 on December 31, 2009. For more information about the City's long-term obligations, see Notes 12 and 13 to the basic financial statements.

Current Financial Related Activities

The Administration provided strong fiscal management, holding general operating expenses in check while maintaining City services at a high level in 2009. But with decreasing revenues from Federal and State sources and increasing expenses, the City is going to see some tougher times in the coming years. In 2010, hospitalization has again increased along with the City's portion of the Ohio Public Employee's Retirement System contribution. The City will see flat or decreased income tax collections in 2010 due to the economic times and loss of jobs. Expenses can only be cut back so much without jeopardizing the safety, health and welfare of the residents. The Administration will continue to monitor the revenues and expenses and make appropriate adjustments as needed. The Administration continues toward its goal of keeping all residents and other interested parties fully informed as to the financial status of the City of South Euclid.

Contacting the City of South Euclid's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Joseph G. Filippo, Finance Director, at the City of South Euclid, 1349 South Green Road, South Euclid, Ohio 44121-3985, (216) 381-0400, or e-mail to Financedir@seuclid.com.

Basic Financial Statements

City of South Euclid, Ohio

Statement of Net Assets

December 31, 2009

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$9,616,705
Cash and Cash Equivalents	
In Segregated Accounts	84,586
Accounts Receivable	58,693
Intergovernmental Receivable	1,589,355
Prepaid Items	89,913
Materials and Supplies Inventory	104,882
Income Taxes Receivable	4,334,714
Property Taxes Receivable	4,822,144
Special Assessments Receivable	3,404,135
Investment in Joint Venture	38,769
Assets Held for Resale	18,293,873
Nondepreciable Capital Assets	2,128,024
Depreciable Capital Assets	41,209,318
	<hr/>
<i>Total Assets</i>	85,775,111
	<hr/>
Liabilities	
Accounts Payable	157,764
Accrued Wages	531,341
Contracts Payable	155,019
Intergovernmental Payable	653,889
Accrued Interest Payable	646,836
Vacation Benefits Payable	591,956
Deferred Revenue	4,403,558
Notes Payable	1,800,000
Long-Term Liabilities:	
Due Within One Year	1,488,114
Due In More Than One Year	29,451,446
	<hr/>
<i>Total Liabilities</i>	39,879,923
	<hr/>
Net Assets	
Invested in Capital Assets, Net of Related Debt	32,938,396
Restricted for:	
Capital Projects	6,012,190
Debt Service	817,326
Street Maintenance	238,023
Street Lighting	437,834
Sewer Maintenance	435,148
Other Purposes	851,859
Unrestricted	4,164,412
	<hr/>
<i>Total Net Assets</i>	\$45,895,188
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See accompanying notes to the basic financial statements

City of South Euclid, Ohio

Balance Sheet

Governmental Funds

December 31, 2009

	General	Flood Control	Land Acquisition	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$4,225,189	\$1,726,908	\$28,384	\$3,636,224	\$9,616,705
Cash and Cash Equivalents In Segregated Accounts	84,586	0	0	0	84,586
Materials and Supplies Inventory	46,324	0	0	58,558	104,882
Accounts Receivable	54,193	0	0	4,500	58,693
Interfund Receivable	328,000	0	0	0	328,000
Intergovernmental Receivable	1,078,047	0	0	511,308	1,589,355
Prepaid Items	89,913	0	0	0	89,913
Income Taxes Receivable	4,334,714	0	0	0	4,334,714
Property Taxes Receivable	3,625,444	0	0	1,196,700	4,822,144
Investment in Joint Venture	38,769	0	0	0	38,769
Assets Held for Resale	0	0	18,293,873	0	18,293,873
Special Assessments Receivable	76,846	2,457,584	0	869,705	3,404,135
<i>Total Assets</i>	<u>\$13,982,025</u>	<u>\$4,184,492</u>	<u>\$18,322,257</u>	<u>\$6,276,995</u>	<u>\$42,765,769</u>
Liabilities					
Accounts Payable	\$88,683	\$4,500	\$0	\$64,581	\$157,764
Accrued Wages	491,259	0	0	40,082	531,341
Contracts Payable	99,278	0	0	55,741	155,019
Intergovernmental Payable	566,720	0	0	87,169	653,889
Interfund Payable	0	0	100,000	228,000	328,000
Accrued Interest Payable	0	0	2,475	0	2,475
Deferred Revenue	8,246,382	2,457,584	0	2,506,561	13,210,527
Notes Payable	0	0	1,800,000	0	1,800,000
<i>Total Liabilities</i>	<u>9,492,322</u>	<u>2,462,084</u>	<u>1,902,475</u>	<u>2,982,134</u>	<u>16,839,015</u>
Fund Balances					
Reserved for Encumbrances	319,845	261,096	0	299,703	880,644
Reserved for Assets Held for Resale	0	0	18,293,873	0	18,293,873
Unreserved					
Designated for					
Compensated Absences	2,827	0	0	0	2,827
Undesignated, Reported in:					
General Fund	4,167,031	0	0	0	4,167,031
Special Revenue Funds	0	0	0	606,791	606,791
Debt Service Funds	0	0	0	748,674	748,674
Capital Projects Funds (Deficit)	0	1,461,312	(1,874,091)	1,639,693	1,226,914
<i>Total Fund Balances</i>	<u>4,489,703</u>	<u>1,722,408</u>	<u>16,419,782</u>	<u>3,294,861</u>	<u>25,926,754</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$13,982,025</u>	<u>\$4,184,492</u>	<u>\$18,322,257</u>	<u>\$6,276,995</u>	<u>\$42,765,769</u>

See accompanying notes to the basic financial statements

City of South Euclid, Ohio
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 December 31, 2009*

Total Governmental Fund Balances	\$25,926,754
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*Amounts reported for governmental activities in the
 statement of net assets are different because*

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	43,337,342
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Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:

Property Taxes	418,586
Income Taxes	3,708,413
Special Assessments	3,404,135
Intergovernmental	1,237,066
Investment in Joint Venture	38,769

Total	8,806,969
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In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(644,361)
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Vacation Benefits payable is not expected to be paid with expendable available financial resources and therefore are not reported in the funds.	(591,956)
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:

General Obligation Bonds	(7,078,990)
Special Assessment Bonds	(230,000)
OPWC Loans Payable	(1,869,186)
Notes Payable	(18,550,000)
Premium on Notes Payable	(8,639)
OWDA Loans Payable	(1,810,714)
Police and Fire Pension Loan	(302,301)
Capital Leases Payable	(254,052)
Compensated Absences	(835,678)

Total	(30,939,560)
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<i>Net Assets of Governmental Activities</i>	\$45,895,188
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See accompanying notes to the basic financial statements

City of South Euclid, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2009

	General	Flood Control	Land Acquisition	Other Governmental Funds	Total Governmental Funds
Revenues					
Property Taxes	\$4,266,965	\$0	\$0	\$1,267,111	\$5,534,076
Income Taxes	8,311,273	0	0	0	8,311,273
Special Assessments	86,979	1,960,459	0	816,013	2,863,451
Intergovernmental	2,226,645	20,487	0	1,498,125	3,745,257
Interest	155,891	0	0	0	155,891
Fees, Licenses and Permits	474,395	0	0	0	474,395
Fines and Forfeitures	644,684	0	0	41,510	686,194
Rentals	111,859	0	0	18,931	130,790
Charges for Services	509,197	0	0	131,143	640,340
Other	233,469	233,919	0	33,184	500,572
<i>Total Revenues</i>	<u>17,021,357</u>	<u>2,214,865</u>	<u>0</u>	<u>3,806,017</u>	<u>23,042,239</u>
Expenditures					
Current:					
General Government:					
Legislative and Executive	2,622,471	0	0	8,535	2,631,006
Judicial System	541,010	0	0	0	541,010
Security of Persons and Property:					
Police	5,212,297	0	0	270,558	5,482,855
Fire	4,116,257	0	0	182,540	4,298,797
Public Health Services	129,249	0	0	0	129,249
Leisure Time Activities	351,427	0	0	0	351,427
Community Development	244,319	0	0	0	244,319
Building Department	716,900	0	0	0	716,900
Transportation	1,079,658	0	0	1,010,096	2,089,754
Basic Utility Services	1,347,024	0	0	935,497	2,282,521
Swimming Pools	0	0	0	318,555	318,555
Capital Outlay	0	1,747,745	140,868	765,884	2,654,497
Debt Service:					
Principal Retirement	6,495	517,769	18,010,000	931,983	19,466,247
Interest and Fiscal Charges	13,055	193,010	892,156	153,988	1,252,209
<i>Total Expenditures</i>	<u>16,380,162</u>	<u>2,458,524</u>	<u>19,043,024</u>	<u>4,577,636</u>	<u>42,459,346</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>641,195</u>	<u>(243,659)</u>	<u>(19,043,024)</u>	<u>(771,619)</u>	<u>(19,417,107)</u>
Other Financing Sources (Uses)					
Compensation for Loss of Asset - Police Vehicle	10,707	0	0	0	10,707
Premium on Bond Anticipation Notes Issued	0	0	103,670	0	103,670
Bond Anticipation Notes Issued	0	0	18,550,000	0	18,550,000
OPWC Loan Issuance	0	43,535	0	0	43,535
Transfers In	0	0	0	1,110,000	1,110,000
Transfers Out	(1,110,000)	0	0	0	(1,110,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(1,099,293)</u>	<u>43,535</u>	<u>18,653,670</u>	<u>1,110,000</u>	<u>18,707,912</u>
<i>Net Change in Fund Balances</i>	(458,098)	(200,124)	(389,354)	338,381	(709,195)
<i>Fund Balances Beginning of Year</i>	<u>4,947,801</u>	<u>1,922,532</u>	<u>16,809,136</u>	<u>2,956,480</u>	<u>26,635,949</u>
<i>Fund Balances End of Year</i>	<u>\$4,489,703</u>	<u>\$1,722,408</u>	<u>\$16,419,782</u>	<u>\$3,294,861</u>	<u>\$25,926,754</u>

See accompanying notes to the basic financial statements

City of South Euclid, Ohio
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2009*

Net Change in Fund Balances - Total Governmental Funds (\$709,195)

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

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

Capital Outlay	3,144,642
Depreciation	(1,976,928)

Total	1,167,714
-------	-----------

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (19,161)

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

Property Taxes	41,365
Income Taxes	21,214
Intergovernmental	(243,301)
Special Assessments	(178,709)
Investment in Joint Venture	(75,081)

Total	(434,512)
-------	-----------

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 19,466,247

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Accrued Interest on Bonds	141,949
Amortization of Premium	96,326
Bond Accretion	(171,931)

Total	66,344
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:

Compensated Absences	327,978
Vacation Benefits	(591,956)

Total	(263,978)
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Other financing sources in the governmental funds increase long-term liabilities in the statement of net assets.

Proceeds of OWPC Loans	(43,535)
Proceeds of Notes	(18,653,670)

Total	(18,697,205)
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<i>Change in Net Assets of Governmental Activities</i>	<i>\$576,254</i>
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See accompanying notes to the basic financial statements

City of South Euclid, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2009

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$4,133,508	\$4,133,508	\$4,266,965	\$133,457
Income Taxes	8,109,140	8,109,140	8,370,957	261,817
Special Assessments	86,979	86,979	86,979	0
Intergovernmental	2,074,817	2,074,817	2,141,806	66,989
Interest	230,132	230,132	237,562	7,430
Fees, Licenses and Permits	459,211	459,211	474,395	15,184
Fines and Forfeitures	603,430	603,430	622,913	19,483
Rentals	108,358	108,358	111,857	3,499
Charges for Services	490,897	490,897	509,197	18,300
Other	226,767	226,767	234,434	7,667
<i>Total Revenues</i>	<u>16,523,239</u>	<u>16,523,239</u>	<u>17,057,065</u>	<u>533,826</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive	3,065,642	2,944,842	2,745,785	199,057
Judicial System	549,815	549,815	538,425	11,390
Security of Persons and Property:				
Police	5,815,714	5,613,264	5,313,529	299,735
Fire	4,240,686	4,241,686	4,116,491	125,195
Public Health Services	158,753	158,753	142,327	16,426
Leisure Time Activities	612,576	612,576	364,020	248,556
Community Development	354,324	354,324	301,760	52,564
Building Department	790,474	790,474	722,639	67,835
Transportation	1,203,775	1,203,775	1,113,231	90,544
Basic Utility Services	1,574,609	1,574,609	1,401,218	173,391
<i>Total Expenditures</i>	<u>18,366,368</u>	<u>18,044,118</u>	<u>16,759,425</u>	<u>1,284,693</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,843,129)</u>	<u>(1,520,879)</u>	<u>297,640</u>	<u>1,818,519</u>
Other Financing Sources (Uses)				
Compensation for Loss of Assets - Police Vehicle	10,707	10,707	10,707	0
Advances Out	(275,000)	(260,000)	(260,000)	0
Transfers Out	(590,156)	(935,156)	(1,110,000)	(174,844)
<i>Total Other Financing Sources (Uses)</i>	<u>(854,449)</u>	<u>(1,184,449)</u>	<u>(1,359,293)</u>	<u>(174,844)</u>
<i>Net Change in Fund Balance</i>	<u>(2,697,578)</u>	<u>(2,705,328)</u>	<u>(1,061,653)</u>	<u>1,643,675</u>
<i>Fund Balance Beginning of Year</i>	4,544,409	4,544,409	4,544,409	0
Prior Year Encumbrances Appropriated	249,807	249,807	249,807	0
<i>Fund Balance End of Year</i>	<u>\$2,096,638</u>	<u>\$2,088,888</u>	<u>\$3,732,563</u>	<u>\$1,643,675</u>

See accompanying notes to the basic financial statements

City of South Euclid, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Fund
December 31, 2009

Assets	
Equity in Pooled Cash and Cash Equivalents	<u><u>\$1,172,399</u></u>
Liabilities	
Deposits Held and Due to Others	<u><u>\$1,172,399</u></u>

See accompanying notes to the basic financial statements

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2009

Note 1 – Description of the City and Reporting Entity

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

Reporting Entity

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

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

The City is associated with six organizations: one shared risk pool, two joint ventures and three defined as jointly governed organizations. The Northern Ohio Risk Management Association is a shared risk pool. The joint ventures are the Tri-City Consortium on Aging and the South Euclid-Lyndhurst Recreation Commission. The Northeast Ohio Public Energy Council, the First Suburbs Consortium of Northeast Ohio Council of Governments and the Heights Area Special Rescue Team are jointly governed organizations. These organizations are presented in Notes 9, 19 and 20 to the basic financial statements.

Note 2 – Summary of Significant Accounting Policies

The financial statements of the City of South Euclid have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The City also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities unless those pronouncements conflict with or contradict GASB pronouncements. The more significant of the City's accounting policies are described below.

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2009

Basis of Presentation

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

Government-wide Financial Statements The statement of net assets and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. These statements usually distinguish between those activities of the City that are governmental and those that are considered business-type. The City, however, has no business-type activities.

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

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

Fund Accounting

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. The City's funds are classified as either governmental or fiduciary.

Governmental Funds

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

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

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2009

Flood Control Fund - The flood control fund accounts for special assessments levied to complete projects to correct flooding within the City.

Land Acquisition Fund – The land acquisition fund accounts for resources set aside for future economic growth development.

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

Fiduciary Funds Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City has no trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's agency fund accounts for construction deposits.

Measurement Focus

Government-wide Financial Statements

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

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet.

The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Basis of Accounting

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

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2009

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

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

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

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

Property taxes for which there is an enforceable legal claim as of December 31, 2009, but which were levied to finance year 2010 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

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

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

Cash and Cash Equivalents

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

The City has segregated bank accounts for monies held separate from the City's central bank account. These depository accounts are presented as "Cash and Cash Equivalents in Segregated Accounts" since they are not required to be deposited into the City treasury.

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2009

During the year, the City invested in federal home loan mortgage corporation notes, federal home loan bank bonds, federal national mortgage association notes and repurchase agreements. Investments are reported at fair value which is based on quoted market prices, with the exception of nonparticipating repurchase agreements, which are reported at cost.

Following the Charter and Codified Ordinances of the City as well as Ohio statutes, the City has, by resolution, specified the funds to receive an allocation of interest earnings. Interest is distributed to the general fund. Interest revenue credited to the general fund during 2009 amounted to \$155,891, which includes \$87,399 assigned from other City funds.

Investments with an original maturity of three months or less at the time of purchase and investments of the cash management pool are presented on the financial statements as cash equivalents.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2009, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of purchase and reflecting the expenditure/expense in the year in which the services are consumed.

Inventory

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

Assets Held for Resale

Assets held for resale represent land purchased by the City which will be sold for development purposes. This amount is offset by a fund balance reserve on the governmental fund financial statements.

Capital Assets

The City's only capital assets are general capital assets. General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in the governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

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

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2009

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings	50 years
Improvements	20 years
Vehicles and Equipment	10 years
Streets	30 years
Bridges, Sewers, Culverts and Waterlines	60 years
Traffic Signals	50 years

The City's infrastructure consists of streets, bridges, sewers, culverts, waterlines and traffic signals and includes infrastructure acquired prior to December 31, 1980.

During 2009, the City received an insurance settlement for a vehicle that had been totaled. This revenue has been reflected on the financial statements as "compensation for loss of asset".

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental activities column of the statement of net assets.

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the City will compensate the employees for the benefits through paid time off or some other means. The City records a liability for all accumulated unused vacation time when earned for all employees with more than one year of service. Since the City's policy limits the accrual of vacation time to one year, ending December 31st, the outstanding liability is recorded as "vacation benefits payable" on the statement of net assets rather than as a long-term liability.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those that the City has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employee wage rates at year end taking into consideration any limits specified in the City's termination policy. The City records a liability for accumulated unused sick leave for all employees after seven years of accumulated service.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2009

that they are due for payment during the current year. Bonds, capital leases and long-term loans are recognized as a liability on the governmental fund financial statements when due.

Fund Balance Reserves and Designations

The City reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent expendable resources and therefore are not available for appropriation or expenditure. Fund balance reserves have been established for encumbrances and assets held for resale. Designations represent tentative plans for future use of financial resources. The City has begun accumulating resources for the payment of severance and vacation. A portion of the general fund balance has been designated for compensated absences.

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Net assets restricted for other purposes include resources restricted for swimming pools, law enforcement and parking lots and meters maintenance.

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

Internal Activity

Transfers between governmental activities are eliminated on the government wide financial statements. Internal events that are allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Interfund payments for services provided and used are not eliminated.

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

Bond/Note Premiums

On the government-wide financial statements, bond/note premiums are deferred and amortized over the term of the bonds/notes using the straight line method. Bond/note premiums are presented as an increase of the face amount of the general obligation bonds payable and notes payable. On fund financial statements, bond/note premiums are receipted in the year the bonds/notes are issued.

Extraordinary and Special Items

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

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2009

Estimates

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

Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The Stanhope parking lot capital projects fund was not budgeted since no activity was anticipated and none occurred. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations resolution is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the object level for all funds. The Finance Director has been authorized to allocate appropriations within the object level within each fund.

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

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

Note 3 - Budgetary Basis of Accounting

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).
4. Investments reported at cost (budget) rather than fair value (GAAP).

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2009

5. Advances-In and Advances-Out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).
6. Unrecorded cash represents amounts received but not reported by the City on the operating statements (budget), but which is reported on the GAAP basis operating statements.

The adjustments necessary to convert the results of operations for the year on the GAAP basis to the budget basis for the general fund are as follows:

Net Change in Fund Balance	
	General
GAAP Basis	(\$458,098)
Net Adjustment for Revenue Accruals	116,853
Beginning Fair Value Adjustment for Investments	(110,368)
Ending Fair Value Adjustment for Investments	28,761
Beginning Unrecorded Cash	462
Net Adjustment for Expenditure Accruals	84,140
Advances Out	(260,000)
Encumbrances	(463,403)
Budget Basis	(\$1,061,653)

Note 4 – Accountability

Fund balances at June 30, 2009 included the following individual fund deficit:

	Deficit Fund Balance
<i>Special Revenue Fund:</i>	
FEMA Firefighters Grant Fund	\$3,478

This deficit is caused by the recognition of expenditures on a modified accrual basis of accounting which are substantially greater than the expenditures recognized on a cash basis. The general fund is liable for any deficit in this fund and provides transfers when cash is required, not when accruals occur.

Note 5 – Restatement of Prior Year Balances and Change in Accounting Principles

Restatement of Prior Year Balances

At December 31, 2008, it was determined that special assessments receivable was overstated. This restatement had the following effect on net assets as they were previously reported.

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2009

	<u>Governmental Activities</u>
Net Assets, December 31, 2008	\$45,655,225
Special Assessments Receivable	<u>(336,291)</u>
Adjusted Net Assets, December 31, 2008	<u><u>\$45,318,934</u></u>

Changes in Accounting Principles

For fiscal year 2009, the City has implemented Governmental Accounting Standard Board (GASB) Statement No. 52, “Land and Other Real Estate Held as Investments by Endowments”, Statement No. 53, “Accounting and Financial Reporting for Derivative Instruments”, Statement No. 55, “The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments,” Statement No. 56, “Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards”, Statement No. 57, “OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans”, and Statement No. 58, “Accounting and Financial Reporting for Chapter 9 Bankruptcies”.

GASB Statement No. 52 establishes consistent standards for the reporting of land and other real estate held as investments by essentially similar entities. It requires endowments to report their land and other real estate investments at fair value. Governments are also required to report the changes in fair value as investment income and to disclose the methods and significant assumptions employed to determine fair value. The implementation of this statement did not result in any change in the City’s financial statements.

GASB Statement No. 53 addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. It requires governments to measure derivative instruments, with the exception of synthetic guaranteed investment contracts that are fully benefit-responsive, at fair value in their economic resources measurement focus financial statements. The implementation of this statement did not result in any change in the City’s financial statements.

GASB Statement No. 55 incorporates the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the GASB authoritative literature. The GAAP hierarchy consists of the sources of accounting principles used in the preparation of financial statements of state and local governmental entities that are presented in conformity with GAAP, and the framework for selecting those principles. The implementation of this statement did not result in any change in the City’s financial statements.

GASB Statement No. 56 incorporates accounting and financial reporting guidance previously only contained in the American Institute of Certified Public Accountants’ and auditing literature into the GASB’s accounting and financial reporting literature for state and local governments. The statement’s guidance addresses related party transactions, going concern considerations, and subsequent events from the AICPA literature. The implementation of this statement did not result in any change in the City’s financial statements.

GASB Statement No. 57 addresses issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans (that is, agent employers). The requirements in this Statement will allow more agent employers to use the alternative measurement method to produce actuarially based information for purposes of financial reporting and clarify that OPEB measures reported by agent multiple-employer OPEB plans and their participating employers should be determined at the same minimum frequency and as of a common date to improve the consistency of reporting with regard to funded status and

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funding progress information. The implementation of this statement did not result in any change in the City's financial statements.

GASB Statement No. 58 provides accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. The requirements in this Statement will provide more consistent recognition, measurement, display, and disclosure guidance for governments that file for Chapter 9 bankruptcy. The implementation of this statement did not result in any change in the City's financial statements.

Note 6 - Deposits and Investments

The City has chosen to follow State statutes and classify monies held by the City into three categories.

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

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

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in securities listed above;
4. Bonds and other obligations of the State of Ohio;

City of South Euclid, Ohio
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5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations,
7. The State Treasurer's investment pool (STAROhio); and
8. Commercial paper and bankers acceptances if training requirements have been met.

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

Deposits

Custodial Credit Risk Custodial credit risk for deposits is the risk that, in the event of the failure of the counterparty, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$2,206,963 of the City's bank balance of \$3,456,963 was uninsured and uncollateralized. Although the securities were held by the pledging financial institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

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

Investments

As of December 31, 2009, the City had the following investments:

	Maturity		Total
	Less Than Six months	More Than One Year But Less Than Three Years	
Federal Home Loan Mortgage Corporation Notes	\$0	\$2,012,160	\$2,012,160
Federal Home Loan Bank Bonds	0	1,112,716	1,112,716
Federal National Mortgage Association Notes	1,016,815	0	1,016,815
Repurchase Agreements	3,487,845		3,487,845
Total Portfolio	\$4,504,660	\$3,124,876	\$7,629,536

Interest Rate Risk As a means of limiting its exposure to fair value losses caused by rising interest rates, the City's investment policy requires that operating funds be invested primarily in short-term investments maturing within two years from the date of purchase if they have a variable interest rate and five years for investments that have a fixed rate and that the City's investment portfolio be structured so that securities

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mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity. Repurchase agreements are limited to 30 days and the market value of the securities must exceed the principal value of the agreement by at least 2 percent and be marked to market daily.

Credit Risk The underlying securities of the repurchase agreements, the federal home loan mortgage corporation notes, the federal home loan bank bonds and the federal national mortgage association notes carry a rating of AAA by Standard & Poor's. The City has no investment policy that addresses credit risk.

Concentration of Credit Risk. The City places no limit on the amount it may invest in any one issuer. The following is the City's allocation as of December 31, 2009:

Investment	Percentage of Investments
Federal Home Loan Mortgage Corporation Notes	26.37 %
Federal Home Loan Bank Bonds	14.58
Federal National Mortgage Association Notes	13.33
Repurchase Agreements	45.72

Note 7 - Receivables

Receivables at December 31, 2009, consisted primarily of municipal income taxes, property and other taxes, intergovernmental receivables arising from entitlements and shared revenues, special assessments, and accounts (billings for utility service).

No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant. All receivables except for special assessments and delinquent property taxes are expected to be collected within one year.

Special assessments expected to be collected in more than one year amount to \$190,000 in the Special Assessment Bond Retirement Fund. At December 31, 2009 the total amount of delinquent special assessments was \$280,775.

Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

Property Taxes

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 2009 for real and public utility property taxes represents collections of the 2008 taxes. Property tax payments received during 2009 for tangible personal property (other than public utility property) is for 2009 taxes.

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2009 real property taxes are levied after October 1, 2009, on the assessed value as of January 1, 2009, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2009 real property taxes are collected in and intended to finance 2010.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2009 public utility property taxes which became a lien December 31, 2008, are levied after October 1, 2009, and are collected in 2010 with real property taxes.

Tangible personal property tax revenue received during 2009 (other than public utility property tax) represents the collection of 2009 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. Tangible personal property taxes received from telephone companies in 2009 were levied after October 1, 2008, on the value as of December 31, 2008. 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.

The full tax rate for all City operations for the year ended December 31, 2009, was \$14.90 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2009 property tax receipts were based are as follows:

Category	Assessed Value
Real Estate	
Residential/Agricultural	\$353,073,150
Other Real Estate	47,305,760
Tangible Personal Property	
Public Utility	6,636,730
Total Assessed Values	\$407,015,640

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City of South Euclid. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and tangible personal property taxes and public utility taxes which are measurable as of December 31, 2009 and for which there is an enforceable legal claim. In the general fund, the general obligation bond retirement fund, the road improvement capital projects fund and the police and fire pension special revenue funds, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2009 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is deferred.

Income Taxes

The City levies a 2.0 percent income tax on substantially all income earned within the City. In addition, residents are required to pay city income tax on income earned outside of the City. The City allows a credit of seventy five percent for income tax paid to another municipality. Employers within the City are required

City of South Euclid, Ohio
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to withhold income tax on employee earnings and remit the tax to the Regional Income Tax Agency (RITA) at least quarterly. Corporations and other individual taxpayers are also required to pay estimated tax quarterly and file a return annually. Taxes collected by RITA in one month are remitted to the City on the first and tenth business days of the following month. Income tax revenue is credited entirely to the general fund.

Intergovernmental Receivables

A summary of intergovernmental receivables follows:

Governmental Activities	Amount
Local Government	\$488,141
Homestead and Rollback	409,084
Estate Tax	247,407
Gasoline and Excise Tax	197,576
State and Local Highway Tax	92,417
Permissive Motor Vehicle License Tax	63,868
Motor Vehicle License Fees	60,068
CAT Tax	24,249
Miscellaneous Grant	5,000
Cuyahoga County Auditor	613
Police Grant	518
City of University	414
Total	\$1,589,355

Note 8 - Risk Management

Property and Liability

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

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

Worker's Compensation

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

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2009

Note 9 - Shared Risk Pool

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

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

Each member provides operating resources to NORMA based on actuarially determined rates. In the event of losses, the first \$2,500 of any valid claim will be paid by the member. The next payment, generally a maximum of \$100,000 per occurrence, will come from the self-insurance pool with any excess paid from the stop-loss coverage carried by the pool. Any loss over these amounts would be the obligation of the individual member. If the aggregate claims paid by the pool exceed the available resources, the pool may require the members to make additional supplementary payments up to a maximum of the regular annual payment.

In 2009, the City of South Euclid paid \$100,544 in premiums from the general fund, which represents 10.38 percent of total premiums. Financial information can be obtained by contacting the fiscal agent, the Finance Director at the City of Bedford Heights, 5661 Perkins Road, Bedford Heights, Ohio, 44146.

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2009

Note 10 - Capital Assets

Capital asset activity for the year ended December 31, 2009, was as follows:

Governmental Activities	Balance 12/31/2008	Additions	Deductions	Balance 12/31/2009
Capital Assets not being Depreciated:				
Land	\$1,182,897	\$0	\$0	\$1,182,897
Construction in Progress	2,036,998	2,307,235	(3,399,106)	945,127
Total Capital Assets not being Depreciated	<u>3,219,895</u>	<u>2,307,235</u>	<u>(3,399,106)</u>	<u>2,128,024</u>
Capital Assets being Depreciated:				
Buildings and Improvements	10,876,898	109,628	0	10,986,526
Equipment	2,246,635	46,635	0	2,293,270
Vehicles	4,736,528	2,856	(285,729)	4,453,655
Infrastructure:				
Streets	20,699,366	612,624	0	21,311,990
Bridges, Sewers and Culverts	19,722,481	3,464,770	0	23,187,251
Waterlines	2,413,372	0	0	2,413,372
Traffic Signals	47,732	0	0	47,732
Total Capital Assets being Depreciated	<u>60,743,012</u>	<u>4,236,513</u>	<u>(285,729)</u>	<u>64,693,796</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(7,648,672)	(420,861)	0	(8,069,533)
Equipment	(1,742,760)	(141,003)	0	(1,883,763)
Vehicles	(2,970,498)	(272,266)	266,568	(2,976,196)
Infrastructure:				
Streets	(7,162,524)	(703,296)	0	(7,865,820)
Bridges, Sewers and Culverts	(1,733,282)	(398,244)	0	(2,131,526)
Waterlines	(513,734)	(40,303)	0	(554,037)
Traffic Signals	(2,648)	(955)	0	(3,603)
Total Accumulated Depreciation	<u>(21,774,118)</u>	<u>(1,976,928)*</u>	<u>266,568</u>	<u>(23,484,478)</u>
Total Capital Assets being Depreciated, Net	<u>38,968,894</u>	<u>2,259,585</u>	<u>(19,161)</u>	<u>41,209,318</u>
Governmental Activities Capital Assets, Net	<u>\$42,188,789</u>	<u>\$4,566,820</u>	<u>(\$3,418,267)</u>	<u>\$43,337,342</u>

*Depreciation expense was charged to governmental activities as follows:

General Government:	
Legislative and Executive	\$1,920
Judicial System	6,031
Security of Persons and Property:	
Police	39,967
Fire	31,337
Leisure Time Activities	12,936
Building Department	6,932
Transportation	1,153,541
Basic Utility Services	636,275
Swimming Pools	87,989
Total Depreciation Expense	<u>\$1,976,928</u>

City of South Euclid, Ohio
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Note 11 – Assets Held for Resale

Assets held for resale represents ten plus acres of land on Cedar Road purchased by the City which will be sold for development purposes. The City has a developer’s agreement with the Coral Company who is scheduled to purchase the property by the end of 2010.

Note 12 - Note Debt

The City’s note activity, including amounts outstanding and interest rates, is as follows:

	Balance			Balance
	12/31/2008	Additions	Reductions	12/31/2009
3.30% Land Acquisition Fund	\$1,800,000	\$0	\$1,800,000	\$0
3.30% Land Acquisition Fund	0	1,800,000	0	1,800,000
Total	\$1,800,000	\$1,800,000	\$1,800,000	\$1,800,000

In 2009, the City issued \$1,800,000 in Housing Development bond anticipation notes for acquiring real property and improving the site to assist in providing housing. These notes mature on December 16, 2010. The Housing Development bond anticipation notes that were issued in 2008 for \$1,800,000 matured on December 17, 2009.

The notes are backed by the full faith and credit of the City of South Euclid and mature within one year. The note liability is reflected in the fund which received the proceeds.

Note 13 - Long-Term Obligations

Original issue amounts and interest rates of the City’s debt issues are as follows.

Debt Issue	Interest Rate	Original Issue	Year of Maturity
1998 Recreational Facilities			
Improvement Refunding Bonds:			
Current Interest Serial Bonds	4.0% to 4.4%	\$4,685,000	2003 to 2009
Capital Appreciation Bonds	4.75% to 4.85%	59,994	2010 to 2011
2003 Various Purpose General Obligation Bond	3.0% to 3.7%	9,400,000	2004 to 2018
2002 Parking Lot Improvement Special Assessment Bond	4.0% to 6.7%	630,000	1994 to 2014
OPWC Liberty Road Bridge Replacement	0%	755,891	2002 to 2022
OPWC Whitehall Road Bridge Replacement	0%	188,822	2006 to 2025
OPWC Bexley Infrastructure	0%	1,247,424	2005 to 2024
OPWC Nine Mile Creek Rehabilitation	0%	341,315	N/A
Land Acquisition Bond Anticipation Notes	2.50% to 3.80%	18,550,000	2010
OWDA Stormwater Improvement	N/A	2,052,371	N/A
Police and Fire Pension	4.25%	391,010	1973 to 2035

City of South Euclid, Ohio
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A schedule of changes in bonds and other long-term obligations of the City during 2009 follows:

	Amount Outstanding 12/31/2008	Additions	Deletions	Amount Outstanding 12/31/2009	Amounts Due In One Year
Governmental Activities (Cont'd)					
<i>General Obligation Bonds</i>					
1998 Recreational Facilities					
Improvement Refunding Bonds					
Current Interest Serial Bonds	\$500,000	\$0	(\$500,000)	\$0	\$0
Capital Appreciation Bonds	59,994	0	0	59,994	33,586
Accretion on Capital Appreciation Bonds	660,409	171,931	0	832,340	541,414
Total 1998 Recreational Facilities Bonds	<u>1,220,403</u>	<u>171,931</u>	<u>(500,000)</u>	<u>892,334</u>	<u>575,000</u>
2003 Various Purpose General Obligation Bonds	6,740,000	0	(565,000)	6,175,000	590,000
Premium on Various Purpose Bonds	12,951	0	(1,295)	11,656	0
Total 2003 Various Purpose General Obligation Bonds	<u>6,752,951</u>	<u>0</u>	<u>(566,295)</u>	<u>6,186,656</u>	<u>590,000</u>
<i>Total General Obligation Bonds</i>	<u>7,973,354</u>	<u>171,931</u>	<u>(1,066,295)</u>	<u>7,078,990</u>	<u>1,165,000</u>
<i>Special Assessment Bonds</i>					
<i>with Governmental Commitment</i>					
2002 Parking Lot Improvement	270,000	0	(40,000)	230,000	40,000
<i>OPWC Loans:</i>					
Liberty Road Bridge Replacement	510,225	0	(37,793)	472,432	37,794
Whitehall Road Bridge Replacement	160,499	0	(9,442)	151,057	9,441
Bexley Infrastructure	966,753	0	(62,371)	904,382	62,371
Nine Mile Creek Rehabilitation	297,780	43,535	0	341,315	0
Total OPWC Loans	<u>1,935,257</u>	<u>43,535</u>	<u>(109,606)</u>	<u>1,869,186</u>	<u>109,606</u>
Notes Payable	18,010,000	18,550,000	(18,010,000)	18,550,000	0
Premium on Notes Payable	0	103,670	(95,031)	8,639	0
Total Notes Payable	<u>18,010,000</u>	<u>18,653,670</u>	<u>(18,105,031)</u>	<u>18,558,639</u>	<u>0</u>
OWDA Stormwater Improvement	1,893,877	0	(83,163)	1,810,714	0
Police and Fire Pension	308,796	0	(6,495)	302,301	6,773
Capital Lease	406,035	0	(151,983)	254,052	145,106
Compensated Absences	1,163,656	395,110	(723,088)	835,678	21,629
<i>Total Governmental Activities</i>	<u>\$31,960,975</u>	<u>\$19,264,246</u>	<u>(\$20,285,661)</u>	<u>\$30,939,560</u>	<u>\$1,488,114</u>

In 1998, the City defeased a 1991 recreational facilities improvement bond issue in order to take advantage of lower interest rates. The proceeds of the new bonds were placed in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. On December 31, 2009, none of the defeased bonds are still outstanding.

On August 15, 1998 the City issued \$4,744,994 in voted general obligation bonds which included serial and capital appreciation (deep discount) bonds in the amount of \$4,685,000 and \$59,994, respectively. The general obligation bonds were issued for the purpose of refunding a portion of the 1991 recreational facilities improvement bonds to take advantage of lower interest rates. The bonds were issued for a fourteen year period with a final maturity at December 1, 2011. The bonds will be retired from the general obligation bond retirement fund.

City of South Euclid, Ohio
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The serial and capital appreciation bonds remained outstanding at December 31, 2009. The capital appreciation bonds were originally sold at a discount of \$1,085,006, which is being accreted annually until the point of maturity of the capital appreciation bonds, which is December 1, 2011.

On March 15, 2003 the City issued \$9,400,000 in voted general obligation bonds. The bonds were issued at a premium of \$20,074 that is being amortized over the life of the bonds. The bonds were issued for a fifteen year period with a final maturity at December 1, 2018. These Various Purpose General Obligation Bonds will be paid with revenues from the road improvement and flood control capital projects funds.

The Special Assessment Parking Lot Improvement Bonds will be paid with special assessment revenue from the special assessment bond retirement fund. The Special Assessment bond issue is backed by the full faith and credit of the City. In the event that an assessed property owner fails to make payments, the City will be required to pay the related debt.

The Liberty Road Bridge Replacement, Whitehall Road Bridge Replacement and Bexley Infrastructure OPWC loans will be paid with special assessment revenue from the flood control capital projects fund. In the event that an assessed property owner fails to make payments, the City will be required to pay the related debt.

A line of credit has been established with the Ohio Public Works Commission on the amount of \$512,000 for the Rehabilitation of Nine Mile Creek; however, since this loan is not finalized, the repayment schedule is not included in the schedule of debt service payments. This loan will be paid from the flood control capital projects fund.

The \$11,550,000 Land Acquisition Bond Anticipation note issued January 26, 2009 at 3.80 percent and the \$7,000,000 Land Acquisition Bond Anticipation note issued January 26, 2009 at 2.50 percent and outstanding at December 31, 2009, will mature January 25, 2010. The notes will be paid from the land acquisition capital projects fund.

A line of credit has been established with the Ohio Water Development Authority in the amount of \$2,154,990 for improvements to the Sewer system; however, since this loan is not finalized, the repayment schedule is not included in the schedule of debt service payments. The loan will be paid from the flood control capital projects fund.

The police and fire pension liability represents police and fire pension obligations and will be paid from taxes received in the general fund. The capital lease will be paid from resources received in the general capital improvements capital projects fund.

Compensated absences reported in the "compensated absences payable" account will be paid from the general fund and the street construction maintenance and repair and the sewer rental special revenue funds.

As of December 31, 2009, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$16,851,112 and the unvoted legal debt margin was \$2,735,324.

City of South Euclid, Ohio
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Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2009 are as follows:

	General Obligation Bonds				Special Assessment Bonds	
	Serial		Capital Appreciation		Principal	Interest
	Principal	Interest	Principal	Accretion		
2010	\$590,000	\$207,354	\$33,586	\$541,414	\$40,000	\$15,410
2011	610,000	189,654	26,408	543,592	45,000	12,730
2012	630,000	171,048	0	0	45,000	9,715
2013	655,000	150,888	0	0	50,000	6,700
2014	680,000	129,274	0	0	50,000	3,350
2015-2018	3,010,000	276,614	0	0	0	0
Total	\$6,175,000	\$1,124,832	\$59,994	\$1,085,006	\$230,000	\$47,905

	Police and Fire Pension		OPWC Loans
	Principal	Interest	Principal
	2010	\$6,773	\$12,778
2011	7,065	12,486	109,607
2012	7,368	12,182	109,607
2013	7,685	11,865	109,607
2014	8,015	11,535	109,607
2015-2019	45,543	52,209	548,035
2020-2024	56,150	41,603	422,361
2025-2029	69,355	28,397	9,441
2030-2034	85,632	12,119	0
2035	8,715	187	0
Total	\$302,301	\$195,361	\$1,527,871

Note 14 - Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Employees earn two to six weeks of vacation per year, depending on length of service. Employees may use accumulated vacation after the completion of one year of service with the City.

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

Employees earn sick leave at a rate of 4.6 hours per 80 hours of service. Sick leave accumulation is generally limited to 1,200 hours for all employees except for firefighters who can accumulate up to 2,000 hours. Upon retirement or death, an employee can be paid one third of the outstanding sick leave accumulated up to the maximum hours allowed.

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2009

Note 15 – Capital Lease

In prior years, the City had entered into a capitalized lease obligation for sixteen new Ford vehicles and a master leaf collection unit. The leases meet the criteria for a capital lease as defined by the Statement of Financial Accounting Standards No. 13 “Accounting for Lease” and have been recorded on the government-wide statements. The original amounts capitalized for the capital leases and the book values as of December 31, 2009 are as follows:

	Amounts
Vehicles	\$769,465
Less: Accumulated Depreciation	(268,586)
Current Book Value	\$500,879

The following is a schedule of the future minimum leases payments required under the capital lease and the present value of the minimum lease payments as of December 31, 2009.

	Amounts
2010	\$156,266
2011	39,198
2012	39,198
2013	39,198
Total Minimum Lease Payments	273,860
Less: Amount representing interest	(19,808)
Present Value of Minimum Lease Payments	\$254,052

Capital lease payments have been reclassified and are reflected as debt service in the fund financial statements for the general capital improvements capital projects fund. These expenditures are reflected as program expenditures on a budgetary basis.

Note 16 - Contingencies

Litigation

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

Grants

The City received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds.

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2009

However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2009.

Note 17 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

OPERS provides retirement, disability and survivor benefits and annual cost-of-living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2009, members in state and local classifications contributed 10.0 percent of covered payroll while public safety and law enforcement members contributed 10.1 percent.

The City's 2009 contribution rate was 14.0 percent, except for those plan members in law enforcement or public safety, for whom the City's contribution was 17.63 percent of covered payroll. For the period January 1 through March 31, a portion of the City's contribution equal to 7.0 percent of covered payroll was allocated to fund the post-employment health care plan; for the period April 1 through December 31, 2009 this amount was decreased to 5.5 percent. Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate for the City of 14.0 percent, except for public safety and law enforcement, where the maximum employer contribution rate is 18.1 percent.

The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2009, 2008, and 2007 were \$367,021, \$290,787, and \$301,464, respectively; 89.75 percent has been contributed for 2009 and 100 percent for 2008 and 2007. Contributions to the Member-Directed Plan for 2009 were \$2,817 made by the City and \$2,012 made by plan members.

Ohio Police and Fire Pension Fund

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2009

information for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – Plan members are required to contribute 10.0 percent of their annual covered salary, while employers are required to contribute 19.5 percent for police officers and 24.0 percent for firefighters. The City's contributions to OP&F for police and firefighters were \$429,949 and \$542,440 for the year ended December 31, 2009, \$373,253 and \$455,223 for the year ended December 31, 2008, and \$327,665 and \$388,910 for the year ended December 31, 2007. 70.88 percent for police and 70.99 percent for firefighters has been contributed for 2009. The full amount has been contributed for 2008 and 2007.

In addition to current contributions, the City pays installments on the accrued liability incurred when the State of Ohio established the statewide pension system for police and fire fighters in 1967. As of December 31, 2009, the unfunded liability of the City was \$302,301 payable in semi-annual payments through the year of 2035. This is an accounting liability of the City which will not vary.

Note 18 - Postemployment Benefits

Ohio Public Employees Retirement System

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

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not require, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The post-employment health care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). State Statute requires that public employers fund post-employment health care through contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2009, state and local employers contributed at a rate of 14.0 percent of covered payroll, and public safety and law enforcement employers contributed at 17.63 percent. Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The amount of employer contributions which were allocated to fund post-employment health care was 7.0 percent from January 1 through March 31, 2009, and 5.5 percent from April 1 through December 31, 2009.

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2009

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment health care plan.

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2009, 2008, and 2007 were \$316,203, \$290,787, and \$198,569, respectively; 89.75 percent has been contributed for 2009 and 100 percent for 2008 and 2007.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased on January 1 of each year from 2006 to 2008. Rates for law and public safety employers increased over a six year period beginning on January 1, 2006, with a final rate increase on January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

Ohio Police and Fire Pension Fund

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

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45.

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

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.

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5 percent and 24.0 percent of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24.0 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2009

health care benefits. For the year ended December 31, 2009, the employer contribution allocated to the health care plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were \$227,620 and \$212,259 for the year ended December 31, 2009, \$246,188 and \$217,107 for the year ended December 31, 2008, and \$216,120 and \$185,480 for the year ended December 31, 2007. 70.88 percent has been contributed for police and 70.99 percent has been contributed for firefighters for 2009. The full amount has been contributed for 2008 and 2007.

Note 19 - Joint Ventures

Tri-City Consortium on Aging

The Tri-City Consortium on Aging (Consortium) is a joint venture among the Cities of South Euclid, Lyndhurst and Highland Heights, formed for the purpose of coordinating among the cities all matters related to assistance and programs for the aged. Consortium revenues consist of contributions from the member cities and federal grants. The Consortium is controlled by the Council composed of the Mayors of the Cities of South Euclid, Lyndhurst, and Highland Heights, with the advice of a nine member commission. Continued existence of the Consortium is dependent on the City's continued participation; however the City of South Euclid has no explicit and measurable equity interest in the Consortium. The Consortium is not accumulating financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the City. In 2009, the City contributed \$261,542, paid from the general fund, which represented 50.2 percent of Consortium revenues. To obtain a copy of the Consortium's financial statements, write to the Tri-City Consortium on Aging, 1370 Victory Drive, South Euclid, Ohio, 44121.

South Euclid-Lyndhurst Recreation Commission

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

The operation of SELREC is controlled by a nine member board consisting of the following: one member appointed by the Mayor of the City of South Euclid and one member appointed by the Mayor of the City of Lyndhurst, three members that are residents of the City of South Euclid, three members that are residents of the City of Lyndhurst, and one member that is a resident of the South Euclid-Lyndhurst City School District and that lives in either the City of South Euclid or the City of Lyndhurst (jointly appointed by the Mayors of the Cities of South Euclid and Lyndhurst). The continued existence of the joint venture depends on the City's continued participation. SELREC is not accumulating significant financial resources or experiencing fiscal stress which would cause additional benefit or burden on the City. In 2009, the City contributed \$37,424. The City also has a measurable equity interest in SELREC because the joint venture agreement stipulates that the participants have a claim to assets and sets forth the method of distribution upon dissolution of the joint venture. SELREC has no capital assets. SELREC is audited on a two-year basis; the

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2009

latest reported is for the fiscal year ended June 30, 2008. Financial statements can be obtained by contacting the fiscal agent, South Euclid-Lyndhurst City School District, 6044 Mayfield Road, Lyndhurst, Ohio 44124.

Note 20 - Jointly Governed Organizations

Northeast Ohio Public Energy Council

The City is a member of The Northeast Ohio Public Energy Council (NOPEC). NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of electricity and natural gas. NOPEC is currently comprised of 126 communities who have been authorized by ballot to purchase electricity and natural gas on behalf of their citizens. The intent of NOPEC is to provide electricity and natural gas at the lowest possible rates while at the same time insuring stability in prices by entering into long-term contracts with suppliers to provide electricity and natural gas to the citizens of its member communities.

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the eight-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. The City of South Euclid did not contribute to NOPEC during 2009. Financial information can be obtained by contacting Joseph Migliorini, Board Chairman, at 175 South Main Street, Akron, Ohio 44308 or at their website at www.nopecinfo.org.

First Suburbs Consortium of Northeast Ohio Council of Governments

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

The Council is governed by an Assembly made up of one representative from each member community. The representatives then elect the Governing Board made up of a Chair, Vice Chair and other members elected in annual elections. The Board oversees and manages the council. The degree of control exercised by any participating government is limited to its representation in the Assembly and on the Board. During 2009, the City of South Euclid contributed \$50 to the Council. Financial information can be obtained by contacting First Suburbs Consortium of Northeast Ohio Council of Governments, 40 Severance Circle, Cleveland Heights, Ohio 44118.

Heights Area Special Rescue Team

The City is a member of the Heights Area Special Rescue Team (HASRT). HASRT is a council of governments formed under Ohio Revised Code Chapter 167. The governing body of HASRT is comprised of the five Fire Chiefs of the member cities. HASRT was established to provide mutual aid for the provision of emergency fire protection and rescue squad services and to organize, train and equip a special rescue team to conduct rescue activities requiring unusual training and/or equipment in participating communities. Annual member receipts are based on an agreed formula based on the member cities population. During

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2009

2009, the City of South Euclid contributed \$4,905 to HASRT. Financial information can be obtained by contacting Heights Area Special Rescue Team, 3400 Lee Road, Shaker Heights, Ohio, 44120.

Note 21 - Interfund Transactions

Interfund Balances

Interfund balances at December 31, 2009 consist of the following:

Interfund Payable	Interfund Receivable
	General
Special Revenue Funds:	
Operation Home Improvement	\$15,000
Street, Construction, Maintenance and Repair	100,000
Permissive Motor Vehicle License	60,000
FEMA Firefighters Grant	53,000
Capital Projects Funds:	
Land Acquisition	100,000
<i>Total</i>	<i>\$328,000</i>

The interfund payables are advances for grant monies that the fund will receive at a later date. They are expected to be paid within one year.

Interfund Transfers

Interfund transfers for the year ended December 31, 2009, consisted of the following:

Transfers To	Transfers From
	General
Other Governmental Funds:	
Parking Lots and Meters	\$60,000
Swimming Pools	200,000
Sewer Rental	50,000
General Capital Improvements	300,000
Safety Forces Vehicle	200,000
Road Improvement	300,000
<i>Total</i>	<i>\$1,110,000</i>

The transfers from the general fund to the parking lots and meters, swimming pools and sewer rental special revenue funds were to cover general operating expenditures. The general capital improvements capital projects fund received a transfer from the general fund to help cover general operating expenditures. The safety forces vehicle capital projects fund received transfers from the general fund to fund future capital purchases. Capital purchases in the safety forces vehicle fund will benefit the police and fire departments. A transfer from the general fund to the road improvement capital projects fund was made as a supplement to tax levy proceeds to cover costs.

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2009

Note 22 – Subsequent Events

On January 21, 2010, the City issued \$11,550,000 in general obligation taxable real estate acquisition notes and \$7,675,000 in general obligation real estate acquisition notes in anticipation of the issuance of bonds. The real estate acquisition notes were issued with limited tax rates. These notes will mature on September 30, 2010.

**Combining and Individual
Fund Statements and Schedules**

Combining Statements – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

Operation Home Improvement Fund The Operation Home Improvement Fund is designed to provide financial assistance to home owners with financial need through a non-refundable grant of up to \$5,000 to qualified home owners to make necessary repairs to the exterior of their home. Monies are received from the Federal Government under the Community Development Block Grant Program.

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

Street Construction, Maintenance and Repair Fund The Street Construction, Maintenance and Repair Fund accounts for ninety-two and one half percent of the State gasoline tax and motor vehicle registration fees designated for street maintenance and repair.

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

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

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

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

Police Range Fund The Police Range Fund accounts for charges for services for the operation of the police department's firing range.

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

FEMA Firefighters Grant Fund The FEMA Firefighters Grant Fund accounts for monies received from the Federal Emergency Management Agency to be expended on personal protective equipment for use by the fire department.

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

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

(continued)

Nonmajor Special Revenue Funds (continued)

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

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

Nonmajor Debt Service Funds

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

General Obligation Bond Retirement Fund The General Obligation Bond Retirement Fund accounts for property tax collections which are used to pay the voted general obligation refunding bonds principal, interest, and related costs.

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

Nonmajor Capital Projects Funds

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

General Capital Improvements Fund The General Capital Improvements Fund accounts for expenditures designated for capital construction and the acquisition of capital assets.

Safety Forces Vehicle Fund The Safety Forces Vehicle Fund accounts for a portion general fund emergency medical transport fees which are used for the acquisition of police and fire vehicles.

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

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

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

Stanhope Parking Lot Fund The Stanhope Parking Lot Fund accounts for resources set aside for improving the Stanhope Parking Lot by repaving, striping and making other improvements. This fund was not budgeted since no activity was anticipated and none occurred.

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

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

City of South Euclid, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2009

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and				
Cash Equivalents	\$1,210,757	\$748,674	\$1,676,793	\$3,636,224
Materials and Supplies Inventory	58,558	0	0	58,558
Accounts Receivable	0	0	4,500	4,500
Intergovernmental Receivable	433,071	40,576	37,661	511,308
Property Taxes Receivable	217,526	471,307	507,867	1,196,700
Special Assessments Receivable	807,203	62,502	0	869,705
<i>Total Assets</i>	<u>\$2,727,115</u>	<u>\$1,323,059</u>	<u>\$2,226,821</u>	<u>\$6,276,995</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$64,581	\$0	\$0	\$64,581
Accrued Wages	40,082	0	0	40,082
Contracts Payable	55,741	0	0	55,741
Intergovernmental Payable	87,169	0	0	87,169
Interfund Payable	228,000	0	0	228,000
Deferred Revenue	1,386,648	574,385	545,528	2,506,561
<i>Total Liabilities</i>	<u>1,862,221</u>	<u>574,385</u>	<u>545,528</u>	<u>2,982,134</u>
Fund Balances				
Reserved for Encumbrances	258,103	0	41,600	299,703
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	606,791	0	0	606,791
Debt Service Funds	0	748,674	0	748,674
Capital Projects Funds	0	0	1,639,693	1,639,693
<i>Total Fund Balances</i>	<u>864,894</u>	<u>748,674</u>	<u>1,681,293</u>	<u>3,294,861</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$2,727,115</u>	<u>\$1,323,059</u>	<u>\$2,226,821</u>	<u>\$6,276,995</u>

City of South Euclid, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2009

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property Taxes	\$240,548	\$517,341	\$509,222	\$1,267,111
Special Assessments	813,492	2,521	0	816,013
Intergovernmental	1,279,429	81,151	137,545	1,498,125
Fines and Forfeitures	37,010	0	4,500	41,510
Rentals	18,931	0	0	18,931
Charges for Services	131,143	0	0	131,143
Other	23,441	0	9,743	33,184
<i>Total Revenues</i>	<u>2,543,994</u>	<u>601,013</u>	<u>661,010</u>	<u>3,806,017</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive	0	8,535	0	8,535
Security of Persons and Property:				
Police	270,558	0	0	270,558
Fire	182,540	0	0	182,540
Transportation	1,010,096	0	0	1,010,096
Basic Utility Services	935,497	0	0	935,497
Swimming Pools	318,555	0	0	318,555
Capital Outlay	0	0	765,884	765,884
Debt Service:				
Principal Retirement	0	540,000	391,983	931,983
Interest and Fiscal Charges	0	40,115	113,873	153,988
<i>Total Expenditures</i>	<u>2,717,246</u>	<u>588,650</u>	<u>1,271,740</u>	<u>4,577,636</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(173,252)	12,363	(610,730)	(771,619)
Other Financing Sources				
Transfers In	310,000	0	800,000	1,110,000
<i>Net Change in Fund Balances</i>	136,748	12,363	189,270	338,381
<i>Fund Balances Beginning of Year</i>	<u>728,146</u>	<u>736,311</u>	<u>1,492,023</u>	<u>2,956,480</u>
<i>Fund Balances End of Year</i>	<u><u>\$864,894</u></u>	<u><u>\$748,674</u></u>	<u><u>\$1,681,293</u></u>	<u><u>\$3,294,861</u></u>

City of South Euclid, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2009

	Operation Home Improvement	COPS Grant	Street Construction, Maintenance and Repair	State Highway
Assets				
Equity in Pooled Cash and				
Cash Equivalents	\$324,316	\$1,197	\$71,093	\$19,024
Materials and Supplies Inventory	0	0	58,558	0
Intergovernmental Receivable	0	0	324,220	26,255
Property Taxes Receivable	0	0	0	0
Special Assessments Receivable	45,934	0	0	0
<i>Total Assets</i>	<u>\$370,250</u>	<u>\$1,197</u>	<u>\$453,871</u>	<u>\$45,279</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$1,442	\$0	\$16,023	\$20
Accrued Wages	0	0	27,201	0
Contracts Payable	0	0	0	0
Intergovernmental Payable	0	0	16,711	643
Interfund Payable	15,000	0	100,000	0
Deferred Revenue	45,934	0	268,079	21,735
<i>Total Liabilities</i>	<u>62,376</u>	<u>0</u>	<u>428,014</u>	<u>22,398</u>
Fund Balances				
Reserved for Encumbrances	174,350	290	2,060	20
Unreserved, Undesignated (Deficit)	133,524	907	23,797	22,861
<i>Total Fund Balances</i>	<u>307,874</u>	<u>1,197</u>	<u>25,857</u>	<u>22,881</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$370,250</u>	<u>\$1,197</u>	<u>\$453,871</u>	<u>\$45,279</u>

<u>Parking Lots and Meters</u>	<u>Swimming Pools</u>	<u>Permissive Motor Vehicle License</u>	<u>Police Range</u>	<u>Law Enforcement</u>	<u>FEMA Firefighters Grant</u>	<u>Street Lighting</u>
\$36,453	\$19,835	\$100,361	\$119,271	\$173,505	\$49,522	\$79,520
0	0	0	0	0	0	0
0	0	63,868	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	396,501
<u>\$36,453</u>	<u>\$19,835</u>	<u>\$164,229</u>	<u>\$119,271</u>	<u>\$173,505</u>	<u>\$49,522</u>	<u>\$476,021</u>
\$1,144	\$3,375	\$4,220	\$0	\$0	\$0	\$38,187
0	0	0	0	0	0	0
0	0	0	55,741	0	0	0
0	2,985	0	0	0	0	0
0	0	60,000	0	0	53,000	0
0	0	53,377	0	0	0	396,501
<u>1,144</u>	<u>6,360</u>	<u>117,597</u>	<u>55,741</u>	<u>0</u>	<u>53,000</u>	<u>434,688</u>
0	0	2,080	60,347	15,183	0	791
35,309	13,475	44,552	3,183	158,322	(3,478)	40,542
<u>35,309</u>	<u>13,475</u>	<u>46,632</u>	<u>63,530</u>	<u>173,505</u>	<u>(3,478)</u>	<u>41,333</u>
<u>\$36,453</u>	<u>\$19,835</u>	<u>\$164,229</u>	<u>\$119,271</u>	<u>\$173,505</u>	<u>\$49,522</u>	<u>\$476,021</u>

(continued)

City of South Euclid, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2009

	Sewer Rental	Police Pension	Fire Pension	Total Nonmajor Special Revenue Funds
Assets				
Equity in Pooled Cash and				
Cash Equivalents	\$117,931	\$50,615	\$48,114	\$1,210,757
Materials and Supplies Inventory	0	0	0	58,558
Intergovernmental Receivable	0	9,364	9,364	433,071
Property Taxes Receivable	0	108,763	108,763	217,526
Special Assessments Receivable	364,768	0	0	807,203
<i>Total Assets</i>	<u>\$482,699</u>	<u>\$168,742</u>	<u>\$166,241</u>	<u>\$2,727,115</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$170	\$0	\$0	\$64,581
Accrued Wages	12,881	0	0	40,082
Contracts Payable	0	0	0	55,741
Intergovernmental Payable	6,830	35,000	25,000	87,169
Interfund Payable	0	0	0	228,000
Deferred Revenue	364,768	118,127	118,127	1,386,648
<i>Total Liabilities</i>	<u>384,649</u>	<u>153,127</u>	<u>143,127</u>	<u>1,862,221</u>
Fund Balances				
Reserved for Encumbrances	2,982	0	0	258,103
Unreserved, Undesignated (Deficit)	95,068	15,615	23,114	606,791
<i>Total Fund Balances</i>	<u>98,050</u>	<u>15,615</u>	<u>23,114</u>	<u>864,894</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$482,699</u>	<u>\$168,742</u>	<u>\$166,241</u>	<u>\$2,727,115</u>

City of South Euclid, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009

	Operation Home Improvement	COPS Grant	Street Construction, Maintenance and Repair	State Highway
Revenues				
Property Taxes	\$0	\$0	\$0	\$0
Special Assessments	76,065	0	0	0
Intergovernmental	279,000	0	680,345	54,376
Fines and Forfeitures	0	0	0	0
Rentals	0	0	0	0
Charges for Services	0	0	24,041	0
Other	6,637	0	8,223	0
<i>Total Revenues</i>	<u>361,702</u>	<u>0</u>	<u>712,609</u>	<u>54,376</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police	0	254	0	0
Fire	0	0	0	0
Transportation	0	0	862,709	39,564
Basic Utility Services	88,978	0	0	0
Swimming Pools	0	0	0	0
<i>Total Expenditures</i>	<u>88,978</u>	<u>254</u>	<u>862,709</u>	<u>39,564</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	272,724	(254)	(150,100)	14,812
Other Financing Sources				
Transfers In	0	0	0	0
<i>Net Change in Fund Balances</i>	272,724	(254)	(150,100)	14,812
<i>Fund Balances Beginning of Year</i>	<u>35,150</u>	<u>1,451</u>	<u>175,957</u>	<u>8,069</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$307,874</u>	<u>\$1,197</u>	<u>\$25,857</u>	<u>\$22,881</u>

(continued)

City of South Euclid, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Year Ended December 31, 2009

	Parking Lots and Meters	Swimming Pools	Permissive Motor Vehicle License	Police Range
Revenues				
Property Taxes	\$0	\$0	\$0	\$0
Special Assessments	0	0	0	0
Intergovernmental	0	0	126,917	100,000
Fines and Forfeitures	0	0	0	9,905
Rentals	0	0	0	18,931
Charges for Services	345	86,512	0	0
Other	498	0	0	0
<i>Total Revenues</i>	<u>843</u>	<u>86,512</u>	<u>126,917</u>	<u>128,836</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police	0	0	0	103,125
Fire	0	0	0	0
Transportation	0	0	107,823	0
Basic Utility Services	42,825	0	0	0
Swimming Pools	0	318,555	0	0
<i>Total Expenditures</i>	<u>42,825</u>	<u>318,555</u>	<u>107,823</u>	<u>103,125</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(41,982)	(232,043)	19,094	25,711
Other Financing Sources				
Transfers In	60,000	200,000	0	0
<i>Net Change in Fund Balances</i>	18,018	(32,043)	19,094	25,711
<i>Fund Balances Beginning of Year</i>	<u>17,291</u>	<u>45,518</u>	<u>27,538</u>	<u>37,819</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$35,309</u>	<u>\$13,475</u>	<u>\$46,632</u>	<u>\$63,530</u>

Law Enforcement	FEMA Firefighters Grant	Street Lighting	Sewer Rental	Police Pension	Fire Pension	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$120,274	\$120,274	\$240,548
0	0	366,287	371,140	0	0	813,492
1,337	0	0	0	18,727	18,727	1,279,429
27,105	0	0	0	0	0	37,010
0	0	0	0	0	0	18,931
0	0	0	20,245	0	0	131,143
8,083	0	0	0	0	0	23,441
<u>36,525</u>	<u>0</u>	<u>366,287</u>	<u>391,385</u>	<u>139,001</u>	<u>139,001</u>	<u>2,543,994</u>
8,955	0	0	0	158,224	0	270,558
0	61,816	0	0	0	120,724	182,540
0	0	0	0	0	0	1,010,096
0	0	433,365	370,329	0	0	935,497
0	0	0	0	0	0	318,555
<u>8,955</u>	<u>61,816</u>	<u>433,365</u>	<u>370,329</u>	<u>158,224</u>	<u>120,724</u>	<u>2,717,246</u>
27,570	(61,816)	(67,078)	21,056	(19,223)	18,277	(173,252)
0	0	0	50,000	0	0	310,000
27,570	(61,816)	(67,078)	71,056	(19,223)	18,277	136,748
145,935	58,338	108,411	26,994	34,838	4,837	728,146
<u>\$173,505</u>	<u>(\$3,478)</u>	<u>\$41,333</u>	<u>\$98,050</u>	<u>\$15,615</u>	<u>\$23,114</u>	<u>\$864,894</u>

City of South Euclid, Ohio
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2009

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$708,103	\$40,571	\$748,674
Intergovernmental Receivable	40,576	0	40,576
Property Taxes Receivable	471,307	0	471,307
Special Assessments Receivable	0	62,502	62,502
<i>Total Assets</i>	<u>\$1,219,986</u>	<u>\$103,073</u>	<u>\$1,323,059</u>
Liabilities and Fund Balances			
Liabilities			
Deferred Revenue	\$511,883	\$62,502	\$574,385
Fund Balances			
Unreserved, Undesignated	<u>708,103</u>	<u>40,571</u>	<u>748,674</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,219,986</u>	<u>\$103,073</u>	<u>\$1,323,059</u>

City of South Euclid, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2009

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
Revenues			
Property Taxes	\$517,341	\$0	\$517,341
Special Assessments	0	2,521	2,521
Intergovernmental	81,151	0	81,151
<i>Total Revenues</i>	<u>598,492</u>	<u>2,521</u>	<u>601,013</u>
Expenditures			
General Government:			
Legislative and Executive	8,535	0	8,535
Debt Service:			
Principal Retirement	500,000	40,000	540,000
Interest and Fiscal Charges	22,000	18,115	40,115
<i>Total Expenditures</i>	<u>530,535</u>	<u>58,115</u>	<u>588,650</u>
<i>Net Change in Fund Balances</i>	67,957	(55,594)	12,363
<i>Fund Balances Beginning of Year</i>	<u>640,146</u>	<u>96,165</u>	<u>736,311</u>
<i>Fund Balances End of Year</i>	<u><u>\$708,103</u></u>	<u><u>\$40,571</u></u>	<u><u>\$748,674</u></u>

City of South Euclid, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2009

	General Capital Improvements	Safety Forces Vehicle	Road Improvement
Assets			
Equity in Pooled Cash and Cash Equivalents	\$184,893	\$790,576	\$232,562
Accounts Receivable	0	4,500	0
Intergovernmental Receivable	0	0	37,661
Property Taxes Receivable	0	0	507,867
<i>Total Assets</i>	<u>\$184,893</u>	<u>\$795,076</u>	<u>\$778,090</u>
Liabilities and Fund Balances			
Liabilities			
Deferred Revenue	\$0	\$0	\$545,528
Fund Balances			
Reserved for Encumbrances	6,133	22,460	13,007
Unreserved, Undesignated	178,760	772,616	219,555
<i>Total Fund Balances</i>	<u>184,893</u>	<u>795,076</u>	<u>232,562</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$184,893</u>	<u>\$795,076</u>	<u>\$778,090</u>

Sidewalk Improvement	Stanhope Parking Lot	Issue II	Sewer Rehabilitation	Total Nonmajor Capital Projects Funds
\$7	\$2,853	\$464,651	\$1,251	\$1,676,793
0	0	0	0	4,500
0	0	0	0	37,661
0	0	0	0	507,867
<u>\$7</u>	<u>\$2,853</u>	<u>\$464,651</u>	<u>\$1,251</u>	<u>\$2,226,821</u>
\$0	\$0	\$0	\$0	\$545,528
0	0	0	0	41,600
7	2,853	464,651	1,251	1,639,693
7	2,853	464,651	1,251	1,681,293
<u>\$7</u>	<u>\$2,853</u>	<u>\$464,651</u>	<u>\$1,251</u>	<u>\$2,226,821</u>

City of South Euclid, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2009

	General Capital Improvements	Safety Forces Vehicle	Recreation Improvement	Road Improvement
Revenues				
Property Taxes	\$0	\$0	\$0	\$509,222
Intergovernmental	62,224	0	0	75,321
Fines and Forfeitures	0	4,500	0	0
Other	6,314	1,400	0	2,029
<i>Total Revenues</i>	<u>68,538</u>	<u>5,900</u>	<u>0</u>	<u>586,572</u>
Expenditures				
Capital Outlay	73,233	5,414	5,000	682,237
Debt Service:				
Principal Retirement	151,983	0	0	240,000
Interest and Fiscal Charges	18,363	0	0	95,510
<i>Total Expenditures</i>	<u>243,579</u>	<u>5,414</u>	<u>5,000</u>	<u>1,017,747</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(175,041)	486	(5,000)	(431,175)
Other Financing Sources				
Transfers In	300,000	200,000	0	300,000
<i>Net Change in Fund Balances</i>	124,959	200,486	(5,000)	(131,175)
<i>Fund Balances Beginning of Year</i>	59,934	594,590	5,000	363,737
<i>Fund Balances End of Year</i>	<u>\$184,893</u>	<u>\$795,076</u>	<u>\$0</u>	<u>\$232,562</u>

Sidewalk Improvement	Stanhope Parking Lot	Issue II	Sewer Rehabilitation	Total Nonmajor Capital Projects Funds
\$0	\$0	\$0	\$0	\$509,222
0	0	0	0	137,545
0	0	0	0	4,500
0	0	0	0	9,743
0	0	0	0	661,010
0	0	0	0	765,884
0	0	0	0	391,983
0	0	0	0	113,873
0	0	0	0	1,271,740
0	0	0	0	(610,730)
0	0	0	0	800,000
0	0	0	0	189,270
7	2,853	464,651	1,251	1,492,023
\$7	\$2,853	\$464,651	\$1,251	\$1,681,293

Combining Statement - Agency Fund

Agency Fund

To account for assets held by the City as an agent for individuals, private organizations, other governmental units, and/or other funds.

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

City of South Euclid, Ohio
Statement of Changes in Assets and Liabilities
Agency Fund
For the Year Ended December 31, 2009

	Beginning Balance 12/31/08	Additions	Deductions	Ending Balance 12/31/09
<i>Deposits Fund</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$1,440,291</u>	<u>\$463,083</u>	<u>\$730,975</u>	<u>\$1,172,399</u>
Liabilities				
Deposits Held and Due to Others	<u>\$1,440,291</u>	<u>\$463,083</u>	<u>\$730,975</u>	<u>\$1,172,399</u>

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

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2009

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$4,133,508	\$4,133,508	\$4,266,965	\$133,457
Income Taxes	8,109,140	8,109,140	8,370,957	261,817
Special Assessments	86,979	86,979	86,979	0
Intergovernmental	2,074,817	2,074,817	2,141,806	66,989
Interest	230,132	230,132	237,562	7,430
Fees, Licenses and Permits	459,211	459,211	474,395	15,184
Fines and Forfeitures	603,430	603,430	622,913	19,483
Rentals	108,358	108,358	111,857	3,499
Charges for Services	490,897	490,897	509,197	18,300
Other	226,767	226,767	234,434	7,667
<i>Total Revenues</i>	<u>16,523,239</u>	<u>16,523,239</u>	<u>17,057,065</u>	<u>533,826</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive:				
Council				
Personal Services	84,600	84,600	84,378	222
Materials and Supplies	5,206	5,205	594	4,611
Other	1,044	1,045	972	73
Total Council	<u>90,850</u>	<u>90,850</u>	<u>85,944</u>	<u>4,906</u>
Mayor				
Personal Services	162,374	162,374	159,522	2,852
Contractual Services	5,372	5,373	3,221	2,152
Materials and Supplies	5,032	5,033	2,533	2,500
Other	9,778	9,776	7,846	1,930
Total Mayor	<u>182,556</u>	<u>182,556</u>	<u>173,122</u>	<u>9,434</u>
Finance Department				
Personal Services	280,867	280,867	267,944	12,923
Contractual Services	33,785	33,598	25,757	7,841
Materials and Supplies	8,303	8,505	6,408	2,097
Other	2,359	2,344	2,181	163
Total Finance Department	<u>325,314</u>	<u>325,314</u>	<u>302,290</u>	<u>23,024</u>
Law Director				
Personal Services	152,000	152,000	139,260	12,740
Contractual Services	189,076	188,036	149,990	38,046
Materials and Supplies	30,233	30,239	17,773	12,466
Other	17,064	18,098	9,580	8,518
Total Law Director	<u>388,373</u>	<u>388,373</u>	<u>316,603</u>	<u>71,770</u>
Civil Service				
Personal Services	8,275	8,275	7,744	531
Materials and Supplies	3,027	4,010	25	3,985
Other	4,673	3,690	3,647	43
Total Civil Service	<u>\$15,975</u>	<u>\$15,975</u>	<u>\$11,416</u>	<u>\$4,559</u>

(continued)

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2009

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Municipal Complex				
Personal Services	\$42,904	\$32,904	\$28,718	\$4,186
Contractual Services	435,101	436,068	425,891	10,177
Materials and Supplies	41,772	45,429	42,898	2,531
Other	49,441	49,817	33,421	16,396
Total Municipal Complex	569,218	564,218	530,928	33,290
Engineer				
Personal Services	19,020	19,020	18,841	179
Contractual Services	24,360	32,560	28,573	3,987
Total Engineer	43,380	51,580	47,414	4,166
Mandated				
Contractual Services	514,307	514,307	529,702	(15,395)
General Services				
Personal Services	90,581	159,581	110,522	49,059
Contractual Services	521,875	394,921	394,345	576
Other	323,213	257,167	243,499	13,668
Total General Services	935,669	811,669	748,366	63,303
Total Legislative and Executive	3,065,642	2,944,842	2,745,785	199,057
Judicial System:				
Municipal Court				
Personal Services	496,078	496,078	489,514	6,564
Contractual Services	6,384	6,386	5,946	440
Materials and Supplies	38,716	38,711	34,796	3,915
Other	8,637	8,640	8,169	471
Total Judicial System	549,815	549,815	538,425	11,390
Total General Government	3,615,457	3,494,657	3,284,210	210,447
Security of Persons and Property:				
Police:				
Police Department				
Personal Services	4,860,313	4,657,613	4,461,268	196,345
Contractual Services	96,134	96,166	82,485	13,681
Materials and Supplies	152,038	152,086	110,774	41,312
Other	161,784	161,954	152,990	8,964
Total Police	5,270,269	5,067,819	4,807,517	260,302
Dispatchers				
Personal Services	536,700	536,700	498,638	38,062
Other	8,745	8,745	7,374	1,371
Total Dispatchers	545,445	545,445	506,012	39,433
Total Police	\$5,815,714	\$5,613,264	\$5,313,529	\$299,735

(continued)

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2009

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Fire:				
Fire Department				
Personal Services	\$3,982,109	\$3,982,109	\$3,925,732	\$56,377
Contractual Services	103,812	103,838	71,573	32,265
Materials and Supplies	62,958	62,975	39,523	23,452
Other	65,807	52,764	41,279	11,485
Total Fire Department	4,214,686	4,201,686	4,078,107	123,579
Fire Hydrants				
Contractual Services	25,524	39,524	37,941	1,583
Materials and Supplies	476	476	443	33
Total Fire Hydrants	26,000	40,000	38,384	1,616
Total Fire	4,240,686	4,241,686	4,116,491	125,195
Total Security of Persons and Property	10,056,400	9,854,950	9,430,020	424,930
Public Health Services:				
Health and Human Services				
Contractual Services	158,753	158,753	142,327	16,426
Leisure Time Activities:				
Recreation Department				
Personal Services	99,660	99,660	92,835	6,825
Contractual Services	99,056	99,056	41,194	57,862
Materials and Supplies	151,001	151,001	1,286	149,715
Other	7,928	7,928	7,633	295
Total Recreation Department	357,645	357,645	142,948	214,697
Community Center				
Personal Services	156,594	156,594	138,736	17,858
Contractual Services	36,896	36,896	34,458	2,438
Materials and Supplies	33,489	29,489	17,897	11,592
Other	27,952	31,952	29,981	1,971
Total Community Center	254,931	254,931	221,072	33,859
Total Leisure Time Activities	612,576	612,576	364,020	248,556
Community Development:				
Boards and Commissions				
Personal Services	35,340	35,340	34,786	554
Contractual Services	1,545	1,545	700	845
Other	155	155	144	11
Total Boards and Commissions	37,040	37,040	35,630	1,410
Community Relations				
Personal Services	78,691	78,691	77,057	1,634
Contractual Services	2,130	2,130	1,584	546
Materials and Supplies	1,120	1,120	112	1,008
Other	35,989	35,989	32,824	3,165
Total Community Relations	\$117,930	\$117,930	\$111,577	\$6,353

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Economic Development Department:				
Economic Development Department				
Personal Services	\$106,161	\$106,161	\$78,804	\$27,357
Contractual Services	72,786	72,786	63,855	8,931
Materials and Supplies	2,159	2,159	148	2,011
Other	18,248	18,248	11,746	6,502
Total Economic Development Department	199,354	199,354	154,553	44,801
Total Community Development	354,324	354,324	301,760	52,564
Building Department:				
Building Department				
Personal Services	725,610	725,610	682,661	42,949
Contractual Services	28,521	28,521	18,107	10,414
Materials and Supplies	25,555	25,555	15,132	10,423
Other	10,788	10,788	6,739	4,049
Total Building Department	790,474	790,474	722,639	67,835
Transportation:				
Service Department				
Personal Services	668,475	668,475	619,004	49,471
Contractual Services	82,632	82,632	75,863	6,769
Materials and Supplies	54,697	54,697	45,365	9,332
Other	8,130	8,130	7,548	582
Total Service Department	813,934	813,934	747,780	66,154
Service Garage				
Personal Services	162,103	162,103	152,334	9,769
Contractual Services	70,097	70,097	65,317	4,780
Materials and Supplies	146,945	146,945	137,845	9,100
Other	10,696	10,696	9,955	741
Total Service Garage	389,841	389,841	365,451	24,390
Total Transportation	1,203,775	1,203,775	1,113,231	90,544
Basic Utility Services:				
Refuse Collection and Disposal				
Contractual Services	1,390,000	1,390,000	1,219,056	170,944
Curbside Recycling				
Personal Services	141,838	141,838	140,566	1,272
Contractual Services	41,732	41,732	40,629	1,103
Materials and Supplies	1,039	1,039	967	72
Total Curbside Recycling	184,609	184,609	182,162	2,447
Total Basic Utility Services	1,574,609	1,574,609	1,401,218	173,391
Total Expenditures	18,366,368	18,044,118	16,759,425	1,284,693
Excess of Revenues Over (Under) Expenditures	(\$1,843,129)	(\$1,520,879)	\$297,640	\$1,818,519

(continued)

City of South Euclid, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2009*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Other Financing Sources (Uses)				
Compensation for Loss of Asset - Police Vehicle	\$10,707	\$10,707	\$10,707	\$0
Advances Out	(275,000)	(260,000)	(260,000)	0
Transfers Out	(590,156)	(935,156)	(1,110,000)	(174,844)
<i>Total Other Financing Sources (Uses)</i>	<u>(854,449)</u>	<u>(1,184,449)</u>	<u>(1,359,293)</u>	<u>(174,844)</u>
<i>Net Change in Fund Balance</i>	(2,697,578)	(2,705,328)	(1,061,653)	1,643,675
<i>Fund Balance Beginning of Year</i>	4,544,409	4,544,409	4,544,409	0
Prior Year Encumbrances Appropriated	<u>249,807</u>	<u>249,807</u>	<u>249,807</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$2,096,638</u>	<u>\$2,088,888</u>	<u>\$3,732,563</u>	<u>\$1,643,675</u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Flood Control Fund
For the Year Ended December 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Special Assessments	\$2,021,000	\$2,021,000	\$1,960,459	(\$60,541)
Intergovernmental	0	195,000	20,487	(174,513)
Other	0	0	233,919	233,919
<i>Total Revenues</i>	<u>2,021,000</u>	<u>2,216,000</u>	<u>2,214,865</u>	<u>(1,135)</u>
Expenditures				
Capital Outlay:				
Contractual Services	3,138,120	3,479,471	2,883,539	595,932
Other	1,600	2,566	2,566	0
Total Capital Outlay	<u>3,139,720</u>	<u>3,482,037</u>	<u>2,886,105</u>	<u>595,932</u>
Debt Service:				
Principal Retirement	322,774	517,769	517,769	0
Interest and Fiscal Charges	120,322	193,010	193,010	0
Total Debt Service	<u>443,096</u>	<u>710,779</u>	<u>710,779</u>	<u>0</u>
<i>Total Expenditures</i>	<u>3,582,816</u>	<u>4,192,816</u>	<u>3,596,884</u>	<u>595,932</u>
<i>Excess of Revenues Under Expenditures</i>	(1,561,816)	(1,976,816)	(1,382,019)	594,797
Other Financing Sources				
OPWC Loan Issuance	0	24,000	43,535	19,535
<i>Net Change in Fund Balance</i>	(1,561,816)	(1,952,816)	(1,338,484)	614,332
<i>Fund Balance Beginning of Year</i>	1,300,993	1,300,993	1,300,993	0
Prior Year Encumbrances Appropriated	<u>1,503,303</u>	<u>1,503,303</u>	<u>1,503,303</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$1,242,480</u>	<u>\$851,480</u>	<u>\$1,465,812</u>	<u>\$614,332</u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Land Acquisition Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Capital Outlay:				
Contractual Services	125,000	125,000	124,012	988
Other	41,000	41,000	17,856	23,144
Total Capital Outlay	166,000	166,000	141,868	24,132
Debt Service:				
Principal Retirement	20,000,000	19,810,000	19,810,000	0
Interest and Fiscal Charges	893,200	893,200	891,991	1,209
Total Debt Service	20,893,200	20,703,200	20,701,991	1,209
<i>Total Expenditures</i>	21,059,200	20,869,200	20,843,859	25,341
<i>Excess of Revenues Under Expenditures</i>	(21,059,200)	(20,869,200)	(20,843,859)	25,341
Other Financing Sources				
Bond Anticipation Notes Issued	20,750,000	20,553,670	20,350,000	(203,670)
Premium on Bond Anticipation Notes	0	0	103,670	103,670
Advances In	0	0	100,000	100,000
<i>Total Other Financing Sources</i>	20,750,000	20,553,670	20,553,670	0
<i>Net Change in Fund Balance</i>	(309,200)	(315,530)	(290,189)	25,341
<i>Fund Balance Beginning of Year</i>	317,573	317,573	317,573	0
Prior Year Encumbrances Appropriated	1,000	1,000	1,000	0
<i>Fund Balance End of Year</i>	\$9,373	\$3,043	\$28,384	\$25,341

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Operation Home Improvement Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$276,355	\$276,355	\$279,000	\$2,645
Special Assessments	68,645	68,645	76,065	7,420
Other	5,000	5,000	6,637	1,637
<i>Total Revenues</i>	350,000	350,000	361,702	11,702
Expenditures				
Current:				
Basic Utility Services:				
Refuse Collection and Disposal:				
Contractual Services	10,000	10,000	5,919	4,081
Other	40,000	340,000	257,409	82,591
<i>Total Expenditures</i>	50,000	350,000	263,328	86,672
<i>Net Change in Fund Balance</i>	300,000	0	98,374	98,374
<i>Fund Balance Beginning of Year</i>	50,150	50,150	50,150	0
<i>Fund Balance End of Year</i>	\$350,150	\$50,150	\$148,524	\$98,374

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
COPS Grant Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Security of Persons and Property:				
Police Department:				
Other	1,451	1,451	544	907
<i>Net Change in Fund Balance</i>	(1,451)	(1,451)	(544)	907
<i>Fund Balance Beginning of Year</i>	1,161	1,161	1,161	0
Prior Year Encumbrances Appropriated	290	290	290	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$907</u>	<u>\$907</u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Construction, Maintenance and Repair Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$650,000	\$650,000	\$680,714	\$30,714
Charges for Services	12,000	12,000	24,041	12,041
Other	0	0	8,223	8,223
<i>Total Revenues</i>	662,000	662,000	712,978	50,978
Expenditures				
Current:				
Transportation:				
Street Maintenance:				
Personal Services	657,378	638,678	630,380	8,298
Contractual Services	26,075	24,758	22,485	2,273
Materials and Supplies	211,640	182,020	179,557	2,463
Other	1,659	1,596	1,037	559
<i>Total Expenditures</i>	896,752	847,052	833,459	13,593
<i>Excess of Revenues Under Expenditures</i>	(234,752)	(185,052)	(120,481)	64,571
Other Financing Sources				
Advances In	160,000	116,000	100,000	(16,000)
<i>Net Change in Fund Balance</i>	(74,752)	(69,052)	(20,481)	48,571
<i>Fund Balance Beginning of Year</i>	68,270	68,270	68,270	0
Prior Year Encumbrances Appropriated	6,492	6,492	6,492	0
<i>Fund Balance End of Year</i>	\$10	\$5,710	\$54,281	\$48,571

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
State Highway Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$54,000	\$51,000	\$54,438	\$3,438
Expenditures				
Current:				
Transportation:				
Street Maintenance:				
Personal Services	59,830	54,830	42,615	12,215
Materials and Supplies	1,200	1,200	0	1,200
<i>Total Expenditures</i>	61,030	56,030	42,615	13,415
<i>Net Change in Fund Balance</i>	(7,030)	(5,030)	11,823	16,853
<i>Fund Balance Beginning of Year</i>	7,161	7,161	7,161	0
<i>Fund Balance End of Year</i>	\$131	\$2,131	\$18,984	\$16,853

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Parking Lots and Meters Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$0	\$0	\$345	\$345
Other	0	0	498	498
<i>Total Revenues</i>	0	0	843	843
Expenditures				
Current:				
Basic Utility Services:				
Parking Lots and Meters:				
Personal Services	279	279	38	241
Contractual Services	65,700	65,700	39,545	26,155
Materials and Supplies	5,400	5,400	2,774	2,626
Other	4,600	4,600	0	4,600
<i>Total Expenditures</i>	75,979	75,979	42,357	33,622
<i>Excess of Revenues Under Expenditures</i>	(75,979)	(75,979)	(41,514)	34,465
Other Financing Sources				
Transfers In	60,000	60,000	60,000	0
<i>Net Change in Fund Balance</i>	(15,979)	(15,979)	18,486	34,465
<i>Fund Balance Beginning of Year</i>	17,938	17,938	17,938	0
Prior Year Encumbrances Appropriated	29	29	29	0
<i>Fund Balance End of Year</i>	\$1,988	\$1,988	\$36,453	\$34,465

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Swimming Pools Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$100,000	\$86,000	\$86,512	\$512
Expenditures				
Current:				
Swimming Pools:				
Personal Services	192,700	194,900	193,597	1,303
Contractual Services	92,460	94,660	92,316	2,344
Materials and Supplies	14,100	16,300	15,951	349
Other	11,840	14,040	13,690	350
<i>Total Expenditures</i>	311,100	319,900	315,554	4,346
<i>Excess of Revenues Under Expenditures</i>	(211,100)	(233,900)	(229,042)	4,858
Other Financing Sources				
Transfers In	200,000	200,000	200,000	0
<i>Net Change in Fund Balance</i>	(11,100)	(33,900)	(29,042)	4,858
<i>Fund Balance Beginning of Year</i>	48,877	48,877	48,877	0
<i>Fund Balance End of Year</i>	\$37,777	\$14,977	\$19,835	\$4,858

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Permissive Motor Vehicle License Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$110,000	\$120,000	\$127,214	\$7,214
Expenditures				
Current:				
Transportation:				
Materials and Supplies	110,000	110,000	109,903	97
<i>Excess of Revenues Over Expenditures</i>	0	10,000	17,311	7,311
Other Financing Sources				
Advances In	0	60,000	60,000	0
<i>Net Change in Fund Balance</i>	0	70,000	77,311	7,311
<i>Fund Balance Beginning of Year</i>	16,750	16,750	16,750	0
<i>Fund Balance End of Year</i>	<u>\$16,750</u>	<u>\$86,750</u>	<u>\$94,061</u>	<u>\$7,311</u>

City of South Euclid, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Range Fund
For the Year Ended December 31, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$0	\$108,000	\$100,000	(\$8,000)
Fines and Forfeitures	5,500	5,500	9,905	4,405
Rentals	14,500	14,500	18,931	4,431
<i>Total Revenues</i>	20,000	128,000	128,836	836
Expenditures				
Current:				
Security of Persons and Property:				
Police Department:				
Contractual Services	17,000	136,000	135,172	828
Materials and Supplies	30,000	29,000	28,300	700
<i>Total Expenditures</i>	47,000	165,000	163,472	1,528
<i>Net Change in Fund Balance</i>	(27,000)	(37,000)	(34,636)	2,364
<i>Fund Balance Beginning of Year</i>	37,819	37,819	37,819	0
<i>Fund Balance End of Year</i>	\$10,819	\$819	\$3,183	\$2,364

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Law Enforcement Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$0	\$0	\$1,337	\$1,337
Fines and Forfeitures	20,000	20,000	27,105	7,105
Other	0	0	8,083	8,083
<i>Total Revenues</i>	20,000	20,000	36,525	16,525
Expenditures				
Current:				
Security of Persons and Property:				
Police Department:				
Other	125,800	125,800	24,938	100,862
<i>Net Change in Fund Balance</i>	(105,800)	(105,800)	11,587	117,387
<i>Fund Balance Beginning of Year</i>	145,935	145,935	145,935	0
Prior Year Encumbrances Appropriated	800	800	800	0
<i>Fund Balance End of Year</i>	<u>\$40,935</u>	<u>\$40,935</u>	<u>\$158,322</u>	<u>\$117,387</u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
FEMA Firefighters Grant Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Security of Persons and Property:				
Fire Department:				
Other	110,351	110,351	61,816	48,535
<i>Net Change in Fund Balance</i>	(110,351)	(110,351)	(61,816)	48,535
<i>Fund Balance Beginning of Year</i>	48,226	48,226	48,226	0
Prior Year Encumbrances Appropriated	63,112	63,112	63,112	0
<i>Fund Balance End of Year</i>	<u>\$987</u>	<u>\$987</u>	<u>\$49,522</u>	<u>\$48,535</u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Lighting Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Special Assessments	\$350,000	\$350,000	\$366,287	\$16,287
Expenditures				
Current:				
Basic Utility Services:				
Street Maintenance:				
Contractual Services	452,200	452,200	426,839	25,361
Other	3,000	3,000	2,731	269
<i>Total Expenditures</i>	455,200	455,200	429,570	25,630
<i>Net Change in Fund Balance</i>	(105,200)	(105,200)	(63,283)	41,917
<i>Fund Balance Beginning of Year</i>	142,012	142,012	142,012	0
<i>Fund Balance End of Year</i>	\$36,812	\$36,812	\$78,729	\$41,917

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Sewer Rental Fund
For the Year Ended December 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Special Assessments	\$330,000	\$370,000	\$371,140	\$1,140
Charges for Services	20,000	20,000	20,245	245
<i>Total Revenues</i>	<u>350,000</u>	<u>390,000</u>	<u>391,385</u>	<u>1,385</u>
Expenditures				
Current:				
Basic Utility Services:				
Sewer Maintenance:				
Personal Services	315,158	315,158	266,793	48,365
Contractual Services	113,000	113,000	92,812	20,188
Materials and Supplies	12,263	12,263	10,260	2,003
Other	3,289	3,289	599	2,690
<i>Total Expenditures</i>	<u>443,710</u>	<u>443,710</u>	<u>370,464</u>	<u>73,246</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(93,710)	(53,710)	20,921	74,631
Other Financing Sources				
Transfers In	50,000	50,000	50,000	0
<i>Net Change in Fund Balance</i>	(43,710)	(3,710)	70,921	74,631
<i>Fund Balance Beginning of Year</i>	43,318	43,318	43,318	0
Prior Year Encumbrances Appropriated	550	550	550	0
<i>Fund Balance End of Year</i>	<u>\$158</u>	<u>\$40,158</u>	<u>\$114,789</u>	<u>\$74,631</u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Pension Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$114,853	\$114,853	\$120,274	\$5,421
Intergovernmental	16,200	16,200	18,727	2,527
<i>Total Revenues</i>	131,053	131,053	139,001	7,948
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Contractual Services	161,100	161,100	158,224	2,876
<i>Net Change in Fund Balance</i>	(30,047)	(30,047)	(19,223)	10,824
<i>Fund Balance Beginning of Year</i>	69,838	69,838	69,838	0
<i>Fund Balance End of Year</i>	\$39,791	\$39,791	\$50,615	\$10,824

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Pension Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$114,853	\$114,853	\$120,274	\$5,421
Intergovernmental	16,200	16,200	18,727	2,527
<i>Total Revenues</i>	131,053	131,053	139,001	7,948
Expenditures				
Current:				
Security of Persons and Property:				
Fire:				
Contractual Services	121,100	121,100	120,724	376
<i>Net Change in Fund Balance</i>	9,953	9,953	18,277	8,324
<i>Fund Balance Beginning of Year</i>	29,837	29,837	29,837	0
<i>Fund Balance End of Year</i>	<u>\$39,790</u>	<u>\$39,790</u>	<u>\$48,114</u>	<u>\$8,324</u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Obligation Bond Retirement Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$495,898	\$495,898	\$517,341	\$21,443
Intergovernmental	72,000	72,000	81,151	9,151
<i>Total Revenues</i>	<u>567,898</u>	<u>567,898</u>	<u>598,492</u>	<u>30,594</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive:				
Contractual Services	2,000	7,000	3,560	3,440
Other	41,131	41,131	4,975	36,156
Total General Government	<u>43,131</u>	<u>48,131</u>	<u>8,535</u>	<u>39,596</u>
Debt Service:				
Principal Retirement	500,000	500,000	500,000	0
Interest and Fiscal Charges	22,000	22,000	22,000	0
Total Debt Service	<u>522,000</u>	<u>522,000</u>	<u>522,000</u>	<u>0</u>
<i>Total Expenditures</i>	<u>565,131</u>	<u>570,131</u>	<u>530,535</u>	<u>39,596</u>
<i>Net Change in Fund Balance</i>	2,767	(2,233)	67,957	70,190
<i>Fund Balance Beginning of Year</i>	<u>640,146</u>	<u>640,146</u>	<u>640,146</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$642,913</u></u>	<u><u>\$637,913</u></u>	<u><u>\$708,103</u></u>	<u><u>\$70,190</u></u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Special Assessment Bond Retirement Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Special Assessments	\$0	\$0	\$2,521	\$2,521
Expenditures				
Debt Service:				
Principal Retirement	40,000	40,000	40,000	0
Interest and Fiscal Charges	21,000	21,000	18,115	2,885
<i>Total Expenditures</i>	61,000	61,000	58,115	2,885
<i>Net Change in Fund Balance</i>	(61,000)	(61,000)	(55,594)	5,406
<i>Fund Balance Beginning of Year</i>	96,165	96,165	96,165	0
<i>Fund Balance End of Year</i>	<u>\$35,165</u>	<u>\$35,165</u>	<u>\$40,571</u>	<u>\$5,406</u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Capital Improvements Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$0	\$0	\$62,224	\$62,224
Other	0	0	6,314	6,314
<i>Total Revenues</i>	0	0	68,538	68,538
Expenditures				
Capital Outlay:				
Capital Outlay	338,747	338,747	285,331	53,416
<i>Excess of Revenues Under Expenditures</i>	(338,747)	(338,747)	(216,793)	121,954
Other Financing Sources				
Advances In	100,000	100,000	0	(100,000)
Transfers In	200,000	200,000	300,000	100,000
<i>Total Other Financing Sources</i>	300,000	300,000	300,000	0
<i>Net Change in Fund Balance</i>	(38,747)	(38,747)	83,207	121,954
<i>Fund Balance Beginning of Year</i>	75,506	75,506	75,506	0
Prior Year Encumbrances Appropriated	20,047	20,047	20,047	0
<i>Fund Balance End of Year</i>	<u>\$56,806</u>	<u>\$56,806</u>	<u>\$178,760</u>	<u>\$121,954</u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Safety Forces Vehicle Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Other	\$0	\$0	\$1,400	\$1,400
Expenditures				
Capital Outlay:				
Capital Outlay	222,634	222,634	21,998	200,636
Other	10,000	10,000	5,876	4,124
<i>Total Expenditures</i>	<u>232,634</u>	<u>232,634</u>	<u>27,874</u>	<u>204,760</u>
<i>Excess of Revenues Under Expenditures</i>	(232,634)	(232,634)	(26,474)	206,160
Other Financing Sources				
Transfers In	200,000	200,000	200,000	0
<i>Net Change in Fund Balance</i>	(32,634)	(32,634)	173,526	206,160
<i>Fund Balance Beginning of Year</i>	571,956	571,956	571,956	0
Prior Year Encumbrances Appropriated	22,634	22,634	22,634	0
<i>Fund Balance End of Year</i>	<u>\$561,956</u>	<u>\$561,956</u>	<u>\$768,116</u>	<u>\$206,160</u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Recreation Improvement Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Capital Outlay:				
Other	5,000	5,000	5,000	0
<i>Net Change in Fund Balance</i>	(5,000)	(5,000)	(5,000)	0
<i>Fund Balance Beginning of Year</i>	5,000	5,000	5,000	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0	\$0

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Road Improvement Fund
For the Year Ended December 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Property Taxes	\$482,000	\$482,000	\$509,222	\$27,222
Intergovernmental	66,000	66,000	75,321	9,321
Other	55	55	2,029	1,974
<i>Total Revenues</i>	<u>548,055</u>	<u>548,055</u>	<u>586,572</u>	<u>38,517</u>
Expenditures				
Capital Outlay:				
Contractual Services	764,524	764,524	695,244	69,280
Debt Service:				
Principal Retirement	240,000	240,000	240,000	0
Interest and Fiscal Charges	96,000	96,000	95,510	490
Total Debt Service	<u>336,000</u>	<u>336,000</u>	<u>335,510</u>	<u>490</u>
<i>Total Expenditures</i>	<u>1,100,524</u>	<u>1,100,524</u>	<u>1,030,754</u>	<u>69,770</u>
<i>Excess of Revenues Under Expenditures</i>	(552,469)	(552,469)	(444,182)	108,287
Other Financing Sources				
Transfers In	300,000	330,000	300,000	(30,000)
<i>Net Change in Fund Balance</i>	(252,469)	(222,469)	(144,182)	78,287
<i>Fund Balance Beginning of Year</i>	204,213	204,213	204,213	0
Prior Year Encumbrances Appropriated	<u>159,524</u>	<u>159,524</u>	<u>159,524</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$111,268</u>	<u>\$141,268</u>	<u>\$219,555</u>	<u>\$78,287</u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Sidewalk Improvement Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Capital Outlay:				
Contractual Services	7	7	0	7
<i>Net Change in Fund Balance</i>	(7)	(7)	0	7
<i>Fund Balance Beginning of Year</i>	7	7	7	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$7	\$7

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Stanhope Parking Lot Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures	0	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	2,853	2,853	2,853	0
<i>Fund Balance End of Year</i>	<u>\$2,853</u>	<u>\$2,853</u>	<u>\$2,853</u>	<u>\$0</u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Issue II Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Capital Outlay:				
Contractual Services	464,650	464,650	0	464,650
<i>Net Change in Fund Balance</i>	(464,650)	(464,650)	0	464,650
<i>Fund Balance Beginning of Year</i>	464,651	464,651	464,651	0
<i>Fund Balance End of Year</i>	<u>\$1</u>	<u>\$1</u>	<u>\$464,651</u>	<u>\$464,650</u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Sewer Rehabilitation Fund
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenses				
Capital Outlay:				
Contractual Services	1,251	1,251	0	1,251
<i>Net Change in Fund Balance</i>	(1,251)	(1,251)	0	1,251
<i>Fund Balance Beginning of Year</i>	1,251	1,251	1,251	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$1,251</u>	<u>\$1,251</u>

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Statistical Section

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

Contents	Pages(s)
<i>Financial Trends</i>	<i>S2 – S9</i>
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
<i>Revenue Capacity</i>	<i>S10 – S13</i>
These schedules contain information to help the reader assess the City's most significant local revenue, the municipal income tax.	
<i>Debt Capacity</i>	<i>S14 – S19</i>
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
<i>Economic and Demographic Information</i>	<i>S20 – S23</i>
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	
<i>Operating Information</i>	<i>S24 – S30</i>
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The City implemented GASB Statement No. 34 in 2001; schedules presenting government-wide information include information beginning in that year.

City of South Euclid, Ohio

Net Assets By Component

Last Ten Years

(Accrual Basis of Accounting)

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Governmental Activities				
Invested in Capital Assets, Net of Related Debt	\$32,938,396	\$30,383,626	\$28,853,662	\$22,453,546
Restricted:				
Capital Projects	6,012,190	6,357,363	5,732,147	10,817,930
Debt Service	817,326	840,410	1,205,795	1,228,773
Street Maintenance	238,023	437,529	618,196	868,767
Street Lighting	437,834	514,248	551,299	564,263
Sewer Maintenance	435,148	384,037	398,264	361,298
Other Purposes (1)	851,859	646,835	304,415	338,842
Unrestricted	<u>4,164,412</u>	<u>5,754,886</u>	<u>7,541,936</u>	<u>6,233,264</u>
<i>Total Governmental Activities Net Assets</i>	<u>\$45,895,188</u>	<u>\$45,318,934</u>	<u>\$45,205,714</u>	<u>\$42,866,683</u>

(1) Net Assets Restricted for Other Purposes were shown in total for years 2000, 2001 and 2002.

2005	2004	2003	2002	2001	2000
\$20,848,365	\$18,556,099	\$17,806,555	\$14,677,992	\$16,110,371	\$15,005,341
12,072,013	13,586,656	9,536,999	12,337,811	10,221,386	7,091,825
1,230,674	1,209,362	4,689,143	4,624,328	564,075	657,985
767,151	745,178	619,840	0	0	0
581,334	616,735	638,139	0	0	0
398,185	374,740	386,731	0	0	0
295,348	404,799	449,460	2,340,095	2,507,471	2,581,842
5,772,223	5,689,409	6,886,696	6,541,579	6,937,209	6,740,644
<u>\$41,965,293</u>	<u>\$41,182,978</u>	<u>\$41,013,563</u>	<u>\$40,521,805</u>	<u>\$36,340,512</u>	<u>\$32,077,637</u>

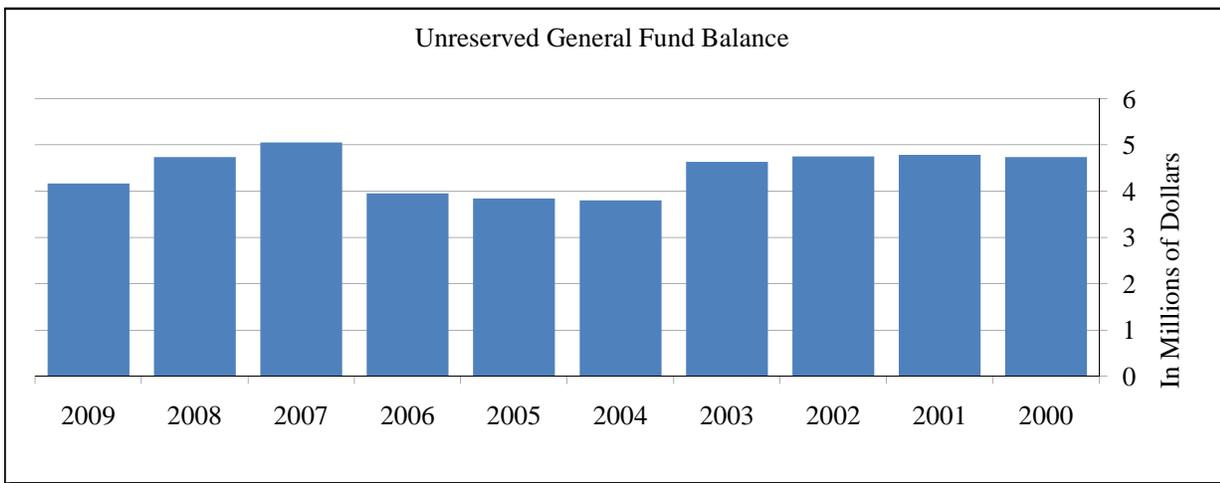
City of South Euclid, Ohio
Changes in Net Assets
Last Nine Years
(Accrual Basis of Accounting)

	2009	2008	2007	2006	2005
Program Revenues					
Governmental Activities:					
Charges for Services and Operating Assessments:					
General Government:					
Legislative and Executive	\$276,698	\$345,357	\$317,840	\$235,896	\$214,236
Judicial System	59,178	57,596	62,730	44,503	42,818
Security of Persons and Property:					
Police	607,784	693,554	663,424	475,520	444,970
Fire	436,945	495,777	495,329	328,461	326,040
Public Health Services	18,024	16,474	18,029	12,693	12,796
Leisure Time Activities	35,970	49,565	53,397	35,031	74,440
Community Development	25,565	36,442	31,376	19,959	22,012
Building Department	77,024	93,325	94,543	62,304	57,307
Transportation	140,916	188,751	98,837	96,845	89,006
Basic Utility Services	2,776,764	2,953,380	3,200,213	2,952,317	2,934,578
Swimming Pools	86,512	119,300	114,041	121,333	142,634
Operating Grants, Contributions and Interest	1,262,066	1,107,332	910,810	1,032,575	928,712
Capital Grants, Contributions and Capital Assessments	95,906	245,873	693,176	86,335	24,468
<i>Total Governmental Activities Program Revenues</i>	<u>5,899,352</u>	<u>6,402,726</u>	<u>6,753,745</u>	<u>5,503,772</u>	<u>5,314,017</u>
Expenses					
Governmental Activities:					
General Government:					
Legislative and Executive	2,653,976	2,819,870	2,402,438	2,423,252	2,149,780
Judicial System	571,587	467,629	490,694	463,068	439,808
Security of Persons and Property:					
Police	5,566,689	5,477,289	5,282,303	5,202,341	4,600,120
Fire	4,389,709	4,228,508	3,934,595	3,583,897	3,552,050
Public Health Services	129,249	133,196	135,702	130,178	127,609
Leisure Time Activities	356,693	585,200	1,065,090	377,023	385,161
Community Development	244,319	294,638	236,405	204,704	219,507
Building Department	743,044	770,710	737,700	646,628	587,553
Transportation	3,318,990	3,579,503	3,322,800	3,138,160	2,732,270
Basic Utility Services	2,464,808	3,928,628	3,028,247	3,322,453	2,590,425
Swimming Pools	406,544	420,665	379,311	371,225	442,493
Interest and Fiscal Charges	1,185,865	1,418,744	1,497,241	496,930	491,110
<i>Total Governmental Activities Expenses</i>	<u>22,031,473</u>	<u>24,124,580</u>	<u>22,512,526</u>	<u>20,359,859</u>	<u>18,317,886</u>
<i>Total Primary Government Net Expense</i>	<u>(16,132,121)</u>	<u>(17,721,854)</u>	<u>(15,758,781)</u>	<u>(14,856,087)</u>	<u>(13,003,869)</u>
General Revenues and Other Changes in Net Assets					
Governmental Activities					
Taxes:					
Property Taxes Levied For:					
General Purposes	4,295,069	4,256,560	4,318,695	4,005,660	3,945,778
Debt Service	520,995	442,310	456,913	487,938	491,236
Capital Projects	517,143	511,338	546,189	549,010	558,422
Other Purposes	242,234	239,886	250,978	229,592	228,914
Municipal Income Taxes	8,332,487	9,085,439	8,997,144	7,309,426	5,889,209
Grants and Entitlements not Restricted to Specific Programs					
Increase in Investment in Joint Venture	0	0	0	27,217	0
Investment Earnings	155,891	426,403	1,014,924	766,878	459,995
Gain on Sale of Capital Assets	0	0	0	42,525	0
Miscellaneous	500,572	521,451	220,916	152,374	79,832
<i>Total Governmental Activities</i>	<u>16,708,375</u>	<u>17,835,074</u>	<u>18,097,812</u>	<u>15,757,477</u>	<u>13,786,184</u>
<i>Total Primary Government Change in Net Assets</i>	<u>\$576,254</u>	<u>\$113,220</u>	<u>\$2,339,031</u>	<u>\$901,390</u>	<u>\$782,315</u>

2004	2003	2002	2001
\$212,514	\$81,257	\$64,126	\$117,227
42,712	480,593	448,288	436,864
438,192	63,961	26,077	49,710
327,875	331,904	268,318	1,621
100,210	0	0	0
13,590	37,390	36,367	38,942
107,106	109,337	98,144	70,682
140,534	357,593	304,627	147,740
55,040	9,202	5,943	13,074
2,951,856	2,938,776	2,735,584	37,958
132,144	156,078	162,915	166,060
968,392	926,987	797,868	3,740,595
262,868	653,384	2,690,808	672,508
5,753,033	6,146,462	7,639,065	5,492,981
2,142,448	1,978,940	1,953,365	1,895,080
453,624	460,425	373,524	371,504
4,501,705	4,342,704	4,085,718	3,853,772
3,314,684	3,139,703	2,854,567	2,665,347
136,516	168,765	132,411	157,173
525,902	522,564	387,883	415,552
182,993	207,347	307,024	243,728
619,424	734,635	657,134	563,338
2,587,269	3,382,764	2,167,781	1,928,058
2,656,146	3,098,100	2,368,217	2,019,669
702,414	769,297	773,327	746,909
495,871	308,094	445,494	364,455
18,318,996	19,113,338	16,506,445	15,224,585
(12,565,963)	(12,966,876)	(8,867,380)	(9,731,604)
3,935,438	3,597,642	3,683,343	3,553,391
525,600	480,622	490,604	481,170
559,713	549,291	557,055	549,581
228,606	208,170	207,014	207,006
5,258,353	6,005,698	5,573,741	5,897,127
2,032,457	2,271,565	1,921,190	2,324,610
0	64,400	103,518	163,469
163,416	264,118	472,003	635,777
0	0	9,800	149,725
31,795	17,128	30,405	32,623
12,735,378	13,458,634	13,048,673	13,994,479
\$169,415	\$491,758	\$4,181,293	\$4,262,875

City of South Euclid, Ohio
Fund Balances, Governmental Funds
Last Ten Years
(Modified Accrual Basis of Accounting)

	2009	2008	2007	2006
General Fund				
Reserved	\$319,845	\$208,058	\$246,721	\$98,956
Unreserved	4,169,858	4,739,743	5,060,371	3,957,818
Total General Fund	4,489,703	4,947,801	5,307,092	4,056,774
All Other Governmental Funds				
Reserved	18,854,672	19,172,102	19,430,616	1,772,610
Unreserved, Undesignated, Reported in:				
Special Revenue funds	606,791	659,747	718,116	946,986
Debt Service funds	748,674	736,311	776,932	772,589
Capital Projects funds	1,226,914	1,119,988	1,901,173	6,952,753
Total All Other Governmental Funds	21,437,051	21,688,148	22,826,837	10,444,938
Total Governmental Funds	\$25,926,754	\$26,635,949	\$28,133,929	\$14,501,712



2005	2004	2003	2002	2001	2000
\$99,302	\$151,359	\$161,318	\$145,434	\$204,815	\$336,574
3,848,239	3,801,648	4,634,250	4,751,166	4,789,106	4,741,657
3,947,541	3,953,007	4,795,568	4,896,600	4,993,921	5,078,231
1,868,745	932,454	1,012,722	247,085	1,355,357	422,301
851,780	943,201	1,117,585	1,456,501	1,041,451	1,323,116
735,471	678,299	631,875	576,357	522,235	491,534
7,962,465	10,286,763	10,268,190	14,016,454	12,057,860	4,977,999
11,418,461	12,840,717	13,030,372	16,296,397	14,976,903	7,214,950
\$15,366,002	\$16,793,724	\$17,825,940	\$21,192,997	\$19,970,824	\$12,293,181

City of South Euclid, Ohio
Changes in Fund Balances, Governmental Funds
Last Ten Years
(Modified Accrual Basis of Accounting)

	2009	2008	2007	2006	2005
Revenues					
Property Taxes	\$5,534,076	\$5,453,873	\$5,501,086	\$5,268,129	\$5,279,878
Income Taxes	8,311,273	8,463,897	8,674,233	6,741,479	5,594,529
Special Assessments	2,863,451	2,725,157	3,019,836	2,841,329	2,891,889
Intergovernmental	3,745,257	3,444,675	3,965,660	3,311,300	3,205,613
Interest	155,891	426,403	1,014,924	766,878	459,995
Fees, Licenses and Permits	474,395	451,096	416,655	606,335	638,644
Fines and Forfeitures	686,194	643,670	547,248	578,346	472,986
Rentals	130,790	122,628	620,707	158,687	184,116
Charges for Services	640,340	996,316	587,344	306,598	257,754
Other	500,572	521,451	220,916	152,374	79,832
<i>Total Revenues</i>	<u>23,042,239</u>	<u>23,249,166</u>	<u>24,568,609</u>	<u>20,731,455</u>	<u>19,065,236</u>
Expenditures					
Current:					
General Government (1)					
General Government:					
Legislative and Executive	2,631,006	2,793,959	2,383,974	2,424,399	2,140,190
Judicial System	541,010	490,556	472,870	453,396	426,959
Security of Persons and Property (2)					
Security of Persons and Property:					
Police	5,482,855	5,393,378	5,116,404	4,842,681	4,522,458
Fire	4,298,797	4,130,488	3,867,768	3,484,989	3,400,649
Public Health Services	129,249	133,196	135,702	130,178	127,609
Leisure Time Activities	351,427	403,482	400,970	370,605	341,400
Community Development	244,319	294,638	236,405	204,704	219,507
Building Department	716,900	773,098	714,860	643,659	569,766
Transportation	2,089,754	2,247,498	2,237,033	1,748,928	1,940,539
Basic Utility Services	2,282,521	2,480,311	2,280,720	2,135,250	1,840,926
Swimming Pools	318,555	330,541	298,761	274,413	266,658
Capital Outlay	2,654,497	4,004,012	10,014,436	3,821,801	3,208,757
Debt Service:					
Principal Retirement	19,466,247	18,361,773	1,315,524	1,175,441	1,070,655
Interest and Fiscal Charges	1,252,209	1,398,321	520,804	415,518	427,297
<i>Total Expenditures</i>	<u>42,459,346</u>	<u>43,235,251</u>	<u>29,996,231</u>	<u>22,125,962</u>	<u>20,503,370</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(19,417,107)</u>	<u>(19,986,085)</u>	<u>(5,427,622)</u>	<u>(1,394,507)</u>	<u>(1,438,134)</u>
Other Financing Sources (Uses)					
Compensation for Loss of Asset	10,707	0	0	0	0
Sale of Capital Assets	0	5,423	7,468	173,253	10,412
Bond Anticipation Notes Issued	18,550,000	18,010,000	17,000,000	0	0
OWDA Loan Proceeds	0	0	2,052,371	0	0
General Obligation Bonds Issued	0	0	0	0	0
Premium on Bond Anticipation Notes Issued	103,670	0	0	0	0
General Obligation Notes Issued	0	0	0	0	0
Premium on General Obligation Notes	0	0	0	0	0
OPWC Loans Issued	43,535	297,780	0	0	0
Inception of Capital Lease	0	174,902	0	356,964	0
Transfers In	1,110,000	1,257,232	1,650,547	945,000	732,917
Transfers Out	(1,110,000)	(1,257,232)	(1,650,547)	(945,000)	(732,917)
<i>Total Other Financing Sources (Uses)</i>	<u>18,707,912</u>	<u>18,488,105</u>	<u>19,059,839</u>	<u>530,217</u>	<u>10,412</u>
<i>Net Change in Fund Balances</i>	<u>(\$709,195)</u>	<u>(\$1,497,980)</u>	<u>\$13,632,217</u>	<u>(\$864,290)</u>	<u>(\$1,427,722)</u>
Debt Service as a Percentage of Noncapital Expenditures	52.7%	48.5%	8.8%	9.5%	9.5%

(1) General Government was shown in total for year 2000.

(2) Security of Persons and Property was shown in total for year 2000.

2004	2003	2002	2001	2000
\$5,265,227	\$4,767,851	\$4,942,050	\$4,733,663	\$4,552,516
5,349,183	5,739,236	5,729,709	5,480,272	5,385,924
2,879,471	2,731,482	2,810,566	2,838,353	1,855,655
3,026,880	3,733,712	5,664,588	3,917,807	3,617,495
163,416	264,118	472,003	679,836	703,591
534,101	748,651	604,012	169,739	171,630
521,519	489,830	450,711	467,915	360,976
166,792	105,893	42,530	97,359	94,913
346,546	303,336	276,359	284,989	351,706
31,795	17,128	71,598	48,570	166,704
<u>18,284,930</u>	<u>18,901,237</u>	<u>21,064,126</u>	<u>18,718,503</u>	<u>17,261,110</u>
				2,301,392
2,171,553	1,955,867	1,954,740	1,914,256	
437,166	444,559	365,555	370,071	
				6,746,905
4,376,502	4,178,466	3,887,106	3,853,690	
3,279,987	2,978,482	2,777,117	2,569,171	
136,516	168,765	111,483	102,938	91,338
393,217	467,343	360,608	334,721	815,416
185,669	207,345	139,688	130,464	556,553
572,410	719,646	630,633	544,835	0
1,779,840	1,675,861	1,547,080	1,480,690	1,540,384
1,930,402	1,968,487	1,918,152	1,930,490	1,520,283
351,821	461,665	498,134	493,966	2,399,172
2,583,885	7,510,874	8,339,672	2,443,991	0
1,019,245	9,342,841	6,318,734	1,394,639	1,369,448
460,865	431,485	385,878	260,248	256,126
<u>19,679,078</u>	<u>32,511,686</u>	<u>29,234,580</u>	<u>17,824,170</u>	<u>17,597,017</u>
<u>(1,394,148)</u>	<u>(13,610,449)</u>	<u>(8,170,454)</u>	<u>894,333</u>	<u>(335,907)</u>
0	0	0	0	0
6,023	2,731	32,677	211,625	0
0	0	0	0	0
0	0	0	0	0
0	9,400,000	0	0	0
0	20,074	0	0	0
0	0	8,900,000	5,900,000	1,000,000
0	0	13,617	6,195	0
355,909	820,587	446,333	665,490	53,405
0	0	0	0	0
407,500	348,103	1,403,833	1,802,751	871,300
<u>(407,500)</u>	<u>(348,103)</u>	<u>(1,403,833)</u>	<u>(1,802,751)</u>	<u>(871,300)</u>
<u>361,932</u>	<u>10,243,392</u>	<u>9,392,627</u>	<u>6,783,310</u>	<u>1,053,405</u>
<u>(\$1,032,216)</u>	<u>(\$3,367,057)</u>	<u>\$1,222,173</u>	<u>\$7,677,643</u>	<u>\$717,498</u>
9.5%	64.2%	47.2%	12.1%	10.2%

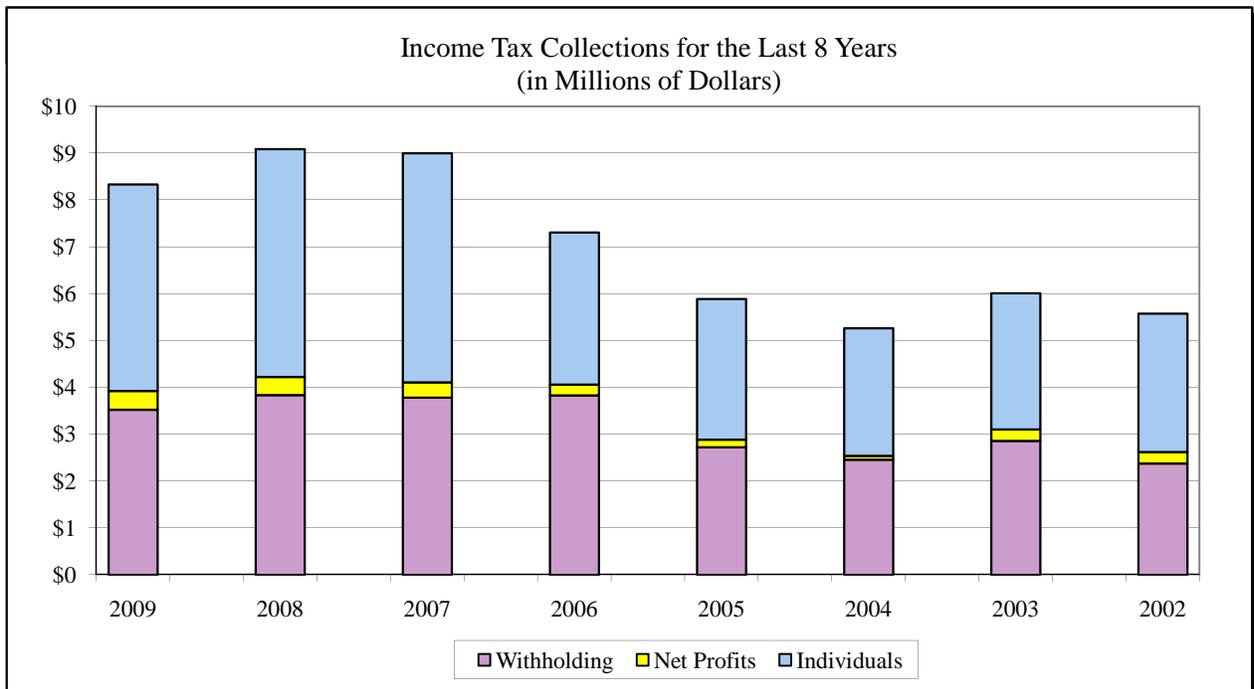
City of South Euclid, Ohio
Income Tax Revenue Base and Collections
Last Eight Years (1)

Tax Year (2)	Tax Rate (3)	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes From Individuals	Percentage of Taxes from Individuals
2009	2.00 %	\$8,332,487	\$3,525,243	42.31%	\$395,796	4.75%	\$4,411,448	52.94%
2008	2.00	9,085,439	3,835,277	42.21	387,804	4.27	4,862,358	53.52
2007	2.00	8,997,144	3,777,901	41.99	327,496	3.64	4,891,747	54.37
2006	2.00	7,309,426	3,830,126	52.40	229,265	3.14	3,250,035	44.46
2005	1.50	5,889,209	2,720,121	46.19	164,850	2.80	3,004,238	51.01
2004	1.50	5,258,353	2,458,664	46.76	80,510	1.53	2,719,179	51.71
2003	1.50	6,005,698	2,854,627	47.53	249,266	4.15	2,901,805	48.32
2002	1.50	5,573,741	2,373,168	42.58	247,983	4.45	2,952,590	52.97

(1) Information prior to 2002 is not available.

(2) 2002 through 2009 are on an Accrual Basis.

(3) The City's income tax rate was increased by a majority vote of residents in August 2005 and became effective January 1, 2006.



City of South Euclid, Ohio
Income Tax Statistics
One Year Ago and Eight Years Ago

2008 (1)				
Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
\$0 - \$24,999	2,257	32.92%	\$23,776,531	6.98%
\$25,000 - \$49,999	1,768	25.78	65,849,707	19.33
\$50,000 - \$74,999	1,318	19.22	80,655,233	23.67
\$75,000 - \$99,999	757	11.04	64,799,291	19.02
Over \$100,000	757	11.04	105,614,268	30.99
Total	<u>6,857</u>	<u>100.00%</u>	<u>\$340,695,030</u>	<u>100.00%</u>

2001 (2)				
Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
\$0 - \$24,999	2,605	34.54%	\$26,735,621	8.03%
\$25,000 - \$49,999	2,206	29.25	82,287,624	24.70
\$50,000 - \$74,999	1,502	19.90	92,021,417	27.62
\$75,000 - \$99,999	706	9.36	60,447,804	18.14
Over \$100,000	524	6.95	71,646,224	21.51
Total	<u>7,543</u>	<u>100.00%</u>	<u>\$333,138,690</u>	<u>100.00%</u>

(1) Information for 2008 is the most current available.

(2) Information prior to 2001 is not available.

City of South Euclid, Ohio
Principal Income Taxpayers
Current Year and Six Years Ago (Cash Basis) (1)

The following are the principal income taxpayers in the City; ranked in order of payroll withholding.

2009 Taxpayers	Ranking
South Euclid-Lyndhurst Board of Education	1
University Hospitals Health System	2
City of South Euclid	3
Notre Dame College	4
Cuyahoga County Auditors	5
University Suburban Health Center	6
Rochling Glastic Composites	7
Riser Foods	8
Aerocontrex Group Inc.	9
University Dermatologists Inc.	10

2003 Taxpayers	Ranking
South Euclid-Lyndhurst Board of Education	1
Transdigm Inc.	2
City of South Euclid	3
Glastic Corporation	4
University Suburban Health Center	5
Allergy Immunology Association Inc.	6
Cleveland Physicians	7
Riser Foods	8
Notre Dame College	9
Cuyahoga County Auditors	10

Due to legal restrictions and confidentiality requirements, the City cannot disclose the amount of withholding.

(1) Information prior to 2003 is not available.

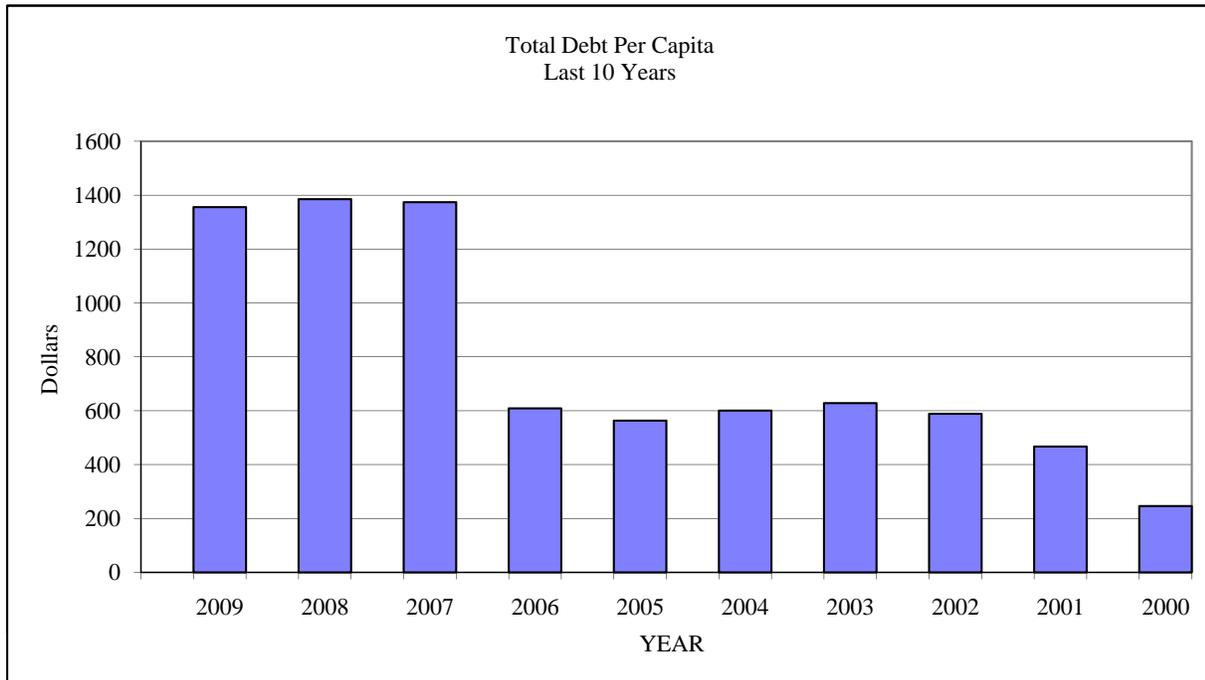
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City of South Euclid, Ohio
*Ratio of Outstanding Debt to
 Total Personal Income and Debt Per Capita
 Last Ten Years*

Governmental Activities

Year	General Obligation Bonds	Special Assessment Bonds	OPWC Loans	OWDA Loans	Capital Leases	Police and Fire Pension	General Obligation Bond Anticipation Notes
2009	\$7,078,990	\$230,000	\$1,869,186	\$1,810,714	\$254,052	\$302,301	\$20,358,639
2008	7,973,354	270,000	1,935,257	1,893,877	406,035	308,796	19,810,000
2007	8,842,976	305,000	1,747,086	1,974,401	356,546	315,023	18,800,000
2006	9,711,038	340,000	1,856,693	0	291,856	320,994	1,800,000
2005	10,586,506	375,000	1,966,300	0	0	326,720	0
2004	11,174,994	405,000	2,216,053	0	0	332,209	0
2003	12,089,994	435,000	1,929,124	0	0	337,474	0
2002	3,005,000	460,000	1,146,332	0	0	342,520	8,900,000
2001	3,542,458	485,000	718,895	0	0	347,358	5,901,549
2000	3,873,533	510,000	53,405	0	0	351,997	1,000,000

(1) The personal income and population can be found on S22.



<u>Total Debt</u>	<u>Percentage of Personal Income (1)</u>	<u>Per Capita (1)</u>
\$31,903,882	6.06%	\$1,355
32,597,319	6.19	1,385
32,341,032	6.14	1,374
14,320,581	2.72	608
13,254,526	2.52	563
14,128,256	2.68	600
14,791,592	2.81	628
13,853,852	2.63	589
10,995,260	2.09	467
5,788,935	1.10	246

City of South Euclid, Ohio
*Ratio of General Obligation Bonded Debt to Estimated
 True Values and Bonded Debt Per Capita
 Last Ten Years*

Year	Population (1)		Estimated True Values of Taxable Property (2)	Bonded Debt (3)	Ratio of Bonded Debt to Estimated True Values of Taxable Property	Bonded Debt Per Capita
2009	23,537	b	\$1,250,127,423	\$7,078,990	0.57 %	\$300.76
2008	23,537	b	1,411,689,760	7,973,354	0.56	338.76
2007	23,537	b	1,313,072,481	8,842,976	0.67	375.71
2006	23,537	b	1,336,234,226	9,711,038	0.73	412.59
2005	23,537	b	1,224,421,930	10,586,506	0.86	449.78
2004	23,537	b	1,221,430,277	11,174,994	0.91	474.78
2003	23,537	b	1,211,632,103	12,089,994	1.00	513.66
2002	23,537	b	1,114,318,570	3,005,000	0.27	127.67
2001	23,537	b	1,110,215,623	3,542,458	0.32	150.51
2000	23,537	b	1,113,072,820	3,873,533	0.35	164.57

Sources:

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

(a) 2000 Federal Census

(2) Cuyahoga County Auditor

(3) Includes all general obligation bonded debt.

City of South Euclid, Ohio
Computation of Direct and Overlapping Governmental Activities Debt
 December 31, 2009

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City of South Euclid
Direct - City of South Euclid			
General Obligation Bonds	\$7,078,990	100.00%	\$7,078,990
Special Assessment Bonds	230,000	100.00%	230,000
OPWC Loans	1,869,186	100.00%	1,869,186
OWDA Loans	1,810,714	100.00%	1,810,714
Capital Leases	254,052	100.00%	254,052
Police and Fire Pension	302,301	100.00%	302,301
Notes Payable	20,358,639	100.00%	20,358,639
<i>Total Direct</i>	<u>31,903,882</u>		<u>31,903,882</u>
Overlapping			
South Euclid-Lyndhurst City School District			
General Obligation Bonds	7,230,000	93.49%	6,759,327
Cleveland Heights School District			
General Obligation Bonds	10,295,000	6.51%	670,205
Energy Conservation Bonds	5,500,000	6.51%	358,050
Capital Lease Obligations	215,412	6.51%	14,023
Cuyahoga County (2)			
General Obligation Bonds	157,633,000	1.40%	2,206,862
Revenue Bonds	93,026,000	1.40%	1,302,364
Capital Lease Obligations	19,154,000	1.40%	268,156
Loans Payable	5,985,000	1.40%	83,790
Cleveland Heights University Heights Public Library			
Capital Lease Obligations	630,052	6.51%	41,016
Greater Cleveland Regional Transit Authority			
General Obligation Bonds	163,025,000	1.40%	2,282,350
Capital Lease Obligations	22,308,138	1.40%	312,314
SIB Loan	3,040,281	1.40%	42,564
<i>Total Overlapping Debt</i>	<u>488,041,883</u>		<u>14,341,021</u>
Total	<u><u>\$519,945,765</u></u>		<u><u>\$46,244,903</u></u>

(1) The percentage of gross indebtedness of the City's overlapping political subdivisions was determined by dividing each overlapping subdivision's assessed valuation within the City by its total assessed valuation.

(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.

Source: Cuyahoga County Auditor

City of South Euclid, Ohio

Legal Debt Margin

Last Ten Years

	2009	2008	2007	2006
Population	23,537	23,537	23,537	23,537
Total Assessed Property Value	<u>\$407,015,640</u>	<u>\$458,340,285</u>	<u>\$459,486,360</u>	<u>\$465,051,645</u>
General Bonded Debt Outstanding:				
General Obligation Bonds	\$6,234,994	\$7,299,994	\$8,304,994	\$9,279,994
Special Assessment Bonds	230,000	270,000	305,000	340,000
Bond Anticipation Notes	20,358,639	19,810,000	18,800,000	1,800,000
OPWC Loans	1,869,186	1,935,257	1,747,086	1,856,693
OWDA Loans	<u>1,810,714</u>	<u>1,893,877</u>	<u>1,974,401</u>	<u>0</u>
Total Gross Indebtedness	30,503,533	31,209,128	31,131,481	13,276,687
Less:				
Special Assessment Bonds	(230,000)	(270,000)	(305,000)	(340,000)
OPWC Loans	(1,869,186)	(1,935,257)	(1,747,086)	(1,856,693)
OWDA Loans	(1,810,714)	(1,893,877)	(1,974,401)	0
General Obligation Bond Retirement Fund Balance	<u>(708,103)</u>	<u>(640,146)</u>	<u>(631,492)</u>	<u>(624,400)</u>
Total Net Debt Applicable to Debt Limit	<u>25,885,530</u>	<u>26,469,848</u>	<u>26,473,502</u>	<u>10,455,594</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>42,736,642</u>	<u>48,125,730</u>	<u>48,246,068</u>	<u>48,830,423</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$16,851,112</u>	<u>\$21,655,882</u>	<u>\$21,772,566</u>	<u>\$38,374,829</u>
Legal Debt Margin as a Percentage of the Debt Limit	39.43%	45.00%	45.13%	78.59%
Unvoted Debt Limitation 5 ½ % of Assessed Valuation	<u>\$22,385,860</u>	<u>\$25,208,716</u>	<u>\$25,271,750</u>	<u>\$25,577,840</u>
Total Gross Indebtedness	30,503,533	31,209,128	31,131,481	13,276,687
Less:				
Special Assessment Bonds	(230,000)	(270,000)	(305,000)	(340,000)
OPWC Loans	(1,869,186)	(1,935,257)	(1,747,086)	(1,856,693)
OWDA Loans	(1,810,714)	(1,893,877)	(1,974,401)	0
Voted General Obligation Bonds	(6,234,994)	(7,299,994)	(8,304,994)	(9,279,994)
General Obligation Bond Retirement Fund Balance	<u>(708,103)</u>	<u>(640,146)</u>	<u>(631,492)</u>	<u>(624,400)</u>
Net Debt Within 5 ½ % Limitations	<u>19,650,536</u>	<u>19,169,854</u>	<u>18,168,508</u>	<u>1,175,600</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$2,735,324</u>	<u>\$6,038,862</u>	<u>\$7,103,242</u>	<u>\$24,402,240</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	12.22%	23.96%	28.11%	95.40%

Source: City Financial Records

2005	2004	2003	2002	2001	2000
23,537	23,537	23,537	23,537	23,537	23,537
<u>\$428,196,500</u>	<u>\$428,020,457</u>	<u>\$424,956,568</u>	<u>\$389,649,944</u>	<u>\$388,535,868</u>	<u>\$391,349,144</u>
\$10,239,994	\$11,174,994	\$12,089,994	\$3,005,000	\$3,542,458	\$3,873,533
375,000	405,000	435,000	460,000	485,000	510,000
0	0	0	8,900,000	5,901,549	1,000,000
1,966,300	2,216,053	1,929,124	1,146,332	718,895	53,405
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
12,581,294	13,796,047	14,454,118	13,511,332	10,647,902	5,436,938
(375,000)	(405,000)	(435,000)	(460,000)	(485,000)	(510,000)
(1,966,300)	(2,216,053)	(1,929,124)	(1,146,332)	(718,895)	(53,405)
0	0	0	0	0	0
<u>(586,697)</u>	<u>(528,218)</u>	<u>(480,323)</u>	<u>(429,268)</u>	<u>(373,139)</u>	<u>(360,815)</u>
<u>9,653,297</u>	<u>10,646,776</u>	<u>11,609,671</u>	<u>11,475,732</u>	<u>9,070,868</u>	<u>4,512,718</u>
44,960,633	44,942,148	44,620,440	40,913,244	40,796,266	41,091,660
<u>\$35,307,336</u>	<u>\$34,295,372</u>	<u>\$33,010,769</u>	<u>\$29,437,512</u>	<u>\$31,725,398</u>	<u>\$36,578,942</u>
78.53%	76.31%	73.98%	71.95%	77.77%	89.02%
<u>\$23,550,808</u>	<u>\$23,541,125</u>	<u>\$23,372,611</u>	<u>\$21,430,747</u>	<u>\$21,369,473</u>	<u>\$21,524,203</u>
12,581,294	13,796,047	14,454,118	13,511,332	10,647,902	5,436,938
(375,000)	(405,000)	(435,000)	(460,000)	(485,000)	(510,000)
(1,966,300)	(2,216,053)	(1,929,124)	(1,146,332)	(718,895)	(53,405)
0	0	0	0	0	0
(10,239,994)	(11,174,994)	(12,089,994)	(3,005,000)	(3,542,458)	(3,873,533)
<u>(586,697)</u>	<u>(528,218)</u>	<u>(480,323)</u>	<u>(429,268)</u>	<u>(373,139)</u>	<u>(360,815)</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>8,470,732</u>	<u>5,528,410</u>	<u>639,185</u>
<u>\$23,550,808</u>	<u>\$23,541,125</u>	<u>\$23,372,611</u>	<u>\$12,960,015</u>	<u>\$15,841,063</u>	<u>\$20,885,018</u>
100.00%	100.00%	100.00%	60.47%	74.13%	97.03%

City of South Euclid
Principal Employers
Current Year and Three Years Ago (1)

2009	
Employer	Number of Employees
Notre Dame College	900
South Euclid-Lyndhurst Board of Education	436
City of South Euclid	322
University Hospitals Health System	280
Cuyahoga County Auditor	253
Riser Foods Company	175
University Suburban Health Center	154
Rochling Glastic Composites LP	124
Aerocontrolex Group Inc	88
University Dermatologists Inc	46
Total	<u>2,778</u>
Total Employment within the City	<u>n/a</u>

2006	
Employer	Number of Employees
Notre Dame College	566
South Euclid-Lyndhurst Board of Education	440
Marc Glassman Inc.	337
Cuyahoga County Auditor	267
City of South Euclid	199
University Suburban Health Center	192
Glastic Corporation	175
Riser Foods Company	156
Walgreen Company	135
Transdigm	74
Total	<u>2,541</u>
Total Employment within the City	<u>n/a</u>

Source: Regional Income Tax Agency

(1) Information prior to 2006 not available.

n/a - Information not available

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City of South Euclid, Ohio
Demographic and Economic Statistics
Last Ten Years

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita	Median Household Income (1)	Median Age (1)
2009	23,537	\$526,828,671	\$22,383	\$48,346	38
2008	23,537	526,828,671	22,383	48,346	38
2007	23,537	526,828,671	22,383	48,346	38
2006	23,537	526,828,671	22,383	48,346	38
2005	23,537	526,828,671	22,383	48,346	38
2004	23,537	526,828,671	22,383	48,346	38
2003	23,537	526,828,671	22,383	48,346	38
2002	23,537	526,828,671	22,383	48,346	38
2001	23,537	526,828,671	22,383	48,346	38
2000	23,537	526,828,671	22,383	48,346	38

(1) Source: U. S. Census

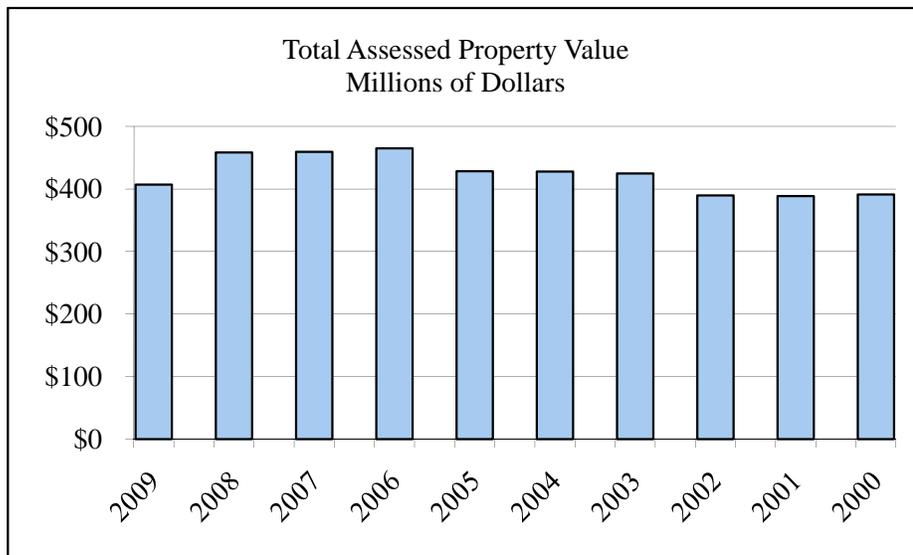
(a) Years 2000 through 2009 - 2000 Federal Census

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

(3) Cuyahoga County Planning Commission

(4) Source: Cuyahoga County Auditor

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



Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Cuyahoga County Unemployment Rate (3)	Total Assessed Property Value (4)
67.0%	4,269	9.0%	\$407,015,640
67.0	4,336	7.1	458,340,285
67.0	4,307	6.1	459,486,360
67.0	4,462	5.5	465,051,645
65.5	4,613	5.9	428,196,500
65.6	4,669	6.3	428,020,457
59.2	4,634	6.2	424,956,568
58.8	4,392	5.7	389,649,944
58.6	4,452	4.5	388,535,868
54.8	4,482	4.1	391,349,144

City of South Euclid, Ohio
City Government Employees by Function/Program
Last Eight Years (1)

Function/Program	2009	2008	2007	2006	2005
General Government:					
Legislative and Executive					
City Council	4.00	4.00	4.00	4.00	4.00
Mayors Office	2.00	2.00	2.00	2.00	2.00
Finance	4.00	4.00	5.00	5.00	5.00
Law	2.50	2.50	3.00	3.00	2.00
Civil Service	2.00	2.00	2.00	2.00	2.00
Municipal Complex	1.00	2.00	3.00	3.00	2.00
Engineering	1.00	1.00	1.00	1.00	1.00
Judicial System					
Municipal Court	12.00	12.00	10.00	10.00	10.00
Security of Persons and Property					
Police	58.00	58.00	59.00	58.00	64.00
Fire	38.00	38.00	37.00	36.00	34.00
Leisure Time Activities					
Recreation	1.00	2.00	3.00	3.00	3.00
Community Center	6.00	6.00	6.00	6.00	4.00
Community Development					
Boards and Commissions	9.00	9.00	10.00	10.00	10.00
Community Relations	1.50	1.50	1.00	2.00	2.00
Economic Development	0.50	1.00	1.00	0.00	0.00
Building Department	10.00	12.00	11.00	11.00	11.00
Transportation					
Service Department	21.00	22.00	23.00	23.00	21.00
Service Garage	2.00	2.00	2.00	2.00	2.00
Basic Utility Services					
Curbside Recycling	2.00	2.00	2.00	2.00	2.00
Swimming Pools	30.00	30.00	30.00	35.00	52.00
Totals:	<u>207.50</u>	<u>213.00</u>	<u>215.00</u>	<u>218.00</u>	<u>233.00</u>

Source: City of South Euclid, Annual budget approved by March of each year.

Method: Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee at year end.

(1) Information prior to 2002 is not available.

2004	2003	2002
4.00	4.00	4.00
2.00	2.00	3.00
5.00	5.00	5.00
2.00	2.00	2.00
2.00	2.00	2.00
3.00	3.00	3.00
1.00	1.00	1.00
11.00	12.00	9.00
64.00	65.00	64.00
34.00	33.00	33.00
3.00	3.00	3.00
4.00	6.00	6.00
10.00	10.00	10.00
1.00	1.00	1.00
0.00	0.00	0.00
11.00	11.00	12.00
21.00	20.00	20.00
2.00	2.00	2.00
2.00	2.00	2.00
52.00	52.00	52.00
234.00	236.00	234.00

City of South Euclid, Ohio
Operating Indicators by Function/Program
Last Eight Years (1)

Function/Program	2009	2008	2007	2006
General Government				
<i>City Council</i>				
Ordinances Introduced	56	59	72	88
Resolutions Introduced	71	62	75	44
<i>Municipal Court</i>				
Revenues Distributed to City General Fund	622,913	592,391	515,782	520,000
Operating Expenses Paid from General Fund	609,914	502,549	473,410	447,133
Traffic Charges Filed	5,380	5,300	5,302	4,602
Parking Tickets Processed	4,038	4,648	4,318	6,036
Criminal Charges Filed	1,681	2,023	2,098	1,613
Housing Code Charges Filed	807	1,112	1,134	886
Civil Cases Filed	1,320	1,179	1,042	1,028
Marriages Performed	6	10	9	9
Security of Persons & Property				
<i>Police</i>				
Number of Stations	1	1	1	1
Policemen and Officers	40	41	42	41
Bike Patrol Fleet	4	4	4	N/A
S.W.A.T. Members	0	7	8	N/A
K-9 Units	2	2	2	2
School Guards	13	13	13	13
Hours of Training	1,695	3,336	2,792	1,967
Number of Persons Arrested	1,050	1,092	1,063	947
Number of Traffic Citations Issued	5,163	5,757	5,376	4,787
Number of Parking Violations/Arrests	4,034	4,641	4,316	5,709
Police Responses	17,380	19,558	18,541	16,874
9-1-1 Emergency Calls Received	N/A	7,303	5,807	5,545
<i>Fire</i>				
Number of Stations	1	1	1	1
Firemen and Officers	37	37	37	35
Paramedics	25	26	27	23
Hours of Training	7,520	6,290	5,641	5,703
Number of Incidents	3,200	3,139	2,929	2,926
EMS Responses	2,093	2,052	1,955	2,022
Total Fire Loss	\$317,000	\$291,600	\$231,000	\$335,450
Building Department				
Residential Building Permits Issued	889	784	827	976
Estimated Value of Residential Construction	\$4,203,729	\$5,444,223	\$5,288,766	\$5,725,155
Commercial Building Permits Issued	45	63	63	36
Estimated Value of Commercial Construction	\$1,575,011	\$16,068,205	\$14,281,819	\$2,807,093
Transportation				
Number of Trees Planted	15	170	311	74
Tons of Salt Purchased	3,300	7,417	9,500	7,743
Basic Utility Services				
Tons Paper Recycling Picked Up	480	521	580	507
Tons of Plastic Recycling Picked Up	317	316	330	459
Swimming Pools				
Number of Pools	2	2	2	2
Swimming Pool Receipts	\$86,512	\$119,300	\$114,041	\$121,334
Swimming Pool Expenditures	\$315,554	\$328,423	\$304,882	\$273,248

Source: City of South Euclid

(1) Information prior to 2002 is not available.

2005	2004	2003	2002
78	94	103	80
66	58	41	49
454,176	466,201	480,000	430,000
422,141	427,404	441,679	365,917
4,304	4,239	4,708	4,446
N/A	N/A	N/A	N/A
1,294	1,018	1,141	552
480	386	399	78
943	906	932	811
9	6	15	18
1	1	1	1
41	41	41	41
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
1	1	1	1
16	18	17	17
1,655	2,300	2,600	2,400
997	990	965	872
4,467	4,239	4,838	4,447
4,756	4,115	4,299	5,272
17,984	15,196	N/A	14,412
5,576	N/A	N/A	N/A
1	1	1	1
34	33	32	32
22	21	20	20
3,485	3,296	3,994	4,131
2,938	2,894	3,056	2,882
2,065	2,065	2,091	1,685
\$225,200	\$363,600	\$363,050	\$850,100
983	1,027	1,011	1,178
\$7,032,396	\$5,608,679	\$7,003,250	\$6,861,206
39	38	45	70
\$995,007	\$1,104,551	\$3,557,985	\$7,595,022
3	397	N/A	N/A
4,196	7,321	10,492	8,060
563	N/A	N/A	N/A
314	N/A	N/A	N/A
2	3	3	3
\$142,635	\$132,913	\$155,454	\$162,770
\$270,526	\$350,436	\$456,467	\$505,710

City of South Euclid, Ohio
Capital Assets Statistics by Function/Program
Last Eight Years (1)

Function/Program	2009	2008	2007	2006
General Government				
Total Square Footage (2)	54,002	54,002	54,002	54,002
Vehicles	1	1	1	1
Security of Persons and Property				
<i>Police</i>				
Number of Stations	1	1	1	1
Vehicles	24	25	35	30
<i>Fire</i>				
Number of Stations	1	1	1	1
Vehicles	10	10	11	10
Leisure Time Activities				
Number of Parks	3	3	3	3
Number of Playgrounds	2	2	2	2
Number of Swimming Pools	2	2	2	2
Number of Tennis Courts	4	4	4	4
Number of Community Centers	1	1	1	1
Square Footage of Community Center	10,582	10,582	10,582	10,582
Building Department				
Vehicles	9	9	10	8
Transportation				
Street Miles	67	67	67	67
Storm Sewer Miles	60	60	60	60
Sanitary Sewer Miles	64	64	64	64
Water Line Miles	70	70	70	70
Square Footage of Service Garage	13,897	13,897	13,897	13,897
Square Footage of Parking Garage	17,542	17,542	17,542	17,542
Vehicles	28	32	32	32
Basic Utility Services				
Vehicles	16	21	19	19

Source: City of South Euclid

(1) Information prior to 2002 is not available.

(2) Total Square Footage includes square footage of the police and fire stations.

2005	2004	2003	2002
54,002	54,002	54,002	54,002
1	1	1	1
1	1	1	1
28	28	28	28
1	1	1	1
10	9	9	9
3	3	3	3
2	2	2	2
2	3	3	3
4	4	4	8
1	1	1	1
10,582	10,582	10,582	10,582
8	8	8	8
61	61	61	61
N/A	N/A	N/A	56
N/A	N/A	N/A	56
N/A	N/A	N/A	61
13,897	13,897	13,897	13,897
17,542	17,542	17,542	17,542
29	29	27	27
19	19	19	19

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Mary Taylor, CPA
Auditor of State

CITY OF SOUTH EUCLID

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JUNE 22, 2010**