

**CITY OF EUCLID  
CUYAHOGA COUNTY, OHIO**

**AUDIT REPORT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2012**

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





# Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the City of Euclid, Cuyahoga County, prepared by James G. Zupka, CPA, Inc., for the audit period January 1, 2012 through December 31, 2012. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost  
Auditor of State

September 23, 2013

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**CITY OF EUCLID  
CUYAHOGA COUNTY, OHIO  
AUDIT REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2012**

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

*Certified Public Accountants*

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

*Garfield Hts., Ohio 44125*

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Ohio Society of Certified Public Accountants

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

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

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Euclid, Cuyahoga County, Ohio (the City), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City of Euclid, Ohio's basic financial statements, and have issued our report thereon dated May 31, 2013, wherein we noted that the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, and restated its December 31, 2011 Net Position of governmental and business-type activities due to reclassification of debt issuance costs. In addition, the City restated its December 31, 2011 Governmental Fund Balance and Net Position of governmental activities due to the inclusion of a capital lease obligation, pension liability overstatements, and special assessment revenue overstatements.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Euclid, Ohio's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Euclid, Ohio's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Euclid, Ohio's internal control.

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 City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Euclid, Ohio's financial statements are free from 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*.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Euclid, Ohio's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Euclid, Ohio's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

May 31, 2013

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

*Certified Public Accountants*

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

*Garfield Hts., Ohio 44125*

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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
REQUIRED BY OMB CIRCULAR A-133**

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

**Report on Compliance for Each Major Federal Program**

We have audited the City of Euclid, Cuyahoga County, Ohio's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Euclid, Ohio's major federal programs for the year ended December 31, 2012. The City of Euclid, Ohio's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the City of Euclid, Ohio's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Euclid, Ohio's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Euclid, Ohio's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, the City of Euclid, Ohio, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

### **Report on Internal Control Over Compliance**

Management of the City of Euclid, Ohio, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Euclid, Ohio's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Euclid, Ohio's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

## Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have also audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Euclid, Ohio, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City of Euclid, Ohio's basic financial statements. We issued our report thereon dated May 31, 2013, which contained unmodified opinions on those financial statements. Our opinion also explained that the City of Euclid, Ohio, adopted Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, and restated its December 31, 2011 Net Position of governmental and business-type activities due to reclassification of debt issuance costs. In addition, the City restated its December 31, 2011 Governmental Fund Balance and Net Position of governmental activities due to the inclusion of a capital lease obligation, pension liability overstatements, and special assessment revenue overstatements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

May 31, 2013

**CITY OF EUCLID  
CUYAHOGA COUNTY, OHIO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

<b>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Expenditures</b>
<b><u>U.S. Department of Housing and Urban Development</u></b>			
<b><u>Direct Award</u></b>			
<i>Community Development Block Grants Entitlement Grants Cluster</i>			
Entitlement Grants	14.218	B-10MC-39-0006	\$ 461,203
Entitlement Grants	14.218	B-11MC-39-0006	506,390
ARRA - Entitlement Grants (CDBG-R) Recovery Act Funded	14.253	B-09-MN-39-0006	66,311
ARRA - Neighborhood Stabilization Program (NSP)	14.254	B-08-MN-39-0008	325,967
ARRA - Neighborhood Stabilization Program (NSP)	14.254	B-11-MN-39-0008	268,927
<i>Total Community Development Block Grants Entitlement Grants Cluster</i>			<u>1,628,798</u>
<b>Total U.S. Department of Housing and Urban Development</b>			<u>1,628,798</u>
<b><u>U.S. Department of Energy</u></b>			
<b><u>Direct Award</u></b>			
ARRA - Energy Efficiency and Conservation Grant	81.128	DE-EE0001561	23,155
<b>Total U.S. Department of Energy</b>			<u>23,155</u>
<b><u>U.S. Department of Justice</u></b>			
<b><u>Direct Award</u></b>			
Bulletproof Vest Program	16.607		1,328
ARRA - COPS Hiring Recovery Program (CHRP)	16.710	2009RKWX0671	353,149
Justice Assistance Grant	16.738		13,545
Victims of Crime Act (VOCA)	16.738		15,420
<i>Subtotal CFDA #16.738</i>			<u>28,965</u>
<b>Total U.S. Department of Justice</b>			<u>383,442</u>
<b><u>U.S. Department of Homeland Security</u></b>			
<b><u>Direct Award</u></b>			
Assistance to Firefighters Grant - Fire Prevention and Safety Program	97.044	2011-JG-LLE-5269	32,815
<b>Total U.S. Department of Homeland Security</b>			<u>32,815</u>
<b><u>U.S. Department of Health and Human Services</u></b>			
<b><u>Pass-Through Programs from State Department of Aging and the Western Reserve Area Agency on Aging</u></b>			
Special Programs for the Aging-Title III, Part C-Nutrition Services	93.045	n/a	71,955
<b>Total U.S. Department of Health and Human Services</b>			<u>71,955</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 2,140,165</u>

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

**CITY OF EUCLID, OHIO**  
**NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

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NOTE 1: **SIGNIFICANT ACCOUNTING POLICIES**

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

**CITY OF EUCLID  
 CUYAHOGA COUNTY, OHIO  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 OMB CIRCULAR A-133 & .505  
 DECEMBER 31, 2012**

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

2012(i)	Type of Financial Statement Opinion	Unmodified
2012(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
2012(ii)	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
2012(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2012(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
2012(iv)	Were there any other significant deficiencies in internal control reported for major federal programs?	No
2012(v)	Type of Major Programs' Compliance Opinions	Unmodified
2012(vi)	Are there any reportable findings under .510?	No
2012(vii)	Major Programs (list):  Community Development Block Grants Entitlement Grants Cluster: Entitlement Grants - CFDA #14.218 ARRA - Entitlement Grants (CDBG-R) Recovery Act Funded-CFDA #14.253 ARRA - Neighborhood Stabilization Program (NSP) - CFDA #14.254 ARRA - COPS Hiring Recovery Program (CHRP)- CFDA #16.710	
2012(viii)	Dollar Threshold: A/B Programs Type B: All Others	Type A: \$300,000
2012(ix)	Low Risk Auditee?	Yes

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

None.

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None.

**CITY OF EUCLID  
CUYAHOGA COUNTY, OHIO  
STATUS OF PRIOR FINDINGS AND RECOMMENDATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

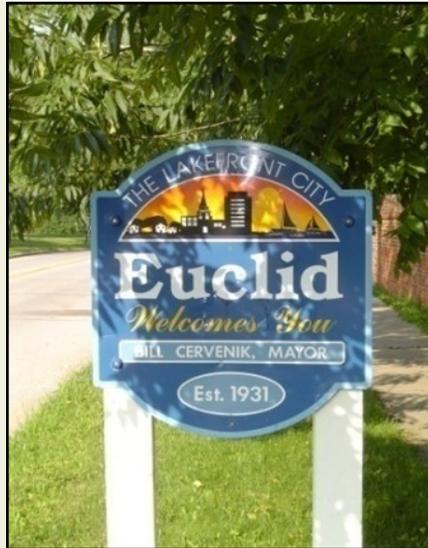
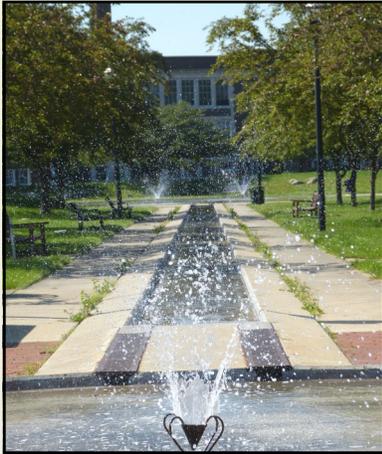
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The prior audit report, as of December 31, 2011, included no citations or instances of noncompliance. Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

# Comprehensive Annual Financial Report

For the fiscal year ended December 31, 2012



# Euclid, Ohio 2012

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# **CITY OF EUCLID, OHIO**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED**

**DECEMBER 31, 2012**

Issued by The Finance Department

Thomas K. Malone  
Director of Finance

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# **INTRODUCTORY SECTION**

**City of Euclid, Ohio**  
*Comprehensive Annual Financial Report*  
*For the Year Ended December 31, 2012*  
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585 East 222nd Street, Euclid, OH 44123-2099

May 31, 2013

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

We are pleased to submit to you the City of Euclid's Comprehensive Annual Financial Report (CAFR). This CAFR represents the official report of the City of Euclid's operations and financial position for the fiscal year ended December 31, 2012, and has been developed to accurately detail the status of the City's finances to Euclid residents and elected officials, investment institutions and underwriters, rating agencies and other interested parties. This report is done in compliance with GASB Statement No. 34, *Basic Financial Statements-and Management Discussion and Analysis-for State and Local Governments*.

This report has been prepared in conformity with Generally Accepted Accounting Principles (GAAP) and guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA). Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Management's Discussion and Analysis (MD&A) immediately follows the Independent Accountants' Report and provides a narrative introduction, overview, and analysis of the basic financial statements. As the MD&A complements this letter of transmittal, they both should be read together.

## **PROFILE OF THE GOVERNMENT**

### **The City**

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

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

## **City Government**

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

## **City Services**

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

The City operates three enterprises: the Waste Water Treatment Plant, the Water Line Improvement, and the Briardale Greens Golf Course. All are accounted for in the City's enterprise funds. In February, 2010, the City entered into a management agreement with Billy Casper, Inc. for the operation of the golf course.

The City of Euclid provides waste water treatment for the cities of Wickliffe, Willowick, Willoughby Hills, and parts of Richmond Heights and South Euclid. Each of these communities depends in whole or in part on the City of Euclid's sanitary sewer system for transportation of their waste water to the City's waste water treatment plant. The maintenance of the sanitary sewer system within each community is the responsibility of each individual community. The firm of DMG-Maximus, Inc. determines, annually and independently, the amount of required revenues to provide waste water services and recommends a rate structure that would equitably generate these revenues from the system users.

The City provides an aggregation program for City residents using Direct Energy as the provider for natural gas and electricity. Residents can obtain electricity from First Energy Solutions and natural gas from Dominion East Ohio Gas Company, and other independent natural gas suppliers. Cleveland Public Power, a City of Cleveland owned electric utility and The North East Ohio Regional Sewer District serve a small portion of the community. The Regional Transit Authority provides a county-wide transit system bus service within the City.

## **Reporting Entity**

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

The Euclid City School District has not been included in the accompanying financial statements. The Board is not appointed by the City, nor is it fiscally dependent on the City. The Euclid Development Corporation (EDCOR) is presented as a component unit. This matter is discussed in more detail later in the notes to the basic financial statements.

## **FACTORS AFFECTING FINANCIAL CONDITION**

### **Economic Condition and Outlook**

City Council and City Administration are committed to protecting the level of services afforded all of the commercial and residential citizenry of the City and to implement projects and programs designed to improve the economic and operational efficiency of the City Government. Through effective financial management, the City is striving to maintain tax rates at current levels; however, 2009 had a devastating effect on fund balance reserves. In 2010, the City instituted charges to residents for trash collection and street lighting costs. Extensions of those charges have been reviewed and authorized by City Council annually since 2010.

The City held an “Aa2” long-term bond rating with Moody’s Investor Service during 2012. This rating demonstrates the City’s high level of performance as it relates to the management and administration of government resources, effective debt management with moderately low levels, vibrant and diverse local economy, and strong finances.

In 2011, the national, state and local employment data began to stabilize and continued through 2012. Profits for some of the City’s largest employers improved and municipal income tax revenues have increased in excess of 3% annually. To date, municipal income tax receipts are outpacing the City’s 2012 collections.

Following the US Recession of 2008, business growth remained steady in the City of Euclid and is now poised to accelerate as the National Economy continues to rebound. The City of Euclid continued to partner with the State of Ohio and Cuyahoga County taking an aggressive approach to assisting business particularly during the difficult business climate of the downturn. The result has been a consistent growth of new business as well as key investments in 2012 that have positioned the city to attract further investment.

Lincoln Electric, the city’s largest employer, acquired Techalloy, an out-of-state firm that manufactures nickel alloy and stainless steel consumables manufacturer and in 2012 made the decision to relocate the operations to their world headquarters’ campus in Euclid. The relocation will bring a minimum of 100 new jobs to the Euclid campus.

The Techalloy project is another example of Lincoln Electric's commitment to invest in its world headquarters' campus in Euclid, Ohio. A minimum of \$20 million in campus-wide improvements and facility upgrades will result from the reconfiguration of existing space to accommodate the Techalloy operation. In turn, this will solidify the headquarters' campus as the "knowledge center" of the company, further securing the future of Lincoln Electric in the city of Euclid.

In 2012 Premium Steel Sales, one of the leading flat rolled steel service centers in the industry, needed more space and found the perfect location in the heart of Euclid's Industrial Corridor. The company moved their operations into Euclid in 2012 and grew their business through a lease of approximately 100,000 square feet at Heritage Business Park. The company, which typically employs from 12 to 24 full time employees, provides services and products to a broad range of sheet metal and steel fabricators and manufacturers.

Tremco, North America's foremost supplier of sealants and weatherproofing products, engages in significant warehousing and distribution operations. In 2012, the Beachwood, Ohio based company signed a lease for 300,000 square feet of vacant space at Heritage Business Park, for a new facility in Euclid, Ohio bringing twenty one (21) full time employees to the site. To support their operations, Heritage Business Park committed to adding twenty seven (27) new truck docks.

Tremco is a division of Tremco Incorporated, an RPM International Inc. affiliate company employing over 3,500 people in dozens of locations around the world. RPM International, Inc., is headquartered in Medina, Ohio.

Fresenius Health Care is the world's leading kidney dialysis provider with over 2,700 clinics serving roughly 215,000 patients. In 2012, the company completed construction of a new 10,000 square foot facility in the City of Euclid to serve patients and families from both Lake and Cuyahoga County. The project has resulted in an investment of over \$2 million and the creation of 25 new jobs in the City.

The Fresenius Health Care facility represents the type of revitalization that city officials seek to promote on the remaining acres of available land at Century Corners and along the entire Euclid Avenue Corridor. The City has undertaken a major planning effort to attract more commercial, industrial and residential investment to this economically vital part of the City of Euclid.

Mesocoat/Powdermet initiated construction of a new 12,000 square foot facility at their Euclid property to further develop its advanced material coating technology. The \$8 million facility will be the world headquarters of a new start up nanotech sector targeting the energy industry. Between Mesocoat and Powdermet the 13 acre complex employs 50 people, half of them engineers, with plans for 85 new jobs in the new plant by 2014, bringing total employment to 135.

As vacancy rates for existing commercial and industrial space continue to decline, demand for additional new construction in Euclid and Northeast Ohio will undoubtedly rise. With over 80 acres of "shovel ready" land available at the Bluestone Business Park, the City of Euclid stands ready to accommodate that growth.

Bluestone Business Park was unveiled in 2011 by Brooklyn, Ohio based developer Ray Fogg Building Methods Inc. With financial assistance from the State of Ohio and Cuyahoga County, the company was able to remediate the former Brownfield, once home to PMX Industries Inc. and Chase Brass & Copper.

With the Bluestone site able to accommodate an estimated one million square feet of development and 1,000 jobs, the City of Euclid and Northeast Ohio are clearly ready for the next wave of business growth and expansion.

With the upturn in the economy, the park developer began discussions in 2012 with the City regarding the construction of the first “spec” building to be located in the park. Plans have since been approved for a LEED certified facility and a lease has been signed for an initial tenant to locate in the building in 2013, bringing in a minimum of 115 new jobs and \$5.5M in annual payroll to Euclid from outside of Cuyahoga County. According to local real estate experts, this “spec” building will be one of the first to be built in the region since the upturn.

It’s not just businesses that are finding Euclid to be an attractive place to locate. In 2012, due in part to the city’s exceptional access to the region’s interstate highway system, the Ohio Department of Transportation (ODOT) has selected a vacant site in Euclid at the southwest corner of Babbitt Road and St. Clair Avenue to house its new regional District Maintenance Facility.

Construction of the \$6 million 38,000 square foot facility is being facilitated through a unique partnership between ODOT and the Cleveland-Cuyahoga County Port Authority. By utilizing the Port to construct and initially own the property, ODOT expects to cut up to 18 months from the standard construction schedule.

The City’s commercial/retail sector also continues to renew itself with the introduction of new construction and major rehabilitation of current properties. The combined multi-million dollar renovations of Lake Shore Plaza Center and the Shore Center Shopping Center projects were completed in 2012. Overall, between 2009 and 2012, over \$15 million in new investment has taken place in Downtown Euclid.

### **Euclid “Going Green” Initiative**

The City’s “Going Green” Initiative is designed to showcase the steps the City has taken to improve energy efficiency in city-owned and operated facilities, encourage recycling and to promote and attract renewable energy manufacturers and suppliers to the City. The initiative has continued to grow since the inception of the program in 2009. The City and Euclid Public Library partnered to have solar panels installed on the roofs of City Hall and the Library and the City installed a demonstration hybrid solar/wind powered light in the municipal parking lot.

A major step forward took place when Lincoln Electric Company received a \$1 million State Energy Program grant funded through the American Recovery and Reinvestment Act. With the impetus of the grant, Lincoln Electric Company has constructed a 2.5 megawatt Kenersys wind turbine on its Euclid Campus. The turbine is one of the largest constructed in the State to date. The project will serve as a demonstration of wind turbine technology. It will also complement Lincoln's business strategy to pursue manufacturing opportunities in the wind industry, particularly in the company's growing wind tower welding business sector. A second company, William Sopko & Sons, with the assistance of Case Western Reserve University, has constructed two wind turbines on their property, and will be used in part for research and product development.

With the City's long history of a strong manufacturing base and workforce expertise, a number of other City based companies are also actively exploring wind and solar installations and opportunities to grow their own business by manufacturing related components. Cuyahoga Community College also installed a smaller scale wind turbine and initiated a training program for technicians in the wind industry at a satellite facility on the Heritage Business Park campus in Euclid, bringing the total number of wind turbines in Euclid to five.

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

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

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

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

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

City Council adopted the Euclid Waterfront Plan as an official addendum to the City's Master Plan in 2009, which is a requirement of many of the grants and funding sources. Since the adoption, the City has received nearly \$1 million in grant funding through various State agencies and programs. Together with financing made possible through its Tax Incremental Funding, the City embarked on Phase One of the implementation of the Plan to make more than \$1 million in improvements to its Lakefront, including property acquisition and other public access improvements. Specifically, construction of a new ADA accessible multi-purpose trail and an expanded fishing pier at Sims Park were underway in 2012. The trail work was completed in the fall of 2012 with the pier construction scheduled for completion in the summer of 2013.

To continue the momentum of the Euclid Waterfront Improvements Plan, detailed engineering design for a second phase of implementation is scheduled to get underway in the fall of 2013.

### **Long-Term Financial Planning**

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

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

## **FINANCIAL INFORMATION**

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

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

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

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

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

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

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

The City employs an encumbrance system documenting purchase commitment amounts prior to generation and release of official City purchase orders. Purchasing practices within the City require departmental review and authorization of all purchase requisitions. Where applicable, proposed purchases in excess of administrative approval limits are subject to competitive bid requirements of Council and are awarded subsequent to approved legislation authorizing the procurement of goods or services. The Finance Director certifies all purchase orders for availability of funds and the estimated expenditure is encumbered against the appropriate departmental or fund appropriation. On the government fund financial statements, these encumbrances are reported as a reservation of fund balance at December 31, 2012. Unencumbered appropriations lapse at year-end and become available for future appropriations.

### **Internal Accounting and Reporting Control**

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

### **OTHER INFORMATION**

#### **Independent Audit**

In accordance with Ohio law, an annual independent audit is required to be performed on all financial operations of the City. The Auditor of the State of Ohio has authorized the audit for 2012 to be performed by the independent public accounting firm of James G. Zupka, CPA, Inc. The independent accountants' unmodified opinion has been included in this report. The administration plans to continue this audit procedure as required by law as part of the preparation of a Comprehensive Annual Financial Report. The annual audit and management letter submitted by James G. Zupka, CPA, Inc. provides information to the City to enable it to maintain and strengthen the City's accounting and budgeting controls.

The City of Euclid receives federal financial assistance through various federal grant programs. An audit in accordance with the Single Audit Act of 1996 and U.S. Office of Management and Budget (OMB) Circular A-133, Audits of State and Local Governments and Non-Profit Organizations and Government Auditing Standards, issued by the Comptroller General of the United States, has been performed for the fiscal year ended December 31, 2012. The required reports on supplementary information, compliance, and internal controls, along with various supplementary schedules, are included in a separate report.

## **Certificate of Achievement for Excellence in Financial Reporting**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Euclid for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2011. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for one year only. We believe our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Respectfully submitted,



Thomas K. Malone  
Director of Finance



Bill Cervenik, CPA  
Mayor

# CITY OF EUCLID, OHIO

“A City of Superior Services”

**BILL CERVENIK -*Mayor***



## ***Directors & Chiefs***

CHRIS FREY-*Law*

LEE BOCK-*Public Service*

THOMAS MALONE- *Finance*

CHIEF THOMAS COSGRIFF-*Fire*

FRANK PIETRAVOIA –*Economic Development*

CHIEF TOM BRICKMAN –*Police*

## ***Municipal Court***

DEBORAH LEBARRON –*Judge*

## ***Euclid City Council***

KIRSTEN HOLZHEIMER GAIL- *President of Council*

STEPHANA C. CAVINESS – *Ward I*

PATRICK McLAUGHLIN- *Ward V*

MADLINE SCARNIENCH – *Ward II*

JAMES O'HARE – *Ward VI*

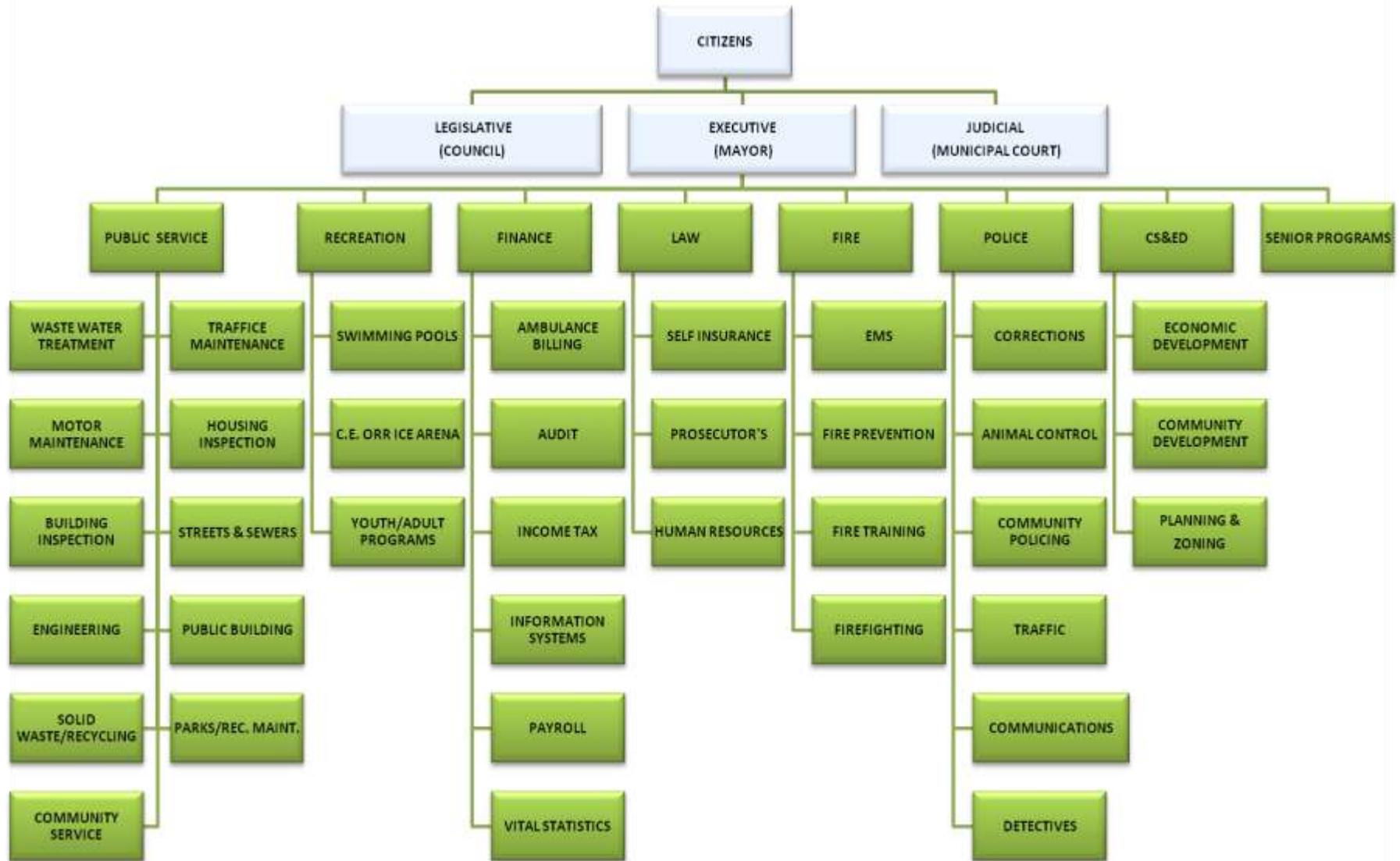
KANDACE JONES – *Ward III*

DARYL K. LANGMAN – *Ward VII*

SCOTT LYNCH – *Ward IV*

GREG VAN HO – *Ward VIII*

**City of Euclid, Ohio**  
*Organizational Chart*  
 December 31, 2012



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Euclid  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2011

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.



*Christopher P. Morrell*  
President

*Jeffrey R. Enos*  
Executive Director



# **FINANCIAL SECTION**

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

*Certified Public Accountants*

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

*Garfield Hts., Ohio 44125*

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT**

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

The Honorable David Yost  
Auditor of State  
State of Ohio

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Euclid, Cuyahoga County, Ohio (the City), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Euclid, Ohio, as of December 31, 2012, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As described in Note 3 to the financial statements, during 2012 the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, and restated its December 31, 2011 Net Position of governmental and business-type activities due to reclassification of debt issuance costs. In addition, the City restated its December 31, 2011 Governmental Fund Balance and Net Position of governmental activities due to the inclusion of a capital lease obligation, pension liability overstatements, and special assessment revenue overstatements. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis as listed in the table of contents 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.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Euclid, Ohio's basic financial statements. 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic 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.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2013, on our consideration of the City of Euclid, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Euclid, Ohio's internal control over financial reporting and compliance.



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

May 31, 2013

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**City of Euclid, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2012*  
*Unaudited*

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The discussion and analysis of the City of Euclid's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2012. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter and the basic financial statements to enhance their understanding of the City's financial performance.

**Financial Highlights**

Key financial highlights for 2012 are as follows:

- Total assets and deferred outflows of resources of the City exceeded liabilities and deferred inflows of resources at the close of 2012 by \$108,410,975 compared to \$109,578,188 at the end of 2011, a decrease of \$1,167,213 or 1.07 percent. Of these amounts, \$20,735,255 (2012) and \$19,952,377 (2011) may be used to meet the City's ongoing obligations to its citizens and creditors, provided it is expended or transferred according to the Charter of the City and/or the general laws of the State of Ohio.
- Total assets decreased by \$5,804,816 with governmental activities decreasing by \$6,147,533 and business-type activities increasing by \$342,717. The governmental activities decrease is reflected primarily in municipal income tax receivable and depreciable capital assets.
- Municipal income tax revenue for 2012 was \$22,359,573 versus \$24,315,337 in 2011, a decrease of \$1,955,764 or 8.04 percent.
- Property and other local taxes for governmental activities slightly decreased by \$41,483, or 0.84 percent, to \$4,898,836.
- Together, municipal income taxes and property and other local taxes accounted for \$27,258,409 in revenue, or 58.30 percent, of all revenues in governmental activities.
- Grants and entitlements not restricted to specific programs decreased by \$1,396,852, or 31.33 percent, to \$3,061,866.
- Charges for services in business-type activities increased by \$1,333,911, or 10.52 percent, from \$12,674,903 in 2011 to \$14,008,814 in 2012.
- The City's governmental debt obligations, decreased by \$992,241, or 3.15 percent, to \$30,508,431.

**City of Euclid, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2012*  
*Unaudited*

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## **Overview of the Financial Statements**

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

**Government-wide Financial Statements.** The government-wide financial statements, which begin on page 21, are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business.

The *Statement of Net Position* presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the residual reported as net position. Over time, increases or decreases in the City's net position are one indicator of whether the City's financial health is improving or deteriorating. In 2012, Governmental Activities unrestricted net position increased by \$268,943 or 2.28 percent. In Business-Type Activities, unrestricted net position increased by \$513,935 or 6.31 percent. There were a number of sewer system improvement construction projects that were partially funded by the Wastewater Treatment Fund. The City has also begun negotiations with the EPA to define the necessary steps in the implementation of a Long Term Storm Water Runoff Control Plan.

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

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

For 2012, Business-Type Activities' expenses increased by \$1,247,708 or 11.90 percent. This increase was due to the number of studies completed in the current year for improvements to the water and sewers.

**City of Euclid, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2012*  
*Unaudited*

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Revenues in Business-Type Activities decreased by \$233,919 or 1.64 percent. This reflects an increase in Charges for Services revenue collected by the Waste Water Treatment Fund, due to a rate increase during 2012 coupled with a decrease in capital grants and contributions from OWDA along with a decrease in other revenues.

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 24 individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, the General Permanent Improvement Fund, and the General Obligation Bond Retirement Fund, which are considered to be major funds. Data from the other 21 governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds are provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund, Special Revenue funds, Debt Service Fund, Capital Projects funds, Enterprise funds, and Internal Service Fund. The General Fund budgetary comparison has been provided as a separate financial statement to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 24 through 28 of this report.

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Waste Water Treatment Fund, the Water Line Improvement Fund, and the Briardale Greens Golf Course Fund, all of which are considered to be major funds of the City, and the City's internal service fund.

The basic proprietary fund financial statements can be found on pages 29 through 31 of this report.

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

The basic fiduciary fund financial statement can be found on page 32 of this report.

**Notes to the Financial Statements.** The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 33 of this report.

### **Government-Wide Financial Analysis**

Information regarding the government-wide net position of the City is presented in the following table for 2012 and 2011.

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**Table 1 - Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2012	2011*	2012	2011*	2012	2011*
<b>ASSETS</b>						
Current and other assets	\$ 38,646,122	\$ 39,310,897	\$ 9,940,390	\$ 9,966,415	\$ 48,586,512	\$ 49,277,312
Capital assets, net	62,219,125	67,701,883	67,932,811	67,564,069	130,151,936	135,265,952
<b>Total Assets</b>	<b>100,865,247</b>	<b>107,012,780</b>	<b>77,873,201</b>	<b>77,530,484</b>	<b>178,738,448</b>	<b>184,543,264</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferral on Refundings	566,345	660,721	177,705	203,908	744,050	864,629
<b>LIABILITIES</b>						
Current and other liabilities	9,239,720	7,507,640	572,120	1,041,632	9,811,840	8,549,272
Long-term liabilities:						
Due within one year	3,576,790	3,780,052	2,739,749	2,651,374	6,316,539	6,431,426
Due in more than one year	29,903,974	33,723,252	20,769,907	22,372,666	50,673,881	56,095,918
<b>Total Liabilities</b>	<b>42,720,484</b>	<b>45,010,944</b>	<b>24,081,776</b>	<b>26,065,672</b>	<b>66,802,260</b>	<b>71,076,616</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Property taxes	4,005,973	4,527,152	-	-	4,005,973	4,527,152
Payments in lieu of taxes	263,290	225,937	-	-	263,290	225,937
<b>Total Deferred Inflows of Resources</b>	<b>4,269,263</b>	<b>4,753,089</b>	<b>-</b>	<b>-</b>	<b>4,269,263</b>	<b>4,753,089</b>
<b>NET POSITION</b>						
Net investment in capital assets	32,146,243	36,430,785	45,310,310	43,523,835	77,456,553	79,954,620
Restricted	10,219,167	9,671,191	-	-	10,219,167	9,671,191
Unrestricted	12,076,435	11,807,492	8,658,820	8,144,885	20,735,255	19,952,377
<b>Total Net Position</b>	<b>\$ 54,441,845</b>	<b>\$ 57,909,468</b>	<b>\$ 53,969,130</b>	<b>\$ 51,668,720</b>	<b>\$ 108,410,975</b>	<b>\$ 109,578,188</b>

\* - Restated

As noted earlier, net position may serve, over time, as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$108,410,975 at the close of the most recent fiscal year.

By far the largest component of the City's net position, 71.45 percent, reflects its investment in capital assets (e.g. land, construction in progress, land improvements, buildings and improvements, infrastructure, and furniture, fixtures and equipment), net of accumulated depreciation, less any related, still outstanding debt used to acquire those assets and deferred outflows/inflows of resources. The City uses these capital assets to provide services to citizens; consequently, those assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other resources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

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

**Table 2 - Changes in Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
<b>REVENUES</b>						
Program Revenues:						
Charges for services	\$ 10,615,950	\$ 9,983,913	\$ 14,008,814	\$ 12,674,903	\$ 24,624,764	\$ 22,658,816
Operating grants and contributions	3,685,591	4,748,466	-	-	3,685,591	4,748,466
Capital grants and contributions	738,313	1,673,268	9,300	1,053,139	747,613	2,726,407
<b>Total Program Revenues</b>	<b>15,039,854</b>	<b>16,405,647</b>	<b>14,018,114</b>	<b>13,728,042</b>	<b>29,057,968</b>	<b>30,133,689</b>
General Revenues:						
Property and other local taxes	4,898,836	4,940,319	-	11,475	4,898,836	4,951,794
Municipal income taxes	22,359,573	24,315,337	-	-	22,359,573	24,315,337
Payments in lieu of taxes	304,822	179,400	-	-	304,822	179,400
Grants and entitlements	3,061,866	4,458,718	-	-	3,061,866	4,458,718
Investment income	107,136	94,986	196	41,651	107,332	136,637
All other revenues	983,607	1,082,783	12,232	483,293	995,839	1,566,076
<b>Total General Revenues</b>	<b>31,715,840</b>	<b>35,071,543</b>	<b>12,428</b>	<b>536,419</b>	<b>31,728,268</b>	<b>35,607,962</b>
<b>Total Revenues</b>	<b>46,755,694</b>	<b>51,477,190</b>	<b>14,030,542</b>	<b>14,264,461</b>	<b>60,786,236</b>	<b>65,741,651</b>
<b>EXPENSES</b>						
Program Expenses:						
Security of persons and property	20,602,865	19,892,646	-	-	20,602,865	19,892,646
Public health	275,393	285,793	-	-	275,393	285,793
Leisure time activities	1,709,689	1,667,298	-	-	1,709,689	1,667,298
Community and economic development	2,991,518	2,884,982	-	-	2,991,518	2,884,982
Sanitation	2,063,996	2,185,892	-	-	2,063,996	2,185,892
Transportation	9,489,789	6,057,526	-	-	9,489,789	6,057,526
General government	11,879,530	14,070,597	-	-	11,879,530	14,070,597
Interest and fiscal charges	1,210,537	846,954	-	-	1,210,537	846,954
Waste Water Treatment	-	-	10,203,983	9,601,656	10,203,983	9,601,656
Water Line Improvement	-	-	1,433,806	800,228	1,433,806	800,228
Briardale Greens Golf Course	-	-	92,343	80,540	92,343	80,540
<b>Total Expenses</b>	<b>50,223,317</b>	<b>47,891,688</b>	<b>11,730,132</b>	<b>10,482,424</b>	<b>61,953,449</b>	<b>58,374,112</b>
Change in Net Position before Transfers	(3,467,623)	3,585,502	2,300,410	3,782,037	(1,167,213)	7,367,539
Transfers	-	420,923	-	(420,923)	-	-
Change in Net Position	(3,467,623)	4,006,425	2,300,410	3,361,114	(1,167,213)	7,367,539
Net Position - Beginning of Year, Restated	57,909,468	53,903,043	51,668,720	48,307,606	109,578,188	102,210,649
<b>Net Position - End of Year</b>	<b>\$ 54,441,845</b>	<b>\$ 57,909,468</b>	<b>\$ 53,969,130</b>	<b>\$ 51,668,720</b>	<b>\$ 108,410,975</b>	<b>\$ 109,578,188</b>

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***Governmental Activities***

Several revenue sources fund the City's governmental activities with income tax revenue being the largest source. The City levies a municipal income tax of 2.85 percent on all income earned within the City, as well as on income of residents earned outside the City, of which 2.38 percent is used to finance the City's operations, while the remaining portion is shared with the Euclid City School District. The City allows a credit of 100 percent on the income earned outside of the City and paid to another municipality.

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

**Table 3 - Governmental Activities**

	Total Cost of Services 2012	Net Cost of Services 2012
Security of persons and property	\$ 20,602,865	\$ 15,941,851
Public health	275,393	198,742
Leisure time activities	1,709,689	759,905
Community and economic development	2,991,518	(166,651)
Sanitation	2,063,996	(318,861)
Transportation	9,489,789	7,763,453
General government	11,879,530	9,794,487
Interest and fiscal charges	1,210,537	1,210,537
Total cost of service	<u>\$ 50,223,317</u>	<u>\$ 35,183,463</u>

Security of Persons and Property expenses totaled \$20,602,865, or 41.02 percent, of the total 2012 expenses. A significant portion of these expenses can be attributed to salaries, wages, and employee benefits for police officers and firefighters. As of December 31, 2012, the City employed 94 full time police officers and 75 full time firefighters. General Government expenses totaled \$11,879,530 or 23.65 percent, of total 2012 expenses. General Government is comprised of the following departments: Legislative, Municipal Court, Mayor, Finance, Law, and Administrative. A significant portion of these expenses are related to salaries, wages, and employee benefits.

***Business-type Activities***

Business-type activities are principally accounted for in the City's enterprise funds. The City operates three enterprise funds, which include the Waste Water Treatment Fund, the Water Line Improvement Fund, and the Briardale Greens Golf Course Fund. The operating results of these three enterprise funds are discussed below.

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*Waste Water Treatment Fund:* The Waste Water Treatment Fund accounts for the operation of the City's sanitary sewer and waste water treatment system which services the City and several other surrounding communities. The City continues to retain the services of DMG-Maximus, Inc., on an annual basis, to determine the adequacy of user rates to fund continuing operations.

*Water Line Improvement Fund:* The Water Line Improvement Fund accounts for distribution of treated water to individual and commercial users in various parts of the City. During 2012, operating expenses in the fund increased by \$507,665, or 88.16 percent, while operating revenues increased by \$818,863, or 39.19 percent. The increase in expenses reflects an increase in the City's depreciation expense as a result of the various construction projects completed in 2012 and moved into depreciable capital assets.

*Briardale Greens Golf Course Fund:* The Briardale Greens Golf Course is a public golf course built upon land that was the site of a World War II housing project and is situated on the north side of the City. For 2012, the firm of Billy Casper Golf Management Company has been contracted to manage and operate the golf course.

### **Financial Analysis of the Government's Funds**

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

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

As of December 31, 2012, the City's governmental funds reported an ending combined fund balance of \$10,029,652, a decrease of \$3,158,113 in comparison with the prior year. \$5,327,991 of the ending fund balance for 2012 constitutes assigned and unassigned fund balance combined, which is available for spending at the government's discretion. The remainder of fund balance is nonspendable, restricted, or committed to indicate that it is not available for new spending because it is not in spendable form or it has already been restricted by an external constraint or committed by internal constraints.

All governmental funds had total revenues of \$45,181,256 and expenditures of \$48,140,543 (not including other financing sources and uses) with expenditures exceeding revenues by \$2,959,287. Revenues decreased from the previous year primarily due to decreases in property taxes, municipal income taxes, and intergovernmental revenues. Expenditures decreased due mainly to the City's efforts to control costs in the current economic environment within the City and the State.

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The General Fund is the chief operating fund of the City. At the beginning of the current year, total restated fund balance for the General Fund was \$8,541,302. General Fund expenditures (not including other financing uses) for the current year were \$35,561,846, with revenues (not including other financing sources) of \$35,848,063, leaving a fund balance of \$7,894,866, and an unassigned balance of \$6,046,519 in the General Fund.

As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures (not including other financing uses). The General Fund's unassigned fund balance represents 17.00 percent of total General Fund expenditures while total fund balance represents 22.20 percent of that same amount.

On a cash basis, projected final budgetary fund balance in the General Fund, for year ending 2012 was about \$2.24 million. Budgetary fund balance increased by \$1,394,442 (which includes prior year encumbrances appropriated) taking the budgetary fund balance from \$2,614,535 to \$4,008,977.

### ***Analysis of General Fund Revenues***

#### ***Municipal Income Taxes***

Ohio law authorizes the levy of a municipal income tax at a rate not to exceed 1 percent by an act of Council, solely, without a vote of the electors. Municipal income taxes in excess of 1 percent must first be approved by a vote of the electors and be for a specified purpose. In 1968, by act of Council, a 1 percent income tax rate was established. In 1979, based upon a vote of the electors, the tax rate was increased to 1.5 percent. In 1982, based upon a vote of the electors, the tax rate was increased to 2 percent.

In 1994, the electors voted to increase the income tax rate to 2.85 percent. The 2.85 percent rate is split between the City and the Euclid Board of Education, with the City receiving income tax at the rate of 2.38 percent and the Euclid Board of Education receiving income tax at the rate of 0.47 percent. The responsibility for collecting the entire 2.85 percent income tax is the sole responsibility of the City of Euclid's Income Tax Department.

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

2012 income tax revenues were down, by \$1,955,764 or 8.04 percent from 2011. This decrease is mainly attributed to the application of accrual-basis of accounting. In which, estimated income tax receivable was higher than actual collections. The City is currently implementing new software to assist in increasing delinquent collections. The City expects that Euclid City Schools' construction of 4 new buildings is estimated to put \$40 million dollars into the local construction economy along with major workforce expansions within 2 of the City's newer employers, University Hospital and Babcock & Wilcox. Therefore, there is a chance that the City could exceed its collection projections.

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***Property Taxes***

Taxes collected from real property in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year. Taxes collected from tangible personal property in one calendar year are levied in the same calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of the current calendar year, and at the rates determined in the preceding year. Beginning in tax year 2006, tangible personal property tax assessment rates, and therefore revenue, started to be phased out due to legislation passed by the state of Ohio. This phase out resulted in the reduction in the tax of approximately 25 percent per year. As personal property taxes were being phased out, the City received reimbursements from the state of Ohio to offset the loss of revenue. The original plan was for the City to be made whole the first five years followed by a gradual phase out of the reimbursements from 2011 through 2018. However, faced with a budget crisis of its own, the State has phased out the reimbursements immediately or over a much shorter time frame. Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year.

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

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

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

Purpose	2012	2011	2010
General Fund	\$ 6.72	\$ 6.72	\$ 6.72
Recreation Operating	1.30	1.30	1.30
Bond Retirement	3.88	3.88	3.88
Capital Improvements	1.70	1.70	1.70
Sewer	-	-	2.00
Total	<u>13.60</u>	<u>13.60</u>	<u>15.60</u>
Assessed Valuation	<u>\$ 738,711,240</u>	<u>\$ 746,769,750</u>	<u>\$ 749,989,650</u>

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

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

The State of Ohio shares various tax revenues with the City and other political subdivisions primarily through the State's Local Government Fund (LGF). As part of a new funding mechanism, the State removed the freeze on LGF payments and replaced it with a percentage of certain state revenues; in addition, the Local Government Revenue Assistance Fund (LGRA) was discontinued. The combination of these programs is the City's largest source of non-tax General Fund revenue. In 2012, the City received \$1,986,335 from the State's LGF for a decrease of \$922,164, or 31.71 percent.

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

In order to meet its own budget needs, the State has elected to dramatically cut LGF revenues to all cities.

The City's General Obligation Bond Retirement Fund experienced a decrease in fund balance of \$3,514,663, which reduced the fund balance to a deficit fund balance of \$740,227. This decrease in fund balance is mainly attributed to the creation of the GAAP transfer to recognize the payment of the 2011 short-term note payable in the fund that recorded the liability.

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The City's General Permanent Improvement Fund experienced an increase of \$1,153,333 in fund balance, which increased the fund balance to \$65,463. This increase in fund balance is related to the creation of a GAAP transfer which recognizes the payment of the 2011 short-term note payable in the fund that recorded the liability. This increase is also coupled with a decrease in 2012 capital outlay expenditures when compared to 2011. The City performed a significant portion of various construction projects in 2011 and a majority of those projects had decreased activity in 2012.

**Proprietary Funds.** The City's proprietary fund financial statements provide the same type of information found in the government-wide financial statements, but in more detail. A brief analysis of the major enterprise funds were previously discussed in another section of the Management's Discussion and Analysis.

### Capital Assets and Debt Administration

**Capital Assets.** The City's investment in capital assets for its governmental and business-type activities as of December 31, 2012, amounts to \$130,151,936. This investment in capital assets includes land, construction in progress, land improvements, buildings and improvements, infrastructure, and furniture, fixtures, and equipment. A summary of the City's capital assets at December 31, 2012, is reflected in the table which follows.

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

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 10,775,705	\$ 10,775,705	\$ 7,428,126	\$ 7,428,126	\$ 18,203,831	\$ 18,203,831
Construction in progress	4,215,739	2,909,219	3,490,768	12,856,085	7,706,507	15,765,304
<b>Total Non-Depreciable</b>	<b>14,991,444</b>	<b>13,684,924</b>	<b>10,918,894</b>	<b>20,284,211</b>	<b>25,910,338</b>	<b>33,969,135</b>
Land improvements	1,823,855	1,551,865	423,502	471,676	2,247,357	2,023,541
Buildings and Improvements	9,040,090	8,900,897	7,763,627	7,934,529	16,803,717	16,835,426
Furniture, Fixtures, and Equipment	4,779,536	4,746,521	927,062	893,418	5,706,598	5,639,939
Infrastructure:						
Streets	31,584,200	38,817,676	-	-	31,584,200	38,817,676
Sanitary Sewers	-	-	16,218,333	12,191,191	16,218,333	12,191,191
Storm Sewers	-	-	7,616,913	6,454,458	7,616,913	6,454,458
Water Lines	-	-	24,064,480	19,334,586	24,064,480	19,334,586
<b>Total Depreciable, Net of Depreciation</b>	<b>47,227,681</b>	<b>54,016,959</b>	<b>57,013,917</b>	<b>47,279,858</b>	<b>104,241,598</b>	<b>101,296,817</b>
<b>Total Capital Assets, Net of Depreciation</b>	<b>\$ 62,219,125</b>	<b>\$ 67,701,883</b>	<b>\$67,932,811</b>	<b>\$67,564,069</b>	<b>\$ 130,151,936</b>	<b>\$ 135,265,952</b>

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

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

<b><i>Governmental Activities</i></b>	
Press Box	\$ 404,640
Fishing Pier and Trail	279,383
Downtown Streetscape	21,741
Street Improvements	516,393
Lakeshore/East 222nd/Babbitt Improvements	208,586
Lakeshore Resurfacing	2,267,924
Euclid Corridor	84,000
Highland Road Repairs	23,280
Miller & East 200th Repairs	18,354
Jail Improvements	160,650
Splash park & Basketball Courts	230,788
<i>Total Governmental Activities</i>	<u><u>\$ 4,215,739</u></u>
 <b><i>Business-Type Activities</i></b>	
Wastewater Treatment Plant	\$ 110,225
Land Acquisition for Wastewater Treatment	908,840
Glenbrook Blvd. Improvements	1,023,606
Waterline Improvement	1,240,762
E. 222nd & Tungsten Waterline	207,335
<i>Total Business-Type Activities</i>	<u><u>\$ 3,490,768</u></u>

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

**Debt** The City's outstanding General Obligation Debt is currently rated "Aa2" by Moody's Investors Service. This investment grade rating is attributed to the City's improved financial practices and policies that have resulted in improved liquidity, moderately growing tax base with a slowly recovering economy, and a manageable debt profile. Maintaining its credit rating enables the City to obtain short term and long term financing at the lowest possible interest rates. As of December 31, 2012, the City's General Obligation Bonded Debt totaled \$34,455,616.

A summary of outstanding debt at December 31, 2012 follows.

**City of Euclid, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2012*  
*Unaudited*

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

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
General Obligation Bonds, net	\$ 22,581,511	\$ 25,114,131	\$ 11,874,105	\$ 12,612,758	\$ 34,455,616	\$ 37,726,889
Special Assessment Bonds, net	683,133	786,155	-	-	683,133	786,155
Notes Payable	5,276,969	3,432,049	-	-	5,276,969	3,432,049
Industrial Revenue Bond, net	547,000	665,000	-	-	547,000	665,000
OWDA Loans	-	-	2,915,302	3,184,851	2,915,302	3,184,851
OPWC Loans	1,419,818	1,503,337	7,775,402	8,134,229	9,195,220	9,637,566
Total Outstanding Debt	<u>\$ 30,508,431</u>	<u>\$ 31,500,672</u>	<u>\$ 22,564,809</u>	<u>\$ 23,931,838</u>	<u>\$ 53,073,240</u>	<u>\$ 55,432,510</u>

The special assessment bonds will be paid from the proceeds of special assessments levied against benefitted property owners. The various improvement notes will be paid out of the Bond Retirement Fund. See Note 11 to the financial statements for more information regarding the City's outstanding debt.

**Debt Capacity:** The City is well within statutory limitations for both voted and unvoted debt. The computation of the legal debt margins at December 31, 2012, is included in the Statistical Section of this report under the heading "Legal Debt Margin", along with other related computations and ratios relevant to the City's notes and bonded debt. The City's overall legal debt margin was \$49,397,449, and the unvoted debt margin was \$12,461,887 at December 31, 2012.

The ratio of net general bonded debt to assessed valuation and the amount of net bonded debt per capita provide useful information concerning the level of the City's debt to management and investors. The information as of December 31, 2012 for the City is as follows:

	Amount	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
Net General Obligation Debt (Bonded)	\$ 34,455,616	1.65%	\$ 704

In April 2011, the City requested a review of short term notes issued and received an Aa2 MIG-1 rating for the debt issue from Moody's Investors Service. The rating was not considered an upgrade rather it was an adjustment of all governments to the Global Scale. It, however, did confirm that the City is maintaining its current rating.

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

The City of Euclid experienced a substantial valuation decline during its sexennial reassessment by the County Fiscal Officer in 2013, due mostly to a 20.3% downward valuation of residential property. This reduction in value resulted in the city's existing outstanding debt to be in excess of the 10 Mill statutory limitation on debt issuance. Issuance of future General Obligation Debt is restricted until the outstanding debt is reduced below the statutory limitation. This will be accomplished by the refinancing of \$5,265,000 of outstanding notes with Various Purpose Income Tax Special Obligation Notes in June of 2013, and conservative management of remaining debt.

**City of Euclid, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2012*  
*Unaudited*

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

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

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

The budget process for 2013 is complete and, although a challenge, the City is committed to taking the steps necessary to restore structural balance to the City's budget. The City has an informal fund balance policy of 5 percent of budgeted revenues. In the General Fund, using the unencumbered cash balance mentioned above of \$4,008,977, and dividing that balance by the 2012 original budget for General Fund revenues and other financing sources of \$39,524,045 results in a percentage of 10.14 percent.

In addition to revenue enhancements, the City made significant reductions in operating expenses in 2011 and continued in 2012. The City eliminated over 25 positions in various departments through lay-offs, attrition, and combining of responsibilities between departments. Private management firms have been engaged to operate the Shore Cultural Centre facility, as well as the municipal-owned golf course, Briardale Greens. The operating performance, as well as the cost savings, has been very satisfactory at both facilities.

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

### **Contacting the City's Finance Department**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show accountability for the money it receives, spends, or invests. If you have any questions about this report or need financial information contact the City's Finance Department at 585 East 222<sup>nd</sup> Street, Euclid, Ohio 44123, 216-289-2850.

## **Basic Financial Statements**

**City of Euclid, Ohio**  
*Statement of Net Position*  
December 31, 2012

	Governmental Activities	Business-Type Activities	Total	Euclid Development Corporation
<b>ASSETS</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 11,383,459	\$ 6,002,156	\$ 17,385,615	\$ 649,037
Cash and Cash Equivalents:				
In Segregated Accounts	5,568	-	5,568	-
With Fiscal Agents	50,132	-	50,132	-
Materials and Supplies Inventory	288,229	47,721	335,950	-
Accounts Receivable	372,386	3,857,975	4,230,361	15
Accrued Interest Receivable	20,150	-	20,150	-
Intergovernmental Receivable	2,743,806	-	2,743,806	-
Prepaid Items	101,947	14,081	116,028	200
Municipal Income Taxes Receivable	11,067,799	-	11,067,799	-
Property Taxes Receivable	4,932,702	-	4,932,702	-
Payments in Lieu of Taxes Receivable	263,290	-	263,290	-
Notes Receivable	1,070,058	-	1,070,058	-
Loans Receivable	-	-	-	2,359,983
Special Assessments Receivable	5,366,824	-	5,366,824	-
Capital Leases Receivable	-	18,457	18,457	-
Nondepreciable Capital Assets	14,991,444	10,918,894	25,910,338	-
Depreciable Capital Assets	47,227,681	57,013,917	104,241,598	-
Assets held for Resale	979,772	-	979,772	-
<b>Total Assets</b>	<u>100,865,247</u>	<u>77,873,201</u>	<u>178,738,448</u>	<u>3,009,235</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferral on Refunding	566,345	177,705	744,050	-
<b>Total Deferred Outflows of Resources</b>	<u>566,345</u>	<u>177,705</u>	<u>744,050</u>	<u>-</u>
<b>LIABILITIES</b>				
Accounts Payable	1,284,243	196,317	1,480,560	-
Accrued Wages and Benefits	877,125	130,433	1,007,558	3,235
Intergovernmental Payable	1,023,141	160,140	1,183,281	-
Matured Compensated Absences Payable	3,210	-	3,210	-
Accrued Interest Payable	132,938	85,230	218,168	-
Claims Payable	642,094	-	642,094	-
Notes Payable	5,276,969	-	5,276,969	-
Long-term Liabilities:				
Due within one year	3,576,790	2,739,749	6,316,539	40
Due in more than one year	29,903,974	20,769,907	50,673,881	-
<b>Total Liabilities</b>	<u>42,720,484</u>	<u>24,081,776</u>	<u>66,802,260</u>	<u>3,275</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Taxes	4,005,973	-	4,005,973	-
Payments in Lieu of Taxes	263,290	-	263,290	-
<b>Total Deferred Inflows of Resources</b>	<u>4,269,263</u>	<u>-</u>	<u>4,269,263</u>	<u>-</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	32,146,243	45,310,310	77,456,553	-
Restricted for:				
Debt Service	4,456,164	-	4,456,164	-
Capital Projects	3,258,867	-	3,258,867	-
Transportation	799,857	-	799,857	-
Community Development	957,208	-	957,208	-
Other Purposes	747,071	-	747,071	-
Unrestricted	12,076,435	8,658,820	20,735,255	3,005,960
<b>Total Net Position</b>	<u>\$ 54,441,845</u>	<u>\$ 53,969,130</u>	<u>\$ 108,410,975</u>	<u>\$ 3,005,960</u>

The notes to the basic financial statements are an integral part of this statement

**City of Euclid, Ohio**  
*Statement of Activities*  
For the Year Ended December 31, 2012

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Primary Government:</b>				
<b>Governmental activities:</b>				
Security of Persons and Property	\$ 20,602,865	\$ 3,919,272	\$ 617,370	\$ 124,372
Public Health	275,393	76,651	-	-
Leisure Time Activities	1,709,689	394,730	6,741	548,313
Community and Economic Development	2,991,518	1,779,151	1,365,971	13,047
Sanitation	2,063,996	2,378,857	4,000	-
Transportation	9,489,789	600	1,691,509	34,227
General Government	11,879,530	2,066,689	-	18,354
Interest and Fiscal Charges	1,210,537	-	-	-
<i>Total Governmental activities</i>	<u>50,223,317</u>	<u>10,615,950</u>	<u>3,685,591</u>	<u>738,313</u>
<b>Business-type activities:</b>				
Waste Water Treatment	10,203,983	11,112,883	-	-
Water Line Improvement	1,433,806	2,895,931	-	-
Briardale Greens Golf Course	92,343	-	-	9,300
<i>Total Business-type activities</i>	<u>11,730,132</u>	<u>14,008,814</u>	<u>-</u>	<u>9,300</u>
<i>Total Primary Government</i>	<u>\$ 61,953,449</u>	<u>\$ 24,624,764</u>	<u>\$ 3,685,591</u>	<u>\$ 747,613</u>
<b>Component Unit:</b>				
Euclid Development Corporation	63,415	361,867	-	-
<i>Total Component Unit</i>	<u>\$ 63,415</u>	<u>\$ 361,867</u>	<u>\$ -</u>	<u>\$ -</u>

**General Revenues:**

Property Taxes levied for:  
General Purposes  
Debt Service Purpose  
Capital Outlay  
Other Purposes  
Municipal Income Taxes levied for:  
General Purposes  
Other Local Taxes  
Payments in Lieu of Taxes  
Grants & Entitlements not restricted to specific programs  
Investment Income  
All Other Revenues  
Total General Revenues  
Change in Net Position  
Net Position - Beginning of Year, as Restated  
**Net Position - End of Year**

The notes to the basic financial statements are an integral part of this statement

<b>Net (Expense) Revenue and Changes in Net Position</b>			<b>Component Unit</b>
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Euclid Development Corporation</b>
\$ (15,941,851)	\$ -	\$ (15,941,851)	\$ -
(198,742)	-	(198,742)	-
(759,905)	-	(759,905)	-
166,651	-	166,651	-
318,861	-	318,861	-
(7,763,453)	-	(7,763,453)	-
(9,794,487)	-	(9,794,487)	-
(1,210,537)	-	(1,210,537)	-
<u>(35,183,463)</u>	<u>-</u>	<u>(35,183,463)</u>	<u>-</u>
-	908,900	908,900	-
-	1,462,125	1,462,125	-
-	(83,043)	(83,043)	-
-	2,287,982	2,287,982	-
<u>(35,183,463)</u>	<u>2,287,982</u>	<u>(32,895,481)</u>	<u>-</u>
-	-	-	298,452
-	-	-	<u>298,452</u>
1,421,758	-	1,421,758	-
2,162,763	-	2,162,763	-
359,670	-	359,670	-
275,043	-	275,043	-
22,359,573	-	22,359,573	-
679,602	-	679,602	-
304,822	-	304,822	-
3,061,866	-	3,061,866	-
107,136	196	107,332	642
983,607	12,232	995,839	4,144
<u>31,715,840</u>	<u>12,428</u>	<u>31,728,268</u>	<u>4,786</u>
<u>(3,467,623)</u>	<u>2,300,410</u>	<u>(1,167,213)</u>	<u>303,238</u>
<u>57,909,468</u>	<u>51,668,720</u>	<u>109,578,188</u>	<u>2,702,722</u>
<u>\$ 54,441,845</u>	<u>\$ 53,969,130</u>	<u>\$ 108,410,975</u>	<u>\$ 3,005,960</u>

The notes to the basic financial statements are an integral part of this statement

**City of Euclid, Ohio**  
*Balance Sheet*  
**Governmental Funds**  
*December 31, 2012*

	<b>General Fund</b>	<b>General Obligation Bond Retirement</b>	<b>General Permanent Improvement</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>					
Equity in Pooled Cash and Cash Equivalents	\$ 4,117,147	\$ 1,849,690	\$ 3,294,558	\$ 2,021,360	\$ 11,282,755
Cash and Cash Equivalents:					
In Segregated Accounts	5,568	-	-	-	5,568
With Fiscal Agents	50,132	-	-	-	50,132
Materials and Supplies Inventory	139,579	-	-	148,650	288,229
Accrued Interest Receivable	20,150	-	-	-	20,150
Accounts Receivable	354,696	-	-	17,690	372,386
Interfund Receivable	-	863,313	-	-	863,313
Intergovernmental Receivable	1,468,790	137,408	15,830	1,121,778	2,743,806
Prepaid Items	91,406	-	-	10,541	101,947
Municipal Income Taxes Receivable	11,067,799	-	-	-	11,067,799
Property Taxes Receivable	1,801,481	2,326,988	268,077	536,156	4,932,702
Special Assessments Receivable	4,059,705	1,307,119	-	-	5,366,824
Notes Receivable	1,070,058	-	-	-	1,070,058
Payments in Lieu of Taxes Receivable	-	-	-	263,290	263,290
Assets held for Resale	-	-	-	979,772	979,772
<b>Total Assets</b>	<b>\$ 24,246,511</b>	<b>\$ 6,484,518</b>	<b>\$ 3,578,465</b>	<b>\$ 5,099,237</b>	<b>\$ 39,408,731</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 202,259	\$ -	\$ 861,361	\$ 220,623	\$ 1,284,243
Accrued Wages and Benefits	793,060	1,721	-	82,344	877,125
Intergovernmental Payable	968,311	879	-	53,951	1,023,141
Matured Compensated Absences Payable	-	-	-	3,210	3,210
Accrued Interest Payable	-	23,507	12,734	-	36,241
Interfund Payable	-	-	505,000	358,313	863,313
Claims Payable	482,120	154	-	9,820	492,094
Notes Payable	-	3,426,969	1,850,000	-	5,276,969
<b>Total Liabilities</b>	<b>2,445,750</b>	<b>3,453,230</b>	<b>3,229,095</b>	<b>728,261</b>	<b>9,856,336</b>
<b>Deferred Inflows of Resources:</b>					
Property Taxes and Payments in Lieu of Taxes	1,463,029	1,889,806	217,712	698,716	4,269,263
Unavailable Revenue - Delinquent Property Taxes	338,452	437,182	50,365	100,730	926,729
Unavailable Revenue - Income Taxes	7,248,429	-	-	-	7,248,429
Unavailable Revenue - Other	4,855,985	1,444,527	15,830	761,980	7,078,322
<b>Total Deferred Inflows of Resources</b>	<b>13,905,895</b>	<b>3,771,515</b>	<b>283,907</b>	<b>1,561,426</b>	<b>19,522,743</b>
<b>Fund Balances:</b>					
Nonspendable	1,323,212	-	-	159,191	1,482,403
Restricted	-	-	65,463	3,079,103	3,144,566
Committed	73,615	-	-	1,077	74,692
Assigned	451,520	-	-	-	451,520
Unassigned (Deficit)	6,046,519	(740,227)	-	(429,821)	4,876,471
<b>Total Fund Balances (Deficit)</b>	<b>7,894,866</b>	<b>(740,227)</b>	<b>65,463</b>	<b>2,809,550</b>	<b>10,029,652</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 24,246,511</b>	<b>\$ 6,484,518</b>	<b>\$ 3,578,465</b>	<b>\$ 5,099,237</b>	<b>\$ 39,408,731</b>

The notes to the basic financial statements are an integral part of this statement

**City of Euclid, Ohio**  
*Reconciliation of Total Governmental Fund Balances to Net  
 Position of Governmental Activities*  
 December 31, 2012

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**Total Governmental Funds Balance** \$ 10,029,652

*Amounts reported for Governmental Activities in the Statement of Net Position  
 are different because:*

Capital Assets used in Governmental Activities are not financial resources  
 and, therefore, are not reported in the funds 62,219,125

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

Delinquent property taxes	\$	926,729	
Municipal income taxes		7,248,429	
Special assessments		5,366,824	
Intergovernmental		1,682,892	
Charges for services		28,606	
Total			15,253,480

In the Statement of Activities, interest is accrued on outstanding  
 bonds, whereas in Governmental funds, an interest expenditure  
 is reported when due. (96,697)

Internal Service funds are used by management to charge the costs  
 of certain activities, such as insurance to individual funds. The assets  
 and liabilities of the Internal Service funds are included in Governmental  
 Activities in the Statement of Net Position. (49,296)

Long-term liabilities, including bonds payable, are not due and payable in the  
 current period and therefore are not reported in the funds:

General obligation bonds		(22,577,000)	
Special assessment bonds		(785,000)	
Industrial development revenue bonds		(695,000)	
Unamortized premiums on bonds		(320,989)	
Deferral on refundings		566,345	
Compensated absences		(7,264,820)	
Claims		(146,717)	
Capital leases		(271,420)	
OPWC loans		(1,419,818)	
Total			(32,914,419)

**Net Position of Governmental Activities** \$ 54,441,845

The notes to the basic financial statements are an integral part of this statement

**City of Euclid, Ohio**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
**Governmental Funds**  
*For the Year Ended December 31, 2012*

	General Fund	General Obligation Bond Retirement	General Permanent Improvement	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Property Taxes	\$ 1,488,415	\$ 2,391,369	\$ 221,490	\$ 442,980	\$ 4,544,254
Municipal Income Taxes	20,599,919	-	-	-	20,599,919
Other Local Taxes	679,602	-	-	-	679,602
Payments in Lieu of Taxes	-	-	-	304,822	304,822
Intergovernmental	2,748,958	677,825	23,449	4,018,507	7,468,739
Interest	40,595	66,042	25	714	107,376
Fees, Licenses, and Permits	161,302	-	-	-	161,302
Fines and Forfeitures	1,761,225	-	-	214,080	1,975,305
Rentals	48,516	48,500	-	39,369	136,385
Charges for Services	6,534,015	-	-	378,541	6,912,556
Contributions and Donations	7,334	-	-	72,149	79,483
Special Assessments	1,109,237	120,000	79	-	1,229,316
All Other Revenues	668,945	4,541	32,516	276,195	982,197
<b>Total Revenues</b>	<b>35,848,063</b>	<b>3,308,277</b>	<b>277,559</b>	<b>5,747,357</b>	<b>45,181,256</b>
<b>EXPENDITURES</b>					
Security of Persons and Property	19,952,756	-	-	426,289	20,379,045
Public Health	275,451	-	-	-	275,451
Leisure Time Activities	698,871	-	-	818,793	1,517,664
Community and Economic Development	1,373,694	-	-	1,625,883	2,999,577
Sanitation	2,067,356	-	-	-	2,067,356
Transportation	-	-	-	1,909,461	1,909,461
General Government	10,863,195	122,936	33,453	1,067,521	12,087,105
Capital Outlay	-	-	2,519,864	138,324	2,658,188
Debt Service:					
Principal Retirement	270,100	2,741,519	40,832	25,123	3,077,574
Interest and Fiscal Charges	60,423	1,025,893	39,496	25,718	1,151,530
Debt Issuance Costs	-	17,592	-	-	17,592
<b>Total Expenditures</b>	<b>35,561,846</b>	<b>3,907,940</b>	<b>2,633,645</b>	<b>6,037,112</b>	<b>48,140,543</b>
Excess of Revenues (Under) Expenditures	286,217	(599,663)	(2,356,086)	(289,755)	(2,959,287)
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of Capital Assets	2,022	-	21,244	2,908	26,174
Transfers In	55,000	500,000	3,488,175	191,500	4,234,675
Transfers Out	(989,675)	(3,415,000)	-	(55,000)	(4,459,675)
<b>Total Other Financing Sources (Uses)</b>	<b>(932,653)</b>	<b>(2,915,000)</b>	<b>3,509,419</b>	<b>139,408</b>	<b>(198,826)</b>
Net Change in Fund Balances	(646,436)	(3,514,663)	1,153,333	(150,347)	(3,158,113)
Fund Balances - Beginning of Year, as Restated	8,541,302	2,774,436	(1,087,870)	2,959,897	13,187,765
<b>Fund Balances - End of Year</b>	<b>\$ 7,894,866</b>	<b>\$ (740,227)</b>	<b>\$ 65,463</b>	<b>\$ 2,809,550</b>	<b>\$ 10,029,652</b>

The notes to the basic financial statements are an integral part of this statement

**City of Euclid, Ohio**  
*Reconciliation of the Statement of Revenues, Expenditures and  
Changes in Fund Balances of Governmental Funds to the  
Statement of Activities*  
For the Year Ended December 31, 2012

**Net Change in Fund Balances-Total Governmental Funds** \$(3,158,113)

*Amounts reported for Governmental Activities in the Statement of Activities  
are different because:*

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

Capital Outlay	\$	2,588,988	
Capital Contributions		387,501	
Depreciation		(8,405,646)	
Total		(5,429,157)	(5,429,157)

In the Statement of Activities, only the loss on the disposal of capital assets is reported, whereas, in the Governmental Funds, the proceeds from the disposals increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets. (53,601)

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

Delinquent property taxes		(325,020)	
Municipal income taxes		1,759,654	
Insurance Recoveries		(32,097)	
Special assessments		215,417	
Intergovernmental		(415,678)	
Charges for services		(15,340)	
Total		1,186,936	1,186,936

Repayment of principal on the City's bonds, OPWC loan, and capital leases are expenditures in the Governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 3,077,574

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		188,717	
Claims		721,231	
Accrued interest on bonds		17,943	
Amortization of bond premiums		35,018	
Amortization of loss on refunding		(94,376)	
Total		868,533	868,533

Internal Service funds are used by management to charge costs to certain activities, such as insurance to individual funds. The net revenue (expense) of Internal Service funds are reported in the Governmental Activities. 40,205

**Change in Net Position of Governmental Activities** \$(3,467,623)

The notes to the basic financial statements are an integral part of this statement

**City of Euclid, Ohio**  
*Statement of Revenues, Expenditures and Changes in Fund Balances –  
 Budget (Non-GAAP Basis) and Actual  
 General Fund  
 For the Year Ended December 31, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Property Taxes	\$ 1,502,183	\$ 1,502,183	\$ 1,488,415	\$ (13,768)
Income Taxes	23,716,603	23,716,603	24,168,554	451,951
Hotel Taxes	6,706	6,706	5,524	(1,182)
Franchise Taxes	621,000	621,000	668,754	47,754
Intergovernmental	2,776,163	2,776,163	3,162,122	385,959
Interest	55,000	55,000	46,313	(8,687)
Licenses and Permits	198,484	198,484	161,302	(37,182)
Fines and Forfeitures	1,548,500	1,548,500	1,741,159	192,659
Rentals	100,000	100,000	48,516	(51,484)
Charges for Services	6,536,289	6,536,289	6,588,231	51,942
Contributions and Donations	4,900	4,900	9,437	4,537
Special Assessments	874,000	874,000	965,512	91,512
All Other Revenues	653,717	653,717	669,907	16,190
<b>Total Revenues</b>	<u>38,593,545</u>	<u>38,593,545</u>	<u>39,723,746</u>	<u>1,130,201</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	20,999,907	20,999,907	20,288,676	711,231
Public Health	282,408	282,408	270,891	11,517
Leisure Time Activities	536,758	536,758	513,945	22,813
Community and Economic Development	1,369,446	1,389,446	1,226,872	162,574
Sanitation	2,279,520	2,279,520	2,222,524	56,996
General Government	12,340,889	12,349,389	11,851,413	497,976
Debt Service:				
Principal	1,055,000	1,055,000	1,055,000	-
Interest & Fiscal Charges	74,310	74,310	73,750	560
<b>Total Expenditures</b>	<u>38,938,238</u>	<u>38,966,738</u>	<u>37,503,071</u>	<u>1,463,667</u>
Excess of Revenues Over (Under) Expenditures	(344,693)	(373,193)	2,220,675	2,593,868
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	500	500	516	16
General Obligation Bonds Issued	825,000	825,000	-	(825,000)
Transfers In	105,000	105,000	105,000	-
Transfers Out	(953,000)	(989,500)	(989,500)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(22,500)</u>	<u>(59,000)</u>	<u>(883,984)</u>	<u>(824,984)</u>
Net Change in Fund Balance	(367,193)	(432,193)	1,336,691	1,768,884
Fund Balance - Beginning of Year	2,614,535	2,614,535	2,614,535	-
Prior Year Encumbrances Appropriated	57,751	57,751	57,751	-
<b>Fund Balance - End of Year</b>	<u>\$ 2,305,093</u>	<u>\$ 2,240,093</u>	<u>\$ 4,008,977</u>	<u>\$ 1,768,884</u>

The notes to the basic financial statements are an integral part of this statement

**City of Euclid, Ohio**  
*Statement of Net Position*  
*Proprietary Funds*  
*December 31, 2012*

	Enterprise Funds				Governmental Activities
	Waste Water Treatment	Water Line Improvement	Briardale Greens Golf Course	Total	Internal Service Fund
<b>ASSETS</b>					
<b>Current Assets:</b>					
Equity in Pooled Cash and Cash Equivalents	\$ 4,013,531	\$ 1,985,813	\$ 2,812	\$ 6,002,156	\$ 100,704
Materials and Supplies Inventory	47,721	-	-	47,721	-
Accounts Receivable	3,270,913	587,062	-	3,857,975	-
Prepaid Items	14,081	-	-	14,081	-
Capital Leases Receivable	-	-	18,457	18,457	-
<b>Total Current Assets</b>	<b>7,346,246</b>	<b>2,572,875</b>	<b>21,269</b>	<b>9,940,390</b>	<b>100,704</b>
<b>Noncurrent Assets:</b>					
Capital Assets:					
Land	156,600	-	7,271,526	7,428,126	-
Construction in Progress	1,019,065	2,471,703	-	3,490,768	-
Depreciable Assets, Net of Depreciation	31,615,249	24,064,480	1,334,188	57,013,917	-
<b>Total Noncurrent Assets</b>	<b>32,790,914</b>	<b>26,536,183</b>	<b>8,605,714</b>	<b>67,932,811</b>	<b>-</b>
<b>Total Assets</b>	<b>40,137,160</b>	<b>29,109,058</b>	<b>8,626,983</b>	<b>77,873,201</b>	<b>100,704</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferral on Refunding	35,899	141,806	-	177,705	-
<b>Total Deferred Outflows of Resources</b>	<b>35,899</b>	<b>141,806</b>	<b>-</b>	<b>177,705</b>	<b>-</b>
<b>LIABILITIES</b>					
<b>Current Liabilities:</b>					
Accounts Payable	193,161	3,156	-	196,317	-
Accrued Wages and Benefits	130,433	-	-	130,433	-
Compensated Absences Payable	47,994	-	-	47,994	-
Intergovernmental Payable	160,140	-	-	160,140	-
Accrued Interest Payable	59,092	26,138	-	85,230	-
Claims Payable	15,309	-	-	15,309	150,000
General Obligation Bonds Payable	232,000	552,000	-	784,000	-
OWDA Loans Payable	1,241,449	-	-	1,241,449	-
OPWC Loans Payable	359,202	238,854	-	598,056	-
Capital Leases Payable	39,235	-	13,706	52,941	-
<b>Total Current Liabilities</b>	<b>2,478,015</b>	<b>820,148</b>	<b>13,706</b>	<b>3,311,869</b>	<b>150,000</b>
<b>Noncurrent Liabilities:</b>					
Compensated Absences Payable	626,426	-	-	626,426	-
Claims Payable	19,721	-	-	19,721	-
Unamortized Bond Premiums	39,288	124,522	-	163,810	-
General Obligation Bonds Payable	2,405,000	8,699,000	-	11,104,000	-
OWDA Loans Payable	1,673,853	-	-	1,673,853	-
OPWC Loans Payable	3,975,725	3,201,621	-	7,177,346	-
Capital Leases Payable	-	-	4,751	4,751	-
<b>Total Noncurrent Liabilities</b>	<b>8,740,013</b>	<b>12,025,143</b>	<b>4,751</b>	<b>20,769,907</b>	<b>-</b>
<b>Total Liabilities</b>	<b>11,218,028</b>	<b>12,845,291</b>	<b>18,457</b>	<b>24,081,776</b>	<b>150,000</b>
<b>NET POSITION</b>					
Net Investment in Capital Assets	22,861,061	13,861,992	8,587,257	45,310,310	-
Unrestricted	6,093,970	2,543,581	21,269	8,658,820	(49,296)
<b>Total Net Position</b>	<b>\$ 28,955,031</b>	<b>\$ 16,405,573</b>	<b>\$ 8,608,526</b>	<b>\$ 53,969,130</b>	<b>\$ (49,296)</b>

The notes to the basic financial statements are an integral part of this statement

**City of Euclid, Ohio**  
*Statement of Revenues, Expenses and Changes in Fund Net Position*  
*Proprietary Funds*  
*For the Year Ended December 31, 2012*

	<b>Enterprise Funds</b>			<b>Governmental</b>	
	<b>Waste Water Treatment</b>	<b>Water Line Improvement</b>	<b>Briardale Greens Golf Course</b>	<b>Internal Service Fund</b>	
			<b>Total</b>		
<b>OPERATING REVENUES</b>					
Charges for Services	\$ 11,100,773	\$ 1,443,009	\$ -	\$12,543,782	\$ -
Miscellaneous	-	12,232	-	12,232	-
Other Services	12,110	1,452,922	-	1,465,032	-
<b>Total Operating Revenues</b>	<b>11,112,883</b>	<b>2,908,163</b>	<b>-</b>	<b>14,021,046</b>	<b>-</b>
<b>OPERATING EXPENSES</b>					
Salaries	3,902,802	-	-	3,902,802	-
Materials and Supplies	2,151,502	-	-	2,151,502	-
Contractual Services	2,554,168	-	-	2,554,168	44,123
Depreciation	1,336,092	1,083,529	81,204	2,500,825	-
Claims	-	-	-	-	140,672
Other	61,327	-	-	61,327	-
<b>Total Operating Expense</b>	<b>10,005,891</b>	<b>1,083,529</b>	<b>81,204</b>	<b>11,170,624</b>	<b>184,795</b>
Operating Income (Loss)	1,106,992	1,824,634	(81,204)	2,850,422	(184,795)
<b>NONOPERATING REVENUES (EXPENSES)</b>					
(Loss) on Sale of Capital Assets	-	-	(11,139)	(11,139)	-
Interest	-	196	-	196	-
Interest and Fiscal Charges	(198,092)	(350,277)	-	(548,369)	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(198,092)</b>	<b>(350,081)</b>	<b>(11,139)</b>	<b>(559,312)</b>	<b>-</b>
Capital Contributions	-	-	9,300	9,300	-
Transfers In	4,127,880	-	-	4,127,880	225,000
Transfers Out	-	(4,127,880)	-	(4,127,880)	-
Change in Net Position	5,036,780	(2,653,327)	(83,043)	2,300,410	40,205
Net Position - Beginning of Year, as Restated	23,918,251	19,058,900	8,691,569	51,668,720	(89,501)
<b>Net Position - End of Year</b>	<b>\$ 28,955,031</b>	<b>\$ 16,405,573</b>	<b>\$ 8,608,526</b>	<b>\$53,969,130</b>	<b>\$ (49,296)</b>

The notes to the basic financial statements are an integral part of this statement

**City of Euclid, Ohio**  
*Statement of Cash Flows*  
*Proprietary Funds*  
For the Year Ended December 31, 2012

	<b>Enterprise Funds</b>				<b>Governmental</b>
	<b>Waste Water Treatment</b>	<b>Water Line Improvement</b>	<b>Briardale Greens Golf Course</b>	<b>Total</b>	<b>Internal Service Fund</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash Received from Charges for Services	\$ 12,055,270	\$ 3,232,636	\$ -	\$ 15,287,906	\$ -
Cash Payments to Employees for Services and Benefits	(4,111,640)	-	-	(4,111,640)	-
Cash Payments for Goods and Services	(4,708,899)	(40,095)	-	(4,748,994)	(50,853)
Cash Payments for Claims	-	-	-	-	(192,462)
Other Cash Payments	(45,777)	-	-	(45,777)	-
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>3,188,954</b>	<b>3,192,541</b>	<b>-</b>	<b>6,381,495</b>	<b>(243,315)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers In	-	-	-	-	225,000
<b>Net Cash Provided by (Used in) Noncapital Financing Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>225,000</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Capital Grants Received	8,356	-	-	8,356	-
Proceeds from OWDA and OPWC Loans	902,169	233,099	-	1,135,268	-
Principal Paid on Debt	(1,767,804)	(729,295)	-	(2,497,099)	-
Interest Paid on Debt	(211,400)	(333,628)	-	(545,028)	-
Payments for Capital Acquisitions	(981,861)	(2,044,460)	-	(3,026,321)	-
<b>Net Cash Provided by (Used in) Capital and Related Financing Activities</b>	<b>(2,050,540)</b>	<b>(2,874,284)</b>	<b>-</b>	<b>(4,924,824)</b>	<b>-</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest on Investments	-	196	-	196	-
<b>Net Cash Provided by Investing Activities</b>	<b>-</b>	<b>196</b>	<b>-</b>	<b>196</b>	<b>-</b>
Net Increase (Decrease) in Cash and Cash Equivalents	1,138,414	318,453	-	1,456,867	(18,315)
Cash and Cash Equivalents - Beginning of Year	2,875,117	1,667,360	2,812	4,545,289	119,019
<b>Cash and Cash Equivalents - End of Year</b>	<b>\$ 4,013,531</b>	<b>\$ 1,985,813</b>	<b>\$ 2,812</b>	<b>\$ 6,002,156</b>	<b>\$ 100,704</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>					
Operating Income (Loss)	\$ 1,106,992	\$ 1,824,634	\$ (81,204)	\$ 2,850,422	\$ (184,795)
Adjustments:					
Depreciation	1,336,092	1,083,529	81,204	2,500,825	-
(Increase) Decrease in Assets:					
Accounts Receivable	942,387	324,473	-	1,266,860	-
Intergovernmental Receivable	-	18,132	-	18,132	-
Materials and Supplies Inventory	942	-	-	942	-
Prepaid Items	(825)	-	-	(825)	-
Increase (Decrease) in Liabilities:					
Accounts Payable	6,192	(58,227)	-	(52,035)	(6,730)
Accrued Wages and Benefits	6,582	-	-	6,582	-
Compensated Absences Payable	8,945	-	-	8,945	-
Intergovernmental Payable	(138,959)	-	-	(138,959)	-
Claims Payable	(79,394)	-	-	(79,394)	(51,790)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>\$ 3,188,954</b>	<b>\$ 3,192,541</b>	<b>\$ -</b>	<b>\$ 6,381,495</b>	<b>\$ (243,315)</b>
<b><u>Schedule of Noncash Investing, Capital, and Related Financing Activities</u></b>					
Capital Contributions from Water Line Improvement Fund to					
Waste Water Treatment Fund	\$ 4,114,152	\$ (4,114,152)	\$ -	\$ -	\$ -
Capital Contribution from Third Party Administrator	-	-	9,300	9,300	-

The notes to the basic financial statements are an integral part of this statement

**City of Euclid, Ohio**  
*Statement of Fiduciary Net Position*  
*Fiduciary Funds*  
*December 31, 2012*

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	<u>Agency Funds</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$1,075,649
Cash and Cash Equivalents:	
in Segregated Accounts	<u>206,392</u>
Total Assets	<u><u>\$1,282,041</u></u>
<b>Liabilities</b>	
Deposits Held and Due to Others	<u><u>\$1,282,041</u></u>

The notes to the basic financial statements are an integral part of this statement

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*

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**NOTE 1: DESCRIPTION OF THE CITY AND REPORTING ENTITY**

The City of Euclid, Ohio (the City) was incorporated in 1931 and includes an area of approximately 10.3 square miles. The City operates under an elected Mayor/Council (nine members) administrative/legislative form of government and provides services to its more than 52,000 residents. The City established a formal charter in 1951 which governs its operations.

**Reporting Entity**

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

The primary government of the City consists of all funds, departments, boards, and agencies that are not legally separate from the City. For the City of Euclid, this includes police and fire protection, parks and recreation, planning, zoning, public safety, public service, street maintenance, sanitation system, and a staff to provide support (i.e., payroll processing, accounts payable, and revenue collection) to the service providers. The operation of each of these activities and entities is directly controlled by the City Council through the budgetary process. Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; (3) the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the City is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the budget, the issuance of debt or the levying of taxes. The City has one component unit, the Euclid Development Corporation.

***Euclid Development Corporation (EDCOR)*** The Euclid Development Corporation (EDCOR) is a legally separate, non-profit organization served by a board of trustees in which a majority is appointed by the City. Potential board members must work or live within the City. EDCOR was formed under Chapter 1702 of the Ohio Revised Code for the purpose of providing administrative program assistance to the Community Development Department while combating deterioration and lessening the burdens of government by advancing, encouraging, and promoting residential and commercial redevelopment and revitalization in the City. The City subsidizes EDCOR's entire operation from its Community Development Block Grant. Based on the significant services and resources provided by the City to EDCOR and EDCOR's administrative program assistance to the Community Development Program of the City, the City has chosen the discrete method of presentation for the EDCOR. The discrete method of presentation requires component unit data to be reported together with, but separately from the data of the primary government in the government-wide financial statements. EDCOR operates on a fiscal year ending December 31. Separately issued financial statements can be obtained from the Euclid Development Corporation, 585 East 222nd Street, Euclid, Ohio 44123.

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*  
*(Continued)*

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

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

**A. Basis of Presentation**

The City's basic financial statements consist of government-wide statements, including a Statement of Net Position 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 Position and the Statement of Activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities. As a general rule, the activity of the Internal Service Fund is eliminated to avoid "doubling up" revenues and expenses. An exception to this general rule is that interfund services provided and used are not eliminated in the process of consolidation.

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

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

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*  
*(Continued)*

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

**B. Fund Accounting**

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

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

*General Fund* This fund is the operating fund of the City and is used to account for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio.

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

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

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

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

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

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

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*  
(Continued)

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

**B. Fund Accounting** (Continued)

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

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

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

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

**C. Measurement Focus**

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

*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.

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*  
(Continued)

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

**C. Measurement Focus** (Continued)

This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of these funds are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position present increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The Statement of Cash Flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

**D. Basis of Accounting**

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

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

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*  
*(Continued)*

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

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

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

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

**Deferred Outflows/Inflows of Resources** - In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources include a deferral on refunding reported in the government-wide statement of net position. A deferral on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, payments in lieu of taxes and unavailable revenues. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2012, but which were levied to finance year 2013 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period.

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*  
*(Continued)*

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

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

For the City, unavailable revenue includes delinquent property taxes, municipal income taxes, intergovernmental grants, special assessments, and charges for services. These amounts are deferred and recognized as inflows of resources in the period the amounts become available.

*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 or deferred outflow of resources is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

**E. Budgetary Process**

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations ordinance is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the personal services and other expenditures object levels within each department for all funds. Budgetary modifications at the personal service and other expenditures level may only be made by ordinance of City Council. The Finance Director has been given the authority to allocate appropriations to the specific object levels within each department and fund.

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

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*  
*(Continued)*

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

**E. Budgetary Process**

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

**F. Cash and Cash Equivalents**

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

The City has segregated bank accounts for monies held separate from the City's bank accounts. These interest-bearing deposits accounts are presented on the combined balance sheet as "Cash and Cash Equivalents in Segregated Accounts" since they are not required to be deposited into the City's treasury. The cash of animal control donations, the D.A.R.E. program, the municipal court accounts, the City's jail commissary, and the employees' portion of flex spending accounts are included in this line item.

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

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

During 2012, the City invested in U.S debt securities, municipal debt securities from municipalities within the State of Ohio, Commercial Paper, and the State Treasury Asset Reserve of Ohio (STAR Ohio). Investments are reported at fair value, which is based on quoted market prices.

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*  
*(Continued)*

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

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

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2012.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the General Fund during 2012 amounted to \$40,595, which includes \$14,884 assigned from other City funds.

**G. Inventory**

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

**H. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2012, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

**I. Capital Assets**

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The City was able to estimate the historical cost for the initial reporting of infrastructure by backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their fair market values as of the date received.

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*  
*(Continued)*

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

**I. Capital Assets** (Continued)

The City maintains a capitalization threshold of five thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of proprietary fund capital assets is also capitalized.

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

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	20-40 Years
Building and Improvements	20-40 Years
Furniture, Fixtures, and Equipment	3-15 Years
Infrastructure	25-50 Years

For 2012, the City's infrastructure consists of streets, storm sewers, sanitary sewers, and water lines.

**J. Interfund Balances**

In fund financial statements, outstanding interfund loans are reported as "interfund receivables/payables." Interfund loans which do not represent available expendable resources are equally offset in the nonspendable fund balance unless the proceeds from their collection are restricted, committed, or assigned. Interfund balance amounts are eliminated in the Statement of Net Position, except for any residual amounts due between governmental and business-type activities, which are presented as internal balances.

**K. Compensated Absences**

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

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*  
(Continued)

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

**K. Compensated Absences** (Continued)

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

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

**L. Accrued Liabilities and Long-Term Obligations**

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

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

**M. Fund Balance**

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

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

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*  
*(Continued)*

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

**M. Fund Balance**(Continued)

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

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

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

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

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

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*  
*(Continued)*

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

**N. Net Position**

Net Position is the residual amount when comparing assets and deferred outflows of resources to liabilities and deferred inflows of resources. The net investment in capital assets component of net position 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. The restricted component of net position is reported when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The government-wide Statement of Net Position reports \$10,219,167 of restricted net position, none of which is restricted by enabling legislation. Net position restricted for other purposes include resources restricted for court computerization, court special projects, law enforcement trust, and other grant funds.

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

**O. Operating Revenue and Expenses**

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

**P. Interfund Activity**

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

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

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*  
(Continued)

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

**Q. Bond Premium**

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

**R. Gain/Loss on Refunding**

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

**S. 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.

**T. 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. During 2012, the City adjusted the estimated useful lives for the capital assets of the governmental and business-type activities. These adjustments were applied to current year depreciation expense.

NOTE 3: **CHANGE IN ACCOUNTING PRINCIPLES AND PRIOR PERIOD ADJUSTMENTS**

**A. Change in Accounting Principles**

GASB Statement Number 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. The objective of this Statement is to address 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. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2011 and have been implemented by the City.

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*  
(Continued)

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**NOTE 3: CHANGE IN ACCOUNTING PRINCIPLES AND PRIOR PERIOD ADJUSTMENTS**

**A. Change in Accounting Principles (Continued)**

GASB Statement Number 60, *Accounting and Financial Reporting for Service Concession Arrangements*. The objective of this Statement is to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011 and have been implemented by the City.

GASB Statement Number 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the FASB and AICPA pronouncements which does not conflict with or contradict GASB pronouncements. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011 and have been implemented by the City.

GASB Statement Number 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011 and have been implemented by the City.

GASB Statement Number 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions*. The objective of this Statement is to clarify whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. This Statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2011 and have been implemented by the City.

GASB Statement Number 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012 and have been implemented by the City.

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*  
(Continued)

**NOTE 3: CHANGE IN ACCOUNTING PRINCIPLES AND PRIOR PERIOD ADJUSTMENTS**

**B. Prior Period Adjustments**

In prior periods, the City had reported assets related to unamortized debt issuance costs in the Governmental and Business-Type Activities entity-wide financial statements. GASB Statement Number 65, *Items Previously Reported as Assets and Liabilities*, has reclassified debt issuance costs as an expense in the period incurred rather than amortizing the costs over the life of the debt. Additional prior period adjustments are required to adjust Governmental Activities net position for the inclusion of a capital lease obligation, pension liability overstatements, and special assessment revenue overstatements. The pension liability overstatements were the only prior period adjustment to affect governmental fund balances. These prior period adjustments had the following impact on net position and fund balances:

	Governmental Activities	Business-Type Activities	Enterprise Funds	
			Waste Water Treatment	Water Line Improvement
Net Position, December 31, 2011	\$ 59,058,954	\$ 51,926,941	\$ 23,981,680	\$ 19,253,692
Prior Period Adjustments:				
Unamortized Debt Issuance Costs	(617,176)	(258,221)	(63,429)	(194,792)
Pension Liability Overstatement	2,066,728	-	-	-
Special Assessment Revenues	(2,433,191)	-	-	-
Capital Lease Obligation	(165,847)	-	-	-
Restated Net Position, December 31, 2011	<u>\$ 57,909,468</u>	<u>\$ 51,668,720</u>	<u>\$ 23,918,251</u>	<u>\$ 19,058,900</u>
		General Obligation Bond Retirement	All Other Governmental Funds	
Fund Balance, December 31, 2011	\$ 6,583,103	\$ 2,774,014	\$ 2,851,790	
Prior Period Adjustments:				
Pension Liability Overstatement	1,958,199	422	108,107	
Restated Fund Balance, December 31, 2011	<u>\$ 8,541,302</u>	<u>\$ 2,774,436</u>	<u>\$ 2,959,897</u>	

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*  
*(Continued)*

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**NOTE 4: COMPLIANCE AND ACCOUNTABILITY**

The following funds had deficits in fund balance or deficits in net position as of December 31, 2012:

<b><i>Governmental Funds</i></b>	
<i>Major</i>	
General Obligation Bond Retirement	\$ 740,227
 <i>Nonmajor</i>	
Recreation Operating	8,922
Community Development Block Grant	31,700
Other Grants	27,411
Public Building Construction	358,147
<i>Total Nonmajor</i>	<u>426,180</u>
 <b><i>Total Governmental Funds</i></b>	 <u><u>\$ 1,166,407</u></u>
 <b>Internal Service Fund</b>	
Self-Insurance	<u><u>\$ 49,296</u></u>

The deficits in the aforementioned funds resulted from recognition of accrued liabilities. The General Fund is responsible to cover deficit fund balances by means of a transfer. However, this is done when cash is needed rather than when accruals occur.

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**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*  
*(Continued)*

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**NOTE 5: BUDGETARY BASIS OF ACCOUNTING**

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

- Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- Encumbrances are treated as expenditures (budget basis) rather than as a part of restricted, committed and assigned fund balance (GAAP basis); and
- Some funds are included in the General Fund (GAAP basis), but have separate legally adopted budgets (budget basis).

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

GAAP Basis	\$	(646,436)
Net Adjustment for Revenue Accruals		4,059,286
Net Adjustment for Expenditure Accruals		(2,127,723)
Funds with Separate Legally Adopted Budgets		111,893
Encumbrances		(60,329)
Budget Basis	<u>\$</u>	<u>1,336,691</u>

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*  
(Continued)

**NOTE 6: FUND BALANCE**

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

Fund Balances	General	General Obligation Bond Retirement	General Capital Improvement	Other Governmental Funds	Total
<i>Nonspendable</i>					
Prepaid Items	\$ 91,406	\$ -	\$ -	\$ 10,541	\$ 101,947
Materials and Supplies Inventory	139,579	-	-	148,650	288,229
Unclaimed Funds	22,169	-	-	-	22,169
Notes Receivable	1,070,058	-	-	-	1,070,058
<i>Total Nonspendable</i>	<u>1,323,212</u>	<u>-</u>	<u>-</u>	<u>159,191</u>	<u>1,482,403</u>
<i>Restricted for</i>					
Transportation	-	-	-	319,053	319,053
Drug & Alcohol Enforcement	-	-	-	129,453	129,453
Municipal Court	-	-	-	210,796	210,796
Neighborhood Stabilization	-	-	-	963,831	963,831
Law Enforcement	-	-	-	203,055	203,055
Capital Improvements	-	-	65,463	-	65,463
Recreation Capital	-	-	-	94,618	94,618
TIF Capital Projects	-	-	-	761,438	761,438
Other Capital Improvements	-	-	-	396,859	396,859
<i>Total Restricted</i>	<u>-</u>	<u>-</u>	<u>65,463</u>	<u>3,079,103</u>	<u>3,144,566</u>
<i>Committed to</i>					
Nuisance Abatement	56,682	-	-	-	56,682
Community Television	4,734	-	-	-	4,734
Shore Cultural Center	12,199	-	-	-	12,199
Animal Shelter	-	-	-	1,077	1,077
<i>Total Committed</i>	<u>73,615</u>	<u>-</u>	<u>-</u>	<u>1,077</u>	<u>74,692</u>
<i>Assigned to</i>					
Fiscal Year 2013 Appropriations	414,762	-	-	-	414,762
Other Purposes	36,758	-	-	-	36,758
<i>Total Assigned</i>	<u>451,520</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>451,520</u>
<i>Unassigned (Deficit)</i>	6,046,519	(740,227)	-	(429,821)	4,876,471
<b>Total Fund Balances</b>	<u><u>\$ 7,894,866</u></u>	<u><u>\$ (740,227)</u></u>	<u><u>\$ 65,463</u></u>	<u><u>\$ 2,809,550</u></u>	<u><u>\$ 10,029,652</u></u>

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*  
*(Continued)*

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**NOTE 7: DEPOSITS AND INVESTMENTS**

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

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

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

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

- United States Treasury notes, bills, bonds, notes or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- Commercial paper notes issued by an entity that has assets exceeding five hundred million;
- Bonds and other obligations of the State of Ohio;

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*  
(Continued)

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

- No-load money market mutual funds consisting exclusively of obligations described in the first two sections above;
- The obligations described in the second section above of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and
- The State Treasurer's investment pool (STAR Ohio).

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

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

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

**Cash on Hand**

The City had \$10,360 in undeposited cash on hand, which is reported on the balance sheet as part of "Equity in Pooled Cash and Cash Equivalents".

**Deposits**

***Custodial Credit Risk*** Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in possession of an outside party. At year-end, the carrying amount of the City's deposits was \$7,679,725 (which does not include cash in segregated accounts of \$211,960) and the bank balance was \$8,598,839. Of the bank balance, \$4,198,195 was covered by Federal depository insurance and \$4,400,644 was exposed to custodial credit risk because it was uninsured and uncollateralized. Although the securities were held by the pledging institution's trust department and all statutory requirements for the investment of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*  
(Continued)

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

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

**Investments**

Investments are reported at fair value. As of December 31, 2012, the City had the following investments:

	Fair Market Value	Credit Rating
Federal Home Loan Bank	\$ 3,008,521	AA+
Federal Farm Credit Bank	998,879	AA+
Commercial Paper - UBS	3,993,134	A1
Municipal Securities	2,106,743	N/A
STAR Ohio	714,034	AAAm
Total Investments	<u>\$ 10,821,311</u>	

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

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

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*  
(Continued)

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

**Credit Risk** The City has no investment policy that would further limit its investment choices. Credit ratings, if available, are provided in the aforementioned table by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The City has no investment policy that would further limit its investment choices.

**Concentration of Credit Risk** The City places no limit on the amount it may invest in any one issuer. The following is the City's allocation as of December 31, 2012:

Percentage of Total Investments	
Federal Home Loan Bank	28%
Federal Farm Credit Bank	9%
Municipal Debt Securities	19%
Commercial Paper	37%
STAR Ohio	7%
Total	100%

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

**Custodial Credit Risk** Custodial credit risk for deposits is the risk that in the event of bank failure, EDCOR will not be able to recover deposits or collateral securities that are in possession of an outside party. At year-end, the carrying amount of EDCOR's deposits was \$649,037 and the bank balance was \$662,132. Of the bank balance, the full amount was covered by Federal depository insurance.

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

NOTE 8: **RECEIVABLES**

Receivables at December 31, 2012, consisted primarily of municipal income taxes, property and other taxes, accounts (billings for utility services), special assessments, accrued interest on investments, and intergovernmental receivables arising from entitlements and shared revenues. All receivables are deemed collectible in full. Special assessments outstanding at December 31, 2012 are \$5,366,824, with delinquent special assessments outstanding being \$835,784.

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*  
*(Continued)*

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NOTE 8: **RECEIVABLES** (Continued)

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

**A. Property Taxes**

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 2012 for real and public utility property taxes represents collections of 2011 taxes. Property tax payments received during 2012 for tangible personal property (other than public utility property) are for delinquent taxes from prior years.

2012 real property taxes are levied after October 1, 2012, on the assessed value as of January 1, 2012, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2012 real property taxes are collected in and intended to finance 2012.

Public utility real and tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2012 public utility property taxes which become a lien December 31, 2011, are levied after October 1, 2012, and are collected in 2012 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2012, was \$13.60 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2012 property tax receipts were based are as follows:

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

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

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*  
*(Continued)*

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NOTE 8: **RECEIVABLES** (Continued)

**A. Property Taxes** (Continued)

The Cuyahoga County Fiscal Officer collects property taxes on behalf of all taxing districts in the County, including the City of Euclid. The County Fiscal Officer periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and tangible personal property taxes, public utility taxes, and outstanding delinquencies, which are measurable as of December 31, 2012, and for which there is an enforceable legal claim. In the governmental funds, the entire receivable has been offset by deferred inflows of resources since the current taxes were not levied to finance 2012 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue is deferred.

**B. Income Tax**

The City levies a municipal income tax of 2.85 percent on substantially all income earned within the City. The .85 percent collected is to be split between the City and the Euclid City School District at a ratio of .38 percent for the City and .47 percent for the District. In addition, residents are required to pay City income tax on income earned outside the City; however, a 100 percent credit is allowed for income taxes paid to other municipalities.

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

**C. Intergovernmental Receivables**

A summary of the principal items of intergovernmental receivables follows:

<i>Governmental Activities</i>		
Local Government (County & State)	\$	858,295
Gasoline Tax		608,384
Homestead and Rollback		291,275
Estate Tax		324,764
Motor Vehicle Tax		120,177
Various Grants		342,816
Other Intergovernmental		198,095
 Total Governmental Activities	 \$	 <u>2,743,806</u>

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*  
(Continued)

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NOTE 8: **RECEIVABLES** (Continued)

**D. Notes and Loans Receivable**

General Fund notes receivable represent amounts loaned to a major corporation in connection with an economic development and rehabilitation project. These notes will be paid back to the City over 30 years by the corporation at an interest rate of 2 percent. The City will incur interest charges at a rate of 4.35 percent on the bonds that had been issued by the City in conjunction with this program. The difference in the interest rates is a subsidy which will be funded by nontax revenue sources.

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

NOTE 9: **CONTINGENCIES**

**A. Grants**

The City received financial assistance from Federal and State agencies in the form of grants. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City.

**B. Litigation**

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

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*  
(Continued)

**NOTE 10: CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2012, was as follows:

	Balance 12/31/2011	Additions	Deletions	Balance 12/31/2012
<b>Governmental Activities</b>				
<i>Capital Assets, Not Being Depreciated</i>				
Land	\$ 10,775,705	\$ 0	\$ 0	\$ 10,775,705
Construction in Progress	2,909,219	1,964,302	657,782	4,215,739
<i>Total Capital Assets, Not Being Depreciated</i>	<u>13,684,924</u>	<u>1,964,302</u>	<u>657,782</u>	<u>14,991,444</u>
<i>Capital Assets, Being Depreciated</i>				
Land Improvements	6,256,521	492,092	0	6,748,613
Buildings and Improvements	16,262,197	342,915	0	16,605,112
Furniture, Fixtures, and Equipment	12,827,676	669,272	156,534	13,340,414
Infrastructure:				
Streets	127,915,755	165,690	0	128,081,445
<i>Total Capital Assets, Being Depreciated</i>	<u>163,262,149</u>	<u>1,669,969</u>	<u>156,534</u>	<u>164,775,584</u>
Less Accumulated Depreciation:				
Land Improvements	(4,704,656)	(220,102)	0	(4,924,758)
Buildings and Improvements	(7,361,300)	(203,722)	0	(7,565,022)
Furniture, Fixtures, and Equipment	(8,081,155)	(582,656)	(102,933)	(8,560,878)
Infrastructure:				
Streets	(89,098,079)	(7,399,166)	0	(96,497,245)
<i>Total Accumulated Depreciation*</i>	<u>(109,245,190)</u>	<u>(8,405,646)</u>	<u>(102,933)</u>	<u>(117,547,903)</u>
Total Capital Assets, Being Depreciated, Net	<u>54,016,959</u>	<u>(6,735,677)</u>	<u>53,601</u>	<u>47,227,681</u>
Governmental Activities Capital Assets, Net	<u>\$ 67,701,883</u>	<u>\$ (4,771,375)</u>	<u>\$ 711,383</u>	<u>\$ 62,219,125</u>

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

General Government	\$ 259,626
Security of Persons and Property	352,000
Leisure Time Services	179,677
Community and Economic Development	60,930
Transportation	7,553,413
	<u>\$ 8,405,646</u>

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*  
*(Continued)*

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

	Balance 12/31/2011	Additions	Deletions	Balance 12/31/2012
<b>Business-Type Activities</b>				
<i>Capital Assets, Not Being Depreciated</i>				
Land	\$ 7,428,126	\$ 0	\$ 0	\$ 7,428,126
Construction in Progress	12,856,085	2,824,247	12,189,564	3,490,768
<i>Total Capital Assets, Not Being Depreciated</i>	<u>20,284,211</u>	<u>2,824,247</u>	<u>12,189,564</u>	<u>10,918,894</u>
<i>Capital Assets, Being Depreciated</i>				
Land Improvements	1,384,525	0	0	1,384,525
Buildings and Improvements	14,527,598	0	0	14,527,598
Furniture, Fixtures, and Equipment	7,946,426	56,431	64,262	7,938,595
Infrastructure:				
Sanitary Sewers	17,530,658	4,772,602	0	22,303,260
Storm Sewers	10,721,584	1,603,570	0	12,325,154
Waterlines	24,988,440	5,813,420	0	30,801,860
<i>Total Capital Assets, Being Depreciated</i>	<u>77,099,231</u>	<u>12,246,023</u>	<u>64,262</u>	<u>89,280,992</u>
Less Accumulated Depreciation:				
Land Improvements	(912,849)	(48,174)	0	(961,023)
Buildings and Improvements	(6,593,069)	(170,902)	0	(6,763,971)
Furniture, Fixtures, and Equipment	(7,053,008)	(11,648)	(53,123)	(7,011,533)
Infrastructure:				
Sanitary Sewers	(5,339,467)	(745,460)	0	(6,084,927)
Storm Sewers	(4,267,126)	(441,115)	0	(4,708,241)
Waterlines	(5,653,854)	(1,083,526)	0	(6,737,380)
<i>Total Accumulated Depreciation</i>	<u>(29,819,373)</u>	<u>(2,500,825)</u>	<u>(53,123)</u>	<u>(32,267,075)</u>
Total Capital Assets, Being Depreciated, Net	<u>47,279,858</u>	<u>9,745,198</u>	<u>11,139</u>	<u>57,013,917</u>
Business-Type Activities Capital Assets, Net	<u>\$ 67,564,069</u>	<u>\$ 12,569,445</u>	<u>\$ 12,200,703</u>	<u>\$ 67,932,811</u>

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*  
(Continued)

**NOTE 11: LONG-TERM OBLIGATIONS**

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

Debt Issue	Interest Rate	Original Issue Date	Original Issue Amount	Date of Maturity
<i>General Obligation Bonds:</i>				
Various Purpose - 2004	2.50-5.00	2004	\$ 8,709,000	2025
Various Purpose Refunding - 2004	2.50-5.00	2004	4,388,000	2025
Various Purpose Refunding - 2008	4.70-5.125	2008	2,800,000	2018
Various Purpose - 2008	3.00-5.00	2008	7,825,000	2028
Various Purpose - 2011A	2.00-4.00	2011	5,437,000	2021
Various Purpose - 2011B	2.00-4.375	2011	2,341,000	2031
<i>Industrial Development Revenue Bonds</i>				
Lincoln Electric Industrial Development Refunding - 2011	4.35	2011	1,015,000	2016
<i>Ohio Public Works Commission</i>				
East 222nd Reconstruction -2006	0.00	2006	1,257,200	2029
<i>Special Assessment Bonds with Governmental Commitment</i>				
Heritage Drive Improvements Refunding - 2011	2.00-3.00	2011	1,005,000	2018
<i>Enterprise General Obligation Bonds:</i>				
Various Purpose Refunding - 2004	3.80-5.125	1998	1,025,000	2018
Various Purpose Refunding - 2008	4.70-5.125	2008	2,660,000	2018
Waterline Improvement Refunding - 2011A	2.00-4.00	2011	2,488,000	2021
Sewer Improvement - 2011B	2.00-4.375	2011	748,000	2031
Waterline Improvement - 2011B	2.00-4.375	2011	6,376,000	2031
<i>Enterprise OWDA Loans:</i>				
Wastewater Treatment and Collection Systems -1993	5.20	1993	9,842,765	2014
Wastewater Treatment and Collection Systems -1994	4.56	1994	2,397,760	2014
Land Acquisition for Wastewater Treatment Plant - 2012	3.36	2012	908,840	2038
<i>Enterprise OPWC Loans:</i>				
Newton Avenue Improvements - 2000	0.00	2000	1,468,836	2019
East 226th Street/Edgecliff - 2003	0.00	2003	1,528,108	2023
East 197th Street - 2001	0.00	2001	759,025	2020
East 255th Street - 2002	0.00	2002	400,534	2022
East 216th Street - 2004	0.00	2004	581,131	2024
Brandywine Pump Station - 2005	0.00	2006	408,000	2028
Chatworth Dr. Sanitary -2006	0.00	2006	240,400	2028
Euclid Ave/Babbit Rd -2006	0.00	2006	540,900	2028
Miller Avenue - 2001	0.00	2001	1,689,900	2020
East 222nd Street -2003	0.00	2003	874,958	2023
East 214th Street - 2001	0.00	2001	262,735	2020
Euclid Avenue Improvement - 2008	0.00	2008	552,000	2028
East 222nd Street/Tungsten Road - 2009	0.00	2009	779,300	2039
Dille Road/East 204th Street - 2009	0.00	2009	950,000	2029
East 264th Street - 2010	0.00	2010	439,500	2030
East 248th Street/Shoreview - 2010	0.00	2010	887,600	2040
East 214th Street/Lakeshore - 2010	0.00	2010	958,500	2030
Roadway & Utility Improvement - 2011	0.00	2011	693,360	2031

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*  
(Continued)

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

	Restated Principal Outstanding 12/31/2011	Additions	Deletions	Principal Outstanding 12/31/2012	Due Within One Year
<b>Governmental Activities</b>					
<i>General Obligation Bonds:</i>					
Various Purpose - 2004	\$ 7,336,000	\$ -	\$ 444,000	\$ 6,892,000	\$ 462,000
Unamortized Premium	59,365	-	4,240	55,125	-
Various Purpose Refunding - 2004	2,006,000	-	475,000	1,531,000	494,000
Unamortized Premium	12,942	-	924	12,018	-
Various Purpose Refunding - 2008	1,720,000	-	365,000	1,355,000	365,000
Unamortized Premium	59,184	-	9,106	50,078	-
Various Purpose - 2008	6,275,000	-	550,000	5,725,000	565,000
Unamortized Premium	102,884	-	6,236	96,648	-
Various Purpose - 2011A	1,975,000	-	340,000	1,635,000	355,000
Unamortized Premium	26,270	-	5,076	21,194	-
Various Purpose Refunding - 2011A	3,462,000	-	276,000	3,186,000	282,000
Unamortized Premium	62,681	-	6,965	55,716	-
Various Purpose - 2011B	2,341,000	-	88,000	2,253,000	88,000
Unamortized Premium	23,666	-	1,183	22,483	-
<i>Total General Obligation Bonds</i>	<u>25,461,992</u>	<u>-</u>	<u>2,571,730</u>	<u>22,890,262</u>	<u>2,611,000</u>
<i>Special Assessment Bonds</i>					
<i>with Governmental Commitment</i>					
Refunding Heritage Drive					
Improvements - 2011 Refunding	905,000	-	120,000	785,000	130,000
Unamortized Premium	9,015	-	1,288	7,727	-
<i>Industrial Development Revenue Bonds</i>					
Lincoln Electric Industrial Development - 2011	850,000	-	155,000	695,000	165,000
<i>Ohio Public Works Commission</i>					
East 222nd Reconstruction -2006	1,503,337	-	83,519	1,419,818	83,519
<i>Other Obligations:</i>					
Capital Leases	452,475	-	181,055	271,420	186,747
Claims Payable	867,948	-	721,231	146,717	-
Compensated Absences	7,453,537	2,248,322	2,437,039	7,264,820	400,524
<i>Total Other Obligations</i>	<u>8,773,960</u>	<u>2,248,322</u>	<u>3,339,325</u>	<u>7,682,957</u>	<u>587,271</u>
<b>Total Governmental Activities</b>	<u><u>37,503,304</u></u>	<u><u>2,248,322</u></u>	<u><u>6,270,862</u></u>	<u><u>33,480,764</u></u>	<u><u>3,576,790</u></u>

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*  
(Continued)

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

	Restated Principal Outstanding 12/31/2011	Additions	Deletions	Principal Outstanding 12/31/2012	Due Within One Year
<b>Business-Type Activities</b>					
<i>General Obligation Bonds:</i>					
Waste Water Fund:					
Various Purpose Refunding - 2008	\$ 970,000	\$ -	\$ 115,000	\$ 855,000	\$ 140,000
Unamortized Premium	28,746	-	4,423	24,323	-
Various Purpose Refunding - 2004	1,123,000	-	61,000	1,062,000	64,000
Unamortized Premium	8,384	-	599	7,785	-
Sewer Improvement - 2011B	748,000	-	28,000	720,000	28,000
Unamortized Premium	7,558	-	378	7,180	-
Water Line Fund:					
Various Purpose Refunding - 2008	930,000	-	120,000	810,000	120,000
Unamortized Premium	27,478	-	4,228	23,250	-
Waterline Improvement - 2011B	6,376,000	-	239,000	6,137,000	244,000
Unamortized Premium	64,453	-	3,223	61,230	-
Waterline Improvement Refunding- 2011A	2,488,000	-	184,000	2,304,000	188,000
Unamortized Premium	45,047	-	5,005	40,042	-
<b>Total General Obligation Bonds:</b>	<b>12,816,666</b>	<b>-</b>	<b>764,856</b>	<b>12,051,810</b>	<b>784,000</b>
<i>OWDA Loans:</i>					
Waste Water Fund:					
Wastewater Treatment and Collection Systems -1993	2,503,198	-	962,899	1,540,299	1,013,621
Wastewater Treatment and Collection Systems -1994	681,653	-	215,490	466,163	227,828
Land Acquisition for Wastewater Treatment Facilities - 2012	-	908,840	-	908,840	-
<b>Total OWDA Loans</b>	<b>3,184,851</b>	<b>908,840</b>	<b>1,178,389</b>	<b>2,915,302</b>	<b>1,241,449</b>
<i>OPWC Loans:</i>					
Waste Water Fund:					
Newton Avenue Improvements - 2000	587,534	-	73,442	514,092	73,442
East 226th Street/Edgecliff - 2003	878,662	-	76,405	802,257	76,405
East 197th Street - 2001	341,562	-	37,952	303,610	37,951
East 255th Street - 2002	210,280	-	20,026	190,254	20,026
East 216th Street - 2004	377,734	-	29,056	348,678	29,056
Brandywine Pump Station - 2006	279,153	-	16,919	262,234	16,918
Chatworth Dr. Sanitary -2006	194,313	-	11,777	182,536	11,777
Euclid Ave/Babbit Rd -2006	417,114	-	23,835	393,279	23,835
Euclid Avenue Improvement -2008	469,579	-	11,739	457,840	23,479
Dille Road/ East 204 - 2009	727,496	-	36,374	691,122	36,374
E. 264th Street - 2010	198,964	-	9,939	189,025	9,939
<b>Total Waste Water Fund</b>	<b>4,682,391</b>	<b>-</b>	<b>347,464</b>	<b>4,334,927</b>	<b>359,202</b>
Water Line Fund					
Miller Avenue - 2001	760,455	-	84,495	675,960	84,495
East 222nd Street -2003	524,974	-	43,748	481,226	43,748
East 214th Street - 2001	118,230	-	13,137	105,093	13,137
East 222nd/Tungsten Road - 2009	55,480	1,085	7,397	49,168	-
Dille Road/ East 204 - 2009	222,504	-	11,126	211,378	11,126
E. 264th Street - 2010	21,900	-	1,104	20,796	1,104
E. 248th Street/Shoreview - 2010	624,165	27,636	10,863	640,938	21,727
E. 214 Street/Lake Shore - 2010	576,981	-	14,425	562,556	28,849
Roadway & Utility Improvement - 2011	547,149	146,211	-	693,360	34,668
<b>Total Water Line Fund</b>	<b>3,451,838</b>	<b>174,932</b>	<b>186,295</b>	<b>3,440,475</b>	<b>238,854</b>
<b>Total OPWC Loan</b>	<b>8,134,229</b>	<b>174,932</b>	<b>533,759</b>	<b>7,775,402</b>	<b>598,056</b>
<i>Other Obligations</i>					
Capital Leases	108,395	-	50,703	57,692	52,941
Claims Payable	114,424	3,062	82,456	35,030	15,309
Compensated Absences	665,475	326,750	317,805	674,420	47,994
<b>Total Other Obligations</b>	<b>888,294</b>	<b>329,812</b>	<b>450,964</b>	<b>767,142</b>	<b>116,244</b>
<b>Total Business-Type Activities</b>	<b>25,024,040</b>	<b>1,413,584</b>	<b>2,927,968</b>	<b>23,509,656</b>	<b>2,739,749</b>

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*  
*(Continued)*

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

General obligation bonds will be paid from the General Obligation Bond Retirement Debt Service Fund. Special assessment bonds will be paid from the proceeds of special assessments levied against benefitted property owners. In the event that a property owner would fail to pay the assessment, payment would be made by the City. The industrial development revenue bonds are paid from the General Fund.

In 2004, the City issued \$7,181,000 in general obligation bonds which were used to pay off outstanding notes payable in 2005. Of this amount, \$5,981,000 was sent to an escrow agent to pay the notes. These bonds will be paid from the General Permanent Improvement Capital Projects Fund and the Waste Water Treatment Fund.

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

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

Compensated absences will be paid from the General Fund, the Court Computerization Fund, the Court Special Projects Fund, the Animal Shelter Fund, the Street Maintenance and Construction Fund, the Community Television Fund, the Recreation Operating Fund, the Community Development Block Grant Fund, the Neighborhood Stabilization Program Fund, the Other Grants Special Revenue Fund, the Recreation Capital Projects Fund, the Bond Retirement Fund, and the Waste Water Treatment Fund.

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

At the end of the year, the City had two outstanding projects the East 222<sup>nd</sup>/Tungsten Waterline Construction OPWC Loan and Land Acquisition for Wastewater Treatment Facilities OWDA Loan. As of December 31, 2012, the loan amount received for the outstanding projects are reported in the following amortization schedules.

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*  
(Continued)

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

The City has pledged future general revenue to repay taxable Industrial Development Revenue bonds, which were defeased during 2011. Debt is payable solely from net revenues and are payable through 2016. Annual principal and interest payments on the revenue bonds are expected to require .5 percent of net revenue. Total principal and interest remaining to be paid on the debt is \$771,995. Principal and interest paid for the current year were \$191,975, and the related revenue received was \$109,336. See Note 8(D) for more information on the Industrial Development Revenue bonds.

***Refunded Bonds***

In prior years, the City has defeased various bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. Government securities that were placed in the trust fund. The investment and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the City's government-wide financial statements. As of December 31, 2012, the amount of defeased debt outstanding but removed from the government-wide financial statements amounted to \$10,790,000.

***Legal Debt Margin***

The City's overall legal debt margin was \$49,397,449 and the unvoted debt margin was \$12,461,887 at December 31, 2012.

***Principal and Interest Requirements***

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2012 are as follows:

	<u>General Obligation Bonds</u>		<u>Special Assessment Bonds</u>		<u>Industrial Development</u>		<u>OPWC Loan</u>	<u>Total Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Principal</u>	<u>Interest</u>
2013	\$ 2,611,000	\$ 840,016	\$ 130,000	\$ 17,988	\$ 165,000	\$ 30,233	\$ 83,519	\$ 2,989,519	\$ 888,237
2014	2,466,000	761,811	130,000	15,388	170,000	23,055	83,518	2,849,518	800,254
2015	2,552,000	686,129	130,000	12,788	175,000	15,660	83,518	2,940,518	714,577
2016	1,985,000	602,957	135,000	10,188	185,000	8,048	83,518	2,388,518	621,193
2017	1,700,000	541,030	130,000	7,150	0	0	83,518	1,913,518	548,180
2018-2022	6,479,000	1,751,507	130,000	3,900	0	0	417,595	7,026,595	1,755,407
2023-2027	3,868,000	619,739	0	0	0	0	417,595	4,285,595	619,739
2028-2031	916,000	79,975	0	0	0	0	167,037	1,083,037	79,975
Total	<u>\$ 22,577,000</u>	<u>\$ 5,883,164</u>	<u>\$ 785,000</u>	<u>\$ 67,402</u>	<u>\$ 695,000</u>	<u>\$ 76,996</u>	<u>\$ 1,419,818</u>	<u>\$ 25,476,818</u>	<u>\$ 6,027,562</u>

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*  
(Continued)

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

	<u>Business Type Activities</u>						
	<u>General Obligation Bonds</u>		<u>OWDA Loans</u>		<u>OPWC Loans</u>	<u>Total Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Principal</u>	<u>Interest</u>
2013	\$ 784,000	\$ 422,576	\$ 1,241,449	\$ 85,777	\$ 598,056	\$ 2,623,505	\$ 508,353
2014	884,000	402,709	788,698	52,196	600,517	2,273,215	454,905
2015	913,000	379,963	24,485	29,537	600,516	1,538,001	409,500
2016	935,000	354,926	25,315	28,708	600,515	1,560,830	383,634
2017	955,000	328,778	26,172	27,850	600,516	1,581,688	356,628
2018-2022	3,291,000	1,187,463	144,777	125,332	2,501,072	5,936,849	1,312,795
2023-2027	2,257,000	662,910	171,025	99,085	1,251,335	3,679,360	761,995
2028-2032	1,869,000	203,432	202,032	68,081	814,014	2,885,046	271,513
2033-2037	0	0	238,658	31,454	111,093	349,751	31,454
2038-2042	0	0	52,691	1,332	97,768	150,459	1,332
Total	<u>\$11,888,000</u>	<u>\$ 3,942,757</u>	<u>\$ 2,915,302</u>	<u>\$ 549,352</u>	<u>\$ 7,775,402</u>	<u>\$ 22,578,704</u>	<u>\$ 4,492,109</u>

**NOTE 12: COMPENSATED ABSENCES**

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

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

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

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*  
(Continued)

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

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

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

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

NOTE 13: **RISK MANAGEMENT**

**A. Property and Liability**

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

During 2012, the City negotiated with Love Insurance Company for commercial insurance coverage relating to property, boiler, and machinery insurance. The cost of the current coverage was \$62,761 for 2012. The City carries a commercial package property insurance policy for blanket coverage. The City's total limit of liability is \$150,000,000 as a result of any one occurrence, regardless of the number of perils, coverages or locations involved. The policy coverage includes loss of business income for specific locations, personal property, securities, and property in the open. Included in this blanket is coverage for equipment breakdown with its own \$10,000 deductible. Additionally, the City carries inland marine insurance, which includes fire rescue and heavy vehicle coverage, of \$3,382,095 with a \$5,000 deductible, and crime shield coverage of \$25,000 per loss with a \$250 deductible.

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

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*  
(Continued)

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

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

The claims liability of \$150,000 reported in the Self-Insurance Internal Service Fund at December 31, 2012 consists of general liability insurance and is based on an estimate of costs relating to incurred but not reported claims. Changes in the fund's general liability insurance claims liability amount for the last three years follow:

<u>December 31,</u>	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
2010	\$ 305,360	\$ 104,142	\$ 155,927	\$ 253,575
2011	253,575	46,464	98,249	201,790
2012	201,790	85,000	136,790	150,000

**B. Health Insurance Benefits**

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

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

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*  
*(Continued)*

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

**B. Health Insurance Benefits** (Continued)

The claims liability of \$378,200 reported in the General Fund at December 31, 2012, is based on an estimate of costs relating to incurred but not reported claims. Changes in the funds claims liability amount for the last three years follows:

<u>December 31,</u>	<u>Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>End of Year</u>
2010	\$ 450,658	\$ 3,423,533	\$ 3,371,189	\$ 503,002
2011	503,002	4,403,463	3,630,976	1,275,489
2012	1,275,489	3,946,527	4,843,816	378,200

**C. Workers' Compensation Program**

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

The claims liability of \$260,611 reported in governmental activities (with \$113,894 of the \$260,611 considered to be a current liability) and \$35,030 reported in business-type activities is based on the requirements of GASB Statement No. 30, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. Changes in the fund's claims liability amount for the last three years follows:

<u>December 31,</u>	<u>Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>End of Year</u>
2010	\$ 1,142,540	\$ 38,341	\$ 177,852	\$ 1,003,029
2011	1,003,029	84,404	105,061	982,372
2012	982,372	25,841	712,572	295,641

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*  
(Continued)

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NOTE 14: **PENSION PLANS**

**A. Ohio Public Employees Retirement System**

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 member and (vested) employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the Combined Plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

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

The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2012, the members of all three plans were required to contribute 10.00 percent of their annual covered salaries. The City's contribution rate of 14.00 percent was allocated to fund pension benefits for members of the Traditional Plan and the Combined Plan. The pension allocation for the Traditional Plan was 10.00 percent during calendar year 2012. The pension allocation for the Combined Plan was 7.95 percent during calendar year 2012. The City's required pension contributions for the Traditional Pension and Combined plans for the years ended December 31, 2012, 2011, and 2010 were \$1,370,944, \$1,620,267, and \$1,122,584, respectively; 93.10 percent has been contributed for 2012 and 100 percent has been contributed for 2011 and 2010.

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*  
*(Continued)*

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

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

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

Plan members are required to contribute 10.00 percent of their annual covered salary, while the City is required to contribute 19.50 percent and 24.0 percent for police officers and firefighters, respectively. The portion of the City's contributions to fund pension obligations was 12.75 percent for police officers and 17.25 percent for firefighters. The City's contributions for pension obligations to the OP&F for police and firefighters were \$864,597 and \$972,345 for the year ended December 31, 2012, \$1,177,259 and \$1,269,215 for the year ended December 31, 2011, and \$857,023 and \$914,674 for the year ended December 31, 2010, respectively; 91.15 percent for police and 92.84 percent for firefighters have been contributed for 2012, with the remainder being reported as a liability. The full amount has been contributed for 2011 and 2010.

NOTE 15: **POST-EMPLOYMENT BENEFITS**

**A. Ohio Public Employees Retirement System**

*Plan Description* - The Ohio Public Employees Retirement System (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; and the Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan.

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

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*  
(Continued)

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

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

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

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend the OPEB Plan is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by visiting [www.opers.org/investments/cafr.shtml](http://www.opers.org/investments/cafr.shtml), writing to OPERS, 277 E. Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

*Funding Policy* - The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care coverage. The 2012 local government employer contribution rate was 14.00 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.00 percent of covered payroll for local government employers. Active members do not make contributions to the OPEB Plan.

OPERS' Post-employment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 4.00 percent during calendar year 2012. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent during calendar year 2012. Effective January 1, 2013, the portion of employer contributions allocated to health care was lowered to 1.00 percent for both plans, as recommended by the OPERS Actuary. The OPERS Board of Trustees is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The City's actual employer contributions for December 31, 2012, 2011 and 2010 which were used to fund post-employment benefits were \$548,378, \$648,107, and \$639,978, respectively; 93.10 percent has been contributed for 2012 and 100 percent has been contributed for 2011 and 2010.

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*  
*(Continued)*

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

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

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

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

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

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit 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 E. Town Street, Columbus, OH 43215-5164. That report is also available on OP&F's website at [www.op-f.org](http://www.op-f.org).

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

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*  
*(Continued)*

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

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

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 administered as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 Trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2012, the employer contribution allocated to the health care plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of the Sections 115 and 401(h).

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

The City's contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were \$457,728 and \$380,483 for the year ended December 31, 2012, \$623,255 and \$496,649 for the year ended December 31, 2011, and \$453,718 and \$357,916 for the year ended December 31, 2010, respectively; 91.15 percent for police and 92.84 percent for firefighters have been contributed for 2012, with the remainder being reported as a liability. The full amount has been contributed for 2011 and 2010.

NOTE 16: **CAPITAL LEASES**

In prior years, the City entered into leases for the acquisition of Honeywell retrofits, and various miscellaneous equipment. The City's lease obligations meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards Board No. 13, *Accounting for Leases*. Capital lease payments are reflected as program expenditures on the budgetary statements and part of debt service on the Statement of Revenue, Expenditures, and Changes in Fund Balances.

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*  
*(Continued)*

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NOTE 16: **CAPITAL LEASES** (Continued)

Capital assets acquired by lease have been capitalized and depreciated as follows as of December 31, 2012:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
<i>Capital Assets being Depreciated:</i>		
Furniture, Fixtures, and Equipment	\$ 1,697,141	\$ 470,055
Less: Accumulated Depreciation	(509,645)	(15,946)
<i>Total Capital Assets being Depreciated</i>	<u>\$ 1,187,496</u>	<u>\$ 454,109</u>
Year Ending		
<u>December 31,</u>		
2013	\$ 196,945	\$ 56,016
2014	44,419	5,142
2015	44,419	-
Total Minimum Lease Payments	<u>285,783</u>	<u>61,158</u>
Less: Amount Representing Interest	(14,363)	(3,466)
Present Value of Minimum Lease Payments	<u>\$ 271,420</u>	<u>\$ 57,692</u>

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**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*  
(Continued)

**NOTE 17: CONSTRUCTION AND OTHER COMMITMENTS**

**A. Construction Commitments**

As of December 31, 2012, the City had the following significant commitments with respect to capital projects:

Capital Projects	Remaining Construction Commitment
<i>Governmental Activities</i>	
Engineering Services - Jail Facility	\$ 226,200
Lakeshore/E. 222nd/Babbit Intersection	115,320
Street Resurfacing	83,607
Basketball Court Improvements	121,036
Fishing Pier & Trail	1,044,103
Total Governmental Activities	\$ 1,590,266
 <i>Business-Type Activities</i>	
U.S. EPA Sewer Study	\$ 105,899
Sewer Study	198,135
Wet Weather Auxiliary Facility Improvements	72,774
Waterline Improvements	194,270
Total Business-Type Activities	\$ 571,078

**B. Other Commitments**

The City utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year-end are components of fund balance for subsequent year expenditures and may be reported as part of restricted, committed, or assigned classifications of fund balance. As of December 31, 2012, the City's commitments for encumbrances in the governmental funds were as follows:

	Outstanding Encumbrances
General	\$ 38,158
General Permanent Improvement	2,701,445
All Other Governmental Funds	111,324
Total	\$ 2,850,927

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*  
(Continued)

**NOTE 18: INTERFUND TRANSFERS AND BALANCES**

**A. Transfers**

Transfers made during the year ended December 31, 2012, were as follows:

Transfer To	Transfer From				Total
	General Fund	General Obligation Bond Retirement	Nonmajor Governmental Funds	Water Line Improvement	
<b>Governmental Funds:</b>					
General Fund	\$ -	\$ -	\$ 55,000	\$ -	\$ 55,000
General Obligation Bond Retirement	500,000	-	-	-	500,000
General Permanent Improvement	73,175	3,415,000	-	-	3,488,175
Non-Major Governmental Funds	191,500	-	-	-	191,500
<b>Total Governmental Funds</b>	<b>764,675</b>	<b>3,415,000</b>	<b>55,000</b>	<b>-</b>	<b>4,234,675</b>
<b>Enterprise Funds:</b>					
Waste Water Treatment	-	-	-	4,127,880	4,127,880
<b>Internal Service Fund</b>					
	225,000	-	-	-	225,000
<b>Total</b>	<b>\$ 989,675</b>	<b>\$ 3,415,000</b>	<b>\$ 55,000</b>	<b>\$ 4,127,880</b>	<b>\$ 8,587,555</b>

Transfers made from the General Fund to various other funds provided additional resources for current operations. The Euclid Endowment nonmajor capital project fund transferred \$55,000 to the Shore Corporation Fund for improvements to the City's Shore Cultural Center. The Shore Corporation Fund is combined with the General Fund on the governmental fund financial statements as a result of GASB Statement No. 54. All transfers were made in accordance with Ohio Revised Code Sections 5705.14, 5705.15, and 5705.16. Transfers between governmental funds are eliminated on the governmental activities' statement of activities.

Three transfers were created on a GAAP basis to record the payment of debt in the fund that recorded the liability. The General Obligation Bond Retirement fund transferred \$3,415,000 to the General Permanent Improvement Fund to record the payment of the notes payable. The General Fund transferred \$73,175 to the General Permanent Improvement Fund to record the annual repayment of interfund borrowings in the fund that originally borrowed the funds. The Water Line Improvement Fund transferred \$13,728 to the Waste Water Treatment Fund to record the OPWC loan payment.

A transfer in the amount of \$4,114,152 on the proprietary fund financial statements between the Waste Water Treatment Fund and the Water Line Improvement Fund represents a non-cash contribution of capital assets from the Water Line Improvement Fund to the Waste Water Treatment Fund.

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2012*  
*(Continued)*

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NOTE 18: **INTERFUND TRANSFERS AND BALANCES** (Continued)

**B. Interfund Receivable and Payable**

As of December 31, 2012, the \$863,313 interfund receivable in the General Obligation Bond Retirement Debt Service Fund is from manuscript notes and bonds from the General Permanent Improvement Capital Projects Fund and the Public Building Construction Capital Projects Fund.

A portion of the interfund loan, \$505,000, is used to fund various building improvements. The General Permanent Improvement Capital Projects Fund will repay this portion of the interfund loan with annual transfers from the General Fund. The other portion of the interfund loan, \$358,313, is used to fund repairs to the clubhouse located at the Briardale Greens Golf Course. The Public Building Construction Capital Projects Fund will repay this portion of the interfund loan with annual transfers from the General Fund.

NOTE 19: **SHORT-TERM OBLIGATIONS**

On June 13, 2012, the City issued \$5.265 million in various purpose notes at an interest rate of 1.25 percent with a maturity date of June 13, 2013. The notes are backed by the full faith and credit of the City of Euclid. The note liabilities are reflected in the funds which received the proceeds. The notes were issued at a premium of \$26,114, in which the unamortized balance is reported as part of the carrying value of the notes in the respective funds.

## **Combining Statements**

## *Fund Descriptions – Nonmajor Governmental Funds*

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### *Non-Major Special Revenue Funds*

Special Revenue funds are established to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. A description of the City's special revenue funds follows:

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

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

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

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

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

*Nuisance Abatement Fund* - This fund accounts for services provided and assessments collected for the abatement of neighborhood nuisances. Due to the implementation of GASB Statement No. 54, this fund was combined with the General Fund on the governmental fund financial statements but remained a separate fund in the budgetary schedules because it has a separate legally adopted budget.

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

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

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

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

## ***Fund Descriptions – Nonmajor Governmental Funds***

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

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

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

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

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

### ***Non-Major Capital Project Funds***

Capital Project funds are established to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those financed by proprietary funds) . A description of the City's capital project funds follows:

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

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

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

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

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

*Bennington Hamlet Fund* – This fund accounts for the collection of assessments for costs associated with economic development.

*Fund Descriptions – Nonmajor Governmental Funds*

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

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

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

**City of Euclid, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*December 31, 2012*

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>ASSETS</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 763,980	\$ 1,257,380	\$ 2,021,360
Materials and Supplies Inventory	148,650	-	148,650
Accounts Receivable	17,690	-	17,690
Intergovernmental Receivable	1,110,697	11,081	1,121,778
Prepaid Items	10,541	-	10,541
Property Taxes Receivable	348,502	187,654	536,156
Payments in Lieu of Taxes Receivable	-	263,290	263,290
Assets Held for Resale	979,772	-	979,772
<b>Total Assets</b>	<b>\$ 3,379,832</b>	<b>\$ 1,719,405</b>	<b>\$ 5,099,237</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts Payable	\$ 220,623	\$ -	\$ 220,623
Accrued Wages and Benefits	79,896	2,448	82,344
Intergovernmental Payable	52,423	1,528	53,951
Matured Compensated Absences Payable	3,210	-	3,210
Interfund Payable	-	358,313	358,313
Claims Payable	9,497	323	9,820
<b>Total Liabilities</b>	<b>365,649</b>	<b>362,612</b>	<b>728,261</b>
<b>Deferred Inflows of Resources:</b>			
Property Taxes and Payments in Lieu of Taxes	283,027	415,689	698,716
Unavailable Revenue - Delinquent Property Taxes	65,475	35,255	100,730
Unavailable Revenue - Other	750,899	11,081	761,980
<b>Total Deferred Inflows of Resources</b>	<b>1,099,401</b>	<b>462,025</b>	<b>1,561,426</b>
<b>Fund Balances:</b>			
Nonspendable	159,191	-	159,191
Restricted	1,826,188	1,252,915	3,079,103
Committed	1,077	-	1,077
Unassigned (Deficit)	(71,674)	(358,147)	(429,821)
<b>Total Fund Balances</b>	<b>1,914,782</b>	<b>894,768</b>	<b>2,809,550</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 3,379,832</b>	<b>\$ 1,719,405</b>	<b>\$ 5,099,237</b>

**City of Euclid, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Year Ended December 31, 2012*

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>REVENUES</b>			
Property Taxes	\$ 287,937	\$ 155,043	\$ 442,980
Payments in Lieu of Taxes	-	304,822	304,822
Intergovernmental	4,002,093	16,414	4,018,507
Interest	240	474	714
Fines and Forfeitures	214,080	-	214,080
Rentals	39,369	-	39,369
Charges for Services	378,541	-	378,541
Contributions and Donations	72,149	-	72,149
All Other Revenues	268,704	7,491	276,195
<b>Total Revenues</b>	<u>5,263,113</u>	<u>484,244</u>	<u>5,747,357</u>
<b>EXPENDITURES</b>			
Security of Persons and Property	426,289	-	426,289
Leisure Time Activities	808,321	10,472	818,793
Community and Economic Development	1,625,883	-	1,625,883
Transportation	1,909,461	-	1,909,461
General Government	1,067,521	-	1,067,521
Capital Outlay	-	138,324	138,324
Debt Service:			
Principal Retirement	25,123	-	25,123
Interest and Fiscal Charges	2,149	23,569	25,718
<b>Total Expenditures</b>	<u>5,864,747</u>	<u>172,365</u>	<u>6,037,112</u>
Excess of Revenues Over (Under) Expenditures	<u>(601,634)</u>	<u>311,879</u>	<u>(289,755)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Sale of Capital Assets	-	2,908	2,908
Transfers In	191,500	-	191,500
Transfers Out	-	(55,000)	(55,000)
<b>Total Other Financing Sources (Uses)</b>	<u>191,500</u>	<u>(52,092)</u>	<u>139,408</u>
Net Change in Fund Balances	(410,134)	259,787	(150,347)
Fund Balances - Beginning of Year, as Restated	2,324,916	634,981	2,959,897
<b>Fund Balances - End of Year</b>	<u>\$ 1,914,782</u>	<u>\$ 894,768</u>	<u>\$ 2,809,550</u>

**City of Euclid, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*December 31, 2012*

	<u>State Highway</u>	<u>Indigent Drivers Alcohol Treatment</u>	<u>Court Computer- ization</u>	<u>Court Special Projects</u>
<b>ASSETS</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 58,568	\$ 109,926	\$ 85,885	\$ 118,308
Materials and Supplies Inventory	-	-	-	-
Accounts Receivable	-	3,364	6,980	6,993
Intergovernmental Receivable	54,642	-	-	-
Prepaid Items	-	-	6,900	-
Property Taxes Receivable	-	-	-	-
Assets Held for Resale	-	-	-	-
<b>Total Assets</b>	<u>\$ 113,210</u>	<u>\$ 113,290</u>	<u>\$ 99,765</u>	<u>\$ 125,301</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Wages and Benefits	-	-	705	3,594
Intergovernmental Payable	-	-	428	2,124
Matured Compensated Absences Payable	-	-	-	-
Claims Payable	-	-	88	431
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>1,221</u>	<u>6,149</u>
<b>Deferred Inflows of Resources:</b>				
Property Taxes	-	-	-	-
Unavailable Revenue - Delinq. Property Taxes	-	-	-	-
Unavailable Revenue - Other	38,742	2,485	-	-
<b>Total Deferred Inflows of Resources</b>	<u>38,742</u>	<u>2,485</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>				
Nonspendable	-	-	6,900	-
Restricted	74,468	110,805	91,644	119,152
Committed	-	-	-	-
Unassigned (Deficit)	-	-	-	-
<b>Total Fund Balances (Deficit)</b>	<u>74,468</u>	<u>110,805</u>	<u>98,544</u>	<u>119,152</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 113,210</u>	<u>\$ 113,290</u>	<u>\$ 99,765</u>	<u>\$ 125,301</u>

(Continued)

**City of Euclid, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*December 31, 2012*  
*(Continued)*

	<b>Animal Shelter</b>	<b>Indigent Drivers Interlock and Alcohol Monitoring</b>	<b>Street Maintenance &amp; Construction</b>
<b>ASSETS</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 6,634	\$ 18,648	\$ 107,155
Materials and Supplies Inventory	-	-	148,650
Accounts Receivable	-	-	-
Intergovernmental Receivable	-	-	692,660
Prepaid Items	-	-	-
Property Taxes Receivable	-	-	-
Assets Held for Resale	-	-	-
<b>Total Assets</b>	<b>\$ 6,634</b>	<b>\$ 18,648</b>	<b>\$ 948,465</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts Payable	\$ -	\$ -	\$ 8,014
Accrued Wages and Benefits	2,869	-	40,624
Intergovernmental Payable	1,559	-	23,952
Matured Compensated Absences Payable	822	-	-
Claims Payable	307	-	4,833
<b>Total Liabilities</b>	<b>5,557</b>	<b>-</b>	<b>77,423</b>
<b>Deferred Inflows of Resources:</b>			
Property Taxes	-	-	-
Unavailable Revenue - Delinq. Property Taxes	-	-	-
Unavailable Revenue - Other	-	-	477,807
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>477,807</b>
<b>Fund Balances:</b>			
Nonspendable	-	-	148,650
Restricted	-	18,648	244,585
Committed	1,077	-	-
Unassigned (Deficit)	-	-	-
<b>Total Fund Balances (Deficit)</b>	<b>1,077</b>	<b>18,648</b>	<b>393,235</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 6,634</b>	<b>\$ 18,648</b>	<b>\$ 948,465</b>

<b>Recreation Operating</b>	<b>Community Development Block Grant</b>	<b>Neighborhood Stabilization Program</b>	<b>Other Grants</b>	<b>Law Enforcement Trust</b>	<b>Total Nonmajor Special Revenue Funds</b>
\$ 26,473	\$ -	\$ 1,701	\$ 25,541	\$ 205,141	\$ 763,980
-	-	-	-	-	148,650
-	-	-	353	-	17,690
20,579	-	-	342,816	-	1,110,697
3,641	-	-	-	-	10,541
348,502	-	-	-	-	348,502
-	-	979,772	-	-	979,772
<u>\$ 399,195</u>	<u>\$ -</u>	<u>\$ 981,473</u>	<u>\$ 368,710</u>	<u>\$ 205,141</u>	<u>\$ 3,379,832</u>
\$ 19,365	\$ 1,836	\$ 13,285	\$ 178,123	\$ -	\$ 220,623
8,179	13,032	2,586	6,561	1,746	79,896
9,847	12,540	1,482	151	340	52,423
-	2,388	-	-	-	3,210
1,645	1,904	289	-	-	9,497
<u>39,036</u>	<u>31,700</u>	<u>17,642</u>	<u>184,835</u>	<u>2,086</u>	<u>365,649</u>
283,027	-	-	-	-	283,027
65,475	-	-	-	-	65,475
20,579	-	-	211,286	-	750,899
<u>369,081</u>	<u>-</u>	<u>-</u>	<u>211,286</u>	<u>-</u>	<u>1,099,401</u>
3,641	-	-	-	-	159,191
-	-	963,831	-	203,055	1,826,188
-	-	-	-	-	1,077
(12,563)	(31,700)	-	(27,411)	-	(71,674)
<u>(8,922)</u>	<u>(31,700)</u>	<u>963,831</u>	<u>(27,411)</u>	<u>203,055</u>	<u>1,914,782</u>
<u>\$ 399,195</u>	<u>\$ -</u>	<u>\$ 981,473</u>	<u>\$ 368,710</u>	<u>\$ 205,141</u>	<u>\$ 3,379,832</u>

**City of Euclid, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Year Ended December 31, 2012*

	<u>State Highway</u>	<u>Indigent Drivers Alcohol Treatment</u>	<u>Court Computer- ization</u>	<u>Court Special Projects</u>	<u>Animal Shelter</u>
<b>REVENUES</b>					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	108,650	-	-	-	-
Interest	-	-	-	-	-
Fines and Forfeitures	-	17,102	89,985	96,731	-
Rentals	-	-	-	-	-
Charges for Services	-	-	-	-	23,455
Contributions and Donations	-	-	-	-	-
All Other Revenues	-	-	-	-	-
<b>Total Revenues</b>	<u>108,650</u>	<u>17,102</u>	<u>89,985</u>	<u>96,731</u>	<u>23,455</u>
<b>EXPENDITURES</b>					
Security of Persons and Property	-	17,887	68,257	114,159	97,126
Leisure Time Activities	-	-	-	-	-
Community and Economic Development	-	-	-	-	-
Transportation	63,813	-	-	-	-
General Government	-	-	-	-	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
<b>Total Expenditures</b>	<u>63,813</u>	<u>17,887</u>	<u>68,257</u>	<u>114,159</u>	<u>97,126</u>
Excess of Revenues Over (Under) Expenditures	<u>44,837</u>	<u>(785)</u>	<u>21,728</u>	<u>(17,428)</u>	<u>(73,671)</u>
<b>OTHER FINANCING SOURCES</b>					
Transfers In	-	-	-	-	73,000
<b>Total Other Financing Sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>73,000</u>
Net Change in Fund Balances	<u>44,837</u>	<u>(785)</u>	<u>21,728</u>	<u>(17,428)</u>	<u>(671)</u>
Fund Balances - Beginning of Year, as Restated	29,631	111,590	76,816	136,580	1,748
<b>Fund Balances - End of Year</b>	<u>\$ 74,468</u>	<u>\$ 110,805</u>	<u>\$ 98,544</u>	<u>\$ 119,152</u>	<u>\$ 1,077</u>

<b>Indigent Drivers Interlock and Alcohol Monitoring</b>	<b>Street Maintenance &amp; Construction</b>	<b>Recreation Operating</b>	<b>Community Development Block Grant</b>	<b>Neighborhood Stabilization Program</b>	<b>Other Grants</b>	<b>Law Enforcement Trust</b>	<b>Total Nonmajor Special Revenue Funds</b>
\$ -	\$ -	\$ 287,937	\$ -	\$ -	\$ -	\$ -	\$ 287,937
-	1,592,226	30,483	1,033,040	311,168	807,428	119,098	4,002,093
-	-	-	-	-	-	240	240
5,416	-	-	-	-	4,846	-	214,080
-	-	39,369	-	-	-	-	39,369
-	600	354,486	-	-	-	-	378,541
-	-	6,741	-	-	65,408	-	72,149
-	268,535	163	-	-	5	1	268,704
<u>5,416</u>	<u>1,861,361</u>	<u>719,179</u>	<u>1,033,040</u>	<u>311,168</u>	<u>877,687</u>	<u>119,339</u>	<u>5,263,113</u>
-	-	-	-	-	-	128,860	426,289
-	-	808,321	-	-	-	-	808,321
-	-	-	1,023,217	602,666	-	-	1,625,883
-	1,845,648	-	-	-	-	-	1,909,461
-	-	-	-	-	1,067,521	-	1,067,521
-	7,305	17,818	-	-	-	-	25,123
-	625	1,524	-	-	-	-	2,149
<u>-</u>	<u>1,853,578</u>	<u>827,663</u>	<u>1,023,217</u>	<u>602,666</u>	<u>1,067,521</u>	<u>128,860</u>	<u>5,864,747</u>
<u>5,416</u>	<u>7,783</u>	<u>(108,484)</u>	<u>9,823</u>	<u>(291,498)</u>	<u>(189,834)</u>	<u>(9,521)</u>	<u>(601,634)</u>
-	-	118,500	-	-	-	-	191,500
-	-	118,500	-	-	-	-	191,500
<u>5,416</u>	<u>7,783</u>	<u>10,016</u>	<u>9,823</u>	<u>(291,498)</u>	<u>(189,834)</u>	<u>(9,521)</u>	<u>(410,134)</u>
13,232	385,452	(18,938)	(41,523)	1,255,329	162,423	212,576	2,324,916
<u>\$ 18,648</u>	<u>\$ 393,235</u>	<u>\$ (8,922)</u>	<u>\$ (31,700)</u>	<u>\$ 963,831</u>	<u>\$ (27,411)</u>	<u>\$ 203,055</u>	<u>\$1,914,782</u>

**City of Euclid, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds*  
*December 31, 2012*

	<u>Recreation Capital</u>	<u>Sidewalk Repair &amp; Replacement</u>	<u>Public Building Construction</u>
<b>ASSETS</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 98,917	\$ 29,085	\$ 166
Intergovernmental Receivable	11,081	-	-
Property Taxes Receivable	187,654	-	-
Payments in Lieu of Taxes Receivable	-	-	-
<b>Total Assets</b>	<u>\$ 297,652</u>	<u>\$ 29,085</u>	<u>\$ 166</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accrued Wages and Benefits	\$ 2,448	\$ -	\$ -
Intergovernmental Payable	1,528	-	-
Interfund Payable	-	-	358,313
Claims Payable	323	-	-
<b>Total Liabilities</b>	<u>4,299</u>	<u>-</u>	<u>358,313</u>
<b>Deferred Inflows of Resources:</b>			
Property Taxes and Payments in Lieu of Taxes	152,399	-	-
Unavailable Revenue - Delinquent Property Taxes	35,255	-	-
Unavailable Revenue - Other	11,081	-	-
<b>Total Deferred Inflows of Resources</b>	<u>198,735</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>			
Restricted	94,618	29,085	-
Unassigned (Deficit)	-	-	(358,147)
<b>Total Fund Balances (Deficit)</b>	<u>94,618</u>	<u>29,085</u>	<u>(358,147)</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 297,652</u>	<u>\$ 29,085</u>	<u>\$ 166</u>

<b>Euclid Endowment</b>	<b>Sims Park</b>	<b>Bennington Hamlet</b>	<b>CMP Properties</b>	<b>Harbor Town TIF</b>	<b>Downtown District A TIF</b>	<b>Total Nonmajor Capital Projects Funds</b>
\$ 287,866	\$ 79,908	\$ 97,936	\$ 169,696	\$ 350,811	\$ 142,995	\$ 1,257,380
-	-	-	-	-	-	11,081
-	-	-	-	-	-	187,654
-	-	14,870	58,253	100,574	89,593	263,290
<u>\$ 287,866</u>	<u>\$ 79,908</u>	<u>\$ 112,806</u>	<u>\$ 227,949</u>	<u>\$ 451,385</u>	<u>\$ 232,588</u>	<u>\$ 1,719,405</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,448
-	-	-	-	-	-	1,528
-	-	-	-	-	-	358,313
-	-	-	-	-	-	323
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>362,612</u>
-	-	14,870	58,253	100,574	89,593	415,689
-	-	-	-	-	-	35,255
-	-	-	-	-	-	11,081
<u>-</u>	<u>-</u>	<u>14,870</u>	<u>58,253</u>	<u>100,574</u>	<u>89,593</u>	<u>462,025</u>
287,866	79,908	97,936	169,696	350,811	142,995	1,252,915
-	-	-	-	-	-	(358,147)
<u>287,866</u>	<u>79,908</u>	<u>97,936</u>	<u>169,696</u>	<u>350,811</u>	<u>142,995</u>	<u>894,768</u>
<u>\$ 287,866</u>	<u>\$ 79,908</u>	<u>\$ 112,806</u>	<u>\$ 227,949</u>	<u>\$ 451,385</u>	<u>\$ 232,588</u>	<u>\$ 1,719,405</u>

**City of Euclid, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Capital Projects Funds*  
*For the Year Ended December 31, 2012*

	<u>Recreation Capital</u>	<u>Sidewalk Repair &amp; Replacement</u>	<u>Public Building Construction</u>
<b>REVENUES</b>			
Property Taxes	\$ 155,043	\$ -	\$ -
Payment in Lieu of Taxes	-	-	-
Intergovernmental	16,414	-	-
Interest	-	-	-
All Other Revenues	7,000	-	-
<b>Total Revenues</b>	<u>178,457</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>			
Leisure Time Activities	10,472	-	-
Capital Outlay	107,998	-	3,315
Debt Service:			
Interest and Fiscal Charges	-	-	-
<b>Total Expenditures</b>	<u>118,470</u>	<u>-</u>	<u>3,315</u>
Excess of Revenues (Under) Expenditures	<u>59,987</u>	<u>-</u>	<u>(3,315)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Sale of Capital Assets	-	-	-
Transfers Out	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	59,987	-	(3,315)
Fund Balances - Beginning of Year, as Restated	34,631	29,085	(354,832)
<b>Fund Balances - End of Year</b>	<u>\$ 94,618</u>	<u>\$ 29,085</u>	<u>\$ (358,147)</u>

<u>Euclid Endowment</u>	<u>Sims Park</u>	<u>Bennington Hamlet</u>	<u>CMP Properties</u>	<u>Harbor Town TIF</u>	<u>Downtown District A TIF</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 155,043
-	-	24,020	56,743	178,483	45,576	304,822
-	-	-	-	-	-	16,414
474	-	-	-	-	-	474
491	-	-	-	-	-	7,491
<u>965</u>	<u>-</u>	<u>24,020</u>	<u>56,743</u>	<u>178,483</u>	<u>45,576</u>	<u>484,244</u>
-	-	-	-	-	-	10,472
27,011	-	-	-	-	-	138,324
-	-	-	23,569	-	-	23,569
<u>27,011</u>	<u>-</u>	<u>-</u>	<u>23,569</u>	<u>-</u>	<u>-</u>	<u>172,365</u>
<u>(26,046)</u>	<u>-</u>	<u>24,020</u>	<u>33,174</u>	<u>178,483</u>	<u>45,576</u>	<u>311,879</u>
2,908	-	-	-	-	-	2,908
<u>(55,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(55,000)</u>
<u>(52,092)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(52,092)</u>
<u>(78,138)</u>	<u>-</u>	<u>24,020</u>	<u>33,174</u>	<u>178,483</u>	<u>45,576</u>	<u>259,787</u>
366,004	79,908	73,916	136,522	172,328	97,419	634,981
<u>\$ 287,866</u>	<u>\$ 79,908</u>	<u>\$ 97,936</u>	<u>\$ 169,696</u>	<u>\$ 350,811</u>	<u>\$ 142,995</u>	<u>\$ 894,768</u>

## *Fund Descriptions – Fiduciary Funds*

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### *Fiduciary Funds*

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

### *Agency Funds*

*Municipal Court and Jail Commissary Fund* - This fund accounts for funds that flow through the Municipal Court office. In addition, this account includes funds received and expended from the City's Jail Commissary fund.

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

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

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

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

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

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

**City of Euclid, Ohio**  
*Combining Statement of Changes in Assets and Liabilities*  
*Agency Funds*  
*For the Year Ended December 31, 2012*

	Balance 12/31/2011	Additions	Deletions	Balance 12/31/2012
<b><u>Municipal Court and Jail Commissary</u></b>				
<b>Assets</b>				
Cash and Cash Equivalents:				
in Segregated Accounts	\$ 133,912	\$ 4,958,145	\$ 4,920,224	\$ 171,833
<b>Liabilities</b>				
Deposits Held and Due to Others	\$ 133,912	\$ 4,958,145	\$ 4,920,224	\$ 171,833
<b><u>Employee Flex Spending</u></b>				
<b>Assets</b>				
Cash and Cash Equivalents:				
in Segregated Accounts	\$ 27,166	\$ 255,324	\$ 247,931	\$ 34,559
<b>Liabilities</b>				
Deposits Held and Due to Others	\$ 27,166	\$ 255,324	\$ 247,931	\$ 34,559
<b><u>Retirees Insurance Payments</u></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 6,972	\$ 12,268	\$ 18,160	\$ 1,080
<b>Liabilities</b>				
Deposits Held and Due to Others	\$ 6,972	\$ 12,268	\$ 18,160	\$ 1,080
<b><u>Building Deposits</u></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 102,282	\$ 82,880	\$ 52,186	\$ 132,976
<b>Liabilities</b>				
Deposits Held and Due to Others	\$ 102,282	\$ 82,880	\$ 52,186	\$ 132,976
<b><u>Street Opening</u></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 57,475	\$ 6,000	\$ 4,100	\$ 59,375
<b>Liabilities</b>				
Deposits Held and Due to Others	\$ 57,475	\$ 6,000	\$ 4,100	\$ 59,375
<b><u>Revolving</u></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 628,891	\$31,911,124	\$31,657,797	\$ 882,218
<b>Liabilities</b>				
Deposits Held and Due to Others	\$ 628,891	\$31,911,124	\$31,657,797	\$ 882,218
<b><u>Temporary Suspense</u></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 19,054	\$ 59,449	\$ 78,503	\$ -
<b>Liabilities</b>				
Deposits Held and Due to Others	\$ 19,054	\$ 59,449	\$ 78,503	\$ -
<b><u>Total - All Agency Funds</u></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 814,674	\$32,071,721	\$31,810,746	\$1,075,649
Cash and Cash Equivalents:				
in Segregated Accounts	161,078	5,213,469	5,168,155	206,392
Total Assets	<u>\$ 975,752</u>	<u>\$37,285,190</u>	<u>\$36,978,901</u>	<u>\$1,282,041</u>
<b>Liabilities</b>				
Deposits Held and Due to Others	<u>\$ 975,752</u>	<u>\$37,285,190</u>	<u>\$36,978,901</u>	<u>\$1,282,041</u>

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

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 General Fund  
 For the Year Ended December 31, 2012*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Property Taxes	\$ 1,502,183	\$ 1,488,415	\$ (13,768)
Income Taxes	23,716,603	24,168,554	451,951
Hotel Taxes	6,706	5,524	(1,182)
Franchise Taxes	621,000	668,754	47,754
Intergovernmental	2,776,163	3,162,122	385,959
Interest	55,000	46,313	(8,687)
Licenses and Permits	198,484	161,302	(37,182)
Fines and Forfeitures	1,548,500	1,741,159	192,659
Rentals	100,000	48,516	(51,484)
Charges for Services	6,536,289	6,588,231	51,942
Contributions and Donations	4,900	9,437	4,537
Special Assessments	874,000	965,512	91,512
All Other Revenues	653,717	669,907	16,190
<b>Total Revenues</b>	<b>38,593,545</b>	<b>39,723,746</b>	<b>1,130,201</b>
<b>Expenditures:</b>			
Current:			
Security of Persons and Property			
Police			
Personal Services	10,957,654	10,513,307	444,347
Other	260,551	253,139	7,412
Total Police	11,218,205	10,766,446	451,759
Fire			
Personal Services	8,045,383	7,818,624	226,759
Other	65,354	47,511	17,843
Total Fire	8,110,737	7,866,135	244,602
Corrections			
Personal Services	1,332,950	1,323,741	9,209
Other	338,015	332,354	5,661
Total Corrections	1,670,965	1,656,095	14,870
Total Security of Persons and Property	20,999,907	20,288,676	711,231

(Continued)

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 General Fund  
 For the Year Ended December 31, 2012  
 (Continued)*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Public Health			
Health			
Personal Services	43,455	43,208	247
Other	238,953	227,683	11,270
Total Public Health	282,408	270,891	11,517
Leisure Time Activities			
Leisure Time Activities			
Personal Services	506,510	492,653	13,857
Other	30,248	21,292	8,956
Total Leisure Time Activities	536,758	513,945	22,813
Community and Economic Development			
Protective Inspection			
Personal Services	776,710	726,661	50,049
Other	64,833	47,949	16,884
Total Protective Inspection	841,543	774,610	66,933
Economic Development and Assistance			
Personal Services	233,973	206,177	27,796
Other	4,000	3,155	845
Total Economic Development and Assistance	237,973	209,332	28,641
Economic Opportunity			
Personal Services	200,450	185,081	15,369
Other	109,480	57,849	51,631
Total Economic Opportunity	309,930	242,930	67,000
Total Community and Economic Development	1,389,446	1,226,872	162,574
Sanitation			
Sanitation Department			
Personal Services	100,370	93,416	6,954
Other	2,179,150	2,129,108	50,042
Total Sanitation	2,279,520	2,222,524	56,996
General Government			
Legislative			
Personal Services	147,803	147,114	689
Other	3,227	3,088	139
Total Legislative	151,030	150,202	828

(Continued)

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 General Fund  
 For the Year Ended December 31, 2012  
 (Continued)*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Judicial			
Personal Services	775,400	745,109	30,291
Other	93,825	88,788	5,037
Total Judicial	<u>869,225</u>	<u>833,897</u>	<u>35,328</u>
Executive			
Personal Services	266,825	264,451	2,374
Other	3,640	3,071	569
Total Executive	<u>270,465</u>	<u>267,522</u>	<u>2,943</u>
Finance			
Personal Services	813,875	797,058	16,817
Other	203,010	190,618	12,392
Total Finance	<u>1,016,885</u>	<u>987,676</u>	<u>29,209</u>
Law			
Personal Services	467,705	458,616	9,089
Other	102,900	50,582	52,318
Total Law	<u>570,605</u>	<u>509,198</u>	<u>61,407</u>
Administration			
Personal Services	294,318	266,566	27,752
Other	198,180	138,645	59,535
Total Administration	<u>492,498</u>	<u>405,211</u>	<u>87,287</u>
Other Department			
Personal Services	4,636,789	4,559,621	77,168
Other	2,401,124	2,239,278	161,846
Total Other Department	<u>7,037,913</u>	<u>6,798,899</u>	<u>239,014</u>
General Government Buildings			
Personal Services	1,237,350	1,211,780	25,570
Other	703,418	687,028	16,390
Total General Governmental Buildings	<u>1,940,768</u>	<u>1,898,808</u>	<u>41,960</u>
Total General Government	<u>12,349,389</u>	<u>11,851,413</u>	<u>497,976</u>

(Continued)

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 General Fund  
 For the Year Ended December 31, 2012  
 (Continued)*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Debt Service:			
Principal	1,055,000	1,055,000	-
Interest & Fiscal Charges	74,310	73,750	560
Total Debt Service	1,129,310	1,128,750	560
<b>Total Expenditures</b>	<b>38,966,738</b>	<b>37,503,071</b>	<b>1,463,667</b>
Excess of Revenues Over (Under) Expenditures	(373,193)	2,220,675	2,593,868
<b>Other Financing Sources (Uses)</b>			
Sale of Capital Assets	500	516	16
General Obligation Bonds Issued	825,000	-	(825,000)
Transfers In	105,000	105,000	-
Transfers Out	(989,500)	(989,500)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(59,000)</b>	<b>(883,984)</b>	<b>(824,984)</b>
Net Change in Fund Balance	(432,193)	1,336,691	1,768,884
Fund Balance - Beginning of Year	2,614,535	2,614,535	-
Prior Year Encumbrances Appropriated	57,751	57,751	-
<b>Fund Balance - End of Year</b>	<b>\$ 2,240,093</b>	<b>\$ 4,008,977</b>	<b>\$ 1,768,884</b>

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 General Obligation Bond Retirement Fund  
 For the Year Ended December 31, 2012*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Property Taxes	\$ 2,375,121	\$ 2,391,369	\$ 16,248
Intergovernmental	670,965	677,825	6,860
Interest	75,176	44,434	(30,742)
Rentals	31,500	48,500	17,000
Special Assessments	80,000	143,016	63,016
All Other Revenues	50,000	5,301	(44,699)
<b>Total Revenues</b>	<u>3,282,762</u>	<u>3,310,445</u>	<u>27,683</u>
<b>Expenditures:</b>			
Current:			
General Government			
Personal Services	73,441	42,715	30,726
Other	103,610	78,793	24,817
Total General Government	<u>177,051</u>	<u>121,508</u>	<u>55,543</u>
Debt Service:			
Principal	6,073,000	6,073,000	-
Interest & Fiscal Charges	1,075,669	1,052,099	23,570
Bond Issuance Costs	11,800	3,044	8,756
Total Debt Service	<u>7,160,469</u>	<u>7,128,143</u>	<u>32,326</u>
<b>Total Expenditures</b>	<u>7,337,520</u>	<u>7,249,651</u>	<u>87,869</u>
Excess of Revenues Over (Under) Expenditures	(4,054,758)	(3,939,206)	115,552
<b>Other Financing Sources (Uses)</b>			
Notes Issued	3,415,000	3,415,000	-
Premium on Note Issuance	5,000	11,566	6,566
Transfers In	500,000	500,000	-
<b>Total Other Financing Sources (Uses)</b>	<u>3,920,000</u>	<u>3,926,566</u>	<u>6,566</u>
Net Change in Fund Balance	(134,758)	(12,640)	122,118
Fund Balance - Beginning of Year	1,002,330	1,002,330	-
<b>Fund Balance - End of Year</b>	<u>\$ 867,572</u>	<u>\$ 989,690</u>	<u>\$ 122,118</u>

## City of Euclid, Ohio

*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
General Permanent Improvement Fund  
For the Year Ended December 31, 2012*

	Budgeted Amounts <u>Final</u>	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Property Taxes	\$ 223,539	\$ 221,490	\$ (2,049)
Intergovernmental	323,964	23,449	(300,515)
Interest	-	25	25
Special Assessments	-	79	79
All Other Revenues	-	32,516	32,516
<b>Total Revenues</b>	<u>547,503</u>	<u>277,559</u>	<u>(269,944)</u>
<b>Expenditures:</b>			
Current:			
General Government			
Other	83,675	33,453	50,222
Capital Outlay:			
Other	4,927,109	4,404,367	522,742
<b>Total Expenditures</b>	<u>5,010,784</u>	<u>4,437,820</u>	<u>572,964</u>
Excess of Revenues Over (Under) Expenditures	(4,463,281)	(4,160,261)	303,020
<b>Other Financing Sources (Uses)</b>			
Sale of Capital Assets	-	21,244	21,244
Notes Issued	1,900,000	1,890,000	(10,000)
<b>Total Other Financing Sources (Uses)</b>	<u>1,900,000</u>	<u>1,911,244</u>	<u>11,244</u>
Net Change in Fund Balance	(2,563,281)	(2,249,017)	314,264
Fund Balance - Beginning of Year	2,297,786	2,297,786	-
Prior Year Encumbrances Appropriated	544,345	544,345	-
<b>Fund Balance - End of Year</b>	<u>\$ 278,850</u>	<u>\$ 593,114</u>	<u>\$ 314,264</u>

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenses and Changes in Fund Equity -  
 Budget (Non-GAAP Basis) and Actual  
 Waste Water Treatment Fund  
 For the Year Ended December 31, 2012*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Charges for Services	\$ 11,614,953	\$ 12,051,516	\$ 436,563
Tap-in Fees	16,200	12,110	(4,090)
Interest	10	-	(10)
Intergovernmental	8,613,851	-	(8,613,851)
<b>Total Revenues</b>	<u>20,245,014</u>	<u>12,063,626</u>	<u>(8,181,388)</u>
<b>Expenses</b>			
Current:			
Personal Services	4,270,659	4,111,312	159,347
Other	16,277,214	6,180,719	10,096,495
Debt Service:			
Principal Retirement	1,767,814	1,767,804	10
Interest and Fiscal Charges	227,257	211,400	15,857
Bond Issuance Costs	6,598	-	6,598
<b>Total Expenses</b>	<u>22,549,542</u>	<u>12,271,235</u>	<u>10,278,307</u>
Excess of Revenues Over (Under) Expenses	(2,304,528)	(207,609)	2,096,919
<b>Other Financing (Uses)</b>			
OWDA Loans Issued	902,000	902,169	169
Transfer In	1,207,033	1,207,033	-
Transfer Out	(1,207,033)	(1,207,033)	-
<b>Total Other Financings (Uses)</b>	<u>902,000</u>	<u>902,169</u>	<u>169</u>
Net Change in Fund Equity	(1,402,528)	694,560	2,097,088
Fund Equity - Beginning of Year	2,365,120	2,365,120	-
Prior Year Encumbrances Appropriated	495,080	495,080	-
<b>Fund Equity - End of Year</b>	<u>\$ 1,457,672</u>	<u>\$ 3,554,760</u>	<u>\$ 2,097,088</u>

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenses and Changes in Fund Equity -  
 Budget (Non-GAAP Basis) and Actual  
 Water Line Improvement Fund  
 For the Year Ended December 31, 2012*

	Budgeted Amounts <u>Final</u>	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Charges for Services	\$ 3,222,500	\$ 1,767,482	\$ (1,455,018)
All Other Revenues	-	1,464,483	1,464,483
Interest	633	196	(437)
Intergovernmental	750,000	221,538	(528,462)
<b>Total Revenues</b>	<u>3,973,133</u>	<u>3,453,699</u>	<u>(519,434)</u>
<b>Expenses</b>			
Current:			
Other	4,129,677	2,543,205	1,586,472
Debt Service:			
Principal Retirement	729,296	729,295	1
Interest and Fiscal Charges	333,629	333,628	1
<b>Total Expenses</b>	<u>5,192,602</u>	<u>3,606,128</u>	<u>1,586,474</u>
Net Change in Fund Equity	(1,219,469)	(152,429)	1,067,040
Fund Equity - Beginning of Year	1,049,087	1,049,087	-
Prior Year Encumbrances Appropriated	618,275	618,275	-
<b>Fund Equity - End of Year</b>	<u>\$ 447,893</u>	<u>\$ 1,514,933</u>	<u>\$ 1,067,040</u>

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenses and Changes in Fund Equity -  
 Budget (Non-GAAP Basis) and Actual  
 Briardale Greens Golf Course Fund  
 For the Year Ended December 31, 2012*

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	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Expenses</b>			
Current:			
Other	\$ 2,808	\$ -	\$ 2,808
<b>Total Expenses</b>	2,808	-	2,808
Net Change in Fund Equity	(2,808)	-	2,808
Fund Equity - Beginning of Year	2,812	2,812	-
<b>Fund Equity - End of Year</b>	\$ 4	\$ 2,812	\$ 2,808

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenses and Changes in Fund Equity -  
 Budget (Non-GAAP Basis) and Actual  
 Self Insurance Fund  
 For the Year Ended December 31, 2012*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
<b>Expenses</b>			
Current:			
Other	\$ 252,000	\$ 243,315	\$ 8,685
<b>Total Expenses</b>	<u>252,000</u>	<u>243,315</u>	<u>8,685</u>
Excess of Revenues Over (Under) Expenses	(252,000)	(243,315)	8,685
<b>Other Financing (Uses)</b>			
Transfer In	225,000	225,000	-
<b>Total Other Financings (Uses)</b>	<u>225,000</u>	<u>225,000</u>	<u>-</u>
Net Change in Fund Equity	(27,000)	(18,315)	8,685
Fund Equity - Beginning of Year	119,019	119,019	-
<b>Fund Equity - End of Year</b>	<u>\$ 92,019</u>	<u>\$ 100,704</u>	<u>\$ 8,685</u>

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 State Highway Fund  
 For the Year Ended December 31, 2012*

	Budgeted Amounts <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	107,616	109,284	1,668
<b>Total Revenues</b>	<u>107,616</u>	<u>109,284</u>	<u>1,668</u>
<b>Expenditures:</b>			
Current:			
Transportation			
Other	111,278	101,313	9,965
<b>Total Expenditures</b>	<u>111,278</u>	<u>101,313</u>	<u>9,965</u>
Net Change in Fund Balance	(3,662)	7,971	11,633
Fund Balance - Beginning of Year	13,097	13,097	-
<b>Fund Balance - End of Year</b>	<u>\$ 9,435</u>	<u>\$ 21,068</u>	<u>\$ 11,633</u>

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Indigent Drivers Alcohol Treatment Fund  
 For the Year Ended December 31, 2012*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Fines and Forfeitures	\$ 13,000	\$ 16,892	\$ 3,892
<b>Total Revenues</b>	<u>13,000</u>	<u>16,892</u>	<u>3,892</u>
<b>Expenditures:</b>			
Current:			
Security of Persons and Property			
Other	30,391	17,887	12,504
<b>Total Expenditures</b>	<u>30,391</u>	<u>17,887</u>	<u>12,504</u>
Net Change in Fund Balance	(17,391)	(995)	16,396
Fund Balance - Beginning of Year	110,921	110,921	-
<b>Fund Balance - End of Year</b>	<u>\$ 93,530</u>	<u>\$ 109,926</u>	<u>\$ 16,396</u>

## City of Euclid, Ohio

*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
Court Computerization Fund  
For the Year Ended December 31, 2012*

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	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Fines and Forfeitures	\$ 56,000	\$ 87,608	\$ 31,608
<b>Total Revenues</b>	<u>56,000</u>	<u>87,608</u>	<u>31,608</u>
<b>Expenditures:</b>			
Current:			
Security of Persons and Property			
Personal Services	26,938	25,880	1,058
Other	77,064	49,227	27,837
<b>Total Expenditures</b>	<u>104,002</u>	<u>75,107</u>	<u>28,895</u>
Net Change in Fund Balance	(48,002)	12,501	60,503
Fund Balance - Beginning of Year	73,384	73,384	-
<b>Fund Balance - End of Year</b>	<u>\$ 25,382</u>	<u>\$ 85,885</u>	<u>\$ 60,503</u>

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Court Special Projects Fund  
 For the Year Ended December 31, 2012*

	Budgeted Amounts <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Fines and Forfeitures	\$ 100,000	\$ 96,299	\$ (3,701)
<b>Total Revenues</b>	<u>100,000</u>	<u>96,299</u>	<u>(3,701)</u>
<b>Expenditures:</b>			
Current:			
Security of Persons and Property			
Personal Services	106,800	100,332	6,468
Other	18,967	14,022	4,945
<b>Total Expenditures</b>	<u>125,767</u>	<u>114,354</u>	<u>11,413</u>
Net Change in Fund Balance	(25,767)	(18,055)	7,712
Fund Balance - Beginning of Year	136,363	136,363	-
<b>Fund Balance - End of Year</b>	<u>\$ 110,596</u>	<u>\$ 118,308</u>	<u>\$ 7,712</u>

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Animal Shelter Fund  
 For the Year Ended December 31, 2012*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Charges for Services	\$ 25,000	\$ 23,455	\$ (1,545)
<b>Total Revenues</b>	<u>25,000</u>	<u>23,455</u>	<u>(1,545)</u>
<b>Expenditures:</b>			
Current:			
Security of Persons and Property			
Personal Services	87,589	82,085	5,504
Other	15,900	14,502	1,398
<b>Total Expenditures</b>	<u>103,489</u>	<u>96,587</u>	<u>6,902</u>
Excess of Revenues Over (Under) Expenditures	(78,489)	(73,132)	5,357
<b>Other Financing Sources (Uses)</b>			
Transfers In	73,000	73,000	-
<b>Total Other Financing Sources (Uses)</b>	<u>73,000</u>	<u>73,000</u>	<u>-</u>
Net Change in Fund Balance	(5,489)	(132)	5,357
Fund Balance - Beginning of Year	6,166	6,166	-
Prior Year Encumbrances Appropriated	400	400	-
<b>Fund Balance - End of Year</b>	<u>\$ 1,077</u>	<u>\$ 6,434</u>	<u>\$ 5,357</u>

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Nuisance Abatement Fund  
 For the Year Ended December 31, 2012*

	Budgeted Amounts <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Charges for Services	\$ 22,000	\$ 35,724	\$ 13,724
Special Assessments	135,000	143,725	8,725
<b>Total Revenues</b>	<u>157,000</u>	<u>179,449</u>	<u>22,449</u>
<b>Expenditures:</b>			
Current:			
Community and Economic Development			
Other	70,646	68,270	2,376
<b>Total Expenditures</b>	<u>70,646</u>	<u>68,270</u>	<u>2,376</u>
Excess of Revenues Over (Under) Expenditures	86,354	111,179	24,825
<b>Other Financing Sources (Uses)</b>			
Transfers Out	(100,000)	(100,000)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
Net Change in Fund Balance	(13,646)	11,179	24,825
Fund Balance - Beginning of Year	43,657	43,657	-
Prior Year Encumbrances Appropriated	646	646	-
<b>Fund Balance - End of Year</b>	<u>\$ 30,657</u>	<u>\$ 55,482</u>	<u>\$ 24,825</u>

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Indigent Drivers Interlock and Alcohol Monitoring Fund  
 For the Year Ended December 31, 2012*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Fines and Forfeitures	\$ 6,000	\$ 5,416	\$ (584)
<b>Total Revenues</b>	<u>6,000</u>	<u>5,416</u>	<u>(584)</u>
<b>Expenditures:</b>			
Current:			
Security of Persons and Property			
Police and Others:			
Other	6,000	-	6,000
<b>Total Expenditures</b>	<u>6,000</u>	<u>-</u>	<u>6,000</u>
Net Change in Fund Balance	-	5,416	5,416
Fund Balance - Beginning of Year	13,232	13,232	-
<b>Fund Balance - End of Year</b>	<u>\$ 13,232</u>	<u>\$ 18,648</u>	<u>\$ 5,416</u>

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Street Maintenance and Construction Fund  
 For the Year Ended December 31, 2012*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Intergovernmental	\$ 1,625,000	\$ 1,600,630	\$ (24,370)
Charges for Services	-	600	600
All Other Revenues	238,000	268,535	30,535
<b>Total Revenues</b>	<u>1,863,000</u>	<u>1,869,765</u>	<u>6,765</u>
<b>Expenditures:</b>			
Current:			
Transportation			
Personal Services	1,387,173	1,344,261	42,912
Other	610,675	603,890	6,785
<b>Total Expenditures</b>	<u>1,997,848</u>	<u>1,948,151</u>	<u>49,697</u>
Net Change in Fund Balance	(134,848)	(78,386)	56,462
Fund Balance - Beginning of Year	105,193	105,193	-
Prior Year Encumbrances Appropriated	34,578	34,578	-
<b>Fund Balance - End of Year</b>	<u>\$ 4,923</u>	<u>\$ 61,385</u>	<u>\$ 56,462</u>

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Community Television Fund  
 For the Year Ended December 31, 2012*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Charges for Services	\$ 275	\$ 500	\$ 225
Contributions and Donations	130	160	30
<b>Total Revenues</b>	<u>405</u>	<u>660</u>	<u>255</u>
<b>Expenditures:</b>			
Current:			
Community and Economic Development			
Personal Services	65,599	65,431	168
Other	1,300	1,001	299
<b>Total Expenditures</b>	<u>66,899</u>	<u>66,432</u>	<u>467</u>
Excess of Revenues Over (Under) Expenditures	(66,494)	(65,772)	722
<b>Other Financing Sources (Uses)</b>			
Transfers In	65,000	65,000	-
<b>Total Other Financing Sources (Uses)</b>	<u>65,000</u>	<u>65,000</u>	<u>-</u>
Net Change in Fund Balance	(1,494)	(772)	722
Fund Balance - Beginning of Year	8,883	8,883	-
<b>Fund Balance - End of Year</b>	<u>\$ 7,389</u>	<u>\$ 8,111</u>	<u>\$ 722</u>

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Recreation Operating Fund  
 For the Year Ended December 31, 2012*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Property Taxes	\$ 290,600	\$ 287,937	\$ (2,663)
Intergovernmental	29,908	30,483	575
Rentals	53,000	39,369	(13,631)
Charges for Services	401,200	354,486	(46,714)
Contributions and Donations	4,000	6,741	2,741
All Other Revenues	-	163	163
<b>Total Revenues</b>	<u>778,708</u>	<u>719,179</u>	<u>(59,529)</u>
<b>Expenditures:</b>			
Current:			
Leisure Time Activities			
Personal Services	477,924	429,485	48,439
Other	443,767	411,380	32,387
<b>Total Expenditures</b>	<u>921,691</u>	<u>840,865</u>	<u>80,826</u>
Excess of Revenues Over (Under) Expenditures	(142,983)	(121,686)	21,297
<b>Other Financing Sources (Uses)</b>			
Transfers In	118,500	118,500	-
<b>Total Other Financing Sources (Uses)</b>	<u>118,500</u>	<u>118,500</u>	<u>-</u>
Net Change in Fund Balance	(24,483)	(3,186)	21,297
Fund Balance - Beginning of Year	27,728	27,728	-
Prior Year Encumbrances Appropriated	1,267	1,267	-
<b>Fund Balance - End of Year</b>	<u>\$ 4,512</u>	<u>\$ 25,809</u>	<u>\$ 21,297</u>

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Community Development Block Grant Fund  
 For the Year Ended December 31, 2012*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Intergovernmental	\$ 1,297,031	\$ 1,033,040	\$ (263,991)
<b>Total Revenues</b>	<u>1,297,031</u>	<u>1,033,040</u>	<u>(263,991)</u>
<b>Expenditures:</b>			
Current:			
Community and Economic Development			
Personal Services	682,403	602,204	80,199
Other	614,628	431,699	182,929
<b>Total Expenditures</b>	<u>1,297,031</u>	<u>1,033,903</u>	<u>263,128</u>
Net Change in Fund Balance	-	(863)	(863)
Fund Balance - Beginning of Year	864	864	-
<b>Fund Balance - End of Year</b>	<u>\$ 864</u>	<u>\$ 1</u>	<u>\$ (863)</u>

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Neighborhood Stabilization Program Fund  
 For the Year Ended December 31, 2012*

	Budgeted Amounts <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$ 1,230,497	\$ 311,168	\$ (919,329)
All Other Revenues	1,988,675	207,826	(1,780,849)
<b>Total Revenues</b>	<u>3,219,172</u>	<u>518,994</u>	<u>(2,700,178)</u>
<b>Expenditures:</b>			
Current:			
Community and Economic Development			
Personal Services	454,734	77,880	376,854
Other	2,838,403	517,013	2,321,390
<b>Total Expenditures</b>	<u>3,293,137</u>	<u>594,893</u>	<u>2,698,244</u>
Net Change in Fund Balance	(73,965)	(75,899)	(1,934)
Fund Balance - Beginning of Year	77,600	77,600	-
<b>Fund Balance - End of Year</b>	<u>\$ 3,635</u>	<u>\$ 1,701</u>	<u>\$ (1,934)</u>

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Other Grants Fund  
 For the Year Ended December 31, 2012*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>			
Intergovernmental	\$ 2,575,156	\$ 786,639	\$ (1,788,517)
Fines and Forfeitures	3,000	4,764	1,764
Contributions and Donations	72,170	65,408	(6,762)
All Other Revenues	305,358	5	(305,353)
<b>Total Revenues</b>	<u>2,955,684</u>	<u>856,816</u>	<u>(2,098,868)</u>
<b>Expenditures:</b>			
Current:			
General Government			
Personal Services	584,983	462,184	122,799
Other	2,436,468	495,597	1,940,871
<b>Total Expenditures</b>	<u>3,021,451</u>	<u>957,781</u>	<u>2,063,670</u>
Net Change in Fund Balance	(65,767)	(100,965)	(35,198)
Fund Balance - Beginning of Year	44,806	44,806	-
Prior Year Encumbrances Appropriated	73,062	73,062	-
<b>Fund Balance - End of Year</b>	<u>\$ 52,101</u>	<u>\$ 16,903</u>	<u>\$ (35,198)</u>

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Law Enforcement Trust Fund  
 For the Year Ended December 31, 2012*

	Budgeted Amounts <u>Final</u>	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$ 68,000	\$ 119,098	\$ 51,098
Interest	-	240	240
All Other Revenues	-	1	1
<b>Total Revenues</b>	<u>68,000</u>	<u>119,339</u>	<u>51,339</u>
<b>Expenditures:</b>			
Current:			
Security of Persons and Property			
Personal Services	41,752	24,286	17,466
Other	194,732	114,697	80,035
<b>Total Expenditures</b>	<u>236,484</u>	<u>138,983</u>	<u>97,501</u>
Net Change in Fund Balance	(168,484)	(19,644)	148,840
Fund Balance - Beginning of Year	224,785	224,785	-
<b>Fund Balance - End of Year</b>	<u>\$ 56,301</u>	<u>\$ 205,141</u>	<u>\$ 148,840</u>

## City of Euclid, Ohio

*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
Shore Corporation Fund  
For the Year Ended December 31, 2012*

	Budgeted Amounts <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Expenditures:</b>			
Current:			
Leisure Time Activities			
Other	\$ 189,685	\$ 178,243	\$ 11,442
<b>Total Expenditures</b>	<u>189,685</u>	<u>178,243</u>	<u>11,442</u>
Excess of Revenues Over (Under) Expenditures	(189,685)	(178,243)	11,442
<b>Other Financing Sources</b>			
Transfers In	<u>55,000</u>	<u>55,000</u>	-
<b>Total Other Financing Sources</b>	<u>55,000</u>	<u>55,000</u>	-
Net Change in Fund Balance	(134,685)	(123,243)	11,442
Fund Balance - Beginning of Year	<u>135,442</u>	<u>135,442</u>	-
<b>Fund Balance - End of Year</b>	<u>\$ 757</u>	<u>\$ 12,199</u>	<u>\$ 11,442</u>

## City of Euclid, Ohio

*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
Recreation Capital Fund  
For the Year Ended December 31, 2012*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Property Taxes	\$ 156,477	\$ 155,043	\$ (1,434)
Intergovernmental	16,104	16,414	310
All Other Revenues	35,000	7,000	(28,000)
<b>Total Revenues</b>	<u>207,581</u>	<u>178,457</u>	<u>(29,124)</u>
<b>Expenditures:</b>			
Current:			
Liesure Time Activities			
Other	4,511	3,669	842
Capital Outlay:			
Personal Services	87,484	85,650	1,834
Other	126,732	45,475	81,257
Total Capital Outlay	<u>214,216</u>	<u>131,125</u>	<u>83,091</u>
<b>Total Expenditures</b>	<u>218,727</u>	<u>134,794</u>	<u>83,933</u>
Net Change in Fund Balance	(11,146)	43,663	54,809
Fund Balance - Beginning of Year	20,216	20,216	-
Prior Year Encumbrances Appropriated	18,403	18,403	-
<b>Fund Balance - End of Year</b>	<u>\$ 27,473</u>	<u>\$ 82,282</u>	<u>\$ 54,809</u>

## City of Euclid, Ohio

*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
Sidewalk Repair and Replacement Fund  
For the Year Ended December 31, 2012*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Expenditures:</b>			
Capital Outlay:			
Other	\$ 29,084	\$ -	\$ 29,084
<b>Total Expenditures</b>	29,084	-	29,084
Net Change in Fund Balance	(29,084)	-	29,084
Fund Balance - Beginning of Year	29,085	29,085	-
<b>Fund Balance - End of Year</b>	\$ 1	\$ 29,085	\$ 29,084

## City of Euclid, Ohio

*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
Public Building Construction Fund  
For the Year Ended December 31, 2012*

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	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
<b>Expenditures:</b>			
Capital Outlay:			
Other	\$ 3,481	\$ 3,481	\$ -
<b>Total Expenditures</b>	<u>3,481</u>	<u>3,481</u>	<u>-</u>
 Net Change in Fund Balance	 (3,481)	 (3,481)	 -
 Fund Balance - Beginning of Year	 3,481	 3,481	 -
<b>Fund Balance - End of Year</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Euclid Endowment Fund  
 For the Year Ended December 31, 2012*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Interest	\$ -	\$ 474	\$ 474
All Other Revenues	-	491	491
<b>Total Revenues</b>	<u>-</u>	<u>965</u>	<u>965</u>
<b>Expenditures:</b>			
Capital Outlay:			
Other	135,550	37,792	97,758
<b>Total Expenditures</b>	<u>135,550</u>	<u>37,792</u>	<u>97,758</u>
Excess of Revenues Over (Under) Expenditures	(135,550)	(36,827)	98,723
<b>Other Financing Sources (Uses)</b>			
Sale of Capital Assets	-	2,908	2,908
Transfers Out	(55,000)	(55,000)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(55,000)</u>	<u>(52,092)</u>	<u>2,908</u>
Net Change in Fund Balance	(190,550)	(88,919)	101,631
Fund Balance - Beginning of Year	374,285	374,285	-
Prior Year Encumbrances Appropriated	550	550	-
<b>Fund Balance - End of Year</b>	<u>\$ 184,285</u>	<u>\$ 285,916</u>	<u>\$ 101,631</u>

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Sims Park Fund  
 For the Year Ended December 31, 2012*

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Final</u>	<u>Actual</u>	
<b>Expenditures:</b>			
Capital Outlay:			
Other	\$ 79,907	\$ -	\$ 79,907
<b>Total Expenditures</b>	<u>79,907</u>	<u>-</u>	<u>79,907</u>
Net Change in Fund Balance	(79,907)	-	79,907
Fund Balance - Beginning of Year	79,908	79,908	-
<b>Fund Balance - End of Year</b>	<u>\$ 1</u>	<u>\$ 79,908</u>	<u>\$ 79,907</u>

## City of Euclid Ohio

*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
Bennington Hamlet Fund  
For the Year Ended December 31, 2012*

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	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
<b>Revenues:</b>			
Payments in Lieu of Taxes	\$ 18,388	\$ 24,020	\$ 5,632
<b>Total Revenues</b>	<u>18,388</u>	<u>24,020</u>	<u>5,632</u>
<b>Expenditures:</b>			
Capital Outlay:			
Other	92,284	-	92,284
<b>Total Expenditures</b>	<u>92,284</u>	<u>-</u>	<u>92,284</u>
Net Change in Fund Balance	(73,896)	24,020	97,916
Fund Balance - Beginning of Year	53,111	53,111	-
Prior Year Encumbrances Appropriated	20,805	20,805	-
<b>Fund Balance - End of Year</b>	<u>\$ 20</u>	<u>\$ 97,936</u>	<u>\$ 97,916</u>

## City of Euclid, Ohio

*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
CMP Properties Fund  
For the Year Ended December 31, 2012*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Payments in Lieu of Taxes	\$ 45,743	\$ 56,743	\$ 11,000
<b>Total Revenues</b>	<u>45,743</u>	<u>56,743</u>	<u>11,000</u>
<b>Expenditures:</b>			
Capital Outlay:			
Other	113,401	-	113,401
Debt Service			
Interest & Fiscal Charges	23,569	23,569	-
<b>Total Expenditures</b>	<u>136,970</u>	<u>23,569</u>	<u>113,401</u>
Net Change in Fund Balance	(91,227)	33,174	124,401
Fund Balance - Beginning of Year	136,522	136,522	-
<b>Fund Balance - End of Year</b>	<u>\$ 45,295</u>	<u>\$ 169,696</u>	<u>\$ 124,401</u>

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenses and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Harbor Town TIF Fund  
 For the Year Ended December 31, 2012*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Payments in Lieu of Taxes	\$ 43,728	\$ 178,483	\$ 134,755
<b>Total Revenues</b>	<u>43,728</u>	<u>178,483</u>	<u>134,755</u>
<b>Expenditures:</b>			
Capital Outlay:			
Other	172,101	-	172,101
<b>Total Expenditures</b>	<u>172,101</u>	<u>-</u>	<u>172,101</u>
Net Change in Fund Balance	(128,373)	178,483	306,856
Fund Balance - Beginning of Year	140,227	140,227	-
Prior Year Encumbrances Appropriated	32,101	32,101	-
<b>Fund Balance - End of Year</b>	<u>\$ 43,955</u>	<u>\$ 350,811</u>	<u>\$ 306,856</u>

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenses and Changes in Fund Equity -  
 Budget (Non-GAAP Basis) and Actual  
 Downtown District A TIF Fund  
 For the Year Ended December 31, 2012*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Payments in Lieu of Taxes	\$ 16,688	\$ 45,576	\$ 28,888
<b>Total Revenues</b>	<u>16,688</u>	<u>45,576</u>	<u>28,888</u>
<b>Expenditures:</b>			
Capital Outlay:			
Other	110,580	-	110,580
<b>Total Expenditures</b>	<u>110,580</u>	<u>-</u>	<u>110,580</u>
Net Change in Fund Balance	(93,892)	45,576	139,468
Fund Balance - Beginning of Year	97,419	97,419	-
<b>Fund Balance - End of Year</b>	<u>\$ 3,527</u>	<u>\$ 142,995</u>	<u>\$ 139,468</u>

# **STATISTICAL SECTION**

# City of Euclid, Ohio

## Statistical Section

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This part of City'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.

<b><u>Contents</u></b>	<b><u>Page(s)</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	S2 - S8
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City's most significant local revenue sources, property taxes and municipal income taxes.	S9 – S14
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	S15 – S20
<b>Economic and Demographic Information</b> These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	S21 – S22
<b>Operating Information</b> These schedules contain service 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.	S23 – S28

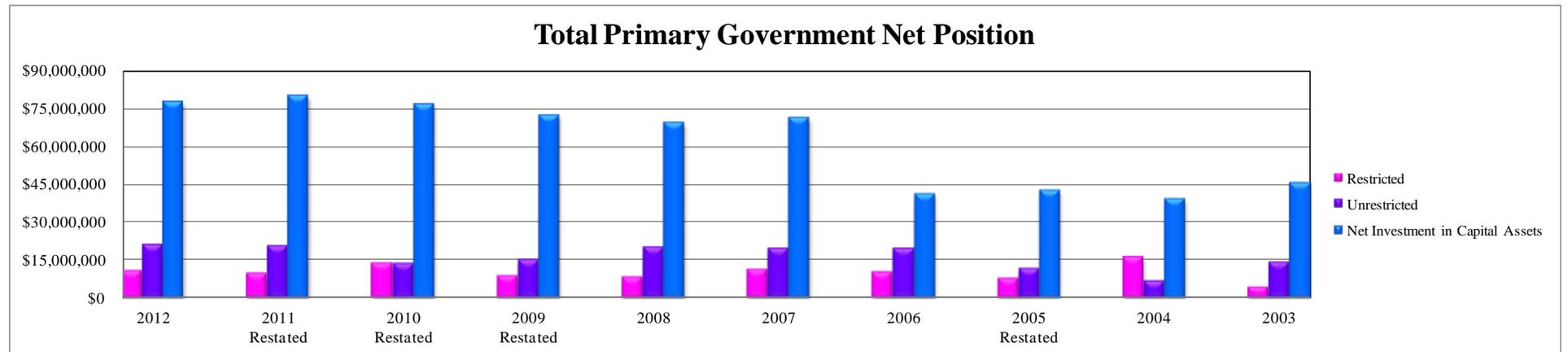
**Sources:** Unless otherwise noted, the information in these schedules is derived from the basic financial statements for the relevant year.

# City of Euclid, Ohio

## Net Position by Component Accrual Basis of Accounting Last Ten Years

**Table 1**

	2012	2011 Restated	2010 Restated	2009 Restated	2008	2007	2006	2005 Restated	2004	2003
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 32,146,243	\$ 36,430,785	\$ 36,290,780	\$ 37,644,890	\$39,956,632	\$ 41,151,610	\$ 12,190,259	\$ 13,335,911	\$ 9,441,514	\$16,919,428
Restricted	10,219,167	9,671,191	13,342,663	8,307,210	8,179,008	11,000,386	10,020,313	7,732,966	14,394,303	4,018,418
Unrestricted	12,076,435	11,807,492	5,052,623	3,360,059	5,636,227	4,075,405	6,065,273	2,959,733	2,339,507	6,910,033
<b>Total Governmental Activities Net Position</b>	<b>\$ 54,441,845</b>	<b>\$ 57,909,468</b>	<b>\$ 54,686,066</b>	<b>\$ 49,312,159</b>	<b>\$53,771,867</b>	<b>\$ 56,227,401</b>	<b>\$28,275,845</b>	<b>\$ 24,028,610</b>	<b>\$26,175,324</b>	<b>\$27,847,879</b>
<b>Business Type - Activities</b>										
Net Investment in Capital Assets	\$ 45,310,310	\$ 43,523,835	\$ 40,280,422	\$ 34,567,361	\$29,214,805	\$ 29,982,118	\$28,971,722	\$ 29,207,199	\$29,795,176	\$28,646,313
Restricted	0	0	0	0	0	0	0	0	1,200,000	0
Unrestricted	8,658,820	8,144,885	8,285,405	11,352,949	13,829,216	11,908,239	13,304,043	8,390,986	4,378,060	6,786,523
<b>Total Business-Type Activities Net Position</b>	<b>\$ 53,969,130</b>	<b>\$ 51,668,720</b>	<b>\$ 48,565,827</b>	<b>\$ 45,920,310</b>	<b>\$43,044,021</b>	<b>\$ 41,890,357</b>	<b>\$42,275,765</b>	<b>\$ 37,598,185</b>	<b>\$35,373,236</b>	<b>\$35,432,836</b>
<b>Primary Government</b>										
Net Investment in Capital Assets	\$ 77,456,553	\$ 79,954,620	\$ 76,571,202	\$ 72,212,251	\$69,171,437	\$ 71,133,728	\$41,161,981	\$ 42,543,110	\$39,236,690	\$45,565,741
Restricted	10,219,167	9,671,191	13,342,663	8,307,210	8,179,008	11,000,386	10,020,313	7,732,966	15,594,303	4,018,418
Unrestricted	20,735,255	19,952,377	13,338,028	14,713,008	19,465,443	19,369,316	19,369,316	11,350,719	6,717,567	13,696,556
<b>Total Primary Government Net Position</b>	<b>\$ 108,410,975</b>	<b>\$ 109,578,188</b>	<b>\$ 103,251,893</b>	<b>\$ 95,232,469</b>	<b>\$96,815,888</b>	<b>\$ 101,503,430</b>	<b>\$70,551,610</b>	<b>\$ 61,626,795</b>	<b>\$61,548,560</b>	<b>\$63,280,715</b>



# City of Euclid, Ohio

## Changes in Net Position Accrual Basis of Accounting Last Ten Years

**Table 2**

	2012	2011 Restated	2010 Restated	2009 Restated	2008	2007	2006	2005 Restated	2004	2003
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services:										
General Government	\$ 2,066,689	\$ 2,507,033	\$ 4,317,024	\$ 2,301,388	\$ 564,303	\$ 1,031,766	\$ 1,019,146	\$ 1,630,952	\$ 2,101,899	\$ 2,074,682
Security of Persons and Property	3,919,272	3,448,103	3,732,402	2,845,690	4,073,600	4,999,375	4,975,827	2,897,560	2,150,294	2,645,843
Public Health	76,651	77,382	82,068	78,398	83,793	91,602	92,922	33,424	85,666	85,730
Leisure Time Activities	394,730	450,554	433,648	590,597	730,006	883,285	796,916	615,674	755,333	660,437
Community and Economic Development	1,779,151	1,702,985	1,512,112	1,413,183	1,554,640	542,492	236,343	532,403	323,664	268,828
Sanitation	2,378,857	1,797,856	1,337,454	0	0	0	0	231,521	942,743	1,083,386
Transportation	600	0	0	114,156	39,637	207,307	88,588	191,361	459,799	444,152
Subtotal - Charges for Services	<u>10,615,950</u>	<u>9,983,913</u>	<u>11,414,708</u>	<u>7,343,412</u>	<u>7,045,979</u>	<u>7,755,827</u>	<u>7,209,742</u>	<u>6,132,895</u>	<u>6,819,398</u>	<u>7,263,058</u>
Operating Grants and Contributions:										
General Government	0	550,724	587,960	137,338	0	498,055	428,589	243,965	0	0
Security of Persons and Property	617,370	667,415	1,084,936	491,637	487,231	18,906	139,422	1,400	91,319	123,014
Leisure Time Activities	6,741	51,895	3,766	10,039	4,327	5,947	43,084	36,744	0	0
Community and Economic Development	1,365,971	1,770,441	2,738,366	1,215,829	1,247,025	889,458	1,123,011	1,116,634	87,740	379,087
Sanitation	4,000	0	0	0	0	0	0	0	0	0
Transportation	1,691,509	1,707,991	1,819,510	1,699,535	1,861,667	1,935,960	1,835,670	1,927,988	0	0
Subtotal - Operating Grants and Contributions	<u>3,685,591</u>	<u>4,748,466</u>	<u>6,234,538</u>	<u>3,554,378</u>	<u>3,600,250</u>	<u>3,348,326</u>	<u>3,569,776</u>	<u>3,326,731</u>	<u>179,059</u>	<u>502,101</u>
Capital Grants and Contributions:										
General Government	18,354	65,527	350,000	0	279,401	0	18,690	31,219	0	0
Security of Persons and Property	124,372	25,511	0	0	0	0	0	0	0	0
Transportation	34,227	1,514,633	0	0	0	0	0	0	0	0
Community Development	13,047	0	0	0	0	0	0	0	1,320,553	1,435,493
Leisure Time Activities	548,313	67,597	0	0	0	0	11,170	19,767	0	90,146
Subtotal - Capital Grants and Contributions	<u>738,313</u>	<u>1,673,268</u>	<u>350,000</u>	<u>0</u>	<u>279,401</u>	<u>0</u>	<u>29,860</u>	<u>50,986</u>	<u>1,320,553</u>	<u>1,525,639</u>
<b>Total Governmental Activities Program Revenues</b>	<u>15,039,854</u>	<u>16,405,647</u>	<u>17,999,246</u>	<u>10,897,790</u>	<u>10,925,630</u>	<u>11,104,153</u>	<u>10,809,378</u>	<u>9,510,612</u>	<u>8,319,010</u>	<u>9,290,798</u>
<b>Business-Type Activities</b>										
Charges for Services:										
Briardale Greens Golf Course	0	0	8,746	939,058	1,035,336	1,019,279	987,636	795,003	786,232	780,200
Waste Water Treatment	11,112,883	11,068,529	9,238,260	10,663,957	10,887,935	10,876,879	11,498,677	9,396,074	9,730,420	12,383,945
Water Line Improvement	2,895,931	1,606,374	1,551,174	1,967,426	1,623,543	1,671,736	1,605,235	840,218	0	0
Operating Grants and Contributions:										
Wastewater Treatment	0	0	184,648	227,712	52,675	39,479	814,589	0	0	0
Capital Grants and Contributions										
Briardale Golf Course	9,300	0	98,794	0	0	0	121,449	0	0	250,488
Wastewater Treatment	0	0	321,351	94,932	276,000	0	0	0	0	0
Water Line Improvement	0	1,053,139	464,161	1,042,281	65,348	0	0	0	0	0
<b>Total Business-Type Activities Program Revenues</b>	<u>14,018,114</u>	<u>13,728,042</u>	<u>11,867,134</u>	<u>14,935,366</u>	<u>13,940,837</u>	<u>13,607,373</u>	<u>15,027,586</u>	<u>11,031,295</u>	<u>10,516,652</u>	<u>13,414,633</u>
<b>Total Primary Government Program Revenues</b>	<u>\$ 29,057,968</u>	<u>\$ 30,133,689</u>	<u>\$ 29,866,380</u>	<u>\$ 25,833,156</u>	<u>\$ 24,866,467</u>	<u>\$ 24,711,526</u>	<u>\$ 25,836,964</u>	<u>\$ 20,541,907</u>	<u>\$ 18,835,662</u>	<u>\$ 22,705,431</u>

# City of Euclid, Ohio

## Changes in Net Position (continued) Accrual Basis of Accounting Last Ten Years

**Table 2**

	2012	2011	2010 Restated	2009 Restated	2008	2007	2006	2005 Restated	2004	2003
<b>Expenses</b>										
<b>Governmental Activities:</b>										
General Government	\$ 11,879,530	\$ 14,070,597	\$ 13,105,802	\$ 13,389,365	\$ 12,894,864	\$ 14,000,128	\$ 12,352,031	\$ 11,114,592	\$ 11,965,470	\$ 12,180,369
Security of Persons and Property:	20,602,865	19,892,646	20,607,153	21,052,721	23,445,910	22,884,517	21,466,024	21,544,601	21,147,901	19,842,460
Sanitation	2,063,996	2,185,892	1,916,687	2,251,317	2,506,683	2,219,004	2,013,501	1,777,289	1,912,089	1,848,221
Public Health	275,393	285,793	273,641	280,112	260,044	277,425	257,280	256,582	234,887	287,591
Leisure Time Activities	1,709,689	1,667,298	1,766,298	2,095,133	2,423,707	1,706,870	2,109,410	1,924,054	4,077,885	1,914,797
Community and Economic Development	2,991,518	2,884,982	2,873,059	2,846,921	3,201,584	2,955,795	3,173,312	2,619,435	478,828	965,181
Transportation	9,489,789	6,057,526	6,647,276	7,382,963	6,343,637	7,396,063	2,695,350	4,446,355	1,489,045	1,432,019
Interest and Fiscal Charges	1,210,537	846,954	1,418,378	1,406,102	1,505,395	1,553,302	1,546,588	1,566,775	2,069,348	1,913,236
<b>Total Governmental Activities Expenses</b>	<b>50,223,317</b>	<b>47,891,688</b>	<b>48,608,294</b>	<b>50,704,634</b>	<b>52,581,824</b>	<b>52,993,104</b>	<b>45,613,496</b>	<b>45,249,683</b>	<b>43,375,453</b>	<b>40,383,874</b>
<b>Business-Type Activities</b>										
Briardale Golf Course	92,343	80,540	131,602	894,060	988,166	1,059,840	996,359	1,206,580	770,115	716,146
Wastewater Treatment	10,203,983	9,601,656	9,938,574	10,920,206	11,061,437	10,109,869	9,438,610	10,732,693	10,313,927	12,131,189
Water Line Improvement	1,433,806	800,228	965,870	1,033,398	792,165	765,993	915,675	557,637	0	0
<b>Total Business-Type Activities Expenses</b>	<b>11,730,132</b>	<b>10,482,424</b>	<b>11,036,046</b>	<b>12,847,664</b>	<b>12,841,768</b>	<b>11,935,702</b>	<b>11,350,644</b>	<b>12,496,910</b>	<b>11,084,042</b>	<b>12,847,335</b>
<b>Total Primary Government Program Expenses</b>	<b>61,953,449</b>	<b>58,374,112</b>	<b>59,644,340</b>	<b>63,552,298</b>	<b>65,423,592</b>	<b>64,928,806</b>	<b>56,964,140</b>	<b>57,746,593</b>	<b>54,459,495</b>	<b>53,231,209</b>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	(35,183,463)	(31,486,041)	(30,609,048)	(39,806,844)	(41,656,194)	(41,888,951)	(34,804,118)	(35,739,071)	(35,056,443)	(31,093,076)
Business-Type Activities	2,287,982	3,245,618	831,088	2,087,702	1,099,069	1,671,671	3,676,942	(1,465,615)	(567,390)	567,298
<b>Total Primary Government Net Expense</b>	<b>(32,895,481)</b>	<b>(28,240,423)</b>	<b>(29,777,960)</b>	<b>(37,719,142)</b>	<b>(40,557,125)</b>	<b>(40,217,280)</b>	<b>(31,127,176)</b>	<b>(37,204,686)</b>	<b>(35,623,833)</b>	<b>(30,525,778)</b>

# City of Euclid, Ohio

## Changes in Net Position (continued) Accrual Basis of Accounting Last Ten Years

**Table 2**

	2012	2011	2010 Restated	2009 Restated	2008	2007	2006	2005 Restated	2004	2003
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities										
Property and Other Local Taxes	4,898,836	4,940,319	5,162,960	5,069,206	5,158,520	5,839,560	7,391,165	5,471,671	9,724,482	9,514,574
Municipal Income Taxes	22,359,573	24,315,337	22,994,810	22,527,179	24,124,792	24,286,649	26,227,696	22,004,837	20,213,175	18,311,962
Grants and Entitlements not Restricted to										
Specific Programs	3,061,866	4,458,718	6,874,711	5,885,372	6,460,923	5,647,600	3,846,566	5,745,954	3,208,030	3,540,576
Payments in Lieu of Taxes	304,822	179,400	174,801	172,310	123,164	72,269	68,730	59,293	0	0
Investment Income	107,136	94,986	173,483	451,410	921,534	1,303,442	1,163,865	663,536	398,378	257,951
Gain/Loss on Sale of Capital Assets	0	0	128,453	45,431	0	176,305	0	0	0	(48,192)
Miscellaneous	983,607	1,082,783	478,952	1,196,228	1,743,907	18,771	66,875	10,827	53,367	0
Transfers	0	420,923	(5,215)	0	667,820	286,456	286,456	(625,806)	286,456	286,456
<b>Total Governmental Activities</b>	<b>31,715,840</b>	<b>35,492,466</b>	<b>35,982,955</b>	<b>35,347,136</b>	<b>39,200,660</b>	<b>37,631,052</b>	<b>39,051,353</b>	<b>33,330,312</b>	<b>33,883,888</b>	<b>31,863,327</b>
Business-Type Activities										
Property Taxes	0	11,475	365,166	465,667	639,606	626,240	767,977	670,778	609,316	776,352
Grants and Entitlements not Restricted to										
Specific Programs	0	0	0	0	0	0	0	614,188	183,912	0
Investment Income	196	41,651	9,856	4,339	56,180	63,583	48,163	351	1,018	987
Miscellaneous	12,232	483,293	1,434,192	318,581	26,629	294	0	0	0	0
Transfers	0	(420,923)	5,215	0	(667,820)	(286,456)	(286,456)	625,806	(286,456)	(286,456)
<b>Total Business-Type Activities</b>	<b>12,428</b>	<b>115,496</b>	<b>1,814,429</b>	<b>788,587</b>	<b>54,595</b>	<b>403,661</b>	<b>529,684</b>	<b>1,911,123</b>	<b>507,790</b>	<b>490,883</b>
<b>Total Primary Government General Revenues and Other Changes in Net Position</b>	<b>31,728,268</b>	<b>35,607,962</b>	<b>37,797,384</b>	<b>36,135,723</b>	<b>39,255,255</b>	<b>38,034,713</b>	<b>39,581,037</b>	<b>35,241,435</b>	<b>34,391,678</b>	<b>32,354,210</b>
<b>Change in Net Position</b>										
Governmental Activities	(3,467,623)	4,006,425	5,373,907	(4,459,708)	(2,455,534)	(4,257,899)	4,247,235	(2,408,759)	(1,172,555)	770,251
Business-Type Activities	2,300,410	3,361,114	2,645,517	2,876,289	1,153,664	2,075,332	4,206,626	445,508	(59,600)	1,058,181
<b>Total Primary Government Change in Net Position</b>	<b>\$ (1,167,213)</b>	<b>\$ 7,367,539</b>	<b>\$ 8,019,424</b>	<b>\$ (1,583,419)</b>	<b>\$ (1,301,870)</b>	<b>\$ (2,182,567)</b>	<b>\$ 8,453,861</b>	<b>\$ (1,963,251)</b>	<b>\$ (1,232,155)</b>	<b>\$ 1,828,432</b>

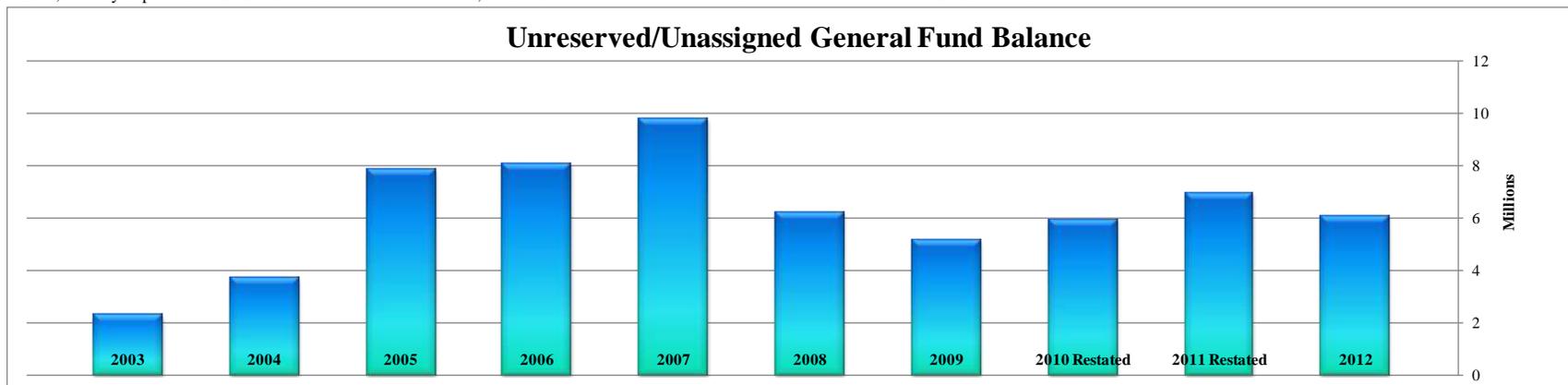
# City of Euclid, Ohio

## Fund Balances, Governmental Funds Modified Accrual Basis of Accounting Last Ten Years

**Table 3**

	2012	2011 Restated	2010 Restated	2009	2008	2007	2006	2005	2004	2003
<b>General Fund</b>										
Nonspendable	\$ 1,323,212	\$ 1,367,748	\$ 1,460,576	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Committed	73,615	183,472	216,334	0	0	0	0	0	0	0
Assigned	451,520	36,008	28,105	0	0	0	0	0	0	0
Unassigned	6,046,519	6,954,074	5,938,091	0	0	0	0	0	0	0
Reserved	0	0	0	1,389,906	1,529,833	97,896	99,257	37,934	3,837,679	1,909,424
Unreserved	0	0	0	5,143,251	6,220,960	9,782,186	8,076,295	7,821,849	3,678,477	2,288,627
<b>Total General Fund</b>	<b>7,894,866</b>	<b>8,541,302</b>	<b>7,643,106</b>	<b>6,533,157</b>	<b>7,750,793</b>	<b>9,880,082</b>	<b>8,175,552</b>	<b>7,859,783</b>	<b>7,516,156</b>	<b>4,198,051</b>
<b>All Other Governmental Funds</b>										
Nonspendable	159,191	95,779	71,887	0	0	0	0	0	0	0
Restricted	3,144,566	6,093,620	8,028,597	0	0	0	0	0	0	0
Committed	1,077	0	0	0	0	0	0	0	0	0
Unassigned	(1,170,048)	(1,542,936)	(438,584)	0	0	0	0	0	0	0
Reserved	0	0	0	498,970	728,790	1,257,678	346,199	522,175	5,739,842	3,206,235
Unreserved, Undesignated, Reported in:										
Special Revenue funds	0	0	0	1,281,141	1,425,191	1,787,192	1,684,898	1,520,080	1,180,356	982,576
Debt Service funds	0	0	0	2,767,975	2,708,149	3,775,688	2,947,437	3,056,034	3,008,900	2,764,898
Capital Projects funds	0	0	0	2,095,459	2,081,323	2,131,623	2,499,812	401,209	2,558,005	(3,112,551)
<b>Total All Other Governmental Funds</b>	<b>2,134,786</b>	<b>4,646,463</b>	<b>7,661,900</b>	<b>6,643,545</b>	<b>6,943,453</b>	<b>8,952,181</b>	<b>7,478,346</b>	<b>5,499,498</b>	<b>12,487,103</b>	<b>3,841,158</b>
<b>Total Governmental Funds</b>	<b>\$ 10,029,652</b>	<b>\$ 13,187,765</b>	<b>\$ 15,305,006</b>	<b>\$ 13,176,702</b>	<b>\$ 14,694,246</b>	<b>\$ 18,832,263</b>	<b>\$ 15,653,898</b>	<b>\$ 13,359,281</b>	<b>\$ 20,003,259</b>	<b>\$ 8,039,209</b>

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



# City of Euclid, Ohio

## Changes in Fund Balances, Governmental Funds Modified Accrual Basis of Accounting

### Last Ten Years

**Table 4**

	2012	2011 Restated	2010	2009	2008	2007	2006	2005	2004	2003
<b>Revenues</b>										
Property and Other Local Taxes	\$ 5,223,856	\$ 5,014,254	\$ 4,908,989	\$ 4,863,732	\$ 5,317,922	\$ 6,511,494	\$ 6,213,540	\$ 5,893,239	\$ 29,815,540	\$ 27,489,246
Municipal Income Taxes	20,599,919	23,868,290	22,165,312	22,295,312	23,949,387	25,508,186	23,084,613	23,029,224	0	0
Charges for Services	6,912,556	6,048,437	6,120,126	4,396,344	4,468,421	5,011,318	4,357,413	4,201,706	4,709,566	4,769,455
Fees, Licenses and Permits	161,302	180,020	148,341	136,019	119,297	131,568	45,638	241,899	572,019	436,977
Fines and Forfeitures	1,975,305	1,607,230	1,778,448	1,849,083	2,115,947	1,843,132	1,760,313	1,350,888	1,488,128	1,443,538
Payments in Lieu of Taxes	304,822	179,400	174,801	172,310	123,164	72,269	68,730	59,293	0	0
Intergovernmental	7,468,739	9,113,247	13,061,780	9,702,823	10,781,759	8,544,675	8,123,702	8,401,874	4,725,839	5,272,087
Special Assessments	1,229,316	1,223,194	335,115	320,199	505,921	84,684	190,634	88,111	270,469	232,264
Rentals	136,385	220,757	205,560	928,741	378,566	438,302	370,186	329,315	300,078	277,330
Contributions and Donations	79,483	1,610,147	57,741	51,034	35,658	27,517	144,696	35,280	0	0
Interest	107,376	97,802	256,825	500,049	862,215	1,286,011	1,162,032	663,536	397,135	252,601
Miscellaneous	982,197	1,082,783	478,952	1,196,228	891,394	18,771	66,875	10,827	186,241	248,911
<b>Total Revenues</b>	<b>45,181,256</b>	<b>50,245,561</b>	<b>49,691,990</b>	<b>46,411,874</b>	<b>49,549,651</b>	<b>49,477,927</b>	<b>45,588,372</b>	<b>44,305,192</b>	<b>42,465,015</b>	<b>40,422,409</b>
<b>Expenditures</b>										
Current:										
General Government	12,087,105	13,489,522	13,904,635	12,846,810	13,255,819	12,389,735	11,367,827	10,527,754	12,064,453	9,980,456
Security of Persons and Property	20,379,045	20,598,229	20,337,564	20,493,264	22,504,755	20,876,789	20,107,626	18,582,973	20,605,101	19,574,377
Public Health	275,451	289,293	272,263	272,496	260,044	277,809	257,651	257,846	235,365	287,592
Leisure Time Activities	1,517,664	1,519,385	1,568,545	1,826,333	2,142,829	1,998,691	1,836,370	1,662,926	3,858,686	2,946,549
Community and Economic Development	2,999,577	2,908,927	2,863,379	2,728,006	3,084,899	2,613,273	2,743,472	2,277,566	2,039,604	2,473,339
Sanitation	2,067,356	2,180,946	1,916,687	2,251,317	2,506,683	2,204,171	1,857,975	1,786,082	1,912,089	1,848,221
Transportation	1,909,461	1,862,722	2,109,236	2,232,410	2,596,559	2,242,299	2,096,922	1,587,855	1,589,464	1,819,574
Capital Outlay	2,658,188	4,967,119	2,547,975	3,015,982	5,376,523	3,579,883	2,780,690	3,227,405	0	0
Debt Service:										
Principal Retirement	3,077,574	7,151,780	5,240,760	3,305,944	9,590,395	6,419,365	2,927,010	8,711,529	6,861,073	2,697,510
Interest and Fiscal Charges	1,151,530	1,070,780	1,311,229	1,367,743	1,492,737	1,529,377	1,518,668	1,568,293	2,086,281	1,928,585
Bond Issuance Costs	17,592	179,065	0	0	275,697	0	0	0	0	0
Advance Refund Escrow	0	123,978	0	0	0	0	0	0	0	0
<b>Total Expenditures</b>	<b>48,140,543</b>	<b>56,341,746</b>	<b>52,072,273</b>	<b>50,340,305</b>	<b>63,086,940</b>	<b>54,131,392</b>	<b>47,494,211</b>	<b>50,190,229</b>	<b>51,252,116</b>	<b>43,556,203</b>
Excess of Revenues Over (Under) Expenditures	(2,959,287)	(6,096,185)	(2,380,283)	(3,928,431)	(13,537,289)	(4,653,465)	(1,905,839)	(5,885,037)	(8,787,101)	(3,133,794)

(Continued)

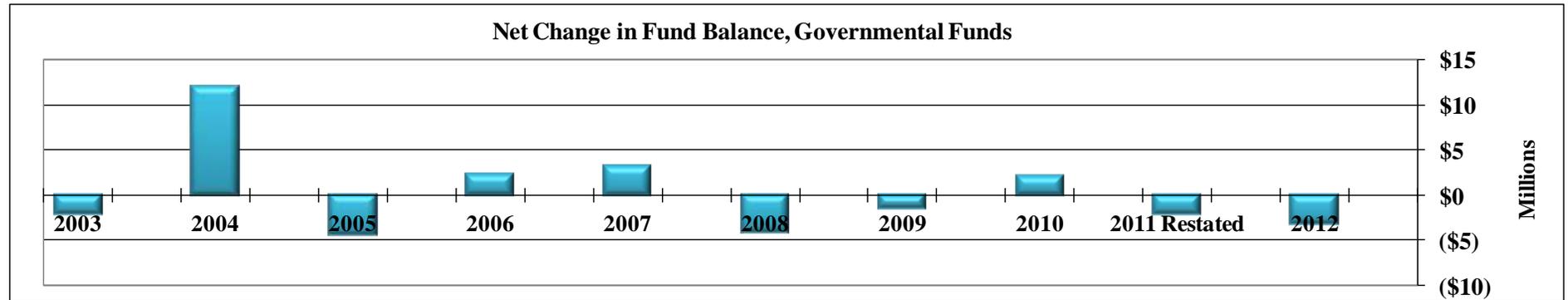
# City of Euclid, Ohio

## Changes in Fund Balances, Governmental Funds Modified Accrual Basis of Accounting (continued)

### Last Ten Years

**Table 4**

	2012	2011 Restated	2010	2009	2008	2007	2006	2005	2004	2003
<b>Other Financing Sources (Uses)</b>										
Sale of Capital Assets	26,174	62,028	197,309	52,620	55,191	224,113	0	0	2,800	724,808
Special Assessment Bonds Issued	0	0	0	0	0	0	0	0	0	0
General Obligation Bonds Issued	0	4,316,000	0	0	10,625,000	0	0	0	13,097,000	0
Refunding Bonds Issued	0	5,482,000								
Premium on Debt Issued	0	121,632	21,278	0	215,765	40,280	0	0	0	0
OPWC Loan	0	0	0	18,267	1,119,127	434,981	98,000	0	0	0
Notes Issued	0	0	4,290,000	2,340,000	0	6,846,000	3,816,000	100,000	5,981,000	0
Inception of Capital Lease	0	0	0	0	205,758	0	0	1,077,689	1,583,897	15,780
Insurance Recoveries	0	35,500	0	0	0	0	0	0	0	0
Transfers In	4,234,675	342,300	553,800	1,061,859	1,195,820	825,300	1,085,900	918,056	689,115	586,880
Transfers Out	(4,459,675)	(912,300)	(553,800)	(1,061,859)	(528,000)	(538,844)	(799,444)	(631,600)	(602,659)	(300,424)
Payment to Refunded Bond Escrow Agent	0	(5,468,216)	0	0	(3,489,389)	0	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>(198,826)</b>	<b>3,978,944</b>	<b>4,508,587</b>	<b>2,410,887</b>	<b>9,399,272</b>	<b>7,831,830</b>	<b>4,200,456</b>	<b>1,464,145</b>	<b>20,751,153</b>	<b>1,027,044</b>
<b>Net Change in Fund Balances</b>	<b>\$ (3,158,113)</b>	<b>\$ (2,117,241)</b>	<b>\$ 2,128,304</b>	<b>\$ (1,517,544)</b>	<b>\$ (4,138,017)</b>	<b>\$ 3,178,365</b>	<b>\$ 2,294,617</b>	<b>\$ (4,420,892)</b>	<b>\$ 11,964,052</b>	<b>\$ (2,106,750)</b>
Debt Service as a Percentage of Noncapital Expenditures	9.28%	16.20%	13.48%	9.70%	19.68%	15.38%	9.79%	20.63%	18.47%	11.41%



# City of Euclid, Ohio

## Property Tax Rates – Direct and Overlapping Governments (Per \$1,000 of Assessed Valuation)

### Last Ten Years

**Table 5**

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>Unvoted Millage</b>										
Bond Sinking Fund	3.88	3.88	3.88	3.88	3.88	3.88	3.88	3.88	3.88	3.88
<b>Total Unvoted Millage</b>	<b>3.88</b>									
<b>Voted Millage</b>										
1964 Charter Current Expense	6.72	6.72	6.72	6.72	6.72	6.72	6.72	6.72	6.72	6.72
1964 Charter Perm Improvement	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
1964 Charter Recreational	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70
1964 Charter Recreational	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30
1976 Sewage Levy	0.00	0.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
<b>Total Voted Millage</b>	<b>9.72</b>	<b>9.72</b>	<b>11.72</b>							
<b>Total Millage</b>	<b>13.60</b>	<b>13.60</b>	<b>15.60</b>							
<b>Overlapping Rates by Taxing District</b>										
<b>City of Euclid</b>										
Residential/Agricultural Effective Rate	7.2595	6.3749	6.3560	6.8571	6.5566	6.5540	6.5523	6.8792	6.8787	6.8790
Commerical/Industrial and Public Utility Effective Rate	9.9577	9.5791	9.4690	10.6120	10.3296	10.3634	10.3668	10.3549	9.9554	9.7881
General Business and Public Utility Personal Property	13.6000	13.6000	13.6000	15.6000	15.6000	15.6000	15.6000	15.6000	15.6000	15.6000
<b>Euclid City Schools</b>										
Residential/Agricultural Effective Rate	72.2593	53.3148	54.4667	54.4664	46.1446	39.1132	39.0934	43.0313	37.5124	35.0153
Commerical/Industrial and Public Utility Effective Rate	84.0823	71.9537	72.7342	72.8014	66.1743	59.4467	59.4747	59.3941	51.2261	47.5742
General Business and Public Utility Personal Property	98.4000	88.4000	89.8000	89.9000	85.2000	78.2000	78.2000	78.2000	72.8000	70.3000
<b>Cuyahoga County</b>										
Residential/Agricultural Effective Rate	13.2200	13.1182	13.1866	13.1789	12.6607	11.8688	11.8655	11.7227	10.9754	10.9899
Commerical/Industrial and Public Utility Effective Rate	12.9968	12.7846	12.8412	12.8457	12.8153	12.4535	12.4941	12.5881	11.9846	12.0433
General Business and Public Utility Personal Property	13.2200	13.2200	13.3200	13.3200	13.3200	13.4200	13.4200	13.5200	13.5200	13.5200
<b>Special Taxing Districts (1)</b>										
Residential/Agricultural Effective Rate	9.0635	9.0041	8.9900	7.9811	7.2832	7.2794	7.2761	7.7965	6.3793	5.7037
Commerical/Industrial and Public Utility Effective Rate	8.9621	8.8649	8.8450	7.9119	7.8711	7.8782	7.8962	8.0597	6.7804	6.2102
General Business and Public Utility Personal Property	9.0800	9.0800	9.0800	8.2800	8.2800	8.2800	8.2800	8.2800	7.2800	6.9800

Source: Cuyahoga County Fiscal Officer

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

Charter millage is consistently applied to all types of property.

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

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

(1) Metro Parks (1.85 mills), Port Authority (0.13 mills), Euclid Library (4.00 mills), Community College (3.10 mills)

## City of Euclid, Ohio

### Assessed Valuations and Estimated Actual Values of Taxable Property

#### Last Ten Years

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value
2012	\$ 546,762,120	\$ 175,905,170	\$ 2,064,763,686	\$ 16,043,950	\$ 18,231,761
2011	\$ 551,393,850	\$ 179,899,430	\$ 2,089,409,371	\$ 15,476,470	\$ 17,586,898
2010	\$ 553,341,120	\$ 181,540,130	\$ 2,099,660,714	\$ 15,108,400	\$ 17,168,636
2009	\$ 615,910,790	\$ 183,124,340	\$ 2,282,957,514	\$ 13,964,270	\$ 15,868,489
2008	\$ 617,695,210	\$ 184,247,970	\$ 2,291,266,229	\$ 21,020,000	\$ 23,886,364
2007	\$ 549,090,850	\$ 185,048,420	\$ 2,097,540,771	\$ 22,108,400	\$ 25,123,182
2006	\$ 549,066,990	\$ 196,770,870	\$ 2,130,965,314	\$ 24,167,100	\$ 27,462,614
2005	\$ 549,167,830	\$ 202,727,320	\$ 2,148,271,857	\$ 24,947,560	\$ 28,349,500
2004	\$ 502,349,750	\$ 199,443,630	\$ 2,005,123,943	\$ 24,563,360	\$ 27,912,909
2003	\$ 502,484,040	\$ 195,662,440	\$ 1,994,704,229	\$ 25,710,060	\$ 29,215,977

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

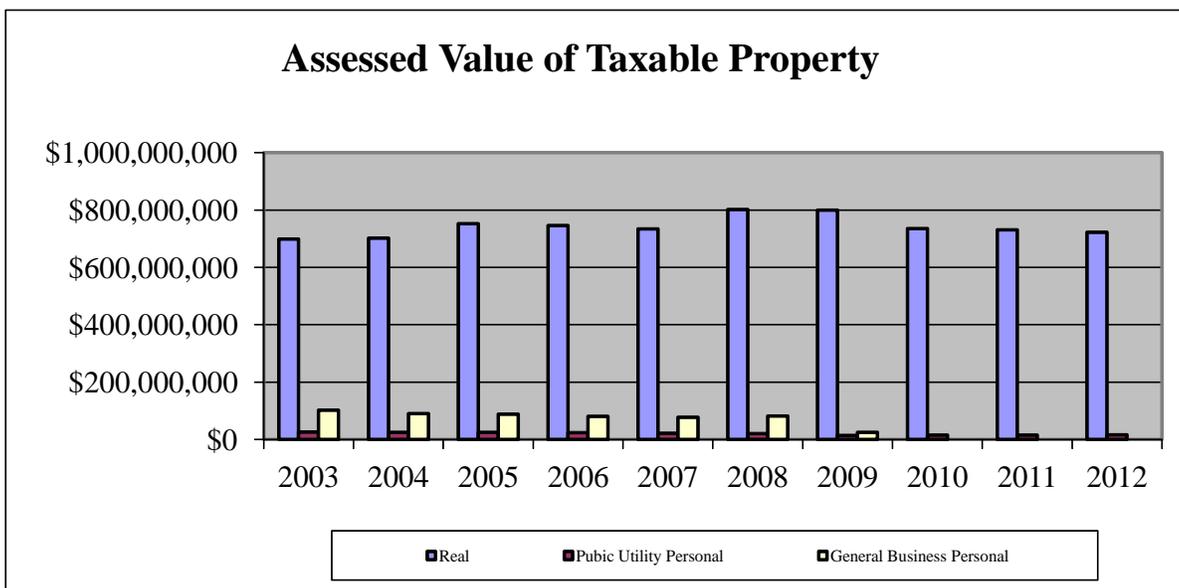
The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General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

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

Source: Ohio Department of Taxation

**Table 6**

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



## City of Euclid, Ohio

### Property Tax Levies and Collections

#### Last Ten Years

**Table 7**

Year	Current Tax Levy	Current Tax Collections (1)	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Current Tax Levy
2012	\$ 5,752,944	\$ 5,173,294	89.92%	\$ 376,418	\$ 5,549,712	96.47%	\$ 926,729	16.11%
2011	\$ 6,884,315	\$ 5,171,119	75.11%	\$ 316,071	\$ 5,487,190	79.71%	\$ 433,724	6.30%
2010	\$ 7,526,417	\$ 5,778,277	76.77%	\$ 457,077	\$ 6,235,354	82.85%	\$ 496,190	6.59%
2009	\$ 7,636,772	\$ 5,849,893	76.60%	\$ 423,626	\$ 6,273,519	82.15%	\$ 547,502	7.17%
2008	\$ 7,755,667	\$ 6,345,313	81.82%	\$ 489,718	\$ 6,835,031	88.13%	\$ 511,356	6.59%
2007	\$ 8,248,325	\$ 6,773,525	82.12%	\$ 362,574	\$ 7,136,099	86.52%	\$ 426,602	5.17%
2006	\$ 8,161,127	\$ 6,759,330	82.82%	\$ 291,261	\$ 7,050,591	86.39%	\$ 659,193	8.08%
2005	\$ 6,571,871	\$ 5,470,854	83.25%	\$ 302,983	\$ 5,773,837	87.86%	\$ 552,594	8.41%
2004	\$ 7,102,956	\$ 5,765,902	81.18%	\$ 416,427	\$ 6,182,329	87.04%	\$ 773,180	10.89%
2003	\$ 6,771,824	\$ 5,729,679	84.61%	\$ 307,880	\$ 6,037,559	89.16%	\$ 797,874	11.78%

Source: Cuyahoga County Fiscal Officer

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

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

# City of Euclid, Ohio

## Principal Taxpayers – Real Estate Tax

2012 and 2003

Table 8

Taxpayer	2012	
	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Cleveland Electric Illum Co.	\$ 14,746,850	2.04 %
Niederst Indian Hills, LLC	10,967,880	1.52 %
Lincoln Electric Co	8,651,380	1.20 %
Northpointe Towers LTD	6,579,900	0.91 %
Harbor Crest LTD.	5,595,210	0.77 %
Euclid Leasing Housing Associates 1, Ltd.	5,047,360	0.70 %
AE Portfolio, LLC	3,185,840	0.44 %
Horizon House LTD	2,967,580	0.41 %
Gateway Health Care Center	2,643,630	0.37 %
Normandy Towers East I & II, LLC	2,552,350	0.35 %
Total	<u>\$ 62,937,980</u>	<u>8.71 %</u>
Total Assessed Valuation	<u>\$ 722,667,290</u>	
Taxpayer	2003	
	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Lincoln Electric Co.	\$ 12,224,820	1.75 %
Cleveland Electric Illum Co.	11,463,450	1.65 %
Ohio Bell Telephone Co.	9,996,990	1.43 %
Indian Hills Senior Community, Inc.	8,263,500	1.18 %
Argo Tech Corporation	7,728,840	1.11 %
Aerc-Watergate, Inc	7,053,800	1.01 %
Harbor Crest Ltd.	5,335,060	0.76 %
Troy CMBS Property, LLC	4,566,630	0.65 %
Willo Arms Associates, Ltd.	4,222,670	0.61 %
Depot Land Co.	3,865,990	0.55 %
Total	<u>\$ 74,721,750</u>	<u>10.70 %</u>
Total Assessed Valuation	<u>\$ 698,146,480</u>	

Source: Cuyahoga County Fiscal Officer

(1) The amounts presented represent the assessed values upon which 2012 and 2003 collections

# City of Euclid, Ohio

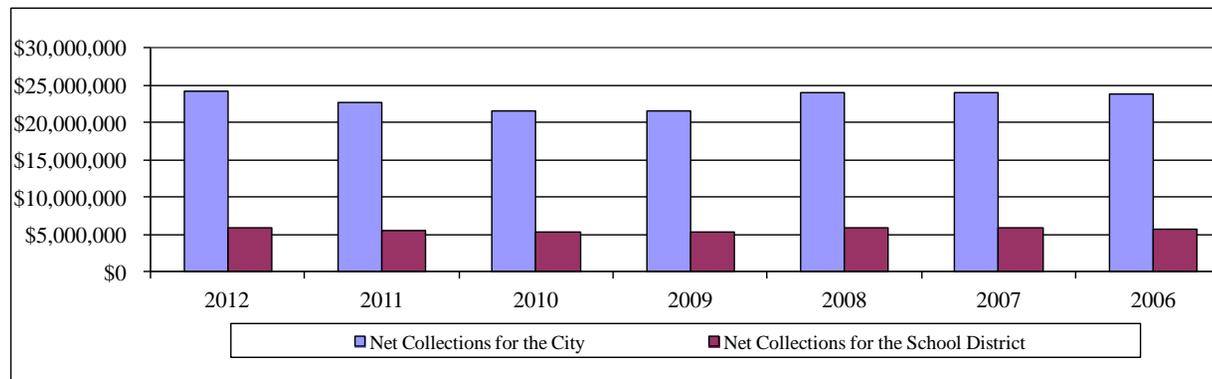
## Income Tax Collection

### Last Seven Years

**Table 9**

Year	Tax Rate	Individual	Net Profit	Payroll Withholding	Penalty and Interest	Miscellaneous Revenue	Gross Collections	Refunds and Adjustments	Net Collections	Net Collections for the City	Net Collections for the School District
2012	2.85%	\$4,791,973	\$3,880,111	\$21,381,656	\$595,097	\$199,002	\$30,847,839	(\$791,291)	\$30,056,548	\$24,163,169	\$5,893,379
2011	2.85%	\$5,024,705	\$3,148,360	\$19,758,688	\$625,900	\$187,785	\$28,745,438	(\$465,598)	\$28,279,840	\$22,732,211	\$5,547,629
2010	2.85%	\$5,082,908	\$3,567,641	\$17,882,748	\$586,113	\$92,518	\$27,211,928	(\$458,849)	\$26,753,079	\$21,511,064	\$5,242,015
2009	2.85%	\$5,571,815	\$2,205,169	\$19,127,921	\$501,077	\$139,475	\$27,545,457	(\$710,927)	\$26,834,530	\$21,570,417	\$5,264,113
2008	2.85%	\$5,613,660	\$3,506,412	\$20,750,925	\$658,185	\$31,777	\$30,560,960	(\$621,987)	\$29,938,973	\$24,076,487	\$5,862,486
2007	2.85%	\$5,828,145	\$3,057,660	\$21,195,076	\$562,751	\$37,298	\$30,680,930	(\$823,011)	\$29,857,919	\$24,021,190	\$5,836,729
2006	2.85%	\$5,875,202	\$2,250,314	\$21,436,836	\$533,447	\$103,748	\$30,199,547	(\$515,617)	\$29,683,931	\$23,914,232	\$5,769,698

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



# City of Euclid, Ohio

## Ratio of Outstanding Debt to Total Personal Income and Debt Per Capita

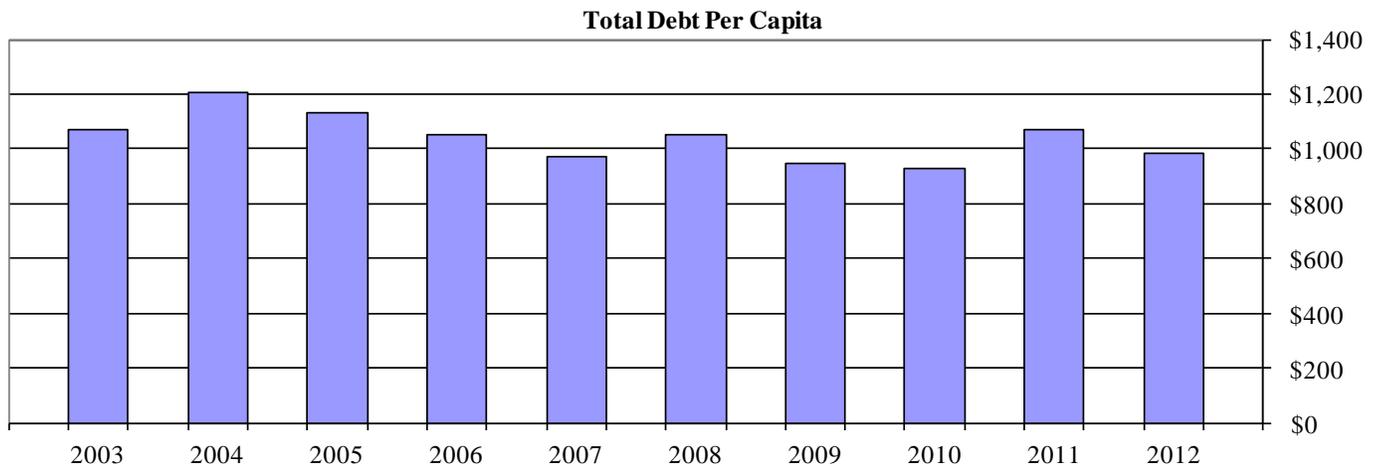
### Last Ten Years

**Table 10**

Year	Governmental Activities					Business-Type Activities				Total Debt	Percentage of Personal Income	Per Capita
	General Obligation Bonds (1)	Special Assessment Bonds	OPWC Loans	Capital Leases	Development Revenue Bonds	General Obligation Bonds (1)	Capital Leases	OWDA Loans	OPWC Loans			
2012	\$ 22,581,511	\$ 683,133	\$ 1,419,818	\$ 271,420	\$ 547,000	\$ 11,874,105	\$ 57,692	\$ 2,915,302	\$ 7,775,402	\$ 48,125,383	4.61%	\$ 984
2011	\$ 25,114,131	\$ 786,155	\$ 1,503,337	\$ 286,628	\$ 665,000	\$ 12,612,758	\$ 108,395	\$ 3,184,851	\$ 8,134,229	\$ 52,395,484	5.02%	\$ 1,071
2010	\$ 23,114,489	\$ 995,000	\$ 1,586,856	\$ 473,890	\$ 995,000	\$ 5,945,106	\$ 246,279	\$ 4,790,889	\$ 7,372,374	\$ 45,519,883	4.36%	\$ 930
2009	\$ 25,667,580	\$ 1,080,000	\$ 1,670,375	\$ 653,131	\$ 1,120,000	\$ 6,537,151	\$ 357,699	\$ 6,779,135	\$ 5,971,616	\$ 49,836,687	4.81%	\$ 945
2008	\$ 28,354,079	\$ 1,160,000	\$ 1,652,108	\$ 1,085,075	\$ 1,235,000	\$ 6,962,444	\$ 449,192	\$ 8,620,444	\$ 6,079,837	\$ 55,598,179	5.36%	\$ 1,055
2007	\$ 23,007,141	\$ 1,235,000	\$ 532,981	\$ 1,304,712	\$ 1,340,000	\$ 6,546,909	\$ 502,859	\$ 10,328,970	\$ 6,352,551	\$ 51,151,123	4.93%	\$ 970
2006	\$ 25,043,297	\$ 1,305,000	\$ 98,000	\$ 1,736,675	\$ 1,440,000	\$ 6,863,551	\$ 540,893	\$ 11,915,515	\$ 6,515,556	\$ 55,458,487	5.35%	\$ 1,052
2005	\$ 27,264,455	\$ 1,375,000	\$ 0	\$ 2,174,685	\$ 1,530,000	\$ 7,165,193	\$ 693,242	\$ 13,389,914	\$ 6,069,001	\$ 59,661,490	5.76%	\$ 1,132
2004	\$ 34,057,000	\$ 1,440,000	\$ 2,393,316	\$ 1,775,901	\$ 1,615,000	\$ 2,918,000	\$ 425,954	\$ 14,765,846	\$ 4,080,513	\$ 63,471,530	6.12%	\$ 1,204
2003	\$ 27,440,000	\$ 1,500,000	\$ 2,534,696	\$ 560,826	\$ 1,695,000	\$ 1,765,000	\$ 480,677	\$ 16,042,064	\$ 4,288,338	\$ 56,306,601	5.43%	\$ 1,068

(1) Amounts include associated premiums and deferrals on refunding

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



## City of Euclid, Ohio

*Ratio of Net General Bonded Debt to Assessed  
Value and Net Bonded Debt Per Capita  
Last Ten Years*

**Table 11**

<u>Year</u>	<u>Population (1)</u>	<u>Estimated Actual Value of Taxable Property (2)</u>	<u>Net Bonded Debt (3)</u>	<u>Ratio of Net Bonded Debt to Estimated Actual Value of Taxable Property</u>	<u>Net Bonded Debt Per Capita</u>
2012	48,920	\$ 2,082,995,447	\$34,455,616	1.65 %	\$ 704
2011	48,920	\$ 2,106,996,269	\$34,936,226	1.66 %	\$ 714
2010	48,920	\$ 2,116,829,351	\$25,814,059	1.22 %	\$ 528
2009	52,717	\$ 2,431,714,643	\$28,608,582	1.18 %	\$ 543
2008	52,717	\$ 2,751,264,875	\$31,720,374	1.15 %	\$ 602
2007	52,717	\$ 2,533,338,423	\$25,778,362	1.02 %	\$ 489
2006	52,717	\$ 2,479,708,728	\$28,959,411	1.17 %	\$ 549
2005	52,717	\$ 2,530,992,969	\$31,373,614	1.24 %	\$ 595
2004	52,717	\$ 2,393,549,896	\$33,966,100	1.42 %	\$ 644
2003	52,717	\$ 2,432,496,222	\$26,440,102	1.09 %	\$ 502

Sources:

(1) Source: U. S. Census

(a) Years 2003 through 2009 - 2000 Federal Census

(b) Year 2010 - 2012 Federal Census

(2) Cuyahoga County Fiscal Officer

(3) Includes all general obligation bonded debt with the exception of Special Assessment debt minus the debt service fund balance available to pay the general obligation debt.

# City of Euclid, Ohio

## Computation of Direct and Overlapping Governmental Activities Debt

December 31, 2012

Table 12

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
<b>Direct - City of Euclid</b>			
General Obligation Bonds, net	\$ 22,581,511	100.00%	\$ 22,581,511
Special Assessment Bonds, net	683,133	100.00%	683,133
OPWC Loans	1,419,818	100.00%	1,419,818
Capital Leases	271,420	100.00%	271,420
Development Revenue Bonds, net	547,000	100.00%	547,000
<b>Total Direct Debt</b>	<u>25,502,882</u>		<u>25,502,882</u>
<b>Overlapping</b>			
Euclid City School District	46,566,028	100.00%	46,566,028
Cuyahoga County	341,075,645	2.12%	7,243,413
Regional Transit Authority	129,495,000	2.12%	2,750,081
<b>Total Overlapping Debt</b>	<u>517,136,673</u>		<u>56,559,522</u>
<b>Total</b>	<u>\$ 542,639,555</u>		<u>\$ 82,062,404</u>

Source: Cuyahoga County Fiscal Officer

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

# City of Euclid, Ohio

## Legal Debt Margin

### Last Ten Years

	2012	2011	2010	2009	2008
<b>Total Assessed Property Value</b>	<u>\$ 738,711,240</u>	<u>\$ 746,769,750</u>	<u>\$ 749,989,650</u>	<u>\$ 837,916,020</u>	<u>\$ 904,734,233</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>77,564,680</u>	<u>78,410,824</u>	<u>78,748,913</u>	<u>87,981,182</u>	<u>94,997,094</u>
<b>Debt Outstanding:</b>					
General Obligation Bonds	\$ 22,890,262	\$ 25,114,131	\$ 23,114,489	\$ 25,481,000	\$ 28,160,000
General Obligation Bonds - Enterprise	12,051,810	12,612,758	5,945,106	6,454,000	6,870,000
Special Assessment Bonds	792,727	786,155	995,000	1,080,000	1,160,000
Notes	5,276,969	3,432,049	4,290,000	2,340,000	0
Notes - Enterprise	0	0	7,040,000	7,040,000	5,600,000
OPWC Loans	1,419,818	1,503,337	1,586,856	1,670,375	1,652,108
OPWC Loans - Enterprise	7,775,402	8,134,229	7,372,374	5,971,616	6,079,837
OWDA Loans	2,915,302	3,184,851	4,790,889	6,779,135	8,620,444
Industrial Development Revenue Bonds	695,000	665,000	995,000	1,120,000	1,235,000
<b>Total Gross Indebtedness</b>	<u>53,817,290</u>	<u>55,432,510</u>	<u>56,129,714</u>	<u>57,936,126</u>	<u>59,377,389</u>
Less:					
General Obligation Bonds - Enterprise	(12,051,810)	(12,612,758)	(5,945,106)	(6,454,000)	(6,870,000)
Special Assessment Bonds	(792,727)	(786,155)	(995,000)	(1,080,000)	(1,160,000)
Notes	0	0	(4,290,000)	(2,340,000)	0
Notes - Enterprise	0	0	(7,040,000)	(7,040,000)	(5,600,000)
OPWC Loans	(1,419,818)	(1,503,337)	(1,586,856)	(1,670,375)	(1,652,108)
OPWC Loans - Enterprise	(7,775,402)	(8,134,229)	(7,372,374)	(5,971,616)	(6,079,837)
OWDA Loans	(2,915,302)	(3,184,851)	(4,790,889)	(6,779,135)	(8,620,444)
Industrial Development Revenue Bonds	(695,000)	(665,000)	(995,000)	(1,120,000)	(1,235,000)
General Obligation Bond Retirement Fund Balance	0	(2,790,663)	(3,245,536)	(3,596,149)	(3,596,149)
<b>Total Net Debt Applicable to Debt Limit</b>	<u>28,167,231</u>	<u>25,755,517</u>	<u>19,868,953</u>	<u>21,884,851</u>	<u>24,563,851</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$ 49,397,449</u>	<u>\$ 52,655,307</u>	<u>\$ 58,879,960</u>	<u>\$ 66,096,331</u>	<u>\$ 70,433,243</u>
Legal Debt Margin as a Percentage of the Debt Limit	63.69%	67.15%	74.77%	75.13%	74.14%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$ 40,629,118</u>	<u>\$ 41,072,336</u>	<u>\$ 41,249,431</u>	<u>\$ 46,085,381</u>	<u>\$ 49,760,383</u>
<b>Total Gross Indebtedness</b>	\$ 53,817,290	\$ 55,432,510	\$ 56,129,714	\$ 57,936,126	\$ 59,377,389
Less:					
General Obligation Bonds - Enterprise	(12,051,810)	(12,612,758)	(5,945,106)	(6,454,000)	(6,870,000)
Special Assessment Bonds	(792,727)	(786,155)	(995,000)	(1,080,000)	(1,160,000)
Notes	0	0	(4,290,000)	(2,340,000)	0
Notes - Enterprise	0	0	(7,040,000)	(7,040,000)	(5,600,000)
OPWC Loans	(1,419,818)	(1,503,337)	(1,586,856)	(1,670,375)	(1,652,108)
OPWC Loans - Enterprise	(7,775,402)	(8,134,229)	(7,372,374)	(5,971,616)	(6,079,837)
OWDA Loans	(2,915,302)	(3,184,851)	(4,790,889)	(6,779,135)	(8,620,444)
Industrial Development Revenue Bonds	(695,000)	(665,000)	(995,000)	(1,120,000)	(1,235,000)
General Obligation Bond Retirement Fund Balance	0	(2,790,663)	(3,245,536)	(3,596,149)	(3,596,149)
<b>Net Debt Within 5 ½ % Limitations</b>	<u>28,167,231</u>	<u>25,755,517</u>	<u>19,868,953</u>	<u>21,884,851</u>	<u>24,563,851</u>
<b>Unvoted Legal Debt Margin Within 5 ½ % Limitations</b>	<u>\$ 12,461,887</u>	<u>\$ 15,316,819</u>	<u>\$ 21,380,478</u>	<u>\$ 24,200,530</u>	<u>\$ 25,196,532</u>
<b>Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation</b>	30.67%	37.29%	51.83%	52.51%	50.64%

Source: City Financial Records

**Table 13**

	2007	2006	2005	2004	2003
<b>Total Assessed Property Value</b>	<u>\$ 833,249,133</u>	<u>\$ 850,325,160</u>	<u>\$ 865,435,613</u>	<u>\$ 816,485,001</u>	<u>\$ 826,000,544</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>87,491,159</u>	<u>89,284,142</u>	<u>90,870,739</u>	<u>85,730,925</u>	<u>86,730,057</u>
<b>Debt Outstanding:</b>					
General Obligation Bonds	\$ 23,029,000	\$ 25,073,000	\$ 27,302,000	\$ 34,057,000	\$ 27,440,000
General Obligation Bonds - Enterprise	6,536,000	6,852,000	7,153,000	2,918,000	1,765,000
Special Assessment Bonds	1,235,000	1,305,000	1,375,000	1,440,000	1,500,000
Notes	6,846,000	3,816,000	100,000	5,981,000	0
Notes - Enterprise	3,000,000	3,000,000	1,000,000	1,200,000	0
OPWC Loans	532,981	98,000	0	2,393,316	2,534,696
OPWC Loans - Enterprise	6,352,551	6,515,556	6,069,001	4,080,513	4,288,338
OWDA Loans	10,328,970	11,915,515	13,389,914	14,765,846	16,042,064
Industrial Development Revenue Bonds	1,340,000	1,440,000	1,530,000	1,615,000	1,695,000
<b>Total Gross Indebtedness</b>	<u>59,200,502</u>	<u>60,015,071</u>	<u>57,918,915</u>	<u>68,450,675</u>	<u>55,265,098</u>
Less:					
General Obligation Bonds - Enterprise	(6,536,000)	(6,852,000)	(7,153,000)	(2,918,000)	(1,765,000)
Special Assessment Bonds	(1,235,000)	(1,305,000)	(1,375,000)	0	0
Notes	(6,846,000)	(3,816,000)	(100,000)	(5,981,000)	0
Notes - Enterprise	(3,000,000)	(3,000,000)	(1,000,000)	(1,200,000)	0
OPWC Loans	(532,981)	(98,000)	0	(2,393,316)	(2,534,696)
OPWC Loans - Enterprise	(6,352,551)	(6,515,556)	(6,069,001)	(4,080,513)	(4,288,338)
OWDA Loans	(10,328,970)	(11,915,515)	(13,389,914)	(14,765,846)	(16,042,064)
Industrial Development Revenue Bonds	(1,340,000)	(1,440,000)	(1,530,000)	0	0
General Obligation Bond Retirement Fund Balance	(3,775,688)	(2,947,437)	(3,056,034)	(3,008,900)	(2,764,898)
<b>Total Net Debt Applicable to Debt Limit</b>	<u>19,253,312</u>	<u>22,125,563</u>	<u>24,245,966</u>	<u>34,103,100</u>	<u>27,870,102</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$ 68,237,847</u>	<u>\$ 67,158,579</u>	<u>\$ 66,624,773</u>	<u>\$ 51,627,825</u>	<u>\$ 58,859,955</u>
Legal Debt Margin as a Percentage of the Debt Limit	77.99%	75.22%	73.32%	60.22%	67.87%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$ 45,828,702</u>	<u>\$ 46,767,884</u>	<u>\$ 47,598,959</u>	<u>\$ 44,906,675</u>	<u>\$ 45,430,030</u>
<b>Total Gross Indebtedness</b>	\$ 59,200,502	\$ 60,015,071	\$ 57,918,915	\$ 68,450,675	\$ 55,265,098
Less:					
General Obligation Bonds - Enterprise	(6,536,000)	(6,852,000)	(7,153,000)	(2,918,000)	(1,765,000)
Special Assessment Bonds	(1,235,000)	(1,305,000)	(1,375,000)	0	0
Notes	(6,846,000)	(3,816,000)	(100,000)	(5,981,000)	0
Notes - Enterprise	(3,000,000)	(3,000,000)	(1,000,000)	(1,200,000)	0
OPWC Loans	(532,981)	(98,000)	0	(2,393,316)	(2,534,696)
OPWC Loans - Enterprise	(6,352,551)	(6,515,556)	(6,069,001)	(4,080,513)	(4,288,338)
OWDA Loans	(10,328,970)	(11,915,515)	(13,389,914)	(14,765,846)	(16,042,064)
Industrial Development Revenue Bonds	(1,340,000)	(1,440,000)	(1,530,000)	0	0
General Obligation Bond Retirement Fund Balance	(3,775,688)	(2,947,437)	(3,056,034)	(3,008,900)	(2,764,898)
<b>Net Debt Within 5 ½ % Limitations</b>	<u>19,253,312</u>	<u>22,125,563</u>	<u>24,245,966</u>	<u>34,103,100</u>	<u>27,870,102</u>
<b>Unvoted Legal Debt Margin Within 5 ½ % Limitations</b>	<u>\$ 26,575,390</u>	<u>\$ 24,642,321</u>	<u>\$ 23,352,993</u>	<u>\$ 10,803,575</u>	<u>\$ 17,559,928</u>
<b>Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation</b>	57.99%	52.69%	49.06%	24.06%	38.65%

## City of Euclid, Ohio

### *Pledged Revenue Coverage*

### *Industrial Development Revenue Bonds – General Fund*

### ***Last Ten Years***

**Table 14**

Year	Net Revenues (1)	Net Revenue Available for Debt Service	Debt Service			Coverage
			Principal	Interest	Total	
2012	\$ 109,336	\$ 109,336	\$ 155,000	\$ 36,975	\$ 191,975	0.57
2011	\$ 109,336	\$ 109,336	\$ 165,000	\$ 33,114	\$ 198,114	0.55
2010	\$ 109,336	\$ 109,336	\$ 125,000	\$ 92,400	\$ 217,400	0.50
2009	\$ 109,336	\$ 109,336	\$ 115,000	\$ 101,888	\$ 216,888	0.50
2008	\$ 109,336	\$ 109,336	\$ 105,000	\$ 110,550	\$ 215,550	0.51
2007	\$ 109,335	\$ 109,335	\$ 100,000	\$ 118,800	\$ 218,800	0.50
2006	\$ 109,336	\$ 109,336	\$ 90,000	\$ 126,225	\$ 216,225	0.51
2005	\$ 109,336	\$ 109,336	\$ 85,000	\$ 133,238	\$ 218,238	0.50
2004	\$ 109,336	\$ 109,336	\$ 80,000	\$ 139,838	\$ 219,838	0.50
2003	\$ 109,336	\$ 109,336	\$ 70,000	\$ 145,613	\$ 215,613	0.51

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

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

# City of Euclid, Ohio

## Principal Employers

2012 and 2006

Table 15

2012		
Employer	Number of W-2 Issued	Percentage of Total City Employment
Lincoln Electric	2,474	9.94%
Cleveland Clinic	1,503	6.04%
Euclid Board of Education	1,203	4.83%
University Hospital Health System	739	2.97%
City of Euclid	608	2.44%
Cuyahoga County	506	2.03%
Eaton Industrial Corporation	427	1.72%
Babcock & Wilcox Nuclear Operations	301	1.21%
Hose Masters	304	1.22%
HC Starck Incorporated	234	0.94%
<b>Total</b>	<b>8,299</b>	<b>33.34%</b>
Total Estimated Employment within the City	24,894	

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

Source: City Income Tax Department

(1) Information prior to 2006 is not available

# City of Euclid, Ohio

## Demographic and Economic Statistics

### Last Ten Years

**Table 16**

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)	Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Cuyahoga County Unemployment Rate (3)	Average Sales Price of Residential Property (4)	Total Assessed Property Value (4)
2012	48,920	\$ 1,043,365,760	\$ 21,328	\$ 36,263	41	19.6%	5,580	6.6%	\$ 54,872	\$ 738,711,240
2011	48,920	\$ 1,043,365,760	\$ 21,328	\$ 36,263	41	19.6%	5,793	7.1%	\$ 50,265	\$ 746,769,750
2010	48,920	\$ 1,043,365,760	\$ 21,328	\$ 36,263	41	19.6%	6,168	9.5%	\$ 71,632	\$ 749,989,650
2009	52,717	\$ 1,036,627,088	\$ 19,664	\$ 35,151	38.9	19.6%	6,040	9.0%	\$ 69,136	\$ 837,916,020
2008	52,717	\$ 1,036,627,088	\$ 19,664	\$ 35,151	38.9	19.6%	6,042	7.1%	\$ 81,777	\$ 904,734,233
2007	52,717	\$ 1,036,627,088	\$ 19,664	\$ 35,151	38.9	19.6%	6,303	6.3%	\$ 99,664	\$ 833,249,133
2006	52,717	\$ 1,036,627,088	\$ 19,664	\$ 35,151	38.9	19.6%	6,414	5.7%	\$ 107,011	\$ 850,325,160
2005	52,717	\$ 1,036,627,088	\$ 19,664	\$ 35,151	38.9	19.6%	6,301	6.0%	\$ 111,934	\$ 865,435,613
2004	52,717	\$ 1,036,627,088	\$ 19,664	\$ 35,151	38.9	19.6%	6,021	6.7%	\$ 105,056	\$ 816,485,001
2003	52,717	\$ 1,036,627,088	\$ 19,664	\$ 35,151	38.9	19.6%	5,992	6.5%	\$ 104,931	\$ 826,000,544

(1) Source: U. S. Census

(a) Years 2003 through 2009 - 2000 Federal Census

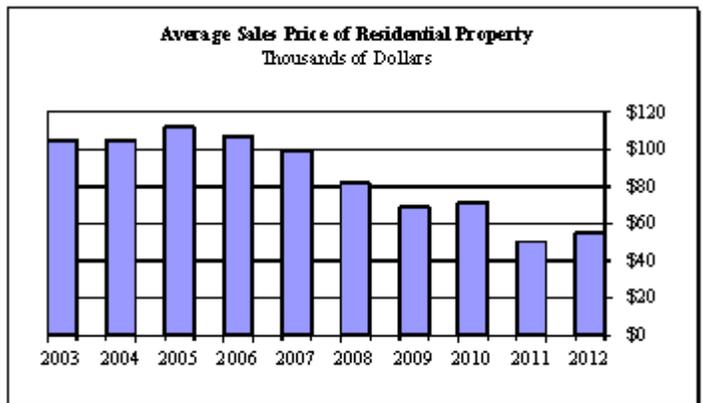
(b) Years 2010 through 2012 - 2010 Federal Census

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

(3) Source: County Planning Commission

(4) Source: County Auditor

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



# City of Euclid, Ohio

## Full-Time Equivalent City Employees by Function/Program

### Last Ten Years

**Table 17**

Function/Program	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>General Government</b>										
Council	10	10	10	11	11	11	11	11	11	11
Finance	11	12	14	15	16	15	13	13	13	17
Tax	8	8	8	10	10	10	7	7	0	0
Mayor	22	22	22	22	24	24	24	24	25	26
Law	9	11	11	10	9	9	10	8	8	7
Municipal Court	27	26	28	28	26	26	23	27	26	26
Public Service Administration	4	5	6	7	6	6	6	6	6	6
Engineer	6	6	6	2	3	3	3	3	3	3
Public Building	8	8	8	10	10	10	9	10	10	11
<b>Security of Persons and Property</b>										
Police	92	93	97	96	99	95	95	95	95	95
Police - Administration	11	11	11	11	9	7	7	7	7	8
Police - Records Room	5	5	6	6	6	6	6	5	5	6
Police - School Guards	11	11	11	11	10	10	10	10	10	13
Police - Communications	18	17	16	16	17	16	15	14	16	18
Police - Corrections	29	28	28	28	38	38	36	32	38	40
Police - Animal Control	2	2	2	2	3	2	2	2	3	4
Fire	80	81	79	79	82	82	80	77	78	82
<b>Leisure Time Activities</b>										
Recreation - Administration	4	4	4	4	5	4	4	4	4	4
Parks & Rec Maintenance	12	12	13	14	15	14	17	16	16	22
Recreation - Programs	56	56	75	75	75	75	75	75	88	119
Shore Cultural Center	0	0	0	0	4	4	4	4	4	5
Golf Course	0	0	0	27	34	34	34	33	31	32
<b>Community Development</b>										
Economic Development	6	7	6	6	8	7	6	5	7	7
Building	3	4	4	5	4	4	3	2	2	3
Housing	11	11	10	12	13	11	10	10	7	10
Weatherization	4	4	5	5	6	6	6	7	6	7
Senior Programs	12	11	8	15	23	21	20	21	22	25
<b>Transportation</b>										
Motor Maintenance	8	8	8	12	12	12	12	12	12	14
Traffic Maintenance	1	1	0	4	4	4	4	4	4	4
Street M&R	25	25	26	29	27	25	23	23	24	26
<b>Basic Utility Services</b>										
Wastewater	43	42	43	43	43	43	44	44	42	44
<b>Totals:</b>	<u>538</u>	<u>541</u>	<u>565</u>	<u>615</u>	<u>652</u>	<u>634</u>	<u>619</u>	<u>611</u>	<u>623</u>	<u>695</u>

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

# City of Euclid, Ohio

## Operating Indicators by Function/Program

### Last Ten Years

**Table 18**

Function/Program	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>General Government</b>										
<i>Council and Clerk</i>										
Number of Ordinances & Resolutions Passed	198	183	178	218	250	258	220	202	229	246
<i>Finance Department</i>										
Number of checks/ vouchers issued	4,312	4,785	4,781	6,492	6,966	6,839	6,292	5,258	5,459	5,455
Amount of checks written	\$ 16,785,380	\$ 19,158,227	\$ 22,146,777	\$ 21,145,225	\$ 21,301,660	\$ 20,765,198	\$ 18,347,965	\$ 20,341,425	\$ 22,292,434	\$ 21,994,000
Interest earnings for fiscal year (cash basis)	\$ 91,462	\$ 114,879	\$ 261,703	\$ 578,273	\$ 970,513	\$ 1,393,041	\$ 968,963	\$ 488,302	\$ 323,793	\$ 286,042
Agency Ratings - Moody's Financial Services	Aa2	A1	Aa3	Aa3						
Health Insurance Costs vs General Fund Expenditures %	12.45%	11.90%	11.96%	9.89%	8.96%	8.81%	9.19%	9.04%	9.04%	9.19%
General Fund Receipts (cash basis)	\$ 39,828,625	\$ 38,435,617	\$ 37,792,896	\$ 36,206,654	\$ 38,721,325	\$ 38,573,561	\$ 37,147,964	\$ 34,784,647	\$ 34,633,913	\$ 30,962,129
General Fund Expenditures (cash basis)	\$ 38,430,772	\$ 38,582,867	\$ 36,685,422	\$ 38,143,278	\$ 39,123,349	\$ 37,588,519	\$ 36,015,179	\$ 33,973,504	\$ 34,146,031	\$ 32,303,473
General Fund Cash Balances	\$ 4,047,139	\$ 2,591,536	\$ 2,796,536	\$ 1,689,062	\$ 3,625,687	\$ 4,027,711	\$ 3,042,669	\$ 1,909,884	\$ 1,098,740	\$ 647,842
<i>Income Tax Department</i>										
Number of Individual Returns	25,844	25,125	24,552	25,487	32,180	28,916	34,128	n/a	n/a	n/a
Number of Business Returns	3,214	3,168	2,950	2,958	2,928	2,638	2,853	n/a	n/a	n/a
Number of Business Withholding Accounts	3,050	3,022	2,979	3,043	3,050	3,117	3,131	n/a	n/a	n/a
Amount of Penalties and Interest Collected	\$ 595,147	\$ 625,900	\$ 586,113	\$ 501,077	\$ 658,185	\$ 562,411	\$ 533,448	n/a	n/a	n/a
Annual number of Corporate withholding forms processed	16,193	16,720	17,045	17,746	18,434	18,448	17,992	n/a	n/a	n/a
Annual number of balance due statements forms processed	21,563	10,926	7,471	6,484	7,779	6,914	7,033	n/a	n/a	n/a
Annual number of estimated payment forms processed	21,818	22,123	12,844	14,883	15,916	15,512	20,167	n/a	n/a	n/a
Annual number of reconciliations of withholdings processed	2,205	2,391	2,188	3,112	2,230	1,643	2,325	n/a	n/a	n/a
<i>Municipal Court</i>										
Number of Civil Cases	4,009	3,671	3,614	4,234	4,937	4,670	4,041	3,246	2,723	2,639
Number of Traffic/Criminal cases	7,643	6,720	7,430	7,510	8,718	7,573	6,398	5,908	7,801	8,363
<i>Vital Statistics</i>										
<i>Certificates Filed</i>										
Number of Births	2	0	4	2	1	2	2	4	0	4
Number of Deaths	368	366	404	430	491	406	440	512	529	553
<i>Certificates Issued</i>										
Number of Births	1,559	1,616	1,482	1,724	1,855	2,401	2,458	2,518	2,469	2,713
Number of Deaths	1,398	1,391	1,703	1,830	2,128	2,080	2,218	2,684	2,769	2,889
Burial Permits Issued	763	639	625	675	601	579	456	478	550	na
<i>Civil Service</i>										
Number of police entry tests administered	0	0	1	0	0	0	1	1	(a)	(a)
Number of fire entry tests administered	0	0	1	0	0	1	(a)	1	(a)	(a)
Number of police promotional tests administered	0	2	3	0	0	4	1	(a)	(a)	(a)
Number of fire promotional tests administered	4	0	3	0	3	0	4	(a)	1	(a)
Number of hires of Police Officers from certified lists	0	6	4	0	0	3	2	6	(a)	(a)
Number of hires of Fire/Medics from certified lists	5	10	0	0	0	5	(a)	12	(a)	(a)
Number of promotions from police certified lists	0	18	0	1	0	4	1	(a)	(a)	(a)
Number of promotions from fire certified lists	7	3	3	0	3	1	11	(a)	1	(a)
Number of Police Lateral Hires	6	n/a								

(Continued)

# City of Euclid, Ohio

## Operating Indicators by Function/Program (continued)

### Last Ten Years

**Table 18**

Function/Program	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>General Government</b>										
<i><b>Building Department Indicators</b></i>										
Estimated Value of Construction	\$ 14,571,894	\$ 10,879,053	\$ 22,004,556	\$ 17,632,080	\$ 19,829,373	\$ 19,199,769	\$ 14,337,881	\$ 12,461,795	\$ 12,927,470	\$ 17,409,525
Number of permits issued	3,667	2,978	2,504	2,964	2,430	2,194	2,294	2,291	2,713	2,138
Amount of Revenue generated from permits	\$ 421,875	\$ 1,271,562	\$ 325,992	\$ 231,664	\$ 221,555	\$ 268,817	\$ 218,779	\$ 203,544	\$ 239,570	\$ 174,801
Number of contractor registrations issued	1,056	989	794	969	919	910	808	785	930	990
<i><b>Housing Department Indicators</b></i>										
Total dwelling / housing units	26,153	26,181	26,205	26,235	26,235	26,265	26,284	26,284	26,304	26,276
Number of point of sale inspections	840	654	748	859	1,218	1,153	1,288	1,229	1,161	1,227
Number of rental inspections performed	11,129	11,126	11,138	10,890	10,435	9,482	9,761	9,017	7,636	7,542
Revenue generated from Housing Fees	\$ 799,942	\$ 729,035	\$ 735,200	\$ 839,055	\$ 876,234	\$ 732,683	\$ 720,042	\$ 579,290	\$ 562,178	\$ 576,939
<b>Security of Persons &amp; Property</b>										
<i><b>Police</b></i>										
Total Crimes/Offenses	12,594	13,956	18,130	15,592	17,187	19,789	21,446	16,677	18,320	20,321
Motor Vehicle Accidents	1,282	1,269	1,223	1,149	1,315	1,428	1,456	1,516	1,488	1,696
Fatalities from Motor Vehicle Accidents	2	3	2	1	3	3	1	2	4	2
Number of criminal arrests	3,249	2,665	2,988	2,654	3,201	2,942	2,883	2,566	2,986	2,823
Number of traffic citations issued	11,080	8,983	10,712	12,373	12,023	10,094	8,498	7,719	10,001	10,545
Number of parking citations issued	2,686	3,389	3,208	3,596	5,133	6,311	3,980	3,997	5,430	5,802
Narcotics & Vice Criminal Charges	2,060	1,457	1,760	1,798	2,524	2,277	2,710	2,252	1,969	1,543
Warrants Processed	2,466	2,390	1,926	2,669	3,351	4,247	3,335	3,465	4,280	3,723
Emergency Response Team (ERT) calls for service	14	7	13	29	25	14	6	10	6	15
Police Dept. Auxiliary hours worked	2,014.00	2,573.00	1,912.75	2,088.00	2,330.00	2,818.75	2,976.50	3,068.50	3,216.00	2,589.45
Grant Awards	\$ 548,842	\$ 585,689	\$ 1,807,491	\$ 1,665,907	\$ 296,910	\$ 238,261	\$ 296,860	\$ 265,784	\$ 103,627	\$ 128,090
Prisoners (Total Jail Days)	17,390	14,482	20,957	19,166	30,364	29,591	29,339	25,416	25,991	23,437
Prisoner revenue	\$ 399,663	\$ 385,031	\$ 719,895	\$ 469,059	\$ 678,661	\$ 997,818	\$ 519,437	\$ 666,896	\$ 467,210	\$ 546,320
Juvenile Diversion Program - referred	362	240	264	255	165	557	363	347	159	184
Juvenile Diversion Program - accepted	170	205	114	203	82	456	324	181	115	175
<i><b>Fire</b></i>										
EMS Calls	6,796	6,670	6,208	5,636	5,575	5,466	5,544	5,452	5,397	5,217
Ambulance Billing Collections (net)	\$ 1,475,553	\$ 1,370,438	\$ 1,231,380	\$ 1,228,840	\$ 1,178,278	\$ 1,175,599	\$ 1,174,427	\$ 1,124,218	\$ 979,105	\$ 925,934
Fire Calls	1,389	1,212	1,225	1,152	1,403	1,259	1,236	1,165	1,086	1,068
Fire Losses	\$ 1,756,825	\$ 3,409,405	\$ 1,256,000	\$ 380,450	\$ 1,585,500	\$ 1,119,925	\$ 917,200	\$ 1,219,400	\$ 1,867,400	\$ 883,325
Fire Safety Company Inspections	1,650	1,452	1,460	1,462	1,355	1,433	1,664	2,273	3,142	3,084
Fire Prevention Bureau Inspections	2,850	2,691	2,704	2,978	2,614	2,841	2,616	2,763	2,920	2,671
EMS Training (Man Hours)	1,500.00	1,450.00	1,255.00	1,452.75	1,334.50	1,996.75	1,917.75	1,071.50	1,919.75	1,247.25
Fire Training (Man Hours)	7,215.00	6,223.00	6,381.00	7,001.25	8,591.00	7,028.00	6,939.75	6,784.00	8,742.25	8,351.50
<b>Public Health and Welfare</b>										
Cemetery burials	2	5	1	3	1	0	0	3	5	3
Cemetery cremations	2	2	3	2	4	0	1	1	1	5
Cemetery sale of lots	0	0	0	0	0	0	0	0	0	0
Cemetery receipts	\$ 875	\$ 2,475	\$ 600	\$ 1,000	\$ 1,000	\$ 400	\$ 400	\$ 1,415	\$ 2,300	\$ 1,372

(Continued)

# City of Euclid, Ohio

## Operating Indicators by Function/Program (continued)

### Last Ten Years

**Table 18**

Function/Program	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>Leisure Time Activities</b>										
<i>Recreation</i>										
Swimming pool receipts	\$ 85,166	\$ 91,655	\$ 96,334	\$ 98,348	\$ 98,716	\$ 102,644	\$ 98,214	\$ 100,703	\$ 96,681	\$ 119,347
Ice Arena receipts	\$ 124,809	\$ 141,293	\$ 115,074	\$ 141,666	\$ 178,106	\$ 173,572	\$ 174,213	\$ 134,925	\$ 183,108	\$ 180,999
Youth & Adult Sports receipts	\$ 142,412	\$ 159,667	\$ 177,020	\$ 179,836	\$ 210,318	\$ 222,765	\$ 231,549	\$ 232,096	\$ 225,916	\$ 257,347
Shore Cultural Facility rentals*	\$ 306,324	\$ 360,401	\$ 290,623	\$ 117,887	\$ 211,921	\$ 229,676	\$ 195,479	\$ 178,188	\$ 194,067	\$ 187,464
<i>Golf</i>										
Rounds of Golf	38,691	31,169	31,856	35,118	40,486	44,636	44,742	46,776	50,003	48,679
Golf/Pro-shop receipts	\$ 701,977	\$ 569,643	\$ 601,983	\$ 623,533	\$ 679,953	\$ 658,739	\$ 673,323	\$ 624,760	\$ 674,592	\$ 668,676
Food & Beverage receipts	\$ 348,439	\$ 295,821	\$ 244,397	\$ 318,844	\$ 359,389	\$ 326,050	\$ 305,959	\$ 153,072	\$ 111,636	\$ 111,525
<b>Community Development</b>										
Grant amounts received due to Economic Development Dept.	\$ 1,260,262	\$ 2,292,241	\$ 3,157,430	\$ 1,245,302	\$ 1,244,705	\$ 1,663,793	\$ 1,165,922	\$ 1,567,271	\$ 1,279,625	\$ 1,515,890
<b>Transportation</b>										
Motor Maintenance - Number of vehicles & equip. maintained	493	512	542	544	513	509	501	554	552	556
Motor Maintenance - Repair Orders	1,277	1,777	1,905	2,151	2,332	2,437	3,031	2,994	3,271	3,852
Traffic Maintenance - No. of responses to EPD Signals/Signs	105	N/A	N/A	N/A	239	271	248	265	236	287
Snow & Ice Removal - Salt (tons)	4,451.00	4,483.51	6,763.83	5,261.25	9,572.00	8,902.30	4,404.69	9,758.94	6,220.75	8,065.38
Snow & Ice Removal - Salt (cost)	\$ 210,164	\$ 202,215	\$ 311,652	\$ 221,330	\$ 354,225	\$ 313,080	\$ 152,509	\$ 329,886	\$ 236,840	\$ 262,568
Street Repair Maintenance - Cold Patch (tons)	182.00	357.20	291.27	296.97	577.00	477.43	425.55	382.11	352.46	402.06
Street Repair Maintenance - Cold Patch (cost)	\$ 15,295	\$ 30,716	\$ 25,807	\$ 29,714	\$ 43,432	\$ 24,349	\$ 21,704	\$ 16,813	\$ 15,508	\$ 18,093
Street Repair Maintenance - Hot Mix (tons)	744.00	468.46	904.07	741.38	657.00	1,036.73	1,072.37	781.30	762.05	793.00
Street Repair Maintenance - Hot Mix (cost)	\$ 42,400	\$ 26,307	\$ 49,451	\$ 41,493	\$ 29,550	\$ 31,450	\$ 31,163	\$ 18,907	\$ 18,402	\$ 21,470
Street Repair Maintenance - Emulsion/Crack Sealer (gallons)	1,018	909	1,898	1,766	1,815	2,442	2,637	1,428	1,714	1,886
Street Repair Maintenance - Emulsion/Crack Sealer (cost)	\$ 2,545	\$ 2,518	\$ 5,542	\$ 4,681	\$ 3,936	\$ 4,533	\$ 4,199	\$ 1,572	\$ 1,650	\$ 2,460
Sewer Jet Cleaning - Sanitary Sewers (feet)	121,878	172,530	250,510	193,475	213,225	223,435	169,100	6,345	3,100	8,605
Sewer Jet Cleaning - Storm Sewers (feet)	0	2,000	20,390	2,100	5,225	4,635	4,320	2,500	1,450	1,000
Sewer Repairs (includes Water Department damage)	33	36	47	76	71	78	61	68	41	59
House Call Sewer Jobs/Residential & Business	1,006	1,431	1,058	1,185	1,139	1,195	1,595	1,492	1,327	1,732
Catch Basin Repairs	42	62	49	55	66	39	54	45	37	40
Catch Basin Cleaning	488	576	1,134	1,194	849	569	623	320	75	54
Man Hole Repairs	4	20	20	23	13	30	13	5	11	16
Sidewalk Repairs	10	16	14	16	9	25	12	19	5	12
Curb & Apron Repairs	88	40	52	80	31	50	17	25	23	26
Leaf Collection - Number of Loads	815	845	754	750	691	774	1,139	734	840	745
Street Sweeping - Number of Loads (dirt & debris)	401	248	381	386	471	321	582	352	301	285
Street Sweeping - Number of times whole city sweep	4	3	3	4	8	5	6	3	3	2
Water Hole Maintenance - New Water Openings	197	259	213	250	264	312	190	229	165	220
Water Hole Maintenance - Completed (cemented/asphalted)	314	265	326	288	265	195	221	279	265	326
Water Hole Maintenance - Total not completed	130	361	363	538	493	480	355	388	432	496
Fire Hydrants Painted	0	0	0	0	2,034	103	58	80	634	8

(Continued)

# City of Euclid, Ohio

## Operating Indicators by Function/Program (continued)

### Last Ten Years

Table 18

Function/Program	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>Wastewater Department</b>										
Wastewater Rates for Water Consumption Based Customers (per 1000 MCF)										
Euclid	\$ 48.17	\$ 35.17	\$ 33.01	\$ 31.01	\$ 29.01	\$ 29.01	\$ 29.01	\$ 29.01	\$ 28.71	\$ 28.71
Cuyahoga County (So.Euclid, Highland Hts, Richmond Hts)	\$ 33.49	\$ 29.21	\$ 29.05	\$ 29.05	\$ 29.05	\$ 29.05	\$ 29.49	\$ 26.05	\$ 25.75	\$ 25.75
Willoughby Hills	\$ 30.38	\$ 24.16	\$ 24.16	\$ 24.16	\$ 24.16	\$ 24.16	\$ 24.16	\$ 24.16	\$ 24.16	\$ 24.16
Wastewater Rates for Wastewater Master Meter Customers (per 1000 Gallons)										
Wickliffe	\$ 1.73	\$ 1.73	\$ 1.73	\$ 1.73	\$ 1.73	\$ 1.73	\$ 1.73	\$ 1.73	\$ 1.73	\$ 1.73
Willowick	\$ 1.73	\$ 1.73	\$ 1.73	\$ 1.73	\$ 1.73	\$ 1.73	\$ 1.73	\$ 1.73	\$ 1.73	\$ 1.73
Waste Water Flow MGD (Million Gallons per Day)										
Euclid	12.86	15.50	11.70	10.59	13.80	16.74	15.58	14.09	15.19	12.86
Wickliffe	2.36	2.93	1.93	1.92	2.14	2.36	2.60	2.51	2.38	2.51
Willowick	1.72	2.25	1.70	1.88	2.08	1.85	2.00	1.49	1.26	1.28
Total	16.94	20.68	15.33	14.39	18.02	20.95	20.18	18.09	18.83	16.65
<b>Water Line Construction Fund</b>										
Euclid (charges included with wastewater billing) (per 1000 MCF)	\$ 10.00	\$ 9.00	\$ 9.00	\$ 9.00	\$ 8.00	\$ 7.00	\$ 6.00	\$ 5.50	\$ 4.50	\$ 4.00
Wastewater Rates										
Wickliffe & Willowick (master metered per 1,000 GA)										
Operating, Maintenance & Repairs	\$ 1.70	\$ 1.39	\$ 1.39	\$ 1.39	\$ 1.39	\$ 1.39	\$ 1.39	\$ 1.39	\$ 1.39	\$ 1.39
Capital Costs	0.39	0.28	0.28	0.28	0.28	0.28	0.28	0.28	0.28	0.28
Lakeshore Trunk Sewer Line maintenance	0.00	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06
Total	\$ 2.09	\$ 1.73	\$ 1.73	\$ 1.73	\$ 1.73	\$ 1.73	\$ 1.73	\$ 1.73	\$ 1.73	\$ 1.73
Willoughby Hills (per MCF of water consumption)										
Operating, Maintenance & Repairs	\$ 24.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60
Capital Costs	5.78	4.08	4.08	4.08	4.08	4.08	4.08	4.08	4.08	4.08
Satellite Sewer Discharge Program services	0.00	0.48	0.48	0.48	0.48	0.48	0.48	0.48	0.48	0.48
Total	\$ 30.38	\$ 24.16	\$ 24.16	\$ 24.16	\$ 24.16	\$ 24.16	\$ 24.16	\$ 24.16	\$ 24.16	\$ 24.16
Cuyahoga County (So.Euclid, Highland Hts, Richmond Hts)										
Operating, Maintenance & Repairs	\$ 24.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60
Capital Costs	5.78	4.08	4.08	4.08	4.08	4.08	4.08	4.08	4.08	4.08
Satellite Sewer Discharge Program services	0.00	0.48	0.48	0.48	0.48	0.48	0.48	0.48	0.48	0.48
Equalization under billing (2nd quarter 2000)	0.00	0.00	0.00	0.00	0.00	0.00	0.44	0.44	0.44	0.44
Equalization under billing (3rd quarter 2000)	0.00	1.94	1.94	1.94	1.94	1.94	1.94	0.00	0.00	0.00
Meter Reading/Billing Charges (City of Cleveland)	1.61	1.61	1.45	1.45	1.45	1.45	1.45	1.45	1.15	1.15
Administrative Expenses (City of Euclid)	1.50	1.50	1.50	1.50	1.50	1.50	1.50	0.00	0.00	0.00
Total	\$ 33.49	\$ 29.21	\$ 29.05	\$ 29.05	\$ 29.05	\$ 29.05	\$ 29.49	\$ 26.05	\$ 25.75	\$ 25.75
Euclid										
Operating, Maintenance & Repairs	\$ 24.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60
Capital Costs	8.08	4.08	4.08	4.08	4.08	4.08	4.08	4.08	4.08	4.08
Peterson Construction Fund	13.88	9.88	7.88	5.88	3.88	3.88	3.88	3.88	3.88	3.88
Meter Reading/Billing Charges	1.61	1.61	1.61	1.61	1.45	1.45	1.45	1.45	1.15	1.15
Total	\$ 48.17	\$ 35.17	\$ 33.17	\$ 31.17	\$ 29.01	\$ 29.01	\$ 29.01	\$ 29.01	\$ 28.71	\$ 28.71

Source: City Departments  
(a) Test not administered  
n/a Information not available

# City of Euclid, Ohio

## Capital Assets Statistics by Function/Program

### Last Nine Years (1)

**Table 19**

Function/Program	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>General Government</b>									
Square Footage Occupied	11,392	11,392	11,392	11,392	11,392	11,392	11,392	11,392	11,392
Administrative Vehicles	2	3	2	1	1	17	21	20	20
Inspection Vehicles	14	14	11	12	14	14	13	13	13
Municipal Court Vehicles	1	1	1	1	1	1	1	1	1
Lands & Buildings Vehicles	12	14	11	11	11	10	9	9	9
<b>Police</b>									
Stations	1	1	1	1	1	1	1	1	1
Mini-stations	2	2	2	2	2	2	2	1	0
Square Footage of Buildings	58,384	58,384	58,384	58,384	58,384	58,384	58,384	51,194	49,094
Vehicles	64	63	63	64	64	66	69	59	60
<b>Fire</b>									
Stations	3	3	3	3	3	3	3	4	4
Square Footage of Buildings	27,389	27,389	27,389	27,389	27,389	27,389	27,389	34,579	34,579
Vehicles	18	18	13	16	18	18	18	18	21
<b>Recreation</b>									
Number of Parks	6	6	3	3	3	3	3	3	3
Acres of Parks	106	106	106	106	106	106	106	106	106
Acres of Playgrounds/Recreation	254	254	254	254	254	254	254	254	254
Number of Playgrounds	14	14	14	14	14	14	14	14	14
Number of Tennis Courts	6	6	6	6	6	6	6	6	6
Number of Skateboarding Areas	1	1	1	1	1	1	1	1	1
Number of Baseball Diamonds	9	9	9	9	9	9	9	9	9
Number of Soccer Fields	7	7	7	7	7	7	7	7	7
Number of Swimming Pools	4	4	5	6	6	6	6	6	6
Number of Ice Rinks	1	1	1	1	1	1	1	1	1
Acres of Golf Course	126	126	126	126	126	126	126	126	126
Square Footage of Shore Center Building	153,525	153,525	153,525	153,525	153,525	153,525	153,525	153,525	153,525
<b>Other Public Works</b>									
Streets (miles)	143.065	143.065	143.065	143.065	143.065	143.065	143.065	143.065	143.065
Service Vehicles	58	54	43	43	40	35	35	33	32
<b>Wastewater</b>									
Sanitary Sewers (miles)	262.38	262.38	262.38	262.38	262.38	262.38	262.38	262.38	262.38
Vehicles	10	10	11	10	11	20	13	13	13
<b>Water Department</b>									
Water Lines (miles)	139.65	139.65	139.65	139.65	139.65	139.65	139.65	139.65	139.65

Source: City Departments

(1) Information prior to 2004 is not available

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# Dave Yost • Auditor of State

CITY OF EUCLID

CUYAHOGA COUNTY

## CLERK'S CERTIFICATION

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

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
OCTOBER 3, 2013