

CITY OF SOUTH EUCLID, OHIO

COMPREHENSIVE

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2014

ISSUED BY THE DEPARTMENT OF FINANCE

James Smith

FINANCE DIRECTOR



Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the City of South Euclid, Cuyahoga County, prepared by James G. Zupka, CPA, Inc., for the audit period January 1, 2014 through December 31, 2014. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost
Auditor of State

September 29, 2015

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City of South Euclid, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2014
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CITY OF SOUTH EUCLID



June 8, 2015

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

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

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

Under Ohio law, regular audits are required to be performed on all financial related operations of the City. These audits may be done by either the State Auditor's Office or, if the State Auditor permits, an independent public accounting firm. For the year 2014, the City of South Euclid was audited by James G. Zupka, CPA Inc. Their unmodified opinion is included in the financial section of this report.

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

Reporting Entity

The City of South Euclid, Ohio, is located in the northeast portion of Cuyahoga County, 10 miles from downtown Cleveland, with the cities of Lyndhurst to the east, Cleveland Heights to the west, University Heights and Beachwood to the south, and Cleveland, Euclid and Richmond Heights to the north. The City has 21,209 residents, according to the most recent data from the United States Census Bureau.

The City is in the Cleveland Primary Metropolitan Statistical Area, comprised of the four counties of Cuyahoga, Geauga, Lake and Medina, which is the 16th largest in the United States. The City is also in the Cleveland-Akron-Canton Consolidated Metropolitan Statistical Area which is the 15th most populous in the Country.

The City is a member of the Northern Ohio Risk Management Association, a shared risk pool. In addition, the City participates in the Community Partnership on Aging which has been determined to be a joint venture and the Northeast Ohio Public Energy Council, the First Suburbs Consortium of Northeast Ohio Council of Governments, the Heights Area Special Rescue Team and the Eastside Departments Group Enforcement

which are jointly governed organizations. The shared risk pool, joint ventures and the jointly governed organizations are discussed in Notes 9, 19 and 20 to the basic financial statements.

Form of Government

The City operates under and is governed by its Charter which voters first adopted in 1953 and which has been amended from time to time. The last amendment was made in 2012. The City is also subject to certain general laws applicable to all Ohio cities. Under the Ohio Constitution, the City may exercise all local self-government and police powers to the extent that none are in conflict with applicable general laws. The Charter also establishes certain administrative departments.

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

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

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

City Services

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

Economic Condition and Outlook

South Euclid continues Community and Economic Development efforts that are unique and creative and seek to maintain and provide long-term diversification of economic tax base for the community.

Cedar Center North Redevelopment Project

The Cedar Center North Redevelopment Project has revitalized a once-blighted and brownfield contaminated retail area, and added hundreds of new jobs to the City's tax base while helping to stabilize a neighborhood hardest-hit by the housing and foreclosure crisis and economic recession.

Cedar Center North, once a blighted and obsolete retail strip, which was over 40 percent vacant, has been demolished and previous contamination of the brownfield site has been remediated. The Public-Private Redevelopment began in April 2011 with the construction of the first phase of the new Cedar Center North Shopping District began with a new national anchor, Gordon Foods Marketplace, which opened in 2011, followed by the construction and opening of a new Bob Evans restaurant in April 2012. As of Spring 2015 an approximately 7 additional acres have developed with the following retailers open for business: Starbucks, Panera Bread, Chipotle, Menchie's Frozen Yogurt, Petsmart, Sprint, Piada Italian Street Food, China Gate Restaurant, Jimmy Johns Sandwich Shop, Little Caesar's Pizza, Five Guys Burgers and Fries, Huntington Learning Center, Levin Mattress, Sport Clips, GNC, Square One Nails, Wingstop, Zoup, Dani La'Rose Salon and Spa and Cookie and a Cupcake making the current development nearly 100 percent leased.

Many of the restaurants feature outdoor dining areas, which complement a community civic space area that has been built near the center of the new Cedar Center North District. The civic space is being utilized as a free civic space for the enjoyment of residents and for community band concerts, festivals, and other events. Nearly three-acres remain available for development, and the City is moving forward with marketing the remaining land with the expectation of final site development in the next two years.

The revitalization of the Cedar Center North Business District has helped stabilize one of the areas hardest-hit by the national housing and foreclosure crisis and helped spark additional residential and commercial reinvestment in the neighborhood. The City recognizes the importance of return on investment from the project to the community as a net benefit in the form of tax revenues, enhanced quality of life, stabilization of adjoining neighborhoods and growth in the local economy. As a result, income generated through the Cedar Center Tax Increment Financing District and Oakwood Commons Development Project will provide funds to pay annual debt service and maintain a high level quality of life that will attract and retain both residents and a qualified workforce. These efforts have already shown effectiveness with the transformation of two long-vacant commercial buildings near the center, which have been completely revitalized and are now home to a longtime neighborhood jeweler and monument business. In addition, a dilapidated retail strip plaza between Cedar Center and Oakwood Commons underwent a major renovation and facelift during 2014 and another deteriorating building has been demolished and a new convenience store is currently under construction.

Oakwood Commons \$45 Million Retail Development

On November 8, 2011, South Euclid voters approved Issue 96, affirming the unanimous votes by South Euclid's Planning Commission and City Council to rezone 63 acres of the closed Oakwood Country Club from residential to commercial use. The rezoning allows for the construction of a new 41-acre retail development by developer First Interstate Properties. In October 2013 Oakwood's first tenant, a Walmart Supercenter opened for business. Several months later, the first of several outparcels was built which includes four tenants: Foot Locker, Penn Station Subs, Sally Beauty and Great Clips. Another big box retail store and additional outparcels for restaurants and retailers are in the planning and leasing stages.

The Oakwood Commons development is unique in that it is the first "green-built" retail center in Ohio and sets a standard for a new model of sustainable design practices in a commercial environment. Per a development agreement with the City, all buildings in Oakwood Commons will be LEED-certified, making it the first shopping center in the region to have LEED certification. The Walmart Supercenter is the first LEED Certified, sustainably built Walmart in the world.

In addition, First Interstate has donated 21-acres to the City which has been permanently preserved as greenspace, nearly doubling the amount of publicly accessible community green space in South Euclid and providing residents with a new "nature" park with trails and walking paths. First Interstate invested over \$400,000 to turn the greenspace into a natural public park.

Oakwood Commons Economic Impact

Based on conservative estimates, TEAM NEO and the Greater Cleveland Partnership project that Oakwood Commons will generate new local income tax revenues of about \$460,000-\$523,000 and approximately \$1.7 million in new property tax revenues each year, benefiting the public schools, library, City and County.

Additional City Retail & Business Districts:

The City's retail shopping and business districts serve as important tax contributors and pedestrian friendly shopping areas for residents. The continuing revitalization of some of South Euclid's older and obsolete business districts serve to help maintain and revitalize adjacent neighborhoods. A few of the vacant spaces saw rebirth during the year with the return of Loparo's Pizza, a longtime South Euclid institution and the renovations of some long-time vacant buildings and older establishments for new uses.

In 2014, the Mayfield-Green Shopping District housed more than a dozen national and local retail stores including: CVS Pharmacy, Marc's Discount Store, The Coffee Phix, Fit-Natics Dance Studio, Eat at Joe's, South Euclid Hardware, Key Bank and other restaurants and shops, including a Giant Eagle Supermarket. Arby's and Taco Bell restaurants had their existing locations undergo exterior renovations to bring both locations up to the architectural standards of the new corporate images for these buildings. There were two

large interior renovation projects, which included the interior renovation on an existing Key Bank building; and a new Car Parts Warehouse, which moved into a vacant commercial building. In 2014 South Euclid Hardware purchased a vacant building and expanded and moved to its new location. In addition, several of the City's local taverns including The Riverstone, Rummys and Black Forest Inn, and Johnny Malloys have been refreshed by their owners and have joined together to begin promoting the district through the creation of a family-friendly summer block festival which will debut in 2015.

The Shopping District's location to the growing Notre Dame College campus, University Suburban Health Center, and Senders Pediatric Health Center has contributed to continuing signs of building revitalization and storefront renovations. In 2014 the City initiated the Greenfield Community Garden Beautification Project at the corner of Mayfield and Green. The project was funded through grants and additional donations and was the project was chosen by the Enterprise Foundation as one of their for "Nurture An Idea" Crowdrise Challenge Projects. The project brought gardening activities right onto the public sidewalk, making the area more inviting and pedestrian friendly. In addition, outdoor furniture, bike racks, banners featuring the new City logo and decorative plantings now line the Mayfield/Green intersection. The goal of the project is to encourage commercial investment and the attraction of higher-quality businesses. Smaller neighborhood-based shopping districts located throughout the City serve the needs of residents and small businesses, including the Glengate, Glenmont and Cedar-Green Shopping areas. New local businesses continued to invest and open in South Euclid in 2014 including, The Chocolate Emporium (Greater Cleveland's only Kosher Chocolate Store), Dogtropolis, a new doggie-daycare. In addition, long-time business Mayfield Collision Center was named one of the Top-10 body shops in the United States.

University Suburban Health Center is a major medical facility affiliated with University Hospitals. University Suburban Health Center provides quality health care to South Euclid residents as well as to our neighboring communities and is one of South Euclid's largest employers. In addition, the nearby Cedars on the Green Pediatric Center continues to expand adding new health care related jobs to South Euclid's economy.

South Euclid is home to **Notre Dame College** (NDC), a private, four-year institution of higher learning and the City's largest employer. The college celebrated its 90th anniversary in 2013. In 2011 NDC acquired the former Regina High School building to further expand their classroom and office space as part of the continued growth of the college. The college holds the distinction of being one of the fastest growing colleges in the country. College enrollment has grown from several hundred to several thousand in the last decade, spurring the creation of new academic and athletic programs and acceptance into the NCAA. Notre Dame recently completed a new dormitory in order to meet the College's growing enrollment. As the City's largest employer, Notre Dame College also serves as one of the City's community partners, collaborating with the City on major events and activities for residents.

Industrial and Commercial Anchors

South Euclid has an industrial-commercial corridor, which is home to a variety of manufacturing industries and is also vital to maintaining the City's tax base and contributing to a stable economic environment. Anchor businesses in the district include AeroControlex Group Inc., a Division of TransDigm, Inc., a Fortune 500 company that manufactures custom components for the aerospace industry. AeroControlex Group Inc. completed the expansion to their existing facility in 2009 and as a result of the acquisition of another company, is expanding again in 2013 and bringing another estimated 50 new employees to the South Euclid location. Additional anchors include Rochling Glastic Composites, LP, an international German company which manufactures thermoset polymers used in appliances, and Gent Machine Company, which manufactures Davenport and Swiss screw machine parts that are used in automotive, safety and other growing industries. In 2012, Gent Machine purchased a building next door to their current location and has expanded to meet their growing industrial clientele, which includes manufacturing parts for Tesla's electronic automobiles. Gent has added approximately 40 jobs as a result of their expansion.

"One South Euclid" Community Development Corporation

The City has worked with business and civic leaders to incorporate a new non-profit Community Development Corporation (the Corporation) to assist the City of South Euclid with community, economic and residential advancement. The Corporation, named "One South Euclid", creates a new model to help

sustain and develop the City of South Euclid and enhance the quality of life by implementing programs that strengthen the community through economic and community development, collaboration and strategic initiatives.

One South Euclid is a non-profit, 501(C)(3) Community Urban Development Corporation with its own independent volunteer-driven Board of Trustees made up of committed residents and business owners. On April 23, 2012 South Euclid City Council approved Resolution 22-12 authorizing the Mayor to enter into a three-year agreement with One South Euclid to provide for certain services including the organization's "Build, Grow & Thrive" program, a residential lot program to creatively manage housing foreclosures, as well as the management of the City's new community gardens and pocket parks.

Since 2012, the Corporation has generated over \$100,000 to support community programs, which will include both existing and new initiatives to assist in the continuing revitalization of residential and commercial areas throughout the City. The organization underwent a Strategic Planning Initiative in 2014 that included the revision of the organization's by-laws and expansion of the board of trustees. Both Mayor and President of City Council have two non-voting appointments to the Board. The organization's goal for 2015 is to create a three-year plan to refine One South Euclid's operating structure to best serve the needs of the community. It is expected that One South Euclid will be implementing new community revitalization grant and/or loan programs in the next year.

City Comprehensive Master Plan Update

The City of South Euclid in 2013 and 2014 engaged the public in preparation for the development of a new Comprehensive Master Plan for the City of South Euclid. The new Plan will present the City's vision for the future and serve as a policy guide for the City. It is designed to provide a flexible roadmap for future development and to ensure that new growth is consistent with the City's goals and objectives. A fundamental part of the Master Plan has been public engagement to indicate the community's desires for its future and long-term vision. Outreach and engagement were critical components in the development of the plan and included input from residents, business owners, community organization representatives and other stakeholders. In 2015, the South Euclid Planning Commission and City Council will review the new Comprehensive Master Plan and make recommendations for proposed adoption.

HOUSING AND NEIGHBORHOOD REDEVELOPMENT

TRANSFORMING NEIGHBORHOODS AND CREATING OPPORTUNITY

The City's residential areas are home to close to 10,000 dwelling units with a diversity of housing types from pre-World War II era colonials and farmhouses, 1950's style bungalows and thousands of homes built between 1960 and the 1980's. In the last decade, the City has continued to provide for the demand for new housing with several new developments as well as the increasing construction of infill homes. While there was an increase in vacant homes as a result of the housing and foreclosure crisis and economic recession, the City took a proactive to approach toward managing the crisis and as a result, over \$33 million in residential investment has occurred in our neighborhoods since 2010. Homeowners continue to carefully maintain their properties and the City has been proactive in providing a mix of new programs and enhanced codes to both enforce and encourage individual upkeep. The City continues to administer its systematic owner-occupied residential exterior inspection cycle, and a stringent rental registration and inspection program. The program establishes minimum standards governing the maintenance of dwelling structures, which allows the City to ensure that homes are well maintained and that values increase. Home values increased by 14.2 percent in 2014, and the City was named a "Top 10 Community" by Keller Williams Realty.

In 2010, City Council passed Ordinance 11-10, mandating the registration and inspection of vacant buildings. Since this ordinance passed, nearly 1,000 formerly vacant properties have been brought into full code compliance and put back into productive use. The City has demolished over 60 properties that were too far gone to be saved. The City's demolition program will continue into 2015. As vacant lots are coming into the City's land bank through tax foreclosure, they are being held in the land bank until passed onto One South Euclid for renovation. The new homes being constructed are selling between \$180,000 and \$230,000, providing a boost to the area's comparable values. Since 2010, 11 new scattered site infill homes have been

constructed or are currently being constructed in the City, with a total of 27 new homes including those constructed at the nearly completed Cutter's Creek development.

The Green Neighborhoods Initiative

The City was able to obtain over \$1.3 million in competitive federal and local grant funding in 2008 to launch the South Euclid Green Neighborhoods with the goal of stabilizing and revitalizing neighborhoods that were hard hit by the foreclosure crisis.

The Green Neighborhoods Initiative utilized strategic public-private partnerships to re-brand neighborhoods affected by the foreclosure crises and create increased demand for existing homes - increasing property values and neighborhood pride. The award-winning program has garnered international media attention as a model for managing the housing and foreclosure crisis with coverage from Bloomberg News, TF 1 – French Television, French 2 Television and the Canadian Broadcasting Corporation.

Through the initiative, the City has undertaken three types of revitalization projects: the green rehabilitation of formerly foreclosed bungalow style homes, the creation of unique community gardens and park space, and the establishment of an infill lot redevelopment program. The Green Neighborhoods Initiative built on the noteworthy sustainability initiatives already in place in the City, such as the Langerdale Marsh retrofit, the creation of the South Euclid Land Conservancy and numerous “green” ordinances that have been passed in recent years by City Council, such as those encouraging storm water management best practices and riparian protection. In 2013, the second new “green-built” Idea Home was completed– serving as another model for the private market to build affordable, new green-homes in South Euclid. The home sold for approximately \$162,000. The City constructed that home with an additional \$200,000 grant from HUD National Stabilization Round 3.

Measuring Results

The objective of the Green Neighborhoods Initiative was to create demand for South Euclid's housing stock and re-brand the City as the first choice for green and sustainable living. The projects increased neighborhood pride and encouraged additional investment in existing homes. At the end of 2014, five bungalow retrofits were completed and sold, two new homes were completed and sold, eight community gardens and three community parks have been constructed.

GNI Homes More Than Double the Value of Homes Over Street Average

A 2010-2014 analysis of home sales data on these streets reveals that, on average, a Green Neighborhoods retrofit sold for more than twice the amount of an average home on the same street (Between \$112,000 and \$162,000). This is a measurable example of the success of the program and illustrates the viability of our housing market.

GNI is a Catalyst for Private Development

The Green Neighborhoods Initiative homes are serving as models throughout South Euclid for the private rehabilitation of vacant and foreclosed homes and have led to greater confidence in South Euclid's housing market. Since the program's inception, there has been a 63 percent increase in private residential rehabilitation and construction projects. Total valuation of residential construction activity in the City since 2010 has exceeded \$33 million. The project was a spring board for the formation of One South Euclid (a not-for-profit community improvement organization) which has continued to be engaged in residential redevelopment through the Build, Grow, Thrive, Residential Resale Program.

Long term financial planning

The general fund balance increased in 2014 from the previous year. The net change in fund balance for the general fund was \$461,254, which represents about an 8 percent increase. The general fund balance was still a healthy \$5,954,089 at year end.

The City income tax is the largest source of revenue for the funding of the City's governmental activities. The tax rate remained constant at 1.50 percent from 1984 through 2005. In August 2005 the citizens of South Euclid voted to raise the income tax rate to 2.00 percent becoming effective January 1, 2006.

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

The City also uses two funds for the maintenance and capital improvements of the City sewer system. Every person, including businesses, whose premise in the City is served by a connection with the sewer system of the City, shall pay a sewer rental charge. A portion of the charge goes into the sewer rehabilitation capital projects fund which is used to pay for the cost of the management, maintenance and repair of the sewer system. The major portion of the revenue collected gets deposited into the flood control capital projects fund. This fund is used for the cost of improving the City's sewer system by construction, renovation or replacement.

Relevant financial policies

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

Major Initiatives

For the Year In 2014, the City of South Euclid continued its commitment to provide quality services and facilities to the City's residents. Emphasis continued to be placed on the maintenance and improvement of the City's infrastructure, specifically streets and sewers. The City also continued its traditional annual road resurfacing program. Through the combination of the road improvement fund and the flood control fund three streets were able to be reconstructed or resurfaced.

In 2009, the City of South Euclid entered into a joint economic development agreement with the City of Cleveland whereby the City of Cleveland has assumed ownership, including capital improvement and repair responsibilities, for the public water mains within the City of South Euclid, in return for South Euclid sharing a portion of any tax revenue that would be generated by any business that might relocate from Cleveland to South Euclid. Under this agreement South Euclid can elect to replace failing water mains under a municipal public bidding and contract process. The cost of this, including engineering and supervision, is then eligible for reimbursement by the City of Cleveland. In 2010, a new fund was established to account for these projects. Over \$2,000,000 was spent for water main replacement in 2014. There are also projects scheduled for 2015.

The Planned Unit Residential Development, (PURD), known as Cutter's Creek, built three units in 2014. The entire development is planned with 46 units. To date, 42 of those units have been constructed.

The Police Department purchased two new vehicles in 2014, these new police cars were outfitted with all new equipment and computers. The Service Department purchased two new service trucks in 2014. The City is always in the process of updating the aging computers throughout City Hall. The City Hall also had a partial upgrade in 2014 with a new parking lot. The parking lot project was completely funded by the Surface Water Improvement Fund Grant.

The City continues to improve communication with residents. The City updated its website, WWW.CITYOFSOUTHEUCLID.COM, with a redesign to allow ease of access for residents. This user-friendly upgrade allows residents the ability to easily contact any of the City's respective departments.

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

The City continues to analyze the four quadrants at Mayfield and Green Roads, to allow the area to reach its full potential. The City continues to attract interest in all of our commercial districts which demonstrates the City's success in winning over the development community.

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

Other Information

Awards

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 South Euclid for its comprehensive annual financial report for the fiscal year ended December 31, 2013. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

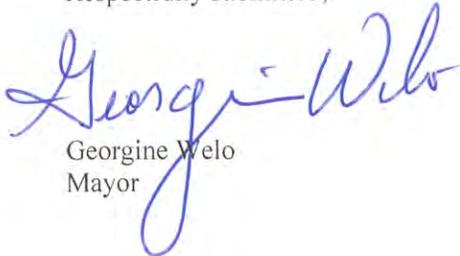
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The City of South Euclid also received the Ohio Auditor of State Award with Distinction. This award was presented for excellence in financial reporting for the Comprehensive Annual Financial Report for the fiscal year ended 2013.

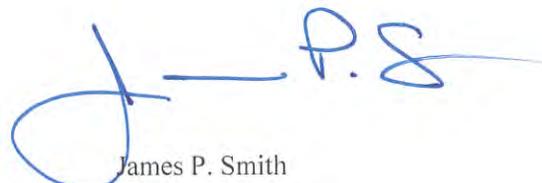
Acknowledgements

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

Respectfully submitted,

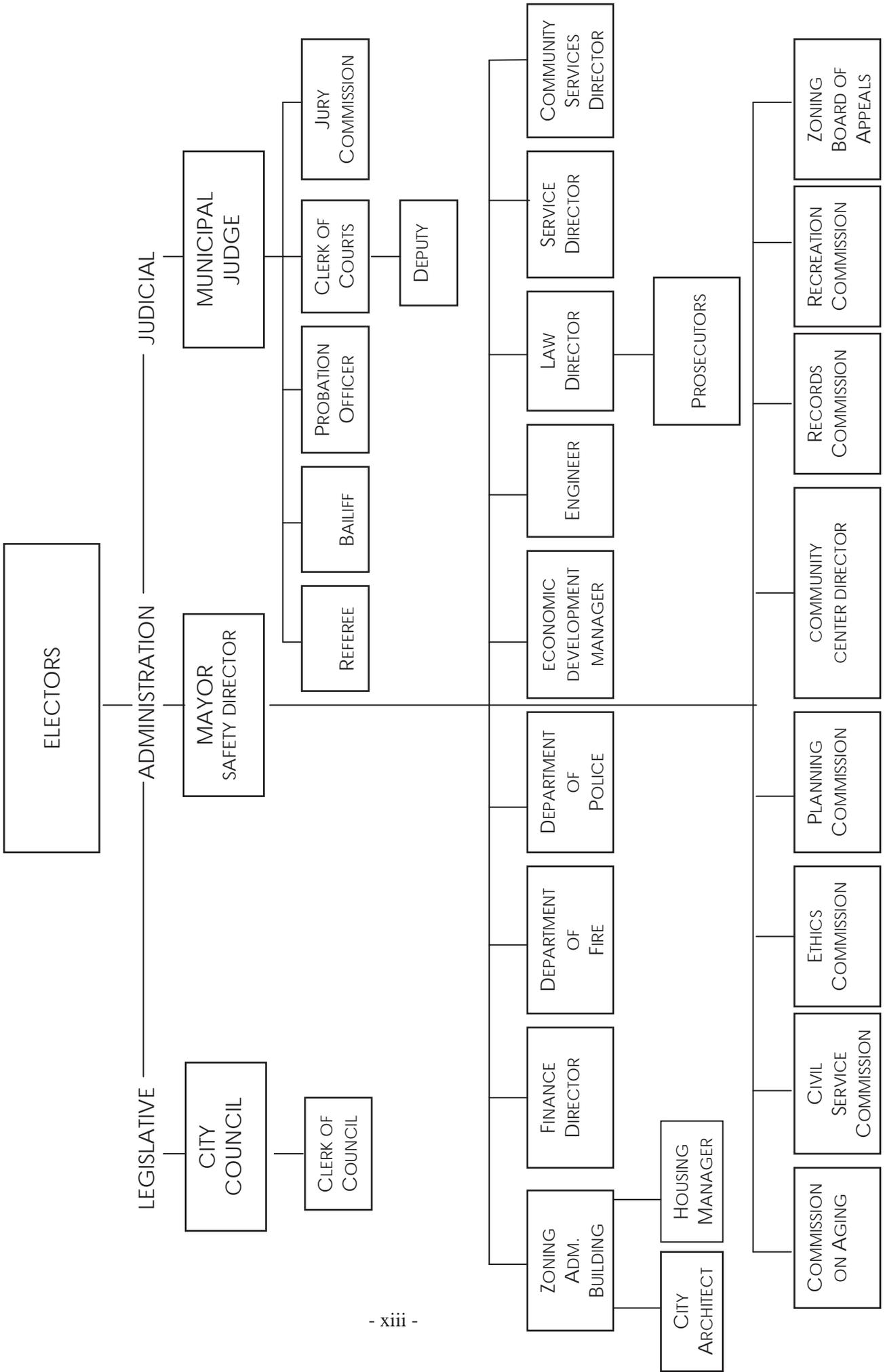


Georgine Welo
Mayor



James P. Smith
Finance Director

CITY OF SOUTH EUCLID
ORGANIZATION CHART



CITY OF SOUTH EUCLID

ELECTED AND APPOINTED CITY OFFICIALS

HONORABLE MAYOR GEORGINE WELO

CITY COUNCIL

Dr. David B. Miller, President, At Large

Modestino Romeo, Ward 2

Ruth Gray, Ward 1

Marty Gelfand, At Large

Dennis Fiorelli, At Large

Edward A. Icové, Ward 3

Jane Goodman, Ward 4

MUNICIPAL JUDGE

Gayle Williams - Byers

APPOINTED OFFICIALS

James P. Smith, Director of Finance

Michael Lograsso, Director of Law

James Anderson, Director of Service

Paul Kowalczyk, Building Commissioner

Kevin Nietert, Chief of Police

Douglas Stefko, Chief of Fire

Andrew K. Blackley, City Engineer

Michael Love, Director of Economic Development

Meg Martines, Director of Community Center

Keith A. Benjamin, Director of Community Services



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

City of South Euclid
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO

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

Certified Public Accountants

5240 East 98th Street

Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of City Council
City of South 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, each major fund, and the aggregate remaining fund information of the City of South Euclid, Cuyahoga County, Ohio, as of and for the year ended December 31, 2014, 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 of South Euclid, Ohio'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 of South Euclid, Ohio'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, each major fund, and the aggregate remaining fund information of the City of South Euclid, Ohio, as of December 31, 2014, and the respective changes in financial position, 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.

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 South 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 basic 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 June 8, 2015, on our consideration of the City of South Euclid, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 South Euclid, Ohio's internal control over financial reporting and compliance.



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

June 8, 2015

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City of South Euclid, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
Unaudited

The discussion and analysis of the City of South Euclid's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2014. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers are encouraged to consider information presented here in conjunction with the additional information contained in the transmittal letter, as well as the basic financial statements and the notes to the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

- The assets and deferred outflows of the City of South Euclid exceeded its liabilities and deferred inflows at December 31, 2014. This is due to increases in cash and cash equivalents as revenues exceeded expenses.
- In November 2013, voters of South Euclid passed a 3 year, 3.25 mill, safety forces levy. The levy generated \$1,032,280 in 2014.
- The City rolled \$2,000,000 in bond anticipation notes for various City projects. The City issued \$1,840,000 in Housing Development Special Obligation bonds which will be for the purchasing of certain real estate for improvement and resale.
- The City made capital purchases for equipment and vehicles as well as infrastructure improvements as they continue to replace aging assets.

Using this Annual Financial Report

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

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

City of South Euclid, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
Unaudited

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

Statement of Net Position and the Statement of Activities

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

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

- Assets
- Deferred Outflows of Resources
- Liabilities
- Deferred Inflows of Resources
- Net Position
- Program Revenues and Expenses
- General Revenues
- Net Position Beginning of Year and Year's End

Reporting the City of South Euclid's Most Significant Funds

Fund Financial Statements

The analysis of the City's major funds begins on page 10. Fund financial reports provide detailed information about the City's major funds. The City of South Euclid has established many funds that account for the multitude of services, facilities and infrastructure provided to our residents. However, these fund financial statements focus on the City's most significant funds. The City's major funds are the general fund and the flood control capital projects fund.

Governmental Funds

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

City of South Euclid, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
Unaudited

Government-wide Financial Analysis

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2014?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by the private sector. The basis for this accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid. These two statements report the City's net position and the changes in that position. The change in position is important because it tells the reader whether, for the City as a whole, the financial position of the City has improved or diminished. As can be seen from the increase in net position, the overall financial position has slightly improved. This increase can be attributed to the continued pay down of outstanding debt.

The City of South Euclid as a Whole

Recall that the Statement of Net Position looks at the City as a whole. Table 1 provides a summary of the City's net position for 2014 compared to 2013.

Table 1
Net Position

	Governmental Activities		
	2014	2013	Change
Assets			
Current and Other Assets	\$27,779,679	\$25,883,457	\$1,896,222
Capital Assets, Net	47,070,226	47,447,592	(377,366)
Total Assets	74,849,905	73,331,049	1,518,856
Deferred Outflows of Resources	45,222	56,768	(11,546)
Liabilities			
Current Liabilities	1,754,055	5,668,423	3,914,368
Long-Term Liabilities:			
Due Within One Year	1,539,665	1,047,861	(491,804)
Due in More Than One Year	27,104,417	24,826,189	(2,278,228)
Total Liabilities	30,398,137	31,542,473	1,144,336
Deferred Inflows of Resources	\$4,781,707	\$4,946,226	\$164,519

City of South Euclid, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
Unaudited

Table 1
Net Position - Continued

	Governmental Activities		
	2014	2013	Change
Net Position			
Net Investment in Capital Assets	\$22,515,787	\$21,844,110	\$671,677
Restricted for:			
Capital Projects	4,934,777	6,392,259	(1,457,482)
Law Enforcement	232,476	246,533	(14,057)
Street Maintenance	468,017	409,352	58,665
Street Lighting	588,793	494,395	94,398
Sewer Maintenance	436,967	400,631	36,336
Community Development	145,265	545,288	(400,023)
Other Purposes	1,514,700	329,432	1,185,268
Unrestricted	8,878,501	6,237,118	2,641,383
<i>Total Net Position</i>	<u><u>\$39,715,283</u></u>	<u><u>\$36,899,118</u></u>	<u><u>\$2,816,165</u></u>

Total net position increased from 2013 to 2014 due to increases in current and other assets as well as decreases in current liabilities. The decrease in capital assets was primarily due to deletions and depreciation exceeding purchase of additional vehicles and equipment and continuing capital projects.

Total liabilities decreased due to current liabilities such as accounts payable, contracts payable and intergovernmental payable decreasing due to the City making efforts to keep costs down.

Table 2 shows the changes in net position for the years ended December 31, 2014 and 2013 and corresponds to the Statement of Activities on page 15.

City of South Euclid, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
Unaudited

Table 2
Changes in Net Position

	Governmental Activities		
	2014	2013	Change
Revenues			
Program Revenues:			
Charges for Services and			
Operating Assessments	\$5,061,867	\$5,087,198	(\$25,331)
Operating Grants	2,020,445	1,210,123	810,322
Capital Grants	2,134,433	2,007,576	126,857
Total Program Revenues	9,216,745	8,304,897	911,848
General Revenues:			
Property Taxes	5,394,289	4,296,037	1,098,252
Income Taxes	9,675,891	9,988,116	(312,225)
Grants and Entitlements	1,128,290	1,311,137	(182,847)
Interest	20,784	20,375	409
Gain on Sale of Capital Assets	143,506	188,672	(45,166)
Miscellaneous	397,841	244,154	153,687
Total General Revenues	16,760,601	16,048,491	712,110
<i>Total Revenues</i>	25,977,346	24,353,388	1,623,958
Program Expenses			
General Government:			
Legislative and Executive	2,538,218	2,463,689	(74,529)
Judicial System	705,509	667,517	(37,992)
Security of Persons and Property:			
Police	5,395,929	5,561,405	165,476
Fire	3,889,295	4,088,680	199,385
Public Health Services	136,714	134,290	(2,424)
Leisure Time Activities	286,279	284,408	(1,871)
Community Development	299,258	263,078	(36,180)
Building Department	743,899	725,237	(18,662)
Transportation	3,324,616	3,291,914	(32,702)
Basic Utility Services	4,317,863	3,594,613	(723,250)
Swimming Pools	722,429	336,650	(385,779)
Interest and Fiscal Charges	801,172	941,832	140,660
Total Program Expenses	23,161,181	22,353,313	(807,868)
<i>Change in Net Position</i>	2,816,165	2,000,075	816,090
<i>Net Position Beginning of Year</i>	36,899,118	34,899,043	2,000,075
<i>Net Position End of Year</i>	\$39,715,283	\$36,899,118	\$2,816,165

Program revenues increased in 2014 due to increases in operating assessments and more capital grants being received. General revenues increased mainly due to increases in property tax. The increase in property tax can be contributed to more timely payment by City residents. Total program expenses increased due to the increased costs of providing general government, community development, transportation, basic utility services and swimming pools.

City of South Euclid, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
Unaudited

Governmental Activities

Several revenue sources fund our governmental activities with the City income tax being the largest contributor. The City's income tax rate was 1.5 percent from 1984 through 2005. In August 2005 the voters of South Euclid passed an income tax rate increase to 2.00 percent. The new rate of 2.00 percent became effective January 1, 2006. Residents of the City who work in another community receive a 0.75 percent credit on income earned outside the City and paid to another municipality. In prior years, the City has experienced a decline in income tax collections. Collections continued to decrease in 2014. The City remains committed to collecting all taxes due to it and during 2015 working in conjunction with the Regional Income Tax Agency to identify and assess individuals who were delinquent in filing their income tax returns. Property tax revenues increased in 2014 and remained the City's second largest source of revenues. Revenues from grants and entitlements represented approximately four percent of total governmental revenues. These funds are received from the State of Ohio in the form of local government assistance and estate taxes.

The City of South Euclid has committed to devote major resources in its quest to renovate the City's aging infrastructure system, in particular the sewer system. As a part of this commitment, beginning in 2001, each property in the City is annually assessed \$231 per sewer connection. This assessment generates approximately \$333,000 devoted to ongoing sewer maintenance and \$2,000,000 designated for Flood Control projects.

The City continued its commitment to providing quality roads and sidewalks to our residents. The expiring 3-mill property tax levy was reduced to 2.5-mills and approved by the voters in May 2010. Using the proceeds from that 2.5-mill property tax levy, the City continues to reconstruct/resurface roads.

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

The City's Funds

Information about the City's major funds begins with the balance sheet. These funds are accounted for using the modified accrual basis of accounting. Overall, governmental funds had an increase in total revenues and decreases in expenditures from 2013. Revenues increased due to more property and income taxes collected as well as increases in special assessment collections. Expenditures decreased due to fewer capital expenditures being made during 2014. The general fund experienced an increase in revenues from 2013 in property taxes, income taxes, special assessments, interest, rentals, contributions and donations and other revenues. The City experienced decreases in general fund expenditures compared to 2013 levels. General fund revenues exceeded expenditures, resulting in the general fund balance increase over 2013.

During 2014, the flood control capital projects fund balance decreased as a result of the City spending more on flood control capital projects during the year.

City of South Euclid, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
Unaudited

General Fund Budgeting Highlights

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

During the course of 2014, the City amended its general fund budget numerous times. The actual revenue amount was more than the final budget. This variance is made up of greater than expected intergovernmental revenues. Final appropriations exceeded actual expenditures. This variance was due primarily to the conservative budgeting techniques of the City and a concerted effort to reduce spending at the end of the year.

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

Capital Assets and Long-Term Obligations

Capital Assets

Table 3 shows 2014 balances of capital assets as compared to 2013.

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

	Governmental Activities	
	2014	2013
Land	\$555,807	\$586,907
Buildings and Improvements	2,279,920	3,145,720
Equipment	707,071	587,959
Vehicles	1,313,304	1,536,952
Infrastructure		
Streets	17,374,672	17,893,816
Bridges, Sewers and Culverts	24,800,098	23,655,929
Traffic Signals	39,354	40,309
Total Capital Assets	\$47,070,226	\$47,447,592

The decrease in capital assets was primarily due to deletions and depreciation exceeding purchase of additional vehicles and equipment and continuing capital projects.

City of South Euclid, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
Unaudited

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

The City's garage staff works to maintain the fleet of vehicles at a high level of repair to extend their longevity. When replacement is required, City vehicles continue to be purchased or leased from the general capital improvement fund, which receives funding from the general fund.

The City Engineer maintains a comprehensive listing of all the streets, sewer and water lines and bridges and culverts within the City. Each spring, this inventory is updated with current conditions and recommendations made for repair or replacement. As mentioned before, the City has been very aggressive in pursuing funding to assist in the financing of infrastructure projects. For more information about the City's capital assets, see Note 11 to the basic financial statements.

Long-Term Obligations

Table 4 summarizes the long-term obligations outstanding.

Table 4
Outstanding Long-Term Obligations at Year End

	Governmental Activities	
	2014	2013
General Obligation Bonds	\$18,501,950	\$19,248,831
Special Obligation Bonds	1,840,000	0
OPWC Loans	2,973,590	3,174,806
OWDA Loans	1,385,541	1,449,909
OAQDA Loans	660,601	705,606
Bond Anticipation Note	2,017,083	0
Police and Fire Pension Liability	265,395	273,410
Capital Lease	287,020	233,606
Compensated Absences	712,902	787,882
Total	\$28,644,082	\$25,874,050

The real estate acquisition and urban redevelopment general obligation bonds with the original issuance amount of \$14,130,000 were issued for construction projects throughout the City and will be repaid with revenues from the land acquisition capital projects fund.

The housing development special obligation bonds with the original issuance amount of \$1,840,000 were issued for real estate purchases for the clearing and improving of the site. This bond will be repaid with revenues from the land acquisition capital projects fund.

The various purpose improvement bonds with the original issuance amount of \$5,430,000 will be paid with revenues from the road improvement and flood control capital projects funds.

City of South Euclid, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
Unaudited

The OPWC loans represent eight, twenty-year zero-interest loans. The OPWC loan's repayment source is service assessments being collected in the flood control fund. In fiscal year 2008, the City began the Nine Mile Creek Rehabilitation OPWC project; in fiscal year 2010, the City began the Cedar Center OPWC project; in fiscal year 2011, the City began the Rainbow Creek and Green Road OPWC projects; and in fiscal year 2012, the City began the Argonne Road OPWC project. As of December 31, 2014 all of the projects were finalized.

The City of South Euclid's overall legal debt margin is \$34,999,372 with an unvoted debt margin of \$19,846,369 on December 31, 2014. For more information about the City's long-term obligations, see Note 13 to the basic financial statements.

Current Financial Related Activities

The City of South Euclid has remained strong despite the challenging environment of the state and national economy. The Administration has provided consistent fiscal management during this time, holding general operating expenses in check while maintaining City services at a high level in 2014. With decreasing revenues from Federal and State sources and increasing expenses, the City will continue to make the necessary adjustments in its day to day operations to meet and overcome any future challenges. The City expects to see an increase in income tax collections in 2015 as a result of the City's strong emphasis on Economic and Community Development and neighborhood revitalization effort. Expenses can only be reduced so much without jeopardizing the safety, health and welfare of the residents. The Administration will continue to monitor the revenues and expenses and make appropriate adjustments as needed. The Administration continues toward its goal of keeping all residents and other interested parties fully informed as to the financial status of the City of South Euclid.

Contacting the City of South Euclid's Financial Management

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

City of South Euclid, Ohio

Statement of Net Position

December 31, 2014

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$8,767,570
Cash and Cash Equivalents In Segregated Accounts	147,535
Accounts Receivable	47,108
Accrued Interest Receivable	3,991
Intergovernmental Receivable	1,071,327
Prepaid Items	110,020
Materials and Supplies Inventory	152,965
Income Taxes Receivable	5,642,313
Property Taxes Receivable	5,365,599
Special Assessments Receivable	3,659,251
Assets Held for Resale	1,932,100
Economic Development Properties	879,900
Nondepreciable Capital Assets	555,807
Depreciable Capital Assets	46,514,419
	<hr/>
<i>Total Assets</i>	74,849,905
	<hr/>
Deferred Outflows of Resources	
Deferred Charge on Refunding	45,222
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Liabilities	
Accounts Payable	262,785
Accrued Wages	257,116
Contracts Payable	114,319
Intergovernmental Payable	392,024
Retainage Payable	72,264
Matured Compensated Absences Payable	6,490
Accrued Interest Payable	77,473
Vacation Benefits Payable	571,584
Long-Term Liabilities:	
Due Within One Year	1,539,665
Due In More Than One Year	27,104,417
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<i>Total Liabilities</i>	30,398,137
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Deferred Inflows of Resources	
Property Taxes	4,781,707
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Net Position	
Net Investment in Capital Assets	22,515,787
Restricted for:	
Capital Projects	4,934,777
Law Enforcement	232,476
Street Maintenance	468,017
Street Lighting	588,793
Sewer Maintenance	436,967
Community Development	145,265
Other Purposes	1,514,700
Unrestricted	8,878,501
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<i>Total Net Position</i>	\$39,715,283
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See accompanying notes to the basic financial statements

City of South Euclid, Ohio

Balance Sheet

Governmental Funds

December 31, 2014

	General	Flood Control	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$4,773,876	\$215,016	\$3,778,678	\$8,767,570
Cash and Cash Equivalents				
In Segregated Accounts	147,535	0	0	147,535
Materials and Supplies Inventory	48,425	0	104,540	152,965
Accrued Interest Receivable	3,991	0	0	3,991
Accounts Receivable	46,025	0	1,083	47,108
Interfund Receivable	766,750	0	0	766,750
Intergovernmental Receivable	503,182	0	568,145	1,071,327
Prepaid Items	110,020	0	0	110,020
Income Taxes Receivable	5,642,313	0	0	5,642,313
Property Taxes Receivable	3,286,512	0	2,079,087	5,365,599
Assets Held for Resale	0	0	1,932,100	1,932,100
Special Assessments Receivable	94,175	2,594,489	970,587	3,659,251
<i>Total Assets</i>	<u>\$15,422,804</u>	<u>\$2,809,505</u>	<u>\$9,434,220</u>	<u>\$27,666,529</u>
Liabilities				
Accounts Payable	\$182,065	\$468	\$80,252	\$262,785
Accrued Wages	238,615	0	18,501	257,116
Contracts Payable	618	8,745	104,956	114,319
Retainage Payable	0	0	72,264	72,264
Intergovernmental Payable	238,003	0	154,021	392,024
Matured Compensated Absences Payable	6,490	0	0	6,490
Interfund Payable	0	0	766,750	766,750
<i>Total Liabilities</i>	<u>665,791</u>	<u>9,213</u>	<u>1,196,744</u>	<u>1,871,748</u>
Deferred Inflows of Resources				
Property Taxes	2,928,869	0	1,852,838	4,781,707
Unavailable Revenue	5,874,055	2,594,489	1,694,188	10,162,732
<i>Total Deferred Inflows of Resources</i>	<u>8,802,924</u>	<u>2,594,489</u>	<u>3,547,026</u>	<u>14,944,439</u>
Fund Balances				
Nonspendable	158,445	0	104,540	262,985
Restricted	0	205,803	4,596,137	4,801,940
Assigned	943,669	0	0	943,669
Unassigned (Deficit)	4,851,975	0	(10,227)	4,841,748
<i>Total Fund Balances</i>	<u>5,954,089</u>	<u>205,803</u>	<u>4,690,450</u>	<u>10,850,342</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$15,422,804</u>	<u>\$2,809,505</u>	<u>\$9,434,220</u>	<u>\$27,666,529</u>

See accompanying notes to the basic financial statements

City of South Euclid, Ohio
*Reconciliation of Total Governmental Fund Balances to
 Net Position of Governmental Activities
 December 31, 2014*

Total Governmental Fund Balances	\$10,850,342
 <i>Amounts reported for governmental activities in the statement of net position are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	47,070,226
Economic development properties are not financial resources and therefore are not reported in the funds.	879,900
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds.	
Delinquent Property Taxes	583,892
Income Taxes	4,983,835
Special Assessments	3,657,948
Intergovernmental	937,057
<hr/>	
Total	10,162,732
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(77,473)
Vacation benefits payable is not expected to be paid with expendable available financial resources and therefore are not reported in the funds.	(571,584)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
General Obligation Bonds Payable	(18,501,950)
Special Obligation Bonds Payable	(1,840,000)
OPWC Loans Payable	(2,973,590)
OWDA Loans Payable	(1,385,541)
OAQDA Loans Payable	(660,601)
Bond Anticipation Notes Payable	(2,017,083)
Police and Fire Pension Loan Payable	(265,395)
Capital Leases Payable	(287,020)
Compensated Absences	(712,902)
Deferred Charge on Refunding	45,222
<hr/>	
Total	<u>(28,598,860)</u>
<i>Net Position of Governmental Activities</i>	<u><u>\$39,715,283</u></u>

See accompanying notes to the basic financial statements

City of South Euclid, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2014

	General	Flood Control	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	\$3,404,418	\$0	\$1,986,487	\$5,390,905
Income Taxes	9,709,718	0	0	9,709,718
Special Assessments	55,547	2,056,053	797,424	2,909,024
Intergovernmental	1,117,270	6,375	3,200,975	4,324,620
Interest	20,771	0	13	20,784
Fees, Licenses and Permits	627,930	0	0	627,930
Fines and Forfeitures	664,083	0	25,631	689,714
Rentals	53,187	0	4,675	57,862
Charges for Services	349,273	0	253,366	602,639
Contributions and Donations	17,712	15,907	0	33,619
Other	339,529	0	58,312	397,841
<i>Total Revenues</i>	<u>16,359,438</u>	<u>2,078,335</u>	<u>6,326,883</u>	<u>24,764,656</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive	2,335,870	0	103,457	2,439,327
Judicial System	701,956	0	0	701,956
Security of Persons and Property:				
Police	4,749,398	0	628,942	5,378,340
Fire	3,258,085	0	634,678	3,892,763
Public Health Services	136,714	0	0	136,714
Leisure Time Activities	265,387	0	0	265,387
Community Development	268,158	0	0	268,158
Building Department	726,138	0	0	726,138
Transportation	929,717	0	764,117	1,693,834
Basic Utility Services	1,327,920	0	1,274,499	2,602,419
Swimming Pools	214,220	0	0	214,220
Capital Outlay	0	1,598,144	2,061,613	3,659,757
Debt Service:				
Principal Retirement	8,015	624,364	433,664	1,066,043
Interest and Fiscal Charges	11,535	109,404	740,810	861,749
Issuance Costs	0	0	93,750	93,750
<i>Total Expenditures</i>	<u>14,933,113</u>	<u>2,331,912</u>	<u>6,735,530</u>	<u>24,000,555</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,426,325</u>	<u>(253,577)</u>	<u>(408,647)</u>	<u>764,101</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	31,929	0	113,464	145,393
Inception of Capital Lease	0	0	135,853	135,853
Special Obligation Bonds Issued	0	0	1,840,000	1,840,000
Bond Anticipation Note Issued	0	0	2,000,000	2,000,000
Premium on Bond Anticipation Note Issued	0	0	20,500	20,500
Transfers In	0	0	997,000	997,000
Transfers Out	(997,000)	0	0	(997,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(965,071)</u>	<u>0</u>	<u>5,106,817</u>	<u>4,141,746</u>
<i>Net Change in Fund Balances</i>	461,254	(253,577)	4,698,170	4,905,847
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>5,492,835</u>	<u>459,380</u>	<u>(7,720)</u>	<u>5,944,495</u>
<i>Fund Balances End of Year</i>	<u>\$5,954,089</u>	<u>\$205,803</u>	<u>\$4,690,450</u>	<u>\$10,850,342</u>

See accompanying notes to the basic financial statements

City of South Euclid, Ohio
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2014*

Net Change in Fund Balances - Total Governmental Funds \$4,905,847

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

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

Capital Outlay	2,409,146
Depreciation	(2,323,375)

Total	85,771
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Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (463,137)

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

Delinquent Property Taxes	3,384
Income Taxes	(33,827)
Intergovernmental	45,029
Special Assessments	174,698
Land Bank	879,900

Total	1,069,184
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Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 1,066,043

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

Accrued Interest	(13,175)
Amortization of Premium	85,298
Amortization of Deferred Charge on Refunding	(11,546)

Total	60,577
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated Absences	74,980
Vacation Benefits	13,253

Total	88,233
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Other financing sources in the governmental funds increase long-term liabilities in the statement of net position are not reported as revenues in the statement of activities.

Special Obligation Bonds Issued	(1,840,000)
Bond Anticipation Notes Issued	(2,000,000)
Premium on BAN Notes Issued	(20,500)
Inception of Capital Lease	(135,853)

Total	(3,996,353)
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Change in Net Position of Governmental Activities \$2,816,165

See accompanying notes to the basic financial statements

City of South Euclid, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$3,281,831	\$3,404,418	\$3,404,418	\$0
Income Taxes	9,215,968	9,560,211	9,560,212	1
Special Assessments	52,719	54,688	54,688	0
Intergovernmental	1,145,288	1,187,881	1,191,611	3,730
Interest	18,694	19,392	19,392	0
Fees, Licenses and Permits	602,345	624,844	624,844	0
Fines and Forfeitures	630,777	654,338	654,338	0
Rentals	51,269	53,184	53,184	0
Charges for Services	285,671	296,342	296,342	0
Contributions and Donations	16,484	17,100	17,100	0
Other	353,830	367,047	367,095	48
<i>Total Revenues</i>	<u>15,654,876</u>	<u>16,239,445</u>	<u>16,243,224</u>	<u>3,779</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive	2,724,633	2,763,593	2,584,066	179,527
Judicial System	690,312	690,312	618,740	71,572
Security of Persons and Property:				
Police	4,943,525	4,954,125	4,785,648	168,477
Fire	3,424,007	3,428,757	3,305,152	123,605
Public Health Services	169,530	169,530	148,068	21,462
Leisure Time Activities	289,119	289,119	269,502	19,617
Community Development	479,363	482,366	442,815	39,551
Building Department	774,076	774,076	725,858	48,218
Transportation	1,039,940	1,050,130	950,611	99,519
Basic Utility Services	1,353,274	1,353,274	1,290,996	62,278
<i>Total Expenditures</i>	<u>15,887,779</u>	<u>15,955,282</u>	<u>15,121,456</u>	<u>833,826</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(232,903)</u>	<u>284,163</u>	<u>1,121,768</u>	<u>837,605</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	6,049	6,275	6,275	0
Advances In	48,200	50,000	50,000	0
Transfers Out	(1,121,000)	(1,147,000)	(1,147,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(1,066,751)</u>	<u>(1,090,725)</u>	<u>(1,090,725)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(1,299,654)</u>	<u>(806,562)</u>	<u>31,043</u>	<u>837,605</u>
<i>Fund Balance Beginning of Year</i>	<u>3,754,911</u>	<u>3,754,911</u>	<u>3,754,911</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>471,677</u>	<u>471,677</u>	<u>471,677</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$2,926,934</u>	<u>\$3,420,026</u>	<u>\$4,257,631</u>	<u>\$837,605</u>

See accompanying notes to the basic financial statements

City of South Euclid, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Fund
December 31, 2014

Assets	
Equity in Pooled Cash and Cash Equivalents	<u><u>\$1,229,129</u></u>
Liabilities	
Deposits Held and Due to Others	<u><u>\$1,229,129</u></u>

See accompanying notes to the basic financial statements

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

Note 1 – Description of the City and Reporting Entity

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

Reporting Entity

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

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and 1) the City is able to significantly influence the programs or services performed or provided by the organization; or 2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organizations. 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 and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. The City has no component units.

The City is associated with six organizations: one shared risk pool, one joint venture and four defined as jointly governed organizations. The Northern Ohio Risk Management Association is a shared risk pool. The joint venture is the Community Partnership on Aging. The Northeast Ohio Public Energy Council, the First Suburbs Consortium of Northeast Ohio Council of Governments, the Heights Area Special Rescue Team and the Eastside Departments Group Enforcement are jointly governed organizations. These organizations are presented in Notes 9, 19 and 20 to the basic financial statements.

Note 2 – Summary of Significant Accounting Policies

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

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

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. These statements usually distinguish between those activities of the City that are governmental and those that are considered business-type. The City, however, has no business-type activities.

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

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

Fund Accounting

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

Governmental Funds

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

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

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

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

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. The City has no trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's agency fund accounts for construction deposits, donations, court accounts, employee payroll contributions, fire damage deposits, EDGE accounts and Partnership on Aging accounts.

Measurement Focus

Government-wide Financial Statements

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and deferred outflows of resources and all 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 deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the balance sheet.

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

Basis of Accounting

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

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

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

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

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

Deferred 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 deferred charge on refunding reported in the government-wide statement of net position. A deferred charge 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 and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2014, but which were levied to finance year 2015 operations. These amounts have been recorded as a deferred inflow 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. For the City unavailable revenue includes delinquent property taxes, income taxes, special assessments and intergovernmental grants. These amounts are deferred and recognized as an inflow 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 is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

Cash and Cash Equivalents

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

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

During the year, the City invested in negotiable certificates of deposit and money market accounts. Investments are reported at fair value which is based on quoted market prices or current share prices.

Following the Charter and Codified Ordinances of the City as well as Ohio statutes, the City has, by resolution, specified the funds to receive an allocation of interest earnings. Interest is distributed to the general fund and safety forces vehicle capital projects fund. Interest revenue credited to the general fund during 2014 amounted to \$20,771, which includes \$10,694 assigned from other City funds.

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

Economic Development Properties

The City's land bank contains certain nonproductive foreclosure properties which were acquired at no cost to the City. A not-for-profit company, One South Euclid, works in conjunction with the City for these properties. One South Euclid identifies a specific property and with the approval of City Council, purchases for \$1, and makes improvements to the property with the purpose of reselling it as a viable and productive property within the community. The properties held by the City at year end are reported as economic development properties and are valued at fair market value at the time acquired. Since these properties are expected to be donated to One South Euclid and not converted to cash, they are reported in the governmental activities column of the statement of net position, but are not reported in the fund financial statements.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2014, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of purchase and reflecting the expenditure/expense in the year in which the services are consumed.

Inventory

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

Assets Held for Resale

Assets held for resale represent land purchased by the City which will be sold for development purposes and homes purchased and repaired to be resold under the Community Development in-fill housing project. As of December 31, 2014, the City has nine lots on Greenvale which are being held for resale.

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

Interfund Balances

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

Capital Assets

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

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

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

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

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

Compensated Absences

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

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

City of South Euclid, Ohio
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For The Year Ended December 31, 2014

The entire compensated absence liability is reported on the government-wide financial statements.

On the governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account “Matured Compensated Absences Payable” in the fund from which the employee who has accumulated unpaid leave is paid.

Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, 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.

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

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

Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the City can be compelled by an external party—such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (ordinance or resolution, as both are equally binding) of City Council. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. 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.

City of South Euclid, Ohio
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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. These amounts are assigned by Council. In the general fund, assigned amounts represent intended uses established by policies of the City Council or a City official delegated that authority by City Charter or ordinance, or by State statute. State statute authorizes the finance director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. City Council assigned fund balance to cover a gap between estimated revenue and appropriations in 2015's budget and for swimming pools and basic utility services.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

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, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for police range and police and fire pensions.

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

Internal Activity

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

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

Deferred Charge on Refunding

On the government-wide financial statements, 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 the 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 and is presented as deferred outflows of resources on the statement of net position.

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

Bond/Note Premiums

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

Estimates

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

Budgetary Process

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

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

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

Note 3 - Budgetary Basis of Accounting

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

3. Encumbrances are treated as expenditures (budget) rather than restricted, committed, or assigned fund balance (GAAP).
4. Unreported cash represents amounts received but not included as revenue on the budgetary statements, but which are reported on the operating statements prepared using GAAP.
5. Investments are reported at cost (budget) rather than fair value (GAAP).
6. Budgetary revenues and expenditures of the parking lots and meters and swimming pools funds are classified to the general fund for GAAP reporting.

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

Net Change in Fund Balance	
	General
GAAP Basis	\$461,254
Net Adjustment for Revenue Accruals	(89,446)
Ending Fair Value Adjustment for Investments	(1,622)
Beginning Unrecorded Cash	(1,630)
Ending Unrecorded Cash	1,576
Perspective Difference:	
Parking Lots and Meters	(3,505)
Swimming Pools	(16,705)
Net Adjustment for Expenditure Accruals	185,677
Encumbrances	(504,556)
Budget Basis	\$31,043

Note 4 – Accountability

Fund balances at December 31, 2014 included the following individual fund deficits:

	Deficit Fund Balances
<i>Special Revenue Funds:</i>	
Police Pension	\$5,113
Fire Pension	5,114

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

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

Note 5 - Fund Balances

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 government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General	Flood Control	Other Governmental Funds	Total
<i>Nonspendable</i>				
Prepays	\$110,020	\$0	\$0	\$110,020
Inventory	48,425	0	104,540	152,965
<i>Total Nonspendable</i>	158,445	0	104,540	262,985
<i>Restricted for</i>				
Sewer Rental	0	0	44,262	44,262
Home Improvement	0	0	145,265	145,265
Public Safety	0	0	378,455	378,455
Street Maintenance	0	0	347,887	347,887
Debt Service Payments	0	0	10,850	10,850
Street Lighting	0	0	49,578	49,578
Land Acquisition	0	0	1,710,977	1,710,977
Capital Improvements	0	205,803	1,908,863	2,114,666
<i>Total Restricted</i>	0	205,803	4,596,137	4,801,940
<i>Assigned to</i>				
<i>Purchases on Order:</i>				
Personal Services	35,545	0	0	35,545
Materials and Supplies	63,380	0	0	63,380
Contractual Services	274,756	0	0	274,756
Swimming Pools	9,075	0	0	9,075
2015 Operations	540,065	0	0	540,065
Basic Utility Services	20,848	0	0	20,848
<i>Total Assigned</i>	943,669	0	0	943,669
<i>Unassigned (Deficit)</i>	4,851,975	0	(10,227)	4,841,748
<i>Total Fund Balances (Deficit)</i>	\$5,954,089	\$205,803	\$4,690,450	\$10,850,342

Note 6 - Deposits and Investments

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

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

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

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in securities listed above;
4. Bonds and other obligations of the State of Ohio;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations,
7. The State Treasurer's investment pool (STAR Ohio); and
8. Commercial paper and bankers acceptances if training requirements have been met.

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

Deposits

Custodial Credit Risk Custodial credit risk for deposits is the risk that, in the event of the failure of the counterparty, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$5,584,402 of the City's bank balance of \$6,731,937 was uninsured and uncollateralized. Although the securities were held by the pledging financial institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

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

Investments

As of December 31, 2014, the City had the following investments:

	Fair Value	Maturity	Standard & Poor's	Percent of Total Investments
Certificates of Deposit	\$3,246,240	Less than three years	N/A	90.55 %
Money Market Accounts	338,670	Less than one year	AA+	9.45
Total Portfolio	<u>\$3,584,910</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 two years from the date of purchase if they have a variable interest rate and five years for investments that have a fixed rate and that the City's investment portfolio be structured so that securities 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.

Credit Risk The negotiable certificates of deposit are unrated. The City has no investment policy that addresses credit risk.

Concentration of Credit Risk. The City places no limit on the amount it may invest in any one issuer.

Note 7 - Receivables

Receivables at December 31, 2014, consisted primarily of municipal income taxes, property and other taxes, intergovernmental receivables arising from entitlements and shared revenues, special assessments, and accounts (billings for utility service).

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

At December 31, 2014 the total amount of delinquent special assessments was \$557,299. These delinquencies will be collected in the flood control, sewer rental and street lighting special revenue funds.

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

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2014 for real and public utility property taxes represents collections of 2013 taxes.

2014 real property taxes were levied after October 1, 2014, on the assessed value as of January 1, 2014, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2014 real property taxes are collected in and intended to finance 2015.

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.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2014 public utility property taxes which became a lien December 31, 2013, are levied after October 1, 2014, and are collected in 2015 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2014, was \$16.35 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2014 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Estate	
Residential/Agricultural	\$297,215,510
Other Real Estate	54,703,260
Tangible Personal Property	
Public Utility	8,924,300
Total Assessed Values	<u><u>\$360,843,070</u></u>

The County Fiscal Officer collects property taxes on behalf of all taxing districts in the county, including the City. The County Fiscal Officer periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies which were measurable as of December 31, 2014, and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2014 operations is offset to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

Income Taxes

The City levies a 2.0 percent income tax on substantially all income earned within the City. In addition, residents are required to pay City income tax on income earned outside of the City. The City offers a credit of 0.75 percent for the first one percent of income tax paid to another municipality. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the Regional Income Tax Agency (RITA) at least quarterly. Corporations and other individual taxpayers are also required to pay estimated tax quarterly and file a return annually. Taxes collected by RITA in one month are remitted to the City on the first and tenth business days of the following month. Income tax revenue is credited entirely to the general fund.

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

Intergovernmental Receivables

A summary of intergovernmental receivables follows:

<u>Governmental Activities</u>	<u>Amount</u>
Homestead and Rollback	\$363,802
Local Government	261,360
Gasoline and Excise Tax	201,553
Permissive Motor Vehicle License Tax	119,215
State and Local Highway Tax	102,569
Estate Tax	9,588
State of Ohio	8,842
Commercial Activity Tax	3,514
Cuyahoga County Fiscal Officer	884
Total	<u><u>\$1,071,327</u></u>

Note 8 - Risk Management

Property and Liability

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

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

Worker's Compensation

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

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

Note 9 - Shared Risk Pool

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

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

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

In 2014, the City of South Euclid paid \$184,639 in premiums from the general fund, which represents 9.82 percent of total NORMA premiums. Financial information can be obtained by contacting the fiscal agent, the Finance Director at the City of Bedford Heights, 5661 Perkins Road, Bedford Heights, Ohio, 44146.

Note 10 – Assets Held for Resale

The City of South Euclid carries assets, such as land, which are held for resale.

Just over 2.6 of the ten plus acres of land on Cedar Road, that was previously purchased by the City, remains for sale. This land will be sold for development purposes and is currently being marketed by a Real Estate Broker.

As of December 31, 2014 the City has nine lots on Greenvale remaining which are being held for resale.

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

Note 11 - Capital Assets

Capital asset activity for the year ended December 31, 2014, was as follows:

Governmental Activities	Balance 12/31/2013	Additions	Deductions	Balance 12/31/2014
Capital Assets not being Depreciated:				
Land	\$586,907	\$0	(\$31,100)	\$555,807
Capital Assets being Depreciated:				
Buildings and Improvements	12,979,777	0	(739,285)	12,240,492
Equipment	2,779,287	252,796	0	3,032,083
Vehicles	4,842,850	101,947	(208,493)	4,736,304
Infrastructure:				
Streets	28,998,003	410,610	0	29,408,613
Bridges, Sewers and Culverts	27,614,139	1,643,793	0	29,257,932
Traffic Signals	47,732	0	0	47,732
Total Capital Assets being Depreciated	<u>77,261,788</u>	<u>2,409,146</u>	<u>(947,778)</u>	<u>78,723,156</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(9,834,057)	(451,795)	325,280	(9,960,572)
Equipment	(2,191,328)	(133,684)	0	(2,325,012)
Vehicles	(3,305,898)	(307,563)	190,461	(3,423,000)
Infrastructure:				
Streets	(11,104,187)	(929,754)	0	(12,033,941)
Bridges, Sewers and Culverts	(3,958,210)	(499,624)	0	(4,457,834)
Traffic Signals	(7,423)	(955)	0	(8,378)
Total Accumulated Depreciation	<u>(30,401,103)</u>	<u>(2,323,375) *</u>	<u>515,741</u>	<u>(32,208,737)</u>
Total Capital Assets being Depreciated, Net	<u>46,860,685</u>	<u>85,771</u>	<u>(432,037)</u>	<u>46,514,419</u>
Governmental Activities Capital Assets, Net	<u>\$47,447,592</u>	<u>\$85,771</u>	<u>(\$463,137)</u>	<u>\$47,070,226</u>

*Depreciation expense was charged to governmental activities as follows:

General Government:	
Legislative and Executive	\$2,054
Judicial System	6,458
Security of Persons and Property:	
Police	42,790
Fire	33,550
Leisure Time Activities	13,850
Building Department	7,421
Transportation	1,411,731
Basic Utility Services	711,317
Swimming Pools	94,204
Total Depreciation Expense	<u>\$2,323,375</u>

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

Note 12 - Note Debt

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

	Balance 12/31/2013	Additions	Reductions	Balance 12/31/2014
2013 Housing Development Special Obligation Note	\$1,800,000	\$0	\$1,800,000	\$0
2013 GO Bond Anticipation Note	2,100,000	0	2,100,000	0
2013 GO Bond Anticipation Note Premium	12,757	0	12,757	0
Total	\$3,912,757	\$0	\$3,912,757	\$0

The Housing Development bond anticipation notes that were issued in 2013 for \$1,800,000 matured on July 31, 2014. The notes were paid from the land acquisition capital projects fund.

The general obligation bond anticipation notes that were issued in 2013 for \$2,100,000 matured on September 18, 2014. The notes were paid from the land acquisition capital projects fund.

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

Note 13 - Long-Term Obligations

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

Debt Issue	Interest Rate	Original Issue	Year of Maturity
2012 Real Estate Acquisition and Urban Redevelopment Bonds	2.0% to 5.0%	\$14,130,000	2042
2010 Various Purpose Refunding Bonds	2.0% to 4.0%	5,430,000	2018
2014 Housing Development Special Obligation Bonds	3.55%	1,840,000	2029
<i>OPWC Loans</i>			
Liberty Road Bridge Replacement	0%	755,891	2002 to 2022
Whitehall Road Bridge Replacement	0%	188,822	2006 to 2025
Bexley Infrastructure	0%	1,247,424	2005 to 2024
Cedar Center	0%	260,039	2013 to 2033
Nine Mile Creek Rehabilitation	0%	341,315	2013 to 2033
Rainbow Creek	0%	132,399	2013 to 2033
Green Road	0%	543,801	2013 to 2033
Argonne Road	0%	692,186	2013 to 2043
<i>OWDA Stormwater Improvement</i>	3.25%	2,052,371	2027
<i>OAQDA Series A</i>	3.15%	386,146	2020
<i>OAQDA Series B</i>	5.45%	386,145	2026
2014 General Obligation Bond Anticipation Note	3.55%	1,840,000	2016
Police and Fire Pension	4.25%	391,010	1973 to 2035

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

A schedule of changes in bonds and other long-term obligations of the City during 2014 follows:

	Amount Outstanding 12/31/2013	Additions	Deletions	Amount Outstanding 12/31/2014	Amounts Due In One Year
Governmental Activities					
<i>General Obligation Bonds</i>					
2012 Real Estate Acquisition and Urban Redevelopment Bonds					
Current Interest Serial Bonds	\$3,245,000	\$0	\$0	\$3,245,000	\$285,000
Term Bonds	10,885,000	0	0	10,885,000	0
Premium on 2012 Real Estate Acquisition and Urban Redevelopment Bonds	1,388,747	0	(48,304)	1,340,443	0
Total 2012 Real Estate Acquisition and Urban redevelopment Bonds	15,518,747	0	(48,304)	15,470,443	285,000
2010 Various Purpose					
General Obligation Refunding Bonds	3,565,000	0	(665,000)	2,900,000	685,000
Premium on Various Purpose Bonds	165,084	0	(33,577)	131,507	0
Total 2010 Various Purpose General Obligation Refunding Bonds	3,730,084	0	(698,577)	3,031,507	685,000
<i>Total General Obligation Bonds</i>	19,248,831	0	(746,881)	18,501,950	970,000
2014 Housing Development Special Obligation Bonds	0	1,840,000	0	1,840,000	75,000
<i>OPWC Loans:</i>					
Liberty Road Bridge Replacement	340,151	0	(37,795)	302,356	37,795
Whitehall Road Bridge Replacement	118,014	0	(9,441)	108,573	9,441
Bexley Infrastructure	686,083	0	(62,371)	623,712	62,371
Cedar Center	257,774	0	(13,219)	244,555	13,219
Nine Mile Creek Rehabilitation	257,336	0	(13,197)	244,139	13,197
Rainbow Creek	107,680	0	(5,522)	102,158	5,522
Green Road	687,455	0	(35,254)	652,201	35,254
Argone Road	720,313	0	(24,417)	695,896	24,417
Total OPWC Loans	3,174,806	0	(201,216)	2,973,590	201,216
OWDA Stormwater Improvement	1,449,909	0	(64,368)	1,385,541	96,105
<i>OAQDA Loans:</i>					
OAQDA 2011 Series A	316,686	0	(45,005)	271,681	46,422
OAQDA 2011 Series B	388,920	0	0	388,920	0
Total OAQDA Loans	705,606	0	(45,005)	660,601	46,422
2014 General Obligation BAN	0	2,000,000	0	2,000,000	0
Premium	0	20,500	(3,417)	17,083	0
Total 2014 General Obligation BAN	0	2,020,500	(3,417)	2,017,083	0
Police and Fire Pension	273,410	0	(8,015)	265,395	8,359
Capital Lease	233,606	135,853	(82,439)	287,020	110,645
Compensated Absences	787,882	71,206	(146,186)	712,902	31,918
Total Governmental Activities	\$25,874,050	\$4,067,559	(\$1,297,527)	\$28,644,082	\$1,539,665

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

During 2012, the City issued \$14,130,000 in Real Estate Acquisition and Urban Redevelopment General Obligation Bonds for construction projects throughout the City. The bonds were sold at a premium of \$1,449,127. These Real Estate Acquisition and Urban Redevelopment General Obligation bonds will be paid with revenues from the land acquisition capital projects fund.

The Real Estate Acquisition and Urban Redevelopment General Obligation Bonds maturing on December 1, 2027, 2032 and 2042 are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the years and in the respective principal amounts as follows:

Year	Issue		
	\$1,205,000	\$2,460,000	\$7,220,000
2025	\$380,000	\$0	\$0
2026	400,000	0	0
2028	0	445,000	0
2029	0	465,000	0
2030	0	490,000	0
2031	0	515,000	0
2033	0	0	570,000
2034	0	0	600,000
2035	0	0	630,000
2036	0	0	665,000
2037	0	0	695,000
2038	0	0	735,000
2039	0	0	770,000
2040	0	0	810,000
2041	0	0	850,000
Total mandatory sinking fund payments	780,000	1,915,000	6,325,000
Amount due at stated maturity	425,000	545,000	895,000
Total	\$1,205,000	\$2,460,000	\$7,220,000
<i>Stated Maturity</i>	<i>12/1/2027</i>	<i>12/1/2032</i>	<i>12/1/2042</i>

During 2010, the City issued \$5,430,000 in Various Purpose General Obligation Bonds for the purpose of refunding the 2003 General Obligation Bonds in order to take advantage of lower interest rates and for construction projects throughout the City.

In 2010, the City defeased previously issued various purpose bonds in order to take advantage of lower interest rates. The proceeds of the new bonds were placed in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. On December 31, 2014, \$3,286,614 of the defeased bonds are still outstanding.

During 2014, the City issued \$1,840,000 in Housing Development Special Obligation Bonds for the purpose of bonding previously issued notes. These Housing Development Special Obligation bonds will be paid with non-tax revenues from the land acquisition capital projects fund.

In 2014, the City rolled \$2,000,000 in general obligation bond anticipation notes for various purposes. These notes mature on March 30, 2016.

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

The OPWC and OWDA loans were issued for various improvements and will be paid with special assessment revenue from the flood control capital projects fund. In the event that an assessed property owner fails to make payments, the City will be required to pay the related debt.

The OAQDA loans were issued for improvements to air quality facilities and will be paid with revenues from the general obligation bond retirement fund.

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

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

As of December 31, 2014, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$34,999,372 and the unvoted legal debt margin was \$19,846,369. Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2014 are as follows:

	General Obligation Bonds		OWDA Loans		Police and Fire Pension		OPWC Loans
	Principal	Interest	Principal	Interest	Principal	Interest	Principal
2015	\$970,000	\$726,703	\$96,105	\$44,255	\$8,359	\$11,191	\$201,216
2016	995,000	700,353	99,254	41,106	8,718	10,833	201,216
2017	1,045,000	666,403	102,505	37,854	9,093	10,458	201,216
2018	1,080,000	640,068	105,865	34,497	9,483	10,067	201,216
2019	325,000	596,568	109,333	31,027	9,890	9,660	201,216
2020-2024	1,730,000	2,853,221	602,802	98,999	56,150	41,603	930,489
2025-2029	2,115,000	2,467,625	269,677	11,044	69,355	28,397	472,205
2030-2034	2,720,000	1,866,250	0	0	85,632	12,119	357,263
2035-2039	3,495,000	1,093,125	0	0	8,715	187	122,090
2040-2043	2,555,000	195,875	0	0	0	0	85,463
Total	\$17,030,000	\$11,806,191	\$1,385,541	\$298,782	\$265,395	\$134,515	\$2,973,590

	Special Obligation Bonds			
	OAQDA Loans		Bonds	
	Principal	Interest	Principal	Interest
2015	\$46,422	\$28,783	\$75,000	\$87,275
2016	47,885	27,298	100,000	62,657
2017	49,393	25,766	105,000	59,107
2018	50,949	24,186	105,000	55,380
2019	52,554	22,556	110,000	51,652
2020-2024	287,128	72,841	620,000	196,139
2025-2029	126,270	6,757	725,000	78,987
Total	\$660,601	\$208,187	\$1,840,000	\$591,197

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

Note 14 - Compensated Absences

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

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

Employees earn sick leave at a rate of 4.6 hours per 80 hours of service. Sick leave accumulation is generally limited to 1,200 hours for all employees except for firefighters who can accumulate up to 2,000 hours. Upon retirement or death and at least ten years of service, non-union employees can be paid one third and union employees can be paid one half of the accrued sick leave accumulated, up to the maximum hours allowed.

Note 15 – Capital Lease

In 2014 the City entered into a capital lease for a John Deere loader. In prior years, the City had entered into a capitalized lease obligation for two leaf box collection vehicles and two stainless steel dump bodies and vbox spreaders classified as equipment, sixteen new Ford vehicles, a master leaf collection unit and copiers. The leases meet the criteria for a capital lease and have been recorded on the government-wide statements. The original amounts capitalized for the capital leases and the book values as of December 31, 2014 are as follows:

	Amounts
Vehicles	\$643,803
Equipment	108,685
Total Capitalized	752,488
Less: Accumulated Depreciation	(314,882)
Current Book Value	\$437,606

The following is a schedule of the future minimum leases payments required under the capital lease and the present value of the minimum lease payments as of December 31, 2014.

	Amounts
2015	\$120,398
2016	98,661
2017	29,699
2018	29,699
2019	29,701
Total Minimum Lease Payments	308,158
Less: Amount representing interest	(21,138)
Present Value of Minimum Lease Payments	\$287,020

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

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

Note 16 - Contingencies

Litigation

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

Grants

The City received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2014.

Note 17 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Plan Description - The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member-directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan. Under the combined plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the traditional plan benefit. Member contributions, the investment of which is self-directed by the member, 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 and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of covered payroll. For the year ended December 31, 2014, members in state and local classifications contributed 10 percent of covered payroll. For 2014, member and employer contribution rates were consistent across all three plans.

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

The City's 2014 contribution rate was 14 percent. The portion of the City's contribution used to fund pension benefits is net of postemployment health care benefits. The portion of the City's contribution allocated to health care for members in both the traditional and combined plans was 2 percent for 2014. Effective January 1, 2015, the portion of the employer contribution allocated to health care remained at 2 percent. Employer contribution rates are actuarially determined.

The City's required contribution for pension obligations to the traditional and combined plans for the years ended December 31, 2014, 2013 and 2012 was \$427,152, \$459,031 and \$353,368, respectively. For 2014, 90.57 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2013 and 2012. Contributions to the member-directed plan for 2014 were \$2,591 made by the City and \$1,851 made by plan members.

Ohio Police and Fire Pension Fund

Plan Description - The City contributes to the Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan. OPF 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. OPF issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report that may be obtained by visiting the OPF website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy - Employer and employee contribution rates are set by the Ohio Revised Code. From January 1, 2014, through July 1, 2014, plan members were required to contribute 10.75 percent of their annual covered salary. From July 2, 2014, through December 31, 2014, plan members were required to contribute 11.5 percent of their annual covered salary. Throughout 2014, employers were required to contribute 19.5 percent for police officers and 24 percent for firefighters.

The OPF pension fund is authorized by the Ohio Revised Code to allocate a portion of the employer contribution to retiree health care benefits. For 2014, the portion of the City's contribution used to fund pension benefits was 19 percent of covered payroll for police officers and 23.5 percent of covered payroll for firefighters. The City's contribution to OPF for police and firefighters pension was \$574,187 and \$566,326 for the year ended December 31, 2014, \$473,218 and \$516,719 for the year ended December 31, 2013, and \$390,132 and \$437,916 for the year ended December 31, 2012. For 2014, 89.20 percent for police and 88.49 percent for firefighters have been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2013 and 2012.

In addition to current contributions, the City pays installments on the accrued liability incurred when the State of Ohio established the statewide pension system for police and fire fighters in 1967. As of December 31, 2014, the unfunded liability of the City was \$265,395 payable in semi-annual payments through the year of 2035. This is an accounting liability of the City which will not vary.

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

Note 18 - Postemployment Benefits

Ohio Public Employees Retirement System

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit postemployment health care plan for qualifying members of both the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits, including postemployment health care coverage. The plan includes a medical plan, a prescription drug program, and Medicare Part B premium reimbursement.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional 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 Ohio Revised Code permits, but does not mandate, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The postemployment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of postemployment health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2014, state and local employers contributed 14 percent of covered payroll. This is the maximum employer contribution rate permitted by the Ohio Revised Code.

Each year, the OPERS retirement board determines the portion of the employer contribution rate that will be set aside for funding postemployment health care benefits. The portion of the employer contribution allocated to health care for members in both the traditional and combined plans was 2 percent for 2014. Effective January 1, 2015, the portion of the employer contribution allocated to health care remained at 2 percent for both plans as recommended by the OPERS actuary.

The OPERS retirement board is also authorized to establish rules for the payment of a portion of the health care benefits provided by the retiree or the retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the postemployment health care plan.

The City's contribution allocated to fund postemployment health care benefits for the years ended December 31, 2014, 2013 and 2012 was \$71,192, \$35,310 and \$141,347, respectively. For 2014, 90.57 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2013 and 2012.

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 9, 2012, with a transition plan commencing on January 1, 2014. With the 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 contribution toward the health care fund after the end of the transition period.

Ohio Police and Fire Pension Fund

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

OPF provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check, or is a spouse or eligible dependent child of such person. The health care coverage provided by OPF meets the definition of an Other Postemployment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 45.

The Ohio Revised Code allows, but does not mandate, OPF to provide OPEB benefits. Authority for the OPF 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.

OPF issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by visiting the OPF website at www.opf.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy - The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OPF defined benefit pension plan. Participating employers are required by the Ohio Revised Code to contribute to the pension plan at rates expressed as a percentage of payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and firefighters, respectively. Active members do not make contributions to the OPEB Plan.

OPF 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 premium 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 OPF Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contribution made to the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2014, the employer contribution allocated to the health care plan was .5 percent of covered payroll. The amount of employer contribution allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OPF Board of Trustees is also 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.

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

The City's contribution to OPF which was allocated to fund postemployment health care benefits for police and firefighters was \$15,110 and \$12,049 for the year ended December 31, 2014, \$107,753 and \$91,683 for the year ended December 31, 2013, and \$206,540 and \$171,358 for the year ended December 31, 2012. For 2014, 89.20 percent has been contributed for police and 88.49 percent has been contributed for firefighters with the balance for both police and firefighters being reported as an intergovernmental payable. The full amount has been contributed for 2013 and 2012.

Note 19 - Joint Venture

Community Partnership on Aging

The Community Partnership on Aging (Partnership) is a joint venture among the Cities of South Euclid, Lyndhurst Mayfield Heights and Highland Heights, formed for the purpose of coordinating among the cities all matters related to assistance and programs for the aged. Partnership revenues consist of contributions from the member cities and federal grants. The Partnership is controlled by the Council composed of the Mayors of the Cities of South Euclid, Lyndhurst, Mayfield Heights and Highland Heights, with the advice of a nine member commission. Continued existence of the Partnership is dependent on the City's continued participation; however the City of South Euclid has no explicit and measurable equity interest in the Partnership. The Partnership is not accumulating financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the City. In 2014, the City contributed \$245,968, paid from the general fund, which represented 33.14 percent of Partnership revenues. To obtain a copy of the Partnership's financial statements, write to the Community Partnership on Aging, 1370 Victory Drive, South Euclid, Ohio, 44121.

Note 20 - Jointly Governed Organizations

Northeast Ohio Public Energy Council

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

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each community then elect one person to serve on the eight-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program including budgeting, appropriating, contracting and designating management. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. The City of South Euclid did not contribute to NOPEC during 2014. Financial information can be obtained by contacting Ron McVoy, Board Chairman, at 175 South Main Street, Akron, Ohio 44308 or at their website at www.nopecinfo.org.

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

First Suburbs Consortium of Northeast Ohio Council of Governments

The City is a member of the First Suburbs Consortium of Northeast Ohio Council of Governments (Council). The Council is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. The Council is currently comprised of 19 communities. The Council was formed to foster cooperation between municipalities in matters of mutual concern, including but not limited to initiation and support of policies and practices which protect, maintain, and redevelop mature communities and other matters which affect health, safety, welfare, education, economic conditions and regional development.

The Council is governed by an Assembly made up of one representative from each member community. The representatives then elect the Governing Board made up of a Chair, Vice Chair and other members elected in annual elections. The Board oversees and manages the council including budgeting, appropriating, contracting and designating management. The degree of control exercised by any participating government is limited to its representation in the Assembly and on the Board. During 2014, the City of South Euclid contributed \$3,000 for membership to the Council. Financial information can be obtained by contacting First Suburbs Consortium of Northeast Ohio Council of Governments, 40 Severance Circle, Cleveland Heights, Ohio 44118.

Heights Area Special Rescue Team

The City is a member of the Heights Area Special Rescue Team (HASRT). HASRT is a council of governments formed under Ohio Revised Code Chapter 167. The governing body of HASRT is comprised of the five Fire Chiefs of the member cities. The governing body exercises total control over the operations of the HASRT including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the governing body. HASRT was established to provide mutual aid for the provision of emergency fire protection and rescue squad services and to organize, train and equip a special rescue team to conduct rescue activities requiring unusual training and/or equipment in participating communities. Annual member receipts are based on an agreed formula based on the member cities population. During 2014, the City of South Euclid contributed \$5,625 to HASRT. Financial information can be obtained by contacting Heights Area Special Rescue Team, 3400 Lee Road, Shaker Heights, Ohio, 44120.

Eastside Departments Group Enforcement

The City is a member of the Eastside Departments Group Enforcement (EDGE). EDGE is a council of governments formed under Ohio Revised Code Chapter 167. The governing body of EDGE is comprised of the five Fire Chiefs of the member cities. The governing body exercises total control over the operations of the EDGE including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the governing body. EDGE was established to provide mutual aid for the provision of law enforcement and investigation services. Annual member receipts are based on an agreed formula based on the member cities population. During 2014, the City of South Euclid contributed \$16,901 to EDGE. Financial information can be obtained by contacting Heights Area Special Rescue Team, 3400 Lee Road, Shaker Heights, Ohio, 44120.

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

Note 21 - Interfund Transactions

Interfund Balances

Interfund balances at December 31, 2014, consist of the following:

Interfund Payable	Interfund Receivable General
Special Revenue Funds:	
COPS Grant	\$16,750
Street, Construction, Maintenance and Repair	50,000
Land Acquisition	700,000
<i>Total</i>	<i>\$766,750</i>

The interfund payables in the COPS Grant, Street, Construction and Maintenance and Repair special revenue funds are advances for grant monies that the fund will receive at a later date. The interfund payable in the land acquisition fund is for the payment of debt. They are expected to be paid within one year.

Interfund Transfers

Interfund transfers for the year ended December 31, 2014, consisted of the following:

Transfers To	Transfers From General
Other Governmental Funds:	
General Obligation Bond Retirement	\$55,000
Sewer Rental	41,000
General Capital Improvements	401,000
Land Acquisition	500,000
<i>Total</i>	<i>\$997,000</i>

The general obligation bond retirement fund received a transfer from the general fund to help pay for debt. The sewer rental special revenue fund received a transfer from the general fund to help pay expenditures. The general capital improvement and land acquisition capital projects fund received transfers from the general fund to fund capital purchases.

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2014

Note 22 – Significant Commitments

Encumbrances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

General Fund	\$504,556
Flood Control	44,689
Other Governmental Funds	1,797,596
<i>Total</i>	<i>\$2,346,841</i>

Contracts

As of December 31, 2014, the City had the following contractual construction commitments outstanding:

Vendor Name	Contract Amount	Amount Paid To Date	Remaining Contract
Longo Sewer Construction	\$2,141,094	\$926,930	\$1,214,164
Digioia Suburban Excavating	1,486,900	1,479,006	7,894
C.A. Agresta	122,986	119,331	3,655
<i>Total</i>	<i>\$3,750,980</i>	<i>\$2,525,267</i>	<i>\$1,225,713</i>

Remaining commitment amounts were encumbered at year end.

Combining and Individual Fund Statements and Schedules

Combining Statements – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

To account for and report the proceeds of specific revenue sources that are restricted, committed or nonspendable to expenditure for specified purposes other than debt service or capital projects.

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

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

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

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

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

HUD Grant Fund The HUD Grant Fund accounts for and reports restricted grant monies from the State and Federal governments to be used for housing programs.

Police Range Fund The Police Range Fund accounts for and reports restricted fines and forfeitures for the operation of the police department's firing range.

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

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

FEMA Firefighters Grant Fund The FEMA Fire Grant Fund accounts for and reports restricted grant monies from the State and Federal governments to be used for FEMA programs.

Safety Forces Levy Fund The Safety Forces Levy Fund accounts for and reports property tax collections restricted for expenditures that are used to enhance the police and fire departments.

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

Police Pension Fund The Police Pension Fund accounts for and reports the accumulation of property taxes restricted for the payment of current employer's pension contributions.

Fire Pension Fund The Fire Pension Fund accounts for and reports the accumulation of property taxes restricted for the payment of current employer's pension contributions.

(continued)

Combining Statements – Nonmajor Governmental Funds (continued)

Nonmajor Special Revenue Funds (continued)

Parking Lots and Meters Fund The Parking Lots and Meters Fund accounts for and reports the operations of the parking lots within the City. This fund is included with the general fund for GAAP reporting as it does not have a restricted or committed revenue source.

Swimming Pools Fund The Swimming Pools Fund accounts for and reports the operations of the City's three pools. This fund is assigned within the general fund for GAAP reporting as it does not have a restricted or committed revenue source.

Nonmajor Debt Service Fund

Debt Service Funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest.

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

Nonmajor Capital Projects Funds

Capital Projects Funds are used to account and report financial resources that are restricted, committed or assigned to expenditure for capital outlays including the acquisition or construction of major capital facilities and other capital assets, other than those financed by proprietary funds or for assets that will be held in trust.

General Capital Improvements Fund The General Capital Improvements Fund accounts for and reports restricted grant and loan monies to be used for capital construction and the acquisition of capital assets.

Safety Forces Vehicle Fund The Safety Forces Vehicle Fund accounts for and reports a portion of general fund emergency medical transport fees which are restricted, by City ordinance, for the acquisition of police and fire vehicles.

Water Distribution Infrastructure Fund The Water Distribution Infrastructure Fund accounts for and reports the joint economic development agreement with the City of Cleveland whereby the City of Cleveland has assumed ownership, including capital improvement and repair responsibilities, for the public water mains within the City of South Euclid, in return for South Euclid sharing a portion of any restricted tax revenue that would be generated by any business that might relocate from Cleveland to South Euclid.

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

Land Acquisition Fund – The land acquisition fund accounts for and reports restricted debt proceeds that are to be used on capital projects for future economic growth and development.

Sidewalk Improvement Fund The Sidewalk Improvement Fund accounts for and reports resources restricted for the inspection and improvement of City sidewalks.

Stanhope Parking Lot Fund The Stanhope Parking Lot Fund accounts for and reports resources restricted for improving the Stanhope Parking Lot by repaving, striping and making other improvements.

Police Vehicles Fund The Police Vehicles Fund accounts for and reports restricted monies received from penalties for traffic violations where expenditures are restricted to be used for police vehicle and equipment expenditures.

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

City of South Euclid, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2014

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,194,987	\$10,850	\$2,572,841	\$3,778,678
Materials and Supplies Inventory	104,540	0	0	104,540
Accounts Receivable	766	0	317	1,083
Intergovernmental Receivable	509,664	0	58,481	568,145
Property Taxes Receivable	1,260,079	0	819,008	2,079,087
Assets Held for Resale	0	0	1,932,100	1,932,100
Special Assessments Receivable	970,587	0	0	970,587
<i>Total Assets</i>	<u>\$4,040,623</u>	<u>\$10,850</u>	<u>\$5,382,747</u>	<u>\$9,434,220</u>
Liabilities				
Accounts Payable	\$71,721	\$0	\$8,531	\$80,252
Accrued Wages	18,501	0	0	18,501
Contracts Payable	333	0	104,623	104,956
Retainage Payable	0	0	72,264	72,264
Intergovernmental Payable	154,021	0	0	154,021
Interfund Payable	66,750	0	700,000	766,750
<i>Total Liabilities</i>	<u>311,326</u>	<u>0</u>	<u>885,418</u>	<u>1,196,744</u>
Deferred Inflows of Resources				
Property Taxes	1,122,956	0	729,882	1,852,838
Unavailable Revenue	1,546,581	0	147,607	1,694,188
<i>Total Deferred Inflows of Resources</i>	<u>2,669,537</u>	<u>0</u>	<u>877,489</u>	<u>3,547,026</u>
Fund Balances				
Nonspendable	104,540	0	0	104,540
Restricted	965,447	10,850	3,619,840	4,596,137
Unassigned (Deficit)	(10,227)	0	0	(10,227)
<i>Total Fund Balances</i>	<u>1,059,760</u>	<u>10,850</u>	<u>3,619,840</u>	<u>4,690,450</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$4,040,623</u>	<u>\$10,850</u>	<u>\$5,382,747</u>	<u>\$9,434,220</u>

City of South Euclid, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2014

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property Taxes	\$1,217,949	\$0	\$768,538	\$1,986,487
Special Assessments	797,424	0	0	797,424
Intergovernmental	1,082,332	0	2,118,643	3,200,975
Interest	0	0	13	13
Fines and Forfeitures	25,631	0	0	25,631
Rentals	4,675	0	0	4,675
Charges for Services	53,366	0	200,000	253,366
Other	13,920	5,644	38,748	58,312
<i>Total Revenues</i>	<u>3,195,297</u>	<u>5,644</u>	<u>3,125,942</u>	<u>6,326,883</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive	103,207	250	0	103,457
Security of Persons and Property:				
Police	628,942	0	0	628,942
Fire	634,678	0	0	634,678
Transportation	764,117	0	0	764,117
Basic Utility Services	1,274,499	0	0	1,274,499
Capital Outlay	0	0	2,061,613	2,061,613
Debt Service:				
Principal Retirement	0	45,005	388,659	433,664
Interest and Fiscal Charges	0	30,224	710,586	740,810
Issuance Costs	0	0	93,750	93,750
<i>Total Expenditures</i>	<u>3,405,443</u>	<u>75,479</u>	<u>3,254,608</u>	<u>6,735,530</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(210,146)</u>	<u>(69,835)</u>	<u>(128,666)</u>	<u>(408,647)</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	113,464	0	0	113,464
Inception of Capital Lease	0	0	135,853	135,853
Special Obligation Bonds Issued	0	0	1,840,000	1,840,000
Bond Anticipation Note Issued	0	0	2,000,000	2,000,000
Premium on Bond Anticipation Note Issued	0	0	20,500	20,500
Transfers In	41,000	55,000	901,000	997,000
<i>Total Other Financing Sources (Uses)</i>	<u>154,464</u>	<u>55,000</u>	<u>4,897,353</u>	<u>5,106,817</u>
<i>Net Change in Fund Balances</i>	<u>(55,682)</u>	<u>(14,835)</u>	<u>4,768,687</u>	<u>4,698,170</u>
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>1,115,442</u>	<u>25,685</u>	<u>(1,148,847)</u>	<u>(7,720)</u>
<i>Fund Balances End of Year</i>	<u>\$1,059,760</u>	<u>\$10,850</u>	<u>\$3,619,840</u>	<u>\$4,690,450</u>

City of South Euclid, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2014

	Operation Home Improvement	COPS Grant	Street Construction, Maintenance and Repair	State Highway
Assets				
Equity in Pooled Cash and Cash Equivalents	\$151,770	\$19,545	\$168,150	\$73,902
Materials and Supplies Inventory	0	0	104,540	0
Accounts Receivable	0	0	281	0
Intergovernmental Receivable	0	0	332,367	26,949
Property Taxes Receivable	0	0	0	0
Special Assessments Receivable	0	0	0	0
<i>Total Assets</i>	<u>\$151,770</u>	<u>\$19,545</u>	<u>\$605,338</u>	<u>\$100,851</u>
Liabilities				
Accounts Payable	\$6,172	\$0	\$1,072	\$22,544
Accrued Wages	0	0	10,810	0
Contracts Payable	333	0	0	0
Intergovernmental Payable	0	0	14,083	0
Interfund Payable	0	16,750	50,000	0
<i>Total Liabilities</i>	<u>6,505</u>	<u>16,750</u>	<u>75,965</u>	<u>22,544</u>
Deferred Inflows of Resources				
Property Taxes	0	0	0	0
Unavailable Revenue	0	0	276,505	22,420
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>0</u>	<u>276,505</u>	<u>22,420</u>
Fund Balances				
Nonspendable	0	0	104,540	0
Restricted	145,265	2,795	148,328	55,887
Unassigned (Deficit)	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>145,265</u>	<u>2,795</u>	<u>252,868</u>	<u>55,887</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$151,770</u>	<u>\$19,545</u>	<u>\$605,338</u>	<u>\$100,851</u>

Permissive Motor Vehicle License	Police Range	Law Enforcement	Street Lighting	FEMA Firefighters Grant
\$134,841	\$32,753	\$232,476	\$89,209	\$26,143
0	0	0	0	0
0	0	0	0	0
64,021	0	0	0	0
0	0	0	0	0
0	0	0	539,215	0
<u>\$198,862</u>	<u>\$32,753</u>	<u>\$232,476</u>	<u>\$628,424</u>	<u>\$26,143</u>
\$1,571	\$618	\$0	\$39,631	\$0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<u>1,571</u>	<u>618</u>	<u>0</u>	<u>39,631</u>	<u>0</u>
0	0	0	0	0
53,619	0	0	539,215	0
<u>53,619</u>	<u>0</u>	<u>0</u>	<u>539,215</u>	<u>0</u>
0	0	0	0	0
143,672	32,135	232,476	49,578	26,143
0	0	0	0	0
<u>143,672</u>	<u>32,135</u>	<u>232,476</u>	<u>49,578</u>	<u>26,143</u>
<u>\$198,862</u>	<u>\$32,753</u>	<u>\$232,476</u>	<u>\$628,424</u>	<u>\$26,143</u>

(continued)

City of South Euclid, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2014

	Safety Forces Levy	Sewer Rental	Police Pension	Fire Pension	Total Nonmajor Special Revenue Funds
Assets					
Equity in Pooled Cash and					
Cash Equivalents	\$195,084	\$61,341	\$4,887	\$4,886	\$1,194,987
Materials and Supplies Inventory	0	0	0	0	104,540
Accounts Receivable	0	485	0	0	766
Intergovernmental Receivable	72,315	0	7,006	7,006	509,664
Property Taxes Receivable	1,062,889	0	98,595	98,595	1,260,079
Special Assessments Receivable	0	431,372	0	0	970,587
<i>Total Assets</i>	<u>\$1,330,288</u>	<u>\$493,198</u>	<u>\$110,488</u>	<u>\$110,487</u>	<u>\$4,040,623</u>
Liabilities					
Accounts Payable	\$0	\$113	\$0	\$0	\$71,721
Accrued Wages	0	7,691	0	0	18,501
Contracts Payable	0	0	0	0	333
Intergovernmental Payable	110,178	9,760	10,000	10,000	154,021
Interfund Payable	0	0	0	0	66,750
<i>Total Liabilities</i>	<u>110,178</u>	<u>17,564</u>	<u>10,000</u>	<u>10,000</u>	<u>311,326</u>
Deferred Inflows of Resources					
Property Taxes	947,224	0	87,866	87,866	1,122,956
Unavailable Revenue	187,980	431,372	17,735	17,735	1,546,581
<i>Total Deferred Inflows of Resources</i>	<u>1,135,204</u>	<u>431,372</u>	<u>105,601</u>	<u>105,601</u>	<u>2,669,537</u>
Fund Balances					
Nonspendable	0	0	0	0	104,540
Restricted	84,906	44,262	0	0	965,447
Unassigned (Deficit)	0	0	(5,113)	(5,114)	(10,227)
<i>Total Fund Balances (Deficit)</i>	<u>84,906</u>	<u>44,262</u>	<u>(5,113)</u>	<u>(5,114)</u>	<u>1,059,760</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$1,330,288</u>	<u>\$493,198</u>	<u>\$110,488</u>	<u>\$110,487</u>	<u>\$4,040,623</u>

City of South Euclid, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2014

	Operation Home Improvement	COPS Grant	Street Construction, Maintenance and Repair	State Highway
Revenues				
Property Taxes	\$0	\$0	\$0	\$0
Special Assessments	2,465	0	0	0
Intergovernmental	0	15,416	669,491	54,283
Fines and Forfeitures	0	0	0	0
Rentals	0	0	0	0
Charges for Services	0	0	29,412	0
Other	400	0	2,880	0
<i>Total Revenues</i>	<u>2,865</u>	<u>15,416</u>	<u>701,783</u>	<u>54,283</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive	0	0	0	0
Security of Persons and Property:				
Police	0	0	0	0
Fire	0	0	0	0
Transportation	0	0	651,573	22,544
Basic Utility Services	402,888	0	0	0
<i>Total Expenditures</i>	<u>402,888</u>	<u>0</u>	<u>651,573</u>	<u>22,544</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(400,023)</u>	<u>15,416</u>	<u>50,210</u>	<u>31,739</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	0	0	0	0
Transfers In	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>(400,023)</u>	<u>15,416</u>	<u>50,210</u>	<u>31,739</u>
<i>Fund Balances (Deficit)</i>				
<i>Beginning of Year</i>	<u>545,288</u>	<u>(12,621)</u>	<u>202,658</u>	<u>24,148</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$145,265</u></u>	<u><u>\$2,795</u></u>	<u><u>\$252,868</u></u>	<u><u>\$55,887</u></u>

(continued)

City of South Euclid, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Year Ended December 31, 2014

	Permissive Motor Vehicle License	HUD Grant	Police Range	Law Enforcement	Street Lighting
Revenues					
Property Taxes	\$0	\$0	\$0	\$0	\$0
Special Assessments	0	0	0	0	455,844
Intergovernmental	129,096	50,887	0	0	0
Fines and Forfeitures	0	0	16,573	9,058	0
Rentals	0	0	4,675	0	0
Charges for Services	0	0	0	0	0
Other	0	0	0	10,640	0
<i>Total Revenues</i>	<u>129,096</u>	<u>50,887</u>	<u>21,248</u>	<u>19,698</u>	<u>455,844</u>
Expenditures					
Current:					
General Government:					
Legislative and Executive	0	103,207	0	0	0
Security of Persons and Property:					
Police	0	0	15,801	33,755	0
Fire	0	0	0	0	0
Transportation	90,000	0	0	0	0
Basic Utility Services	0	0	0	0	468,973
<i>Total Expenditures</i>	<u>90,000</u>	<u>103,207</u>	<u>15,801</u>	<u>33,755</u>	<u>468,973</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>39,096</u>	<u>(52,320)</u>	<u>5,447</u>	<u>(14,057)</u>	<u>(13,129)</u>
Other Financing Sources (Uses)					
Sale of Capital Assets	0	113,464	0	0	0
Transfers In	0	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>113,464</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	39,096	61,144	5,447	(14,057)	(13,129)
<i>Fund Balances (Deficit)</i>					
<i>Beginning of Year</i>	<u>104,576</u>	<u>(61,144)</u>	<u>26,688</u>	<u>246,533</u>	<u>62,707</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$143,672</u></u>	<u><u>\$0</u></u>	<u><u>\$32,135</u></u>	<u><u>\$232,476</u></u>	<u><u>\$49,578</u></u>

FEMA Firefighters Grant	Safety Forces Levy	Sewer Rental	Police Pension	Fire Pension	Total Nonmajor Special Revenue Funds
\$0	\$1,032,280	\$0	\$92,835	\$92,834	\$1,217,949
0	0	339,115	0	0	797,424
0	137,732	0	12,713	12,714	1,082,332
0	0	0	0	0	25,631
0	0	0	0	0	4,675
0	0	23,954	0	0	53,366
0	0	0	0	0	13,920
0	1,170,012	363,069	105,548	105,548	3,195,297
0	0	0	0	0	103,207
0	464,760	0	114,626	0	628,942
2,538	517,514	0	0	114,626	634,678
0	0	0	0	0	764,117
0	0	402,638	0	0	1,274,499
2,538	982,274	402,638	114,626	114,626	3,405,443
(2,538)	187,738	(39,569)	(9,078)	(9,078)	(210,146)
0	0	0	0	0	113,464
0	0	41,000	0	0	41,000
0	0	41,000	0	0	154,464
(2,538)	187,738	1,431	(9,078)	(9,078)	(55,682)
28,681	(102,832)	42,831	3,965	3,964	1,115,442
\$26,143	\$84,906	\$44,262	(\$5,113)	(\$5,114)	\$1,059,760

City of South Euclid, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2014

	General Capital Improvements	Safety Forces Vehicle	Water Distribution Infrastructure	Road Improvement
Assets				
Equity in Pooled Cash and				
Cash Equivalents	\$193,984	\$245,159	\$1,252,418	\$399,091
Accounts Receivable	317	0	0	0
Intergovernmental Receivable	0	0	0	58,481
Property Taxes Receivable	0	0	0	819,008
Assets Held for Resale	0	0	0	0
<i>Total Assets</i>	<u>\$194,301</u>	<u>\$245,159</u>	<u>\$1,252,418</u>	<u>\$1,276,580</u>
Liabilities				
Accounts Payable	\$0	\$8,531	\$0	\$0
Contracts Payable	0	0	18,833	85,790
Retainage Payable	0	0	53,630	18,634
Interfund Payable	0	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>8,531</u>	<u>72,463</u>	<u>104,424</u>
Deferred Inflows of Resources				
Property Taxes	0	0	0	729,882
Unavailable Revenue	0	0	0	147,607
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>877,489</u>
Fund Balances				
Restricted	194,301	236,628	1,179,955	294,667
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$194,301</u>	<u>\$245,159</u>	<u>\$1,252,418</u>	<u>\$1,276,580</u>

Land Acquisition	Sidewalk Improvement	Stanhope Parking Lot	Police Vehicles	Sewer Rehabilitation	Total Nonmajor Capital Projects Funds
\$478,877	\$7	\$2,853	\$51	\$401	\$2,572,841
0	0	0	0	0	317
0	0	0	0	0	58,481
0	0	0	0	0	819,008
1,932,100	0	0	0	0	1,932,100
<u>\$2,410,977</u>	<u>\$7</u>	<u>\$2,853</u>	<u>\$51</u>	<u>\$401</u>	<u>\$5,382,747</u>
\$0	\$0	\$0	\$0	\$0	\$8,531
0	0	0	0	0	104,623
0	0	0	0	0	72,264
700,000	0	0	0	0	700,000
<u>700,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>885,418</u>
0	0	0	0	0	729,882
0	0	0	0	0	147,607
0	0	0	0	0	877,489
<u>1,710,977</u>	<u>7</u>	<u>2,853</u>	<u>51</u>	<u>401</u>	<u>3,619,840</u>
<u>\$2,410,977</u>	<u>\$7</u>	<u>\$2,853</u>	<u>\$51</u>	<u>\$401</u>	<u>\$5,382,747</u>

City of South Euclid, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2014

	General Capital Improvements	Safety Forces Vehicle	Water Distribution Infrastructure	Road Improvement
Revenues				
Property Taxes	\$0	\$0	\$0	\$768,538
Intergovernmental	0	0	2,012,695	105,948
Interest	0	13	0	0
Charges for Services	0	200,000	0	0
Other	10,175	0	0	28,409
<i>Total Revenues</i>	<u>10,175</u>	<u>200,013</u>	<u>2,012,695</u>	<u>902,895</u>
Expenditures				
Capital Outlay	297,342	45,735	1,222,744	495,792
Debt Service:				
Principal Retirement	82,439	0	0	306,220
Interest and Fiscal Charges	8,260	0	0	49,805
Issuance Costs	0	0	0	0
<i>Total Expenditures</i>	<u>388,041</u>	<u>45,735</u>	<u>1,222,744</u>	<u>851,817</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(377,866)</u>	<u>154,278</u>	<u>789,951</u>	<u>51,078</u>
Other Financing Sources (Uses)				
Inception of Capital Lease	135,853	0	0	0
Special Obligation Bonds Issued	0	0	0	0
Bond Anticipation Note Issued	0	0	0	0
Premium on Bond Anticipation Note Issued	0	0	0	0
Transfers In	401,000	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>536,853</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	158,987	154,278	789,951	51,078
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>35,314</u>	<u>82,350</u>	<u>390,004</u>	<u>243,589</u>
<i>Fund Balances End of Year</i>	<u><u>\$194,301</u></u>	<u><u>\$236,628</u></u>	<u><u>\$1,179,955</u></u>	<u><u>\$294,667</u></u>

Land Acquisition	Sidewalk Improvement	Stanhope Parking Lot	Police Vehicles	Sewer Rehabilitation	Total Nonmajor Capital Projects Funds
\$0	\$0	\$0	\$0	\$0	\$768,538
0	0	0	0	0	2,118,643
0	0	0	0	0	13
0	0	0	0	0	200,000
164	0	0	0	0	38,748
164	0	0	0	0	3,125,942
0	0	0	0	0	2,061,613
0	0	0	0	0	388,659
652,521	0	0	0	0	710,586
93,750	0	0	0	0	93,750
746,271	0	0	0	0	3,254,608
(746,107)	0	0	0	0	(128,666)
0	0	0	0	0	135,853
1,840,000	0	0	0	0	1,840,000
2,000,000	0	0	0	0	2,000,000
20,500	0	0	0	0	20,500
500,000	0	0	0	0	901,000
4,360,500	0	0	0	0	4,897,353
3,614,393	0	0	0	0	4,768,687
(1,903,416)	7	2,853	51	401	(1,148,847)
\$1,710,977	\$7	\$2,853	\$51	\$401	\$3,619,840

Combining Statement - Agency Fund

Agency Fund

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

Deposits Fund The Deposits Fund accounts for deposits from contractors, held by the City, to ensure compliance with various City ordinances regarding development within the City along with monies held from donations, court accounts, employee payroll contributions, fire damage deposits, EDGA accounts and Partnership on Aging accounts.

City of South Euclid, Ohio
Statement of Changes in Assets and Liabilities
Agency Fund
For the Year Ended December 31, 2014

	Beginning Balance 12/31/13	Additions	Deductions	Ending Balance 12/31/14
<i>Deposits Fund</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,451,592	\$667,587	\$890,050	\$1,229,129
Liabilities				
Deposits Held and Due to Others	\$1,451,592	\$667,587	\$890,050	\$1,229,129

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

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2014

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$3,281,831	\$3,404,418	\$3,404,418	\$0
Income Taxes	9,215,968	9,560,211	9,560,212	1
Special Assessments	52,719	54,688	54,688	0
Intergovernmental	1,145,288	1,187,881	1,191,611	3,730
Interest	18,694	19,392	19,392	0
Fees, Licenses and Permits	602,345	624,844	624,844	0
Fines and Forfeitures	630,777	654,338	654,338	0
Rentals	51,269	53,184	53,184	0
Charges for Services	285,671	296,342	296,342	0
Contributions and Donations	16,484	17,100	17,100	0
Other	353,830	367,047	367,095	48
<i>Total Revenues</i>	<u>15,654,876</u>	<u>16,239,445</u>	<u>16,243,224</u>	<u>3,779</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive:				
Council				
Personal Services	98,005	98,005	97,853	152
Contractual Services	2,841	3,229	604	2,625
Materials and Supplies	10,827	12,335	1,696	10,639
Other	7,896	9,000	1,242	7,758
Total Council	<u>119,569</u>	<u>122,569</u>	<u>101,395</u>	<u>21,174</u>
Mayor				
Personal Services	185,894	185,894	180,776	5,118
Contractual Services	5,764	5,764	2,542	3,222
Materials and Supplies	4,284	4,284	2,016	2,268
Other	6,907	6,907	3,028	3,879
Total Mayor	<u>202,849</u>	<u>202,849</u>	<u>188,362</u>	<u>14,487</u>
Finance Department				
Personal Services	249,084	249,084	244,981	4,103
Contractual Services	32,813	30,013	29,671	342
Materials and Supplies	7,128	7,128	5,608	1,520
Other	1,244	4,044	4,044	0
Total Finance Department	<u>290,269</u>	<u>290,269</u>	<u>284,304</u>	<u>5,965</u>
Law Director				
Personal Services	175,709	175,709	175,369	340
Contractual Services	213,591	213,591	204,382	9,209
Materials and Supplies	13,593	13,593	11,740	1,853
Other	9,381	9,381	7,623	1,758
Total Law Director	<u>412,274</u>	<u>412,274</u>	<u>399,114</u>	<u>13,160</u>
Civil Service				
Personal Services	7,785	8,035	7,921	114
Contractual Services	13,950	13,400	12,705	695
Other	200	500	500	0
Total Civil Service	<u>\$21,935</u>	<u>\$21,935</u>	<u>\$21,126</u>	<u>\$809</u>

(continued)

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2014

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Municipal Complex				
Contractual Services	\$411,697	\$410,053	\$363,144	\$46,909
Materials and Supplies	40,188	41,832	41,832	0
Other	21,485	21,485	17,457	4,028
Total Municipal Complex	473,370	473,370	422,433	50,937
Engineer				
Personal Services	18,942	19,642	19,273	369
Contractual Services	8,000	7,300	0	7,300
Total Engineer	26,942	26,942	19,273	7,669
Mandated				
Contractual Services	646,000	676,000	669,141	6,859
General Services				
Personal Services	90,597	90,597	54,820	35,777
Contractual Services	385,088	390,318	372,938	17,380
Other	55,740	56,470	51,160	5,310
Total General Services	531,425	537,385	478,918	58,467
Total Legislative and Executive	2,724,633	2,763,593	2,584,066	179,527
Judicial System:				
Municipal Court				
Personal Services	622,204	622,204	559,398	62,806
Contractual Services	1,456	1,456	1,239	217
Materials and Supplies	37,944	37,944	33,183	4,761
Other	28,708	28,708	24,920	3,788
Total Judicial System	690,312	690,312	618,740	71,572
Total General Government	3,414,945	3,453,905	3,202,806	251,099
Security of Persons and Property:				
Police:				
Police Department				
Personal Services	4,181,225	4,181,225	4,083,470	97,755
Contractual Services	100,341	103,963	82,944	21,019
Materials and Supplies	119,576	124,455	112,101	12,354
Other	64,039	66,138	53,417	12,721
Total Police Department	4,465,181	4,475,781	4,331,932	143,849
Dispatchers				
Personal Services	454,247	454,247	430,524	23,723
Contractual Services	20,787	19,907	19,002	905
Other	3,310	4,190	4,190	0
Total Dispatchers	478,344	478,344	453,716	24,628
Total Police	\$4,943,525	\$4,954,125	\$4,785,648	\$168,477

(continued)

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Fire:				
Fire Department				
Personal Services	\$3,219,266	\$3,219,266	\$3,111,857	\$107,409
Contractual Services	84,145	89,128	89,128	0
Materials and Supplies	54,888	56,387	46,761	9,626
Other	35,468	33,736	29,405	4,331
Total Fire Department	3,393,767	3,398,517	3,277,151	121,366
Fire Hydrants				
Contractual Services	30,240	30,240	28,001	2,239
Total Fire	3,424,007	3,428,757	3,305,152	123,605
Total Security of Persons and Property	8,367,532	8,382,882	8,090,800	292,082
Public Health Services:				
Health and Human Services				
Contractual Services	169,530	169,530	148,068	21,462
Leisure Time Activities:				
Recreation Department				
Personal Services	71,915	71,915	69,149	2,766
Contractual Services	11,039	11,039	3,502	7,537
Other	646	646	194	452
Total Recreation Department	83,600	83,600	72,845	10,755
Community Center				
Personal Services	151,098	151,098	149,254	1,844
Contractual Services	30,035	30,035	25,977	4,058
Materials and Supplies	13,593	13,593	12,443	1,150
Other	10,793	10,793	8,983	1,810
Total Community Center	205,519	205,519	196,657	8,862
Total Leisure Time Activities	289,119	289,119	269,502	19,617
Community Development:				
Boards and Commissions				
Personal Services	32,318	35,318	35,222	96
Contractual Services	1,601	1,601	1,450	151
Materials and Supplies	49	49	37	12
Total Boards and Commissions	33,968	36,968	36,709	259
Community Relations				
Personal Services	74,448	74,448	73,404	1,044
Contractual Services	2,307	2,405	2,405	0
Materials and Supplies	99	976	976	0
Other	108,276	107,301	89,724	17,577
Total Community Relations	\$185,130	\$185,130	\$166,509	\$18,621

(continued)

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Economic Development Department				
Personal Services	\$73,534	\$79,634	\$78,566	\$1,068
Contractual Services	88,467	106,018	106,018	0
Materials and Supplies	8,673	7,693	3,923	3,770
Other	50,620	27,949	22,910	5,039
Total Economic Development Department	221,294	221,294	211,417	9,877
Youth Initiative				
Personal Services	15,293	15,795	15,696	99
Contractual Services	0	2,500	2,500	0
Materials and Supplies	4,000	4,000	4,000	0
Other	19,678	16,679	5,984	10,695
Total Youth Initiative	38,971	38,974	28,180	10,794
Total Community Development	479,363	482,366	442,815	39,551
Building Department:				
Building Department				
Personal Services	725,965	725,965	685,735	40,230
Contractual Services	16,603	16,603	13,737	2,866
Materials and Supplies	20,126	20,126	16,657	3,469
Other	11,382	11,382	9,729	1,653
Total Building Department	774,076	774,076	725,858	48,218
Transportation:				
Service Department				
Personal Services	501,281	511,472	473,000	38,472
Contractual Services	83,637	83,637	67,559	16,078
Materials and Supplies	41,720	41,720	35,738	5,982
Other	7,895	7,895	6,612	1,283
Total Service Department	634,533	644,724	582,909	61,815
Service Garage				
Personal Services	190,796	190,795	179,973	10,822
Contractual Services	46,667	46,667	41,033	5,634
Materials and Supplies	162,625	162,625	143,023	19,602
Other	5,319	5,319	3,673	1,646
Total Service Garage	405,407	405,406	367,702	37,704
Total Transportation	\$1,039,940	\$1,050,130	\$950,611	\$99,519

(continued)

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Basic Utility Services:				
Refuse Collection and Disposal				
Contractual Services	\$1,264,126	\$1,264,126	\$1,204,127	\$59,999
Curbside Recycling				
Personal Services	80,948	80,948	78,669	2,279
Contractual Services	7,500	7,500	7,500	0
Materials and Supplies	700	700	700	0
Total Curbside Recycling	89,148	89,148	86,869	2,279
Total Basic Utility Services	1,353,274	1,353,274	1,290,996	62,278
<i>Total Expenditures</i>	15,887,779	15,955,282	15,121,456	833,826
<i>Excess of Revenues Over (Under) Expenditures</i>	(232,903)	284,163	1,121,768	837,605
Other Financing Sources (Uses)				
Sale of Capital Assets	6,049	6,275	6,275	0
Advances In	48,200	50,000	50,000	0
Transfers Out	(1,121,000)	(1,147,000)	(1,147,000)	0
<i>Total Other Financing Sources (Uses)</i>	(1,066,751)	(1,090,725)	(1,090,725)	0
<i>Net Change in Fund Balance</i>	(1,299,654)	(806,562)	31,043	837,605
<i>Fund Balance Beginning of Year</i>	3,754,911	3,754,911	3,754,911	0
Prior Year Encumbrances Appropriated	471,677	471,677	471,677	0
<i>Fund Balance End of Year</i>	\$2,926,934	\$3,420,026	\$4,257,631	\$837,605

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Flood Control Fund
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Special Assessments	\$1,964,908	\$2,103,478	\$2,056,053	(\$47,425)
Intergovernmental	6,092	6,522	6,375	(147)
<i>Total Revenues</i>	<u>1,971,000</u>	<u>2,110,000</u>	<u>2,062,428</u>	<u>(47,572)</u>
Expenditures				
Capital Outlay:				
Contractual Services	1,956,673	2,029,806	1,813,193	216,613
Other	9,586	10,630	10,630	0
Total Capital Outlay	<u>1,966,259</u>	<u>2,040,436</u>	<u>1,823,823</u>	<u>216,613</u>
Debt Service:				
Principal Retirement	548,711	608,457	608,457	0
Interest and Fiscal Charges	98,662	109,404	109,404	0
Total Debt Service	<u>647,373</u>	<u>717,861</u>	<u>717,861</u>	<u>0</u>
<i>Total Expenditures</i>	<u>2,613,632</u>	<u>2,758,297</u>	<u>2,541,684</u>	<u>216,613</u>
<i>Net Change in Fund Balance</i>	<u>(642,632)</u>	<u>(648,297)</u>	<u>(479,256)</u>	<u>169,041</u>
<i>Fund Balance Beginning of Year</i>	287,761	287,761	287,761	0
Prior Year Encumbrances Appropriated	<u>361,822</u>	<u>361,822</u>	<u>361,822</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$6,951</u>	<u>\$1,286</u>	<u>\$170,327</u>	<u>\$169,041</u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Operation Home Improvement Fund
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Special Assessments	\$17,208	\$17,208	\$2,465	(\$14,743)
Other	2,792	2,792	400	(2,392)
<i>Total Revenues</i>	20,000	20,000	2,865	(17,135)
Expenditures				
Current:				
Basic Utility Services:				
Refuse Collection and Disposal				
Contractual Services	161,964	161,964	89,489	72,475
Other	143,520	143,520	103,682	39,838
<i>Total Expenditures</i>	305,484	305,484	193,171	112,313
<i>Net Change in Fund Balance</i>	(285,484)	(285,484)	(190,306)	95,178
<i>Fund Balance Beginning of Year</i>	258,082	258,082	258,082	0
Prior Year Encumbrances Appropriated	40,423	40,423	40,423	0
<i>Fund Balance End of Year</i>	\$13,021	\$13,021	\$108,199	\$95,178

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
COPS Grant Fund
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$21,126	\$21,126	\$15,416	(\$5,710)
Expenditures				
Current:				
Security of Persons and Property:				
Police Department:				
Contractual Services	25,255	25,255	0	25,255
<i>Net Change in Fund Balance</i>	(4,129)	(4,129)	15,416	19,545
<i>Fund Balance Beginning of Year</i>	3,618	3,618	3,618	0
Prior Year Encumbrances Appropriated	511	511	511	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$19,545</u>	<u>\$19,545</u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Construction, Maintenance and Repair Fund
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$668,087	\$668,087	\$670,145	\$2,058
Charges for Services	29,042	29,042	29,131	89
Other	2,871	2,871	2,880	9
<i>Total Revenues</i>	700,000	700,000	702,156	2,156
Expenditures				
Current:				
Transportation:				
Street Maintenance				
Personal Services	599,390	599,390	563,297	36,093
Contractual Services	17,253	17,253	15,123	2,130
Materials and Supplies	142,004	142,004	130,018	11,986
<i>Total Expenditures</i>	758,647	758,647	708,438	50,209
<i>Excess of Revenues Over (Under) Expenditures</i>	(58,647)	(58,647)	(6,282)	52,365
Other Financing Sources (Uses)				
Advances Out	(53,199)	(53,199)	(50,000)	3,199
<i>Net Change in Fund Balance</i>	(111,846)	(111,846)	(56,282)	55,564
<i>Fund Balance Beginning of Year</i>	208,700	208,700	208,700	0
Prior Year Encumbrances Appropriated	10,476	10,476	10,476	0
<i>Fund Balance End of Year</i>	\$107,330	\$107,330	\$162,894	\$55,564

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
State Highway Fund
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$50,000	\$50,000	\$54,336	\$4,336
Expenditures				
Current:				
Transportation:				
Street Maintenance				
Materials and Supplies	55,176	55,176	55,000	176
<i>Net Change in Fund Balance</i>	(5,176)	(5,176)	(664)	4,512
<i>Fund Balance Beginning of Year</i>	19,390	19,390	19,390	0
Prior Year Encumbrances Appropriated	176	176	176	0
<i>Fund Balance End of Year</i>	<u>\$14,390</u>	<u>\$14,390</u>	<u>\$18,902</u>	<u>\$4,512</u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Permissive Motor Vehicle License Fund
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$123,000	\$128,900	\$128,823	(\$77)
Expenditures				
Current:				
Transportation:				
Street Maintenance				
Materials and Supplies	133,451	133,451	130,000	3,451
<i>Net Change in Fund Balance</i>	(10,451)	(4,551)	(1,177)	3,374
<i>Fund Balance Beginning of Year</i>	90,996	90,996	90,996	0
Prior Year Encumbrances Appropriated	3,451	3,451	3,451	0
<i>Fund Balance End of Year</i>	<u>\$83,996</u>	<u>\$89,896</u>	<u>\$93,270</u>	<u>\$3,374</u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
HUD Grant Fund
For the Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$50,887	\$50,887	\$50,887	\$0
Expenditures				
Current:				
General Government:				
Legislative and Executive:				
Contractual Services	70,620	70,620	67,883	2,737
Other	100,471	100,471	52,321	48,150
<i>Total Expenditures</i>	<u>171,091</u>	<u>171,091</u>	<u>120,204</u>	<u>50,887</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(120,204)	(120,204)	(69,317)	50,887
Other Financing Sources (Uses)				
Sale of Capital Assets	164,351	164,351	113,464	(50,887)
<i>Net Change in Fund Balance</i>	44,147	44,147	44,147	0
<i>Fund Balance (Deficit) Beginning of Year</i>	(44,264)	(44,264)	(44,264)	0
Prior Year Encumbrances Appropriated	117	117	117	0
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Range Fund
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeitures	\$15,630	\$17,193	\$16,723	(\$470)
Rentals	4,370	4,807	4,675	(132)
<i>Total Revenues</i>	20,000	22,000	21,398	(602)
Expenditures				
Current:				
Security of Persons and Property:				
Police Department:				
Contractual Services	100	106	106	0
Materials and Supplies	22,406	22,400	22,127	273
<i>Total Expenditures</i>	22,506	22,506	22,233	273
<i>Net Change in Fund Balance</i>	(2,506)	(506)	(835)	(329)
<i>Fund Balance Beginning of Year</i>	25,032	25,032	25,032	0
Prior Year Encumbrances Appropriated	1,506	1,506	1,506	0
<i>Fund Balance End of Year</i>	\$24,032	\$26,032	\$25,703	(\$329)

City of South Euclid, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Law Enforcement Fund
For the Year Ended December 31, 2014*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$4,163	\$1,249	\$1,247	(\$2)
Fines and Forfeitures	30,320	9,096	9,083	(13)
Other	35,517	10,655	10,640	(15)
<i>Total Revenues</i>	70,000	21,000	20,970	(30)
Expenditures				
Current:				
Security of Persons and Property:				
Police Department:				
Other	70,180	70,180	36,673	33,507
<i>Net Change in Fund Balance</i>	(180)	(49,180)	(15,703)	33,477
<i>Fund Balance Beginning of Year</i>	245,081	245,081	245,081	0
Prior Year Encumbrances Appropriated	180	180	180	0
<i>Fund Balance End of Year</i>	<u>\$245,081</u>	<u>\$196,081</u>	<u>\$229,558</u>	<u>\$33,477</u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Lighting Fund
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Special Assessments	\$440,000	\$455,000	\$455,844	\$844
Expenditures				
Current:				
Basic Utility Services:				
Street Maintenance				
Contractual Services	456,500	471,500	466,472	5,028
<i>Net Change in Fund Balance</i>	(16,500)	(16,500)	(10,628)	5,872
<i>Fund Balance Beginning of Year</i>	99,837	99,837	99,837	0
<i>Fund Balance End of Year</i>	<u>\$83,337</u>	<u>\$83,337</u>	<u>\$89,209</u>	<u>\$5,872</u>

City of South Euclid, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
FEMA Firefighters Grant Fund
For the Year Ended December 31, 2014*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Security of Persons and Property:				
Fire Department:				
Other	28,681	28,681	2,538	26,143
<i>Net Change in Fund Balance</i>	(28,681)	(28,681)	(2,538)	26,143
<i>Fund Balance Beginning of Year</i>	28,681	28,681	28,681	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$26,143</u>	<u>\$26,143</u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Safety Forces Levy Fund
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$974,425	\$974,425	\$1,032,280	\$57,855
Intergovernmental	130,013	130,013	137,732	7,719
<i>Total Revenues</i>	1,104,438	1,104,438	1,170,012	65,574
Expenditures				
Current:				
Security of Persons and Property:				
Police Department:				
Personal Services	512,393	512,393	453,597	58,796
Contractual Services	10,525	10,525	9,317	1,208
Total Police Department	522,918	522,918	462,914	60,004
Fire Department:				
Personal Services	567,859	567,859	502,698	65,161
Contractual Services	10,524	10,524	9,316	1,208
Total Fire Department	578,383	578,383	512,014	66,369
<i>Total Expenditures</i>	1,101,301	1,101,301	974,928	126,373
<i>Net Change in Fund Balance</i>	3,137	3,137	195,084	191,947
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$3,137	\$3,137	\$195,084	\$191,947

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Sewer Rental Fund
For the Year Ended December 31, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Special Assessments	\$327,648	\$339,380	\$339,115	(\$265)
Charges for Services	23,738	24,588	24,569	(19)
<i>Total Revenues</i>	<u>351,386</u>	<u>363,968</u>	<u>363,684</u>	<u>(284)</u>
Expenditures				
Current:				
Basic Utility Services:				
Sewer Maintenance				
Personal Services	423,482	423,482	381,530	41,952
Contractual Services	15,085	14,557	13,596	961
Materials and Supplies	12,196	12,724	12,724	0
<i>Total Expenditures</i>	<u>450,763</u>	<u>450,763</u>	<u>407,850</u>	<u>42,913</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(99,377)	(86,795)	(44,166)	42,629
Other Financing Sources (Uses)				
Transfers In	39,614	41,032	41,000	(32)
<i>Net Change in Fund Balance</i>	(59,763)	(45,763)	(3,166)	42,597
<i>Fund Balance Beginning of Year</i>	58,078	58,078	58,078	0
Prior Year Encumbrances Appropriated	2,554	2,554	2,554	0
<i>Fund Balance End of Year</i>	<u>\$869</u>	<u>\$14,869</u>	<u>\$57,466</u>	<u>\$42,597</u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Pension Fund
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$90,217	\$90,217	\$92,835	\$2,618
Intergovernmental	12,354	12,354	12,713	359
<i>Total Revenues</i>	102,571	102,571	105,548	2,977
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Contractual Services	116,500	116,500	114,626	1,874
<i>Net Change in Fund Balance</i>	(13,929)	(13,929)	(9,078)	4,851
<i>Fund Balance Beginning of Year</i>	13,965	13,965	13,965	0
<i>Fund Balance End of Year</i>	<u>\$36</u>	<u>\$36</u>	<u>\$4,887</u>	<u>\$4,851</u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Pension Fund
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$90,216	\$90,216	\$92,834	\$2,618
Intergovernmental	12,355	12,355	12,714	359
<i>Total Revenues</i>	102,571	102,571	105,548	2,977
Expenditures				
Current:				
Security of Persons and Property:				
Fire:				
Contractual Services	116,500	116,500	114,626	1,874
<i>Net Change in Fund Balance</i>	(13,929)	(13,929)	(9,078)	4,851
<i>Fund Balance Beginning of Year</i>	13,964	13,964	13,964	0
<i>Fund Balance End of Year</i>	<u>\$35</u>	<u>\$35</u>	<u>\$4,886</u>	<u>\$4,851</u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Parking Lots and Meters Fund
For the Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fees, Licenses and Permits	\$0	\$0	\$545	\$545
Expenditures				
Current:				
Basic Utility Services:				
Parking Lots and Meters				
Contractual Services	8,660	8,660	4,050	4,610
<i>Net Change in Fund Balance</i>	(8,660)	(8,660)	(3,505)	5,155
<i>Fund Balance Beginning of Year</i>	8,660	8,660	8,660	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$5,155</u>	<u>\$5,155</u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Swimming Pools Fund
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$60,000	\$57,000	\$52,686	(\$4,314)
Expenditures				
Current:				
Swimming Pools:				
Personal Services	142,787	147,887	147,797	90
Contractual Services	69,400	61,788	60,850	938
Materials and Supplies	10,427	13,334	4,316	9,018
Other	7,298	6,903	6,428	475
<i>Total Expenditures</i>	229,912	229,912	219,391	10,521
<i>Excess of Revenues Over (Under) Expenditures</i>	(169,912)	(172,912)	(166,705)	6,207
Other Financing Sources (Uses)				
Transfers In	150,000	150,000	150,000	0
<i>Net Change in Fund Balance</i>	(19,912)	(22,912)	(16,705)	6,207
<i>Fund Balance Beginning of Year</i>	14,998	14,998	14,998	0
Prior Year Encumbrances Appropriated	8,195	8,195	8,195	0
<i>Fund Balance End of Year</i>	\$3,281	\$281	\$6,488	\$6,207

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Obligation Bond Retirement Fund
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Other	\$5,000	\$5,000	\$5,644	\$644
Expenditures				
Current:				
General Government:				
Legislative and Executive:				
Other	266	266	250	16
Debt Service:				
Principal Retirement	47,837	47,837	45,005	2,832
Interest and Fiscal Charges	32,126	32,126	30,224	1,902
Total Debt Service	79,963	79,963	75,229	4,734
<i>Total Expenditures</i>	80,229	80,229	75,479	4,750
<i>Excess of Revenues Over (Under) Expenditures</i>	(75,229)	(75,229)	(69,835)	5,394
Other Financing Sources (Uses)				
Transfers In	50,000	55,000	55,000	0
<i>Net Change in Fund Balance</i>	(25,229)	(20,229)	(14,835)	5,394
<i>Fund Balance Beginning of Year</i>	25,685	25,685	25,685	0
<i>Fund Balance End of Year</i>	\$456	\$5,456	\$10,850	\$5,394

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Capital Improvements Fund
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Other	\$10,000	\$9,000	\$9,858	\$858
Expenditures				
Capital Outlay:				
Capital Outlay	410,130	436,130	414,171	21,959
<i>Excess of Revenues Over (Under) Expenditures</i>	(400,130)	(427,130)	(404,313)	22,817
Other Financing Sources (Uses)				
Transfers In	365,000	401,000	401,000	0
<i>Net Change in Fund Balance</i>	(35,130)	(26,130)	(3,313)	22,817
<i>Fund Balance Beginning of Year</i>	17,889	17,889	17,889	0
Prior Year Encumbrances Appropriated	17,425	17,425	17,425	0
<i>Fund Balance End of Year</i>	<u>\$184</u>	<u>\$9,184</u>	<u>\$32,001</u>	<u>\$22,817</u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Safety Forces Vehicle Fund
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$0	\$0	\$13	\$13
Charges for Services	200,000	200,000	200,000	0
<i>Total Revenues</i>	200,000	200,000	200,013	13
Expenditures				
Capital Outlay:				
Capital Outlay	108,611	108,611	89,698	18,913
<i>Net Change in Fund Balance</i>	91,389	91,389	110,315	18,926
<i>Fund Balance Beginning of Year</i>	62,673	62,673	62,673	0
Prior Year Encumbrances Appropriated	24,611	24,611	24,611	0
<i>Fund Balance End of Year</i>	<u>\$178,673</u>	<u>\$178,673</u>	<u>\$197,599</u>	<u>\$18,926</u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Water Distribution Infrastructure Fund
For the Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$2,058,805	\$2,013,000	\$2,012,695	(\$305)
Expenditures				
Capital Outlay:				
Contractual Services	<u>2,339,664</u>	<u>2,416,264</u>	<u>2,401,345</u>	<u>14,919</u>
<i>Net Change in Fund Balance</i>	(280,859)	(403,264)	(388,650)	14,614
<i>Fund Balance Beginning of Year</i>	234,436	234,436	234,436	0
Prior Year Encumbrances Appropriated	<u>211,859</u>	<u>211,859</u>	<u>211,859</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$165,436</u></u>	<u><u>\$43,031</u></u>	<u><u>\$57,645</u></u>	<u><u>\$14,614</u></u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Road Improvement Fund
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$719,200	\$1,487,780	\$768,538	(\$719,242)
Intergovernmental	99,146	205,100	105,948	(99,152)
Other	31,222	64,588	33,364	(31,224)
<i>Total Revenues</i>	<u>849,568</u>	<u>1,757,468</u>	<u>907,850</u>	<u>(849,618)</u>
Expenditures				
Capital Outlay:				
Contractual Services	518,015	650,194	634,095	16,099
Debt Service:				
Principal Retirement	306,220	306,220	306,220	0
Interest and Fiscal Charges	49,805	49,805	49,805	0
Total Debt Service	<u>356,025</u>	<u>356,025</u>	<u>356,025</u>	<u>0</u>
<i>Total Expenditures</i>	<u>874,040</u>	<u>1,006,219</u>	<u>990,120</u>	<u>16,099</u>
<i>Net Change in Fund Balance</i>	(24,472)	751,249	(82,270)	(833,519)
<i>Fund Balance Beginning of Year</i>	266,525	266,525	266,525	0
Prior Year Encumbrances Appropriated	<u>6,156</u>	<u>6,156</u>	<u>6,156</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$248,209</u>	<u>\$1,023,930</u>	<u>\$190,411</u>	<u>(\$833,519)</u>

City of South Euclid, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Land Acquisition Fund
For the Year Ended December 31, 2014*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Other	\$158	\$164	\$164	\$0
Expenditures				
Debt Service:				
Principal Retirement	3,845,588	3,923,910	3,900,000	23,910
Interest and Fiscal Charges	665,070	678,615	674,480	4,135
Issuance Costs	92,442	94,325	93,750	575
<i>Total Expenditures</i>	4,603,100	4,696,850	4,668,230	28,620
<i>Excess of Revenues Over (Under) Expenditures</i>	(4,602,942)	(4,696,686)	(4,668,066)	28,620
Other Financing Sources (Uses)				
Special Obligation Bonds Issued	1,840,000	1,840,000	1,840,000	0
Bond Anticipation Notes Issued	1,858,519	2,000,296	2,000,000	(296)
Premium on Bond Anticipation Notes	19,745	20,501	20,500	(1)
Transfers In	481,578	500,039	500,000	(39)
<i>Total Other Financing Sources (Uses)</i>	4,199,842	4,360,836	4,360,500	(336)
<i>Net Change in Fund Balance</i>	(403,100)	(335,850)	(307,566)	28,284
<i>Fund Balance Beginning of Year</i>	786,443	786,443	786,443	0
<i>Fund Balance End of Year</i>	\$383,343	\$450,593	\$478,877	\$28,284

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Sidewalk Improvement Fund
For the Year Ended December 31, 2014

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

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Stanhope Parking Lot Fund
For the Year Ended December 31, 2014

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

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Vehicles Fund
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Capital Outlay:				
Other	51	51	0	51
<i>Net Change in Fund Balance</i>	(51)	(51)	0	51
<i>Fund Balance Beginning of Year</i>	0	0	0	0
Prior Year Encumbrances Appropriated	51	51	51	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$51	\$51

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Sewer Rehabilitation Fund
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Capital Outlay:				
Contractual Services	401	401	0	401
<i>Net Change in Fund Balance</i>	(401)	(401)	0	401
<i>Fund Balance Beginning of Year</i>	401	401	401	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$401	\$401

Statistical Section

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

Contents	Pages(s)
<i>Financial Trends</i>	<i>S2 – S9</i>
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
<i>Revenue Capacity</i>	<i>S10 – S12</i>
These schedules contain information to help the reader assess the City's most significant local revenue, the municipal income tax.	
<i>Debt Capacity</i>	<i>S14 – S19</i>
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
<i>Economic and Demographic Information</i>	<i>S20 – S23</i>
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	
<i>Operating Information</i>	<i>S24 – S29</i>
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

City of South Euclid, Ohio

Net Position By Component

Last Ten Years

(Accrual Basis of Accounting)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Governmental Activities				
Net Investment in Capital Assets	\$22,515,787	\$21,844,110	\$18,625,891	\$33,707,532
Restricted:				
Capital Projects	4,934,777	6,392,259	8,580,926	8,417,154
Debt Service	0	0	0	0
Law Enforcement	232,476	246,533	234,065	184,728
Street Maintenance	468,017	409,352	572,744	495,804
Street Lighting	588,793	494,395	482,838	443,882
Sewer Maintenance	436,967	400,631	428,476	473,661
Community Development	145,265	545,288	528,710	835,629
Other Purposes	1,514,700	329,432	31,371	35,863
Unrestricted (Deficit)	<u>8,878,501</u>	<u>6,237,118</u>	<u>5,414,022</u>	<u>(8,367,742)</u>
<i>Total Governmental Activities Net Position</i>	<u>\$39,715,283</u>	<u>\$36,899,118</u>	<u>\$34,899,043</u>	<u>\$36,226,511</u>

2010	2009	2008	2007	2006	2005
\$33,940,171	\$32,938,396	\$30,383,626	\$28,853,662	\$22,453,546	\$20,848,365
8,191,218	6,012,190	6,357,363	5,732,147	10,817,930	12,072,013
674,337	817,326	840,410	1,205,795	1,228,773	1,230,674
165,435	0	0	0	0	0
456,029	238,023	437,529	618,196	868,767	767,151
428,838	437,834	514,248	551,299	564,263	581,334
390,003	435,148	384,037	398,264	361,298	398,185
799,141	0	0	0	0	0
55,442	851,859	646,835	304,415	338,842	295,348
3,663,962	4,164,412	5,754,886	7,541,936	6,233,264	5,772,223
<u>\$48,764,576</u>	<u>\$45,895,188</u>	<u>\$45,318,934</u>	<u>\$45,205,714</u>	<u>\$42,866,683</u>	<u>\$41,965,293</u>

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

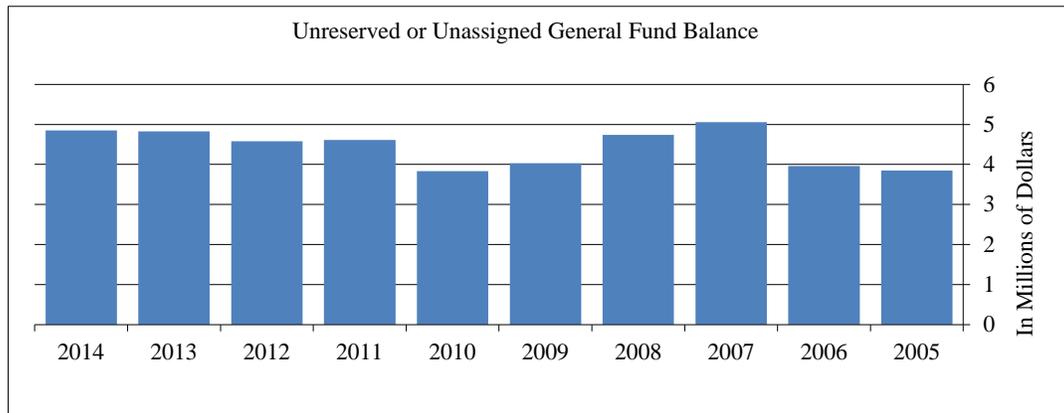
	2014	2013	2012	2011	2010
Program Revenues					
Governmental Activities:					
Charges for Services and Operating Assessments:					
General Government:					
Legislative and Executive	\$278,680	\$241,789	\$309,492	\$279,170	\$266,024
Judicial System	88,070	115,718	108,830	67,123	58,507
Security of Persons and Property:					
Police	587,403	765,543	803,316	634,724	594,913
Fire	383,781	520,779	505,995	434,764	468,368
Public Health Services	216,289	18,048	17,827	14,895	14,323
Leisure Time Activities	32,459	62,941	33,149	31,994	40,072
Community Development	31,950	35,356	26,810	28,728	24,134
Building Department	87,749	96,283	93,991	75,433	72,724
Transportation	140,579	217,647	138,707	214,687	150,034
Basic Utility Services	3,178,881	2,987,268	3,114,804	3,123,642	2,865,154
Swimming Pools	36,026	25,826	59,475	61,732	77,065
Operating Grants, Contributions and Interest	2,020,445	1,210,123	930,169	1,269,232	1,354,082
Capital Grants, Contributions and Capital Assessments	2,134,433	2,007,576	894,761	1,992,124	1,987,926
<i>Total Governmental Activities Program Revenues</i>	<u>9,216,745</u>	<u>8,304,897</u>	<u>7,037,326</u>	<u>8,228,248</u>	<u>7,973,326</u>
Expenses					
Governmental Activities:					
General Government:					
Legislative and Executive	2,538,218	2,463,689	2,805,130	2,622,344	2,388,528
Judicial System	705,509	667,517	756,170	567,380	528,283
Security of Persons and Property:					
Police	5,395,929	5,561,405	5,608,603	6,251,799	5,341,130
Fire	3,889,295	4,088,680	4,547,123	4,817,587	4,354,968
Public Health Services	136,714	134,290	131,696	125,129	127,799
Leisure Time Activities	286,279	284,408	277,716	450,164	368,780
Community Development	299,258	263,078	198,062	241,334	215,342
Building Department	743,899	725,237	701,612	640,481	654,922
Transportation	3,324,616	3,291,914	3,499,610	3,625,163	2,848,221
Basic Utility Services	4,317,863	3,594,613	4,500,720	5,612,047	3,173,606
Swimming Pools	722,429	336,650	344,435	331,283	339,938
Interest and Fiscal Charges	801,172	941,832	500,435	575,742	920,508
<i>Total Governmental Activities Expenses</i>	<u>23,161,181</u>	<u>22,353,313</u>	<u>23,871,312</u>	<u>25,860,453</u>	<u>21,262,025</u>
<i>Total Primary Government Net Expense</i>	<u>(13,944,436)</u>	<u>(14,048,416)</u>	<u>(16,833,986)</u>	<u>(17,632,205)</u>	<u>(13,288,699)</u>
General Revenues and Other Changes in Net Position					
Governmental Activities					
Taxes:					
Property Taxes Levied For:					
General Purposes	3,417,474	3,251,808	3,732,699	3,504,567	3,768,986
Debt Service	0	0	0	0	407,046
Capital Projects	772,040	737,484	855,273	874,193	530,252
Other Purposes	1,204,775	306,745	205,262	210,272	209,102
Municipal Income Taxes	9,675,891	9,988,116	8,633,358	8,914,416	8,151,305
Grants and Entitlements not Restricted to					
Specific Programs	1,128,290	1,311,137	1,487,408	2,520,328	2,344,675
Increase in Investment in Joint Venture	0	0	0	0	0
Investment Earnings	20,784	20,375	35,813	50,287	71,301
Gain on Sale of Capital Assets	143,506	188,672	81,862	260,082	6,447
Miscellaneous	397,841	244,154	474,843	603,868	668,973
<i>Total Governmental Activities General Revenues</i>	<u>16,760,601</u>	<u>16,048,491</u>	<u>15,506,518</u>	<u>16,938,013</u>	<u>16,158,087</u>
Special Item - Loss on Capital Assets	0	0	0	(11,843,873)	0
<i>Total Governmental Activities</i>	<u>16,760,601</u>	<u>16,048,491</u>	<u>15,506,518</u>	<u>5,094,140</u>	<u>16,158,087</u>
<i>Total Primary Government Change in Net Position</i>	<u>\$2,816,165</u>	<u>\$2,000,075</u>	<u>(\$1,327,468)</u>	<u>(\$12,538,065)</u>	<u>\$2,869,388</u>

2009	2008	2007	2006	2005
\$276,698	\$345,357	\$317,840	\$235,896	\$214,236
59,178	57,596	62,730	44,503	42,818
607,784	693,554	663,424	475,520	444,970
436,945	495,777	495,329	328,461	326,040
18,024	16,474	18,029	12,693	12,796
35,970	49,565	53,397	35,031	74,440
25,565	36,442	31,376	19,959	22,012
77,024	93,325	94,543	62,304	57,307
140,916	188,751	98,837	96,845	89,006
2,776,764	2,953,380	3,200,213	2,952,317	2,934,578
86,512	119,300	114,041	121,333	142,634
1,262,066	1,107,332	910,810	1,032,575	928,712
95,906	245,873	693,176	86,335	24,468
5,899,352	6,402,726	6,753,745	5,503,772	5,314,017
2,653,976	2,819,870	2,402,438	2,423,252	2,149,780
571,587	467,629	490,694	463,068	439,808
5,566,689	5,477,289	5,282,303	5,202,341	4,600,120
4,389,709	4,228,508	3,934,595	3,583,897	3,552,050
129,249	133,196	135,702	130,178	127,609
356,693	585,200	1,065,090	377,023	385,161
244,319	294,638	236,405	204,704	219,507
743,044	770,710	737,700	646,628	587,553
3,318,990	3,579,503	3,322,800	3,138,160	2,732,270
2,464,808	3,928,628	3,028,247	3,322,453	2,590,425
406,544	420,665	379,311	371,225	442,493
1,185,865	1,418,744	1,497,241	496,930	491,110
22,031,473	24,124,580	22,512,526	20,359,859	18,317,886
(16,132,121)	(17,721,854)	(15,758,781)	(14,856,087)	(13,003,869)
4,295,069	4,256,560	4,318,695	4,005,660	3,945,778
520,995	442,310	456,913	487,938	491,236
517,143	511,338	546,189	549,010	558,422
242,234	239,886	250,978	229,592	228,914
8,332,487	9,085,439	8,997,144	7,309,426	5,889,209
2,143,984	2,351,687	2,292,053	2,186,857	2,132,798
0	0	0	27,217	0
155,891	426,403	1,014,924	766,878	459,995
0	0	0	42,525	0
500,572	521,451	220,916	152,374	79,832
16,708,375	17,835,074	18,097,812	15,757,477	13,786,184
0	0	0	0	0
16,708,375	17,835,074	18,097,812	15,757,477	13,786,184
\$576,254	\$113,220	\$2,339,031	\$901,390	\$782,315

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

	2014	2013	2012	2011	2010
General Fund					
Nonspendable	\$158,445	\$161,488	\$156,529	\$146,928	\$131,894
Committed	0	0	0	2,544	3,095
Assigned	943,669	504,699	377,704	112,574	165,513
Unassigned	4,851,975	4,826,648	4,578,755	4,610,122	3,829,304
Reserved	0	0	0	0	0
Unreserved	0	0	0	0	0
Total General Fund	5,954,089	5,492,835	5,112,988	4,872,168	4,129,806
All Other Governmental Funds					
Nonspendable	104,540	62,678	95,668	142,470	100,231
Restricted	4,801,940	2,468,995	4,019,112	6,707,464	7,316,884
Unassigned (Deficit)	(10,227)	(2,080,013)	(1,376,064)	(16,800,530)	(3,259,718)
Reserved	0	0	0	0	0
Unreserved, Undesignated, Reported in:					
Special Revenue funds	0	0	0	0	0
Debt Service funds	0	0	0	0	0
Capital Projects funds	0	0	0	0	0
Total All Other Governmental Funds	4,896,253	451,660	2,738,716	(9,950,596)	4,157,397
Total Governmental Funds	\$10,850,342	\$5,944,495	\$7,851,704	(\$5,078,428)	\$8,287,203

Note: The City implemented GASB 54 in 2010.



2009	2008	2007	2006	2005
\$136,237	\$0	\$0	\$0	\$0
0	0	0	0	0
373,928	0	0	0	0
4,028,322	0	0	0	0
0	208,058	246,721	98,956	99,302
0	4,739,743	5,060,371	3,957,818	3,848,239
4,538,487	4,947,801	5,307,092	4,056,774	3,947,541
58,558	0	0	0	0
21,333,187	0	0	0	0
(3,478)	0	0	0	0
0	19,172,102	19,430,616	1,772,610	1,868,745
0	659,747	718,116	946,986	851,780
0	736,311	776,932	772,589	735,471
0	1,119,988	1,901,173	6,952,753	7,962,465
21,388,267	21,688,148	22,826,837	10,444,938	11,418,461
\$25,926,754	\$26,635,949	\$28,133,929	\$14,501,712	\$15,366,002

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

	2014	2013	2012	2011	2010
Revenues					
Property Taxes	\$5,390,905	\$4,270,696	\$4,799,487	\$4,461,493	\$4,900,091
Income Taxes	9,709,718	8,702,831	8,662,240	8,722,342	8,290,533
Special Assessments	2,909,024	2,873,052	2,991,230	2,878,565	2,721,858
Intergovernmental	4,324,620	4,682,140	3,572,188	5,729,726	5,687,247
Interest	20,784	20,375	35,813	50,287	71,301
Fees, Licenses and Permits	627,930	720,679	726,128	515,075	27,587
Fines and Forfeitures	689,714	757,748	683,651	679,711	1,151,835
Rentals	57,862	58,346	123,579	123,152	126,271
Charges for Services	602,639	751,389	685,149	617,720	608,561
Contributions and Donations	33,619	9,072	10,378	0	0
Other	397,841	244,154	474,843	863,950	668,973
Total Revenues	24,764,656	23,090,482	22,764,686	24,642,021	24,254,257
Expenditures					
Current:					
General Government:					
Legislative and Executive	2,439,327	2,439,142	2,352,189	2,350,923	2,364,218
Judicial System	701,956	649,973	770,977	566,728	520,867
Security of Persons and Property:					
Police	5,378,340	5,467,956	5,418,874	5,219,329	5,236,295
Fire	3,892,763	4,018,442	3,937,662	3,874,490	4,326,610
Public Health Services	136,714	134,290	131,696	125,129	127,799
Leisure Time Activities	265,387	260,045	239,857	269,728	356,328
Community Development	268,158	263,078	198,062	241,334	215,342
Building Department	726,138	706,915	687,476	642,827	639,842
Transportation	1,693,834	1,834,012	1,685,118	1,779,430	2,830,847
Basic Utility Services	2,602,419	2,107,719	2,463,543	2,948,728	3,342,089
Swimming Pools	214,220	242,945	252,428	244,910	263,621
Capital Outlay	3,659,757	5,220,829	6,779,249	7,402,479	2,738,593
Debt Service:					
Principal Retirement	1,066,043	1,163,968	1,015,974	933,446	19,506,156
Interest and Fiscal Charges	861,749	1,032,239	365,171	431,511	1,200,981
Capital Appreciation Bonds Accretion	0	0	0	543,592	541,414
Issuance Costs	93,750	22,103	317,786	131,641	222,738
Total Expenditures	24,000,555	25,563,656	26,616,062	27,706,225	44,433,740
Excess of Revenues Under Expenditures	764,101	(2,473,174)	(3,851,376)	(3,064,204)	(20,179,483)
Other Financing Sources (Uses)					
Sale of Capital Assets	145,393	193,529	90,140	4,115	6,447
Inception of Capital Lease	135,853	0	0	304,060	108,685
Premium on Bond Anticipation Notes Issued	0	0	0	0	3,479
Bond Anticipation Notes Issued	2,000,000	0	0	0	2,000,000
Premium on Bond Anticipation Note Issued	20,250	0	0	0	0
OWDA Loan Proceeds	0	0	0	0	0
Special Obligation Bonds Issued	1,840,000	0	0	0	0
General Obligation Bonds Issued	0	0	14,130,000	0	0
Premium on General Obligation Bonds Issued	0	0	1,449,127	0	0
OPWC Loans Issued	0	40,336	737,800	680,545	421,321
OAQDA Loan Issued	0	0	374,441	403,400	0
Compensation for Loss of Asset	0	0	0	150,326	0
Transfers In	997,000	799,020	799,651	233,666	673,478
Transfers Out	(997,000)	(799,020)	(799,651)	(233,666)	(673,478)
Loss on Land Held for Resale	0	0	0	(11,843,873)	0
Total Other Financing Sources (Uses)	4,141,496	233,865	16,781,508	(10,301,427)	2,539,932
Net Change in Fund Balances	\$4,905,597	(\$2,239,309)	\$12,930,132	(\$13,365,631)	(\$17,639,551)
Debt Service as a Percentage of Noncapital Expenditures (a)	8.9%	10.3%	6.1%	6.3%	49.4%

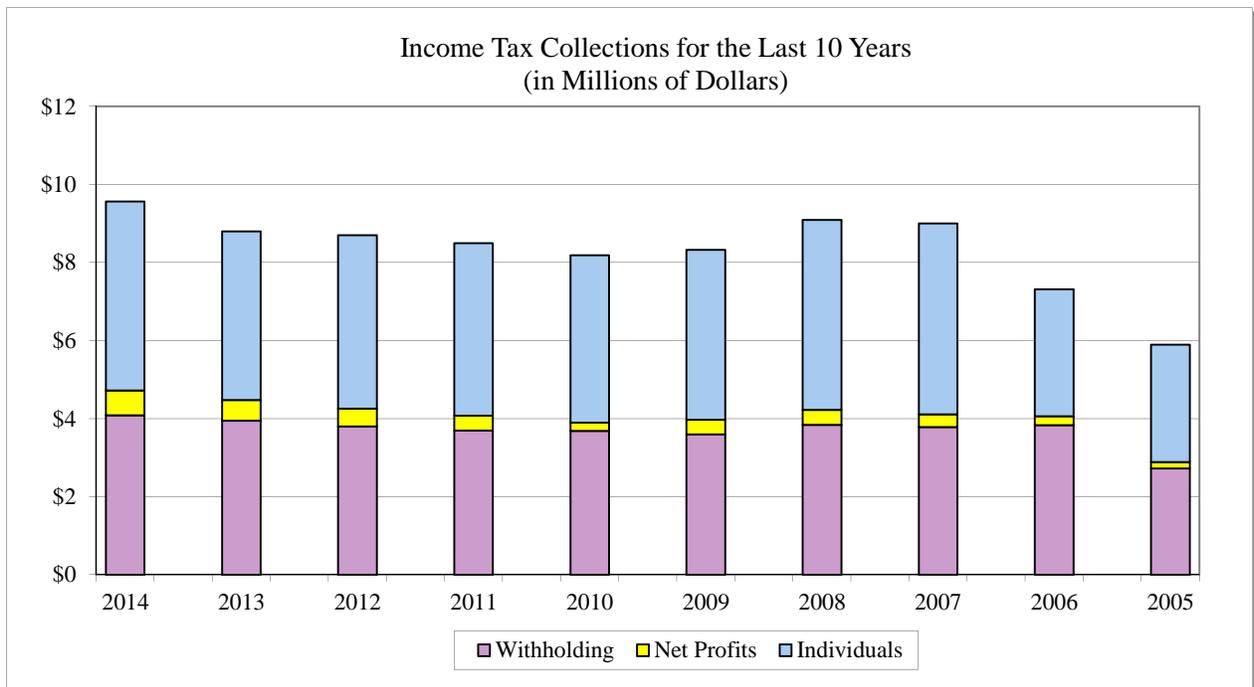
(a) The fluctuations in debt service as a percentage of noncapital expenditures is the result of the City paying off bond anticipation notes until bonds can be issued.

2009	2008	2007	2006	2005
\$5,534,076	\$5,453,873	\$5,501,086	\$5,268,129	\$5,279,878
8,311,273	8,463,897	8,674,233	6,741,479	5,594,529
2,863,451	2,725,157	3,019,836	2,841,329	2,891,889
3,745,257	3,444,675	3,965,660	3,311,300	3,205,613
155,891	426,403	1,014,924	766,878	459,995
474,395	451,096	416,655	606,335	638,644
686,194	643,670	547,248	578,346	472,986
130,790	122,628	620,707	158,687	184,116
640,340	996,316	587,344	306,598	257,754
0	0	0	0	0
500,572	521,451	220,916	152,374	79,832
23,042,239	23,249,166	24,568,609	20,731,455	19,065,236
2,631,006	2,793,959	2,383,974	2,424,399	2,140,190
541,010	490,556	472,870	453,396	426,959
5,482,855	5,393,378	5,116,404	4,842,681	4,522,458
4,298,797	4,130,488	3,867,768	3,484,989	3,400,649
129,249	133,196	135,702	130,178	127,609
351,427	403,482	400,970	370,605	341,400
244,319	294,638	236,405	204,704	219,507
716,900	773,098	714,860	643,659	569,766
2,089,754	2,247,498	2,237,033	1,748,928	1,940,539
2,282,521	2,480,311	2,280,720	2,135,250	1,840,926
318,555	330,541	298,761	274,413	266,658
2,654,497	4,004,012	10,014,436	3,821,801	3,208,757
19,466,247	18,361,773	1,315,524	1,175,441	1,070,655
1,252,209	1,398,321	520,804	415,518	427,297
0	0	0	0	0
0	0	0	0	0
42,459,346	43,235,251	29,996,231	22,125,962	20,503,370
(19,417,107)	(19,986,085)	(5,427,622)	(1,394,507)	(1,438,134)
0	5,423	7,468	173,253	10,412
0	174,902	0	356,964	0
103,670	0	0	0	0
18,550,000	18,010,000	17,000,000	0	0
0	0	0	0	0
0	0	2,052,371	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
43,535	297,780	0	0	0
0	0	0	0	0
10,707	0	0	0	0
1,110,000	1,257,232	1,650,547	945,000	732,917
(1,110,000)	(1,257,232)	(1,650,547)	(945,000)	(732,917)
0	0	0	0	0
18,707,912	18,488,105	19,059,839	530,217	10,412
(\$709,195)	(\$1,497,980)	\$13,632,217	(\$864,290)	(\$1,427,722)
52.7%	48.5%	8.8%	9.5%	9.5%

City of South Euclid, Ohio
Income Tax Revenue Base and Collections
Last Ten Years

Tax Year	Tax Rate (1)	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes From Individuals	Percentage of Taxes from Individuals
2014	2.00 %	\$9,560,212	\$4,082,762	42.71%	\$633,911	6.63%	\$4,843,540	50.66%
2013	2.00	8,797,051	3,943,335	44.83	529,571	6.02	4,324,145	49.15
2012	2.00	8,693,897	3,797,691	43.68	458,209	5.27	4,437,998	51.05
2011	2.00	8,492,924	3,690,332	43.45	388,020	4.57	4,414,572	51.98
2010	2.00	8,187,494	3,686,517	45.03	209,063	2.55	4,291,914	52.42
2009	2.00	8,318,200	3,589,439	43.15	378,199	4.55	4,350,562	52.30
2008	2.00	9,085,439	3,835,277	42.21	387,804	4.27	4,862,358	53.52
2007	2.00	8,997,144	3,777,901	41.99	327,496	3.64	4,891,747	54.37
2006	2.00	7,309,426	3,830,126	52.40	229,265	3.14	3,250,035	44.46
2005	1.50	5,889,209	2,720,121	46.19	164,850	2.80	3,004,238	51.01

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



City of South Euclid, Ohio

Income Tax Statistics

2013 and 2005

2013 (1)

<u>Income Range</u>	<u>Number of Filers</u>	<u>Percent of Filers</u>	<u>Taxable Income</u>	<u>Percent of Taxable Income</u>
\$0 - \$24,999	1,980	32.30%	\$22,646,988	6.95%
\$25,000 - \$49,999	1,597	26.05	58,976,767	18.09
\$50,000 - \$74,999	1,021	16.67	62,532,527	19.18
\$75,000 - \$99,999	721	11.76	62,132,809	19.06
Over \$100,000	811	13.22	119,703,538	36.72
Total	<u>6,130</u>	<u>100.00%</u>	<u>\$325,992,629</u>	<u>100.00%</u>

2005

<u>Income Range</u>	<u>Number of Filers</u>	<u>Percent of Filers</u>	<u>Taxable Income</u>	<u>Percent of Taxable Income</u>
\$0 - \$24,999	2,463	34.90%	\$23,905,119	7.38%
\$25,000 - \$49,999	1,896	26.87	71,111,583	21.97
\$50,000 - \$74,999	1,401	19.84	85,856,492	26.52
\$75,000 - \$99,999	700	9.92	60,268,878	18.62
Over \$100,000	597	8.46	82,581,499	25.51
Total	<u>7,057</u>	<u>100.00%</u>	<u>\$323,723,571</u>	<u>100.00%</u>

(1) Information for 2013 is the most current available.

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

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

2014 Taxpayers	Ranking
South Euclid-Lyndhurst City School District	1
AeroControlex Group Inc.	2
Notre Dame College	3
University Hospitals Health System	4
City of South Euclid	5
Rochling Glastic Composites, LP	6
Wal-mart Associates Inc.	7
University Suburban Health Center	8
Riser Foods	9
Allergy Immunology Association Inc.	10

2006 Taxpayers	Ranking
South Euclid-Lyndhurst City School District	1
City of South Euclid	2
Glastic Corporation	3
University Suburban Health Center	4
Cuyahoga County Auditor	5
Notre Dame College	6
Transdigm Inc.	7
Riser Foods	8
Cleveland Physicians	9
University Hospitals Health System	10

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

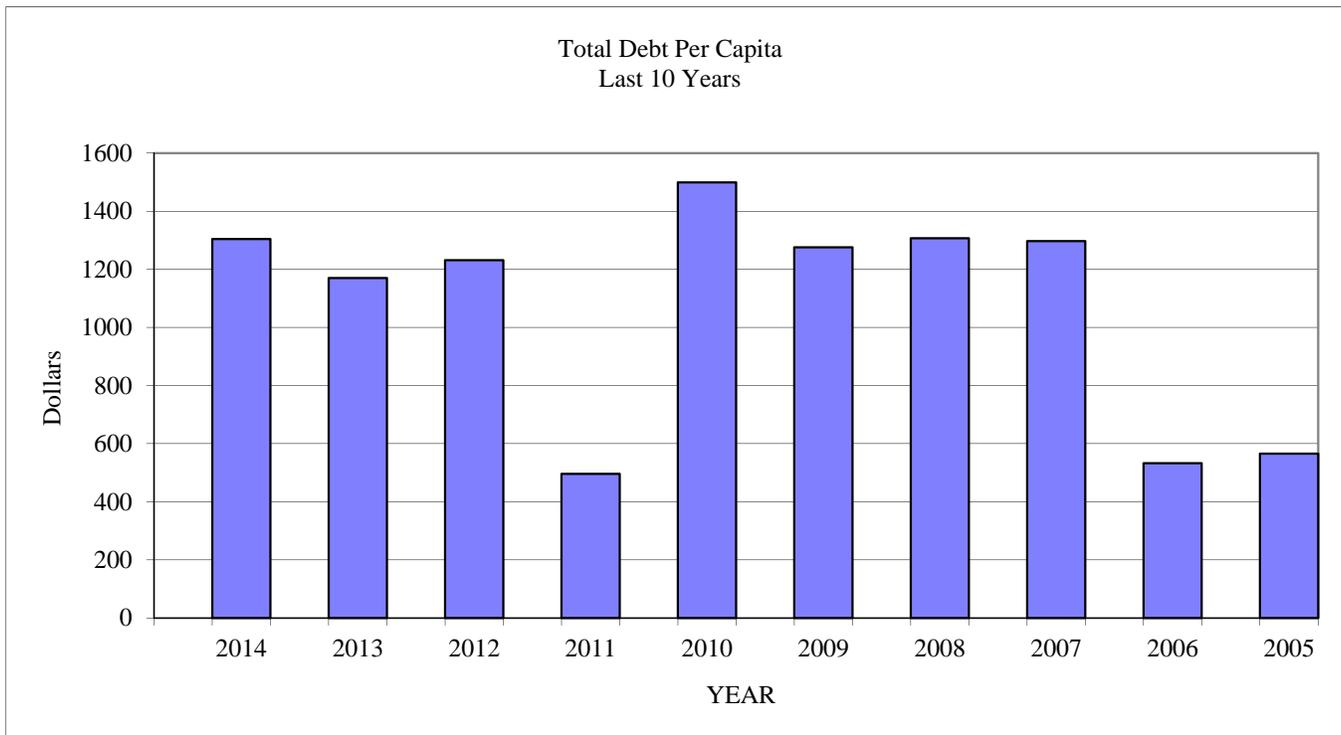
(1) Information prior to 2006 is not available.

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

Year	General Obligation Bonds	Special Obligation Bonds	Long Term Loans	Special Assessment Bonds	OPWC Loans	OWDA Loans	OAQDA Loans
2014	\$18,501,950	\$1,840,000	\$0	\$0	\$2,973,590	\$1,385,541	\$660,601
2013	19,248,831	0	0	0	3,174,806	1,449,909	705,606
2012	19,975,712	0	100,000	100,000	3,289,882	1,544,518	749,236
2011	5,062,238	0	145,000	145,000	2,661,689	1,636,125	403,400
2010	6,092,315	0	190,000	190,000	2,235,704	1,724,826	0
2009	7,078,990	0	230,000	230,000	1,869,186	1,810,714	0
2008	7,973,354	0	270,000	270,000	1,935,257	1,893,877	0
2007	8,842,976	0	305,000	305,000	1,747,086	1,974,401	0
2006	9,711,038	0	340,000	340,000	1,856,693	0	0
2005	10,586,506	0	375,000	375,000	1,966,300	0	0

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



Capital Leases	General Obligation Bond Anticipation Notes	Total Debt	Percentage of Personal Income (1)	Per Capita (1)
\$287,020	\$2,017,083	\$27,665,785	4.71%	\$1,304.44
233,606	0	24,812,758	4.29	1,170
351,238	0	26,110,586	4.44	1,231
465,025	0	10,518,477	5.41	496
217,631	21,143,738	31,794,214	2.35	1,499
254,052	18,558,639	30,031,581	6.06	1,276
406,035	18,010,000	30,758,523	6.19	1,307
356,546	17,000,000	30,531,009	6.14	1,297
291,856	0	12,539,587	2.38	533
0	0	13,302,806	2.53	565

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

Year	Population (1)		Estimated True Values of Taxable Property (2)	Bonded Debt (3)	Ratio of Bonded Debt to Estimated True Values of Taxable Property	Bonded Debt Per Capita
2014	21,209	b	\$1,148,271,000	\$18,501,950	1.61 %	\$872.36
2013	21,209	b	1,150,229,674	19,248,831	1.67	907.58
2012	21,209	b	1,123,544,297	19,975,712	1.78	941.85
2011	21,209	b	1,255,900,840	5,062,238	0.40	238.68
2010	21,209	b	1,258,638,251	6,092,315	0.48	287.25
2009	23,537	a	1,250,127,423	7,078,990	0.57	300.76
2008	23,537	a	1,411,689,760	7,973,354	0.56	338.76
2007	23,537	a	1,313,072,481	8,842,976	0.67	375.71
2006	23,537	a	1,336,234,226	9,711,038	0.73	412.59
2005	23,537	a	1,224,421,930	10,586,506	0.86	449.78

Sources:

- (1) U. S. Bureau of Census, Census of Population
 - (a) 2000 Federal Census
 - (b) 2010 Federal Census

(2) Cuyahoga County Fiscal Officer

(3) Includes all general obligation bonded debt

Although the general obligation bond retirement fund is restricted for debt service, it is not specifically restricted to the payment of principal. Therefore, these resources are not shown as a deduction from general obligation bonded debt.

City of South Euclid, Ohio
Computation of Direct and Overlapping Governmental Activities Debt
 December 31, 2014

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City of South Euclid
Direct - City of South Euclid			
General Obligation Bonds	\$18,501,950	100.00%	\$18,501,950
Special Obligation Bonds	1,840,000	100.00%	1,840,000
OPWC Loans	2,973,590	100.00%	2,973,590
OWDA Loans	1,385,541	100.00%	1,385,541
OAQDA Loans	660,601	100.00%	660,601
General Obligation BAN	2,017,083	100.00%	2,017,083
Capital Leases	287,020	100.00%	287,020
<i>Total Direct</i>	<u>27,665,785</u>		<u>27,665,785</u>
Overlapping			
South Euclid-Lyndhurst City School District			
General Obligation Bonds	4,434,810	42.98%	1,906,081
Cleveland Heights School District			
General Obligation Bonds	141,144,915	1.95%	2,752,326
QZAB Bonds	5,500,000	1.95%	107,250
Capital Lease Obligations	246,742	1.95%	4,811
Cuyahoga County			
General Obligation Bonds	285,597,336	1.37%	3,912,684
Revenue Bonds	576,029,491	1.37%	7,891,604
Certificates of Participation	230,885,000	1.37%	3,163,125
Loans Payable	4,859,876	1.37%	66,580
Notes Payable	2,000,000	1.37%	27,400
Capital Lease Obligations	478,545,611	1.37%	6,556,075
Cleveland Heights University Heights Public Library			
Capital Lease Obligations	258,820	6.51%	16,849
Greater Cleveland Regional Transit Authority			
General Obligation Bonds	54,965,000	1.37%	753,021
Sales Tax Revenue Bonds	80,869,194	1.37%	1,107,908
Capital Lease Obligations	14,430,918	1.37%	197,704
<i>Total Overlapping Debt</i>	<u>1,879,767,713</u>		<u>28,463,418</u>
Total	<u><u>\$1,907,433,498</u></u>		<u><u>\$56,129,203</u></u>

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

Source: Cuyahoga County Fiscal Officer

City of South Euclid, Ohio

Legal Debt Margin

Last Ten Years

	2014	2013	2012	2011
Population	21,209	21,209	21,209	21,209
Total Assessed Property Value	<u>\$360,843,070</u>	<u>\$363,067,030</u>	<u>\$357,391,830</u>	<u>\$406,474,780</u>
General Bonded Debt Outstanding:				
General Obligation Bonds	\$17,030,000	\$17,695,000	\$18,340,000	\$4,830,000
Special Obligation Bonds	1,840,000	0	0	0
Special Assessment Bonds	0	0	100,000	145,000
OPWC Loans	2,973,590	3,174,806	3,289,882	2,806,643
OWDA Loans	1,385,541	1,449,909	1,544,518	1,636,125
OAQDA Loans	660,601	705,606	749,236	403,400
Bond Anticipation Notes	<u>2,000,000</u>	<u>3,900,000</u>	<u>3,900,000</u>	<u>19,070,000</u>
Total Gross Indebtedness	25,889,732	26,925,321	27,923,636	28,891,168
Less:				
General Obligation Bonds	(14,130,000)	(14,130,000)	0	0
Special Obligation Bonds	(1,840,000)	0	0	0
Special Assessment Bonds	0	0	(100,000)	(145,000)
OPWC Loans	(2,973,590)	(3,174,806)	(3,289,882)	(2,806,643)
OWDA Loans	(1,385,541)	(1,449,909)	(1,544,518)	(1,636,125)
OAQDA Loans	(660,601)	(705,606)	(749,236)	(403,400)
Bond Anticipation Notes	(2,000,000)	(3,900,000)	0	0
General Obligation Bond Retirement Fund Balance	<u>(10,850)</u>	<u>(25,685)</u>	<u>0</u>	<u>(62,494)</u>
Total Net Debt Applicable to Debt Limit	<u>2,889,150</u>	<u>3,539,315</u>	<u>22,240,000</u>	<u>23,837,506</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>37,888,522</u>	<u>38,122,038</u>	<u>37,526,142</u>	<u>42,679,852</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$34,999,372</u>	<u>\$34,582,723</u>	<u>\$15,286,142</u>	<u>\$18,842,346</u>
Legal Debt Margin as a Percentage of the Debt Limit	92.37%	90.72%	40.73%	44.15%
Unvoted Debt Limitation 5 ½ % of Assessed Valuation	<u>\$19,846,369</u>	<u>\$19,968,687</u>	<u>\$19,656,551</u>	<u>\$22,356,113</u>
Total Gross Indebtedness	25,889,732	26,925,321	27,923,636	28,891,168
Less:				
General Obligation Bonds	(14,130,000)	(14,130,000)	0	0
Bond Anticipation Notes	(2,000,000)	(3,900,000)	0	0
Special Assessment Bonds	0	0	(100,000)	(145,000)
OPWC Loans	(2,973,590)	(3,174,806)	(3,289,882)	(2,806,643)
OWDA Loans	(1,385,541)	(1,449,909)	(1,544,518)	(1,636,125)
OAQDA Loans	(660,601)	(705,606)	(749,236)	(403,400)
Voted General Obligation Bonds	(3,565,000)	(3,565,000)	(4,210,000)	(4,830,000)
General Obligation Bond Retirement Fund Balance	<u>(10,850)</u>	<u>(25,685)</u>	<u>0</u>	<u>(62,494)</u>
Net Debt Within 5 ½ % Limitations	<u>0</u>	<u>0</u>	<u>18,030,000</u>	<u>19,007,506</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$19,846,369</u>	<u>\$19,968,687</u>	<u>\$1,626,551</u>	<u>\$3,348,607</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	100.00%	100.00%	8.27%	14.98%

Source: City Financial Records

2010	2009	2008	2007	2006	2005
21,209	23,537	23,537	23,537	23,537	23,537
<u>\$408,512,770</u>	<u>\$407,015,640</u>	<u>\$458,340,285</u>	<u>\$459,486,360</u>	<u>\$465,051,645</u>	<u>\$428,196,500</u>
\$5,456,408	\$6,234,994	\$7,299,994	\$8,304,994	\$9,279,994	\$10,239,994
0	0	0	0	0	0
190,000	230,000	270,000	305,000	340,000	375,000
2,235,704	1,869,186	1,935,257	1,747,086	1,856,693	1,966,300
1,724,826	1,810,714	1,893,877	1,974,401	0	0
0	0	0	0	0	0
21,070,000	20,350,000	19,810,000	18,800,000	1,800,000	0
30,676,938	30,494,894	31,209,128	31,131,481	13,276,687	12,581,294
0	0	0	0	0	0
0	0	0	0	0	0
(190,000)	(230,000)	(270,000)	(305,000)	(340,000)	(375,000)
(2,235,704)	(1,869,186)	(1,935,257)	(1,747,086)	(1,856,693)	(1,966,300)
(1,724,826)	(1,810,714)	(1,893,877)	(1,974,401)	0	0
0	0	0	0	0	0
0	0	0	0	0	0
(642,371)	(708,103)	(640,146)	(631,492)	(624,400)	(586,697)
25,884,037	25,876,891	26,469,848	26,473,502	10,455,594	9,653,297
42,893,841	42,736,642	48,125,730	48,246,068	48,830,423	44,960,633
<u>\$17,009,804</u>	<u>\$16,859,751</u>	<u>\$21,655,882</u>	<u>\$21,772,566</u>	<u>\$38,374,829</u>	<u>\$35,307,336</u>
39.66%	39.45%	45.00%	45.13%	78.59%	78.53%
<u>\$22,468,202</u>	<u>\$22,385,860</u>	<u>\$25,208,716</u>	<u>\$25,271,750</u>	<u>\$25,577,840</u>	<u>\$23,550,808</u>
30,676,938	30,494,894	31,209,128	31,131,481	13,276,687	12,581,294
0	0	0	0	0	0
0	0	0	0	0	0
(190,000)	(230,000)	(270,000)	(305,000)	(340,000)	(375,000)
(2,235,704)	(1,869,186)	(1,935,257)	(1,747,086)	(1,856,693)	(1,966,300)
(1,724,826)	(1,810,714)	(1,893,877)	(1,974,401)	0	0
0	0	0	0	0	0
(5,456,408)	(6,234,994)	(7,299,994)	(8,304,994)	(9,279,994)	(10,239,994)
(642,371)	(708,103)	(640,146)	(631,492)	(624,400)	(586,697)
20,427,629	19,641,897	19,169,854	18,168,508	1,175,600	0
<u>\$2,040,573</u>	<u>\$2,743,963</u>	<u>\$6,038,862</u>	<u>\$7,103,242</u>	<u>\$24,402,240</u>	<u>\$23,550,808</u>
9.08%	12.26%	23.96%	28.11%	95.40%	100.00%

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

2014	
Employer	Number of Employees
Notre Dame College	1,435
Wal-Mart Associates Inc.	534
South Euclid-Lyndhurst City School District	390
Riser Foods	303
City of South Euclid	270
AeroControlex Group Inc.	173
University Suburban Health Center	132
Rochling Glastic Composites, LP	113
Mayfield Collision	40
University Dermatologists Inc.	36
Total	<u>3,426</u>
Total Employment within the City	<u>n/a</u>

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

Source: Regional Income Tax Agency

(1) Information prior to 2006 not available.

n/a - Information not available

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

Year	Population (1)		Total Personal Income (5)	Personal Income Per Capita	Median Household Income (1)	Median Age (1)
2014	21,209	b	\$587,574,136	\$27,704	\$59,968	38
2013	21,209	b	579,917,687	27,343	59,423	38
2012	21,209	b	592,770,341	27,949	56,536	38
2011	21,209	b	552,367,196	26,044	56,673	39
2010	21,209	b	541,402,143	25,527	67,358	35
2009	23,537	a	526,828,671	22,383	48,346	38
2008	23,537	a	526,828,671	22,383	48,346	38
2007	23,537	a	526,828,671	22,383	48,346	38
2006	23,537	a	526,828,671	22,383	48,346	38
2005	23,537	a	526,828,671	22,383	48,346	38

(1) Source: U. S. Census

(a) Years 2005 through 2009 - 2000 Federal Census

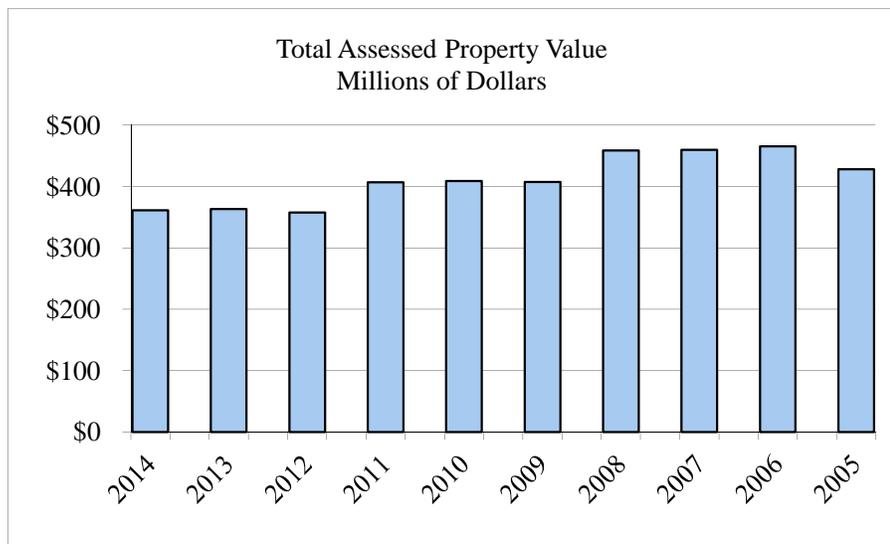
(b) Year 2010 through 2012 - 2010 Federal Census

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

(3) Cuyahoga County Planning Commission

(4) Source: Cuyahoga County Fiscal Officer

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



Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Cuyahoga County Unemployment Rate (3)	Total Assessed Property Value (4)
38.8%	3,583	5.2%	\$360,843,070
37.9	3,897	8.8	363,067,030
36.8	4,182	8.3	357,391,830
67.0	4,296	8.0	406,474,780
67.0	4,296	8.6	408,512,770
67.0	4,269	9.0	407,015,640
67.0	4,336	7.1	458,340,285
67.0	4,307	6.1	459,486,360
67.0	4,462	5.5	465,051,645
65.5	4,613	5.9	428,196,500

City of South Euclid, Ohio
City Government Employees by Function/Program
Last Ten Years

Function/Program	2014	2013	2012	2011	2010
General Government:					
Legislative and Executive					
City Council	4.00	4.00	4.00	4.00	4.00
Mayors Office	2.00	2.00	2.00	2.00	2.00
Finance	4.00	4.00	4.00	4.00	4.00
Law	1.50	1.50	2.50	2.50	2.50
Civil Service	1.50	1.50	2.00	2.00	2.00
Municipal Complex	1.00	1.00	1.00	1.00	1.00
Engineering	1.00	1.00	1.00	1.00	1.00
Judicial System					
Municipal Court	14.00	13.00	11.50	12.00	12.00
Security of Persons and Property					
Police	47.00	50.50	58.00	58.00	58.00
Fire	30.00	30.00	33.00	33.00	38.00
Leisure Time Activities					
Recreation	1.00	1.00	1.00	1.00	1.00
Community Center	5.50	5.50	5.50	6.00	6.00
Community Development					
Boards and Commissions	11.50	11.50	9.00	9.00	9.00
Community Relations	1.00	1.00	1.50	1.50	1.50
Economic Development	1.00	1.00	1.00	1.00	1.00
Building Department					
Transportation	10.00	10.00	10.00	10.00	10.00
Service Department	19.50	19.50	18.50	21.00	21.00
Service Garage	2.00	2.00	2.00	2.00	2.00
Basic Utility Services					
Curbside Recycling	0.00	1.00	2.00	2.00	2.00
Swimming Pools					
	28.50	28.50	37.50	30.00	30.00
Totals:	<u>186.00</u>	<u>189.50</u>	<u>207.00</u>	<u>203.00</u>	<u>208.00</u>

Source: City of South Euclid.

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

2009	2008	2007	2006	2005
4.00	4.00	4.00	4.00	4.00
2.00	2.00	2.00	2.00	2.00
4.00	4.00	5.00	5.00	5.00
2.50	2.50	3.00	3.00	2.00
2.00	2.00	2.00	2.00	2.00
1.00	2.00	3.00	3.00	2.00
1.00	1.00	1.00	1.00	1.00
12.00	12.00	10.00	10.00	10.00
58.00	58.00	59.00	58.00	64.00
38.00	38.00	37.00	36.00	34.00
1.00	2.00	3.00	3.00	3.00
6.00	6.00	6.00	6.00	4.00
9.00	9.00	10.00	10.00	10.00
1.50	1.50	1.00	2.00	2.00
0.50	1.00	1.00	0.00	0.00
10.00	12.00	11.00	11.00	11.00
21.00	22.00	23.00	23.00	21.00
2.00	2.00	2.00	2.00	2.00
2.00	2.00	2.00	2.00	2.00
30.00	30.00	30.00	35.00	52.00
<u>207.50</u>	<u>213.00</u>	<u>215.00</u>	<u>218.00</u>	<u>233.00</u>

City of South Euclid, Ohio
Operating Indicators by Function/Program
Last Ten Years

Function/Program	2014	2013	2012	2011
General Government				
<i>City Council</i>				
Ordinances Introduced	22	24	40	40
Resolutions Introduced	69	80	70	70
<i>Municipal Court</i>				
Revenues Distributed to City General Fund	N/A	\$557,877	\$597,077	N/A
Operating Expenses Paid from General Fund	N/A	\$615,488	\$688,503	N/A
Traffic Charges Filed	N/A	4,197	5,634	N/A
Parking Tickets Processed	N/A	0	1,275	N/A
Criminal Charges Filed	N/A	991	1,111	N/A
Housing Code Charges Filed	N/A	244	124	N/A
Civil Cases Filed	N/A	1,164	921	N/A
Marriages Performed	N/A	16	10	N/A
Security of Persons & Property				
<i>Police</i>				
Number of Stations	1	1	1	1
Policemen and Officers	36	38	39	39
Bike Patrol Fleet	4	4	4	4
S.W.A.T. Members	6	6	6	0
K-9 Units	3	3	2	2
School Guards	0	0	0	0
Hours of Training	2,000	2,161	1,509	2,656
Number of Persons Arrested	1,041	909	1,031	1,036
Number of Traffic Citations Issued	4,038	4,443	4,388	4,453
Number of Parking Violations/Arrests	3,594	4,086	1,771	4,492
Police Responses	13,902	15,551	14,190	17,438
9-1-1 Emergency Calls Received	6,303	6,460	6,415	N/A
<i>Fire</i>				
Number of Stations	1	1	1	1
Firemen and Officers	29	30	32	34
Paramedics	27	27	28	28
Hours of Training	5,537	4,456	4,463	4,002
Number of Incidents	3,375	3,441	3,293	3,091
EMS Responses	2,283	2,216	2,269	2,120
Total Fire Loss	\$420,480	\$419,950	\$179,100	\$311,350
Building Department				
Residential Building Permits Issued	1,824	2,006	1,768	1,845
Estimated Value of Residential Construction	\$7,079,000	\$7,265,721	\$5,927,582	\$6,639,510
Commercial Building Permits Issued	217	211	337	186
Estimated Value of Commercial Construction	\$15,815,761	\$7,121,719	\$19,287,636	\$12,658,963
Transportation				
Number of Trees Planted	56	75	104	124
Tons of Salt Purchased	4,000	3,400	3,200	4,309
Basic Utility Services				
Tons of Recycling Picked Up	1,787	1,859	1,329	N/A
Tons Paper Recycling Picked Up	N/A	N/A	N/A	331
Tons of Plastic Recycling Picked Up	N/A	N/A	N/A	343
Swimming Pools				
Number of Pools	1	2	2	2
Swimming Pool Receipts	\$52,685	\$67,005	\$80,820	\$71,279
Swimming Pool Expenditures	\$218,631	\$245,939	\$252,924	\$249,792

Source: City of South Euclid

2010	2009	2008	2007	2006	2005
64	56	59	72	88	78
90	71	62	75	44	66
\$619,696	\$622,913	\$592,391	\$515,782	\$520,000	\$454,176
\$540,075	\$609,914	\$502,549	\$473,410	\$447,133	\$422,141
5,284	5,380	5,300	5,302	4,602	4,304
3,661	4,038	4,648	4,318	6,036	N/A
1,181	1,681	2,023	2,098	1,613	1,294
478	807	1,112	1,134	886	480
1,010	1,320	1,179	1,042	1,028	943
13	6	10	9	9	9
1	1	1	1	1	1
39	40	41	42	41	41
4	4	4	4	N/A	N/A
0	0	7	8	N/A	N/A
2	2	2	2	2	1
0	13	13	13	13	16
2,976	1,695	3,336	2,792	1,967	1,655
963	1,050	1,092	1,063	947	997
5,537	5,163	5,757	5,376	4,787	4,467
3,654	4,034	4,641	4,316	5,709	4,756
17,754	17,380	19,558	18,541	16,874	17,984
N/A	N/A	7,303	5,807	5,545	5,576
1	1	1	1	1	1
37	37	37	37	35	34
27	25	26	27	23	22
5,135	7,520	6,290	5,641	5,703	3,485
3,063	3,200	3,139	2,929	2,926	2,938
1,983	2,093	2,052	1,955	2,022	2,065
\$534,032	\$317,000	\$291,600	\$231,000	\$335,450	\$225,200
1,850	889	784	827	976	983
\$6,274,662	\$4,203,729	\$5,444,223	\$5,288,766	\$5,725,155	\$7,032,396
18	45	63	63	36	39
\$481,500	\$1,575,011	\$16,068,205	\$14,281,819	\$2,807,093	\$995,007
116	15	170	311	74	3
3,622	3,300	7,417	9,500	7,743	4,196
N/A	N/A	N/A	N/A	N/A	N/A
381	480	521	580	507	563
317	317	316	330	459	314
2	2	2	2	2	2
\$82,220	\$86,512	\$119,300	\$114,041	\$121,334	\$142,635
\$264,402	\$315,554	\$328,423	\$304,882	\$273,248	\$270,526

City of South Euclid, Ohio
Capital Assets Statistics by Function/Program
Last Ten Years

Function/Program	2014	2013	2012	2011
General Government				
Total Square Footage (1)	54,002	54,002	54,002	54,002
Vehicles	1	1	1	1
Security of Persons and Property				
<i>Police</i>				
Number of Stations	1	1	1	1
Vehicles	27	30	24	24
<i>Fire</i>				
Number of Stations	1	1	1	1
Vehicles	12	10	10	10
Leisure Time Activities				
Number of Parks	3	3	3	3
Number of Playgrounds	2	2	2	2
Number of Swimming Pools	1	2	2	2
Number of Tennis Courts	4	4	4	4
Number of Community Centers	1	1	1	1
Square Footage of Community Center	10,582	10,582	10,582	10,582
Building Department				
Vehicles	7	7	9	9
Transportation				
Street Miles	67	67	67	67
Storm Sewer Miles	60	60	60	60
Sanitary Sewer Miles	64	64	64	64
Water Line Miles*	0	0	0	0
Square Footage of Service Garage	13,897	13,897	13,897	13,897
Square Footage of Parking Garage	17,542	17,542	17,542	17,542
Vehicles	28	28	28	28
Basic Utility Services				
Vehicles	16	16	16	16

Source: City of South Euclid

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

* In 2011, the City of South Euclid turned all the water lines over to the City of Cleveland.

2010	2009	2008	2007	2006	2005
54,002	54,002	54,002	54,002	54,002	54,002
1	1	1	1	1	1
1	1	1	1	1	1
24	24	25	35	30	28
1	1	1	1	1	1
10	10	10	11	10	10
3	3	3	3	3	3
2	2	2	2	2	2
2	2	2	2	2	2
4	4	4	4	4	4
1	1	1	1	1	1
10,582	10,582	10,582	10,582	10,582	10,582
9	9	9	10	8	8
67	67	67	67	67	61
60	60	60	60	60	N/A
64	64	64	64	64	N/A
70	70	70	70	70	N/A
13,897	13,897	13,897	13,897	13,897	13,897
17,542	17,542	17,542	17,542	17,542	17,542
28	28	32	32	32	29
16	16	21	19	19	19

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**CITY OF SOUTH EUCLID
CUYAHOGA COUNTY, OHIO**

AUDIT REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2014**

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

**CITY OF SOUTH EUCLID
CUYAHOGA COUNTY, OHIO
AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2014**

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

*Certified Public Accountants
5240 East 98th Street
Garfield Hts., Ohio 44125*

Member American Institute of Certified Public Accountants

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Ohio Society of Certified Public Accountants

**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
City of South Euclid, Ohio

The Honorable David Yost
Auditor of State
State of 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, each major fund, and the aggregate remaining fund information of the City of South Euclid, Cuyahoga County, Ohio, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City of South Euclid, Ohio's basic financial statements, and have issued our report thereon dated June 8, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of South 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 South Euclid, Ohio's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of South 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 of South Euclid, Ohio'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 South 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 South 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 South Euclid, Ohio's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

James G. Zupka,
CPA, President

Digitally signed by James G. Zupka, CPA, President
DN: cn=James G. Zupka, CPA, President, o=James
G. Zupka, CPA, Inc., ou=Accounting,
email=jgzcpa@sbcglobal.net, c=US
Date: 2015.06.29 14:47:44 -04'00'

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

June 8, 2015

**CITY OF SOUTH EUCLID
CUYAHOGA COUNTY, OHIO
STATUS OF PRIOR FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2014**

The prior audit report, as of December 31, 2013, included no citations or instances of noncompliance. Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

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Dave Yost • Auditor of State

CITY OF SOUTH EUCLID

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
OCTOBER 13, 2015**