

CITY OF EUCLID, OHIO

SINGLE AUDIT REPORT

FOR THE YEAR ENDED DECEMBER 31, 2009

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



Mary Taylor, CPA
Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the City of Euclid, Cuyahoga County, prepared by James G. Zupka, CPA, Inc., for the audit period January 1, 2009 through December 31, 2009. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

September 13, 2010

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

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

*Certified Public Accountants
5240 East 98th Street
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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

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

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Euclid, Cuyahoga County, Ohio, as of and for the year ended December 31, 2009, which collectively comprise the City of Euclid, Ohio's basic financial statements and have issued our report thereon dated May 21, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

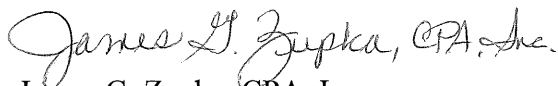
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material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

Compliance and Other Matters

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

We noted a certain matter that we reported to management of the City of Euclid, Ohio, in a separate letter dated May 21, 2010.

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



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

May 21, 2010

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

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

Compliance

We have audited the compliance of the City of Euclid, Cuyahoga County, Ohio, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2009. The City of Euclid, Ohio's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the City of Euclid, Ohio's management. Our responsibility is to express an opinion on the City of Euclid, Ohio's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Euclid, Ohio's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City of Euclid, Ohio's compliance with those requirements.

In our opinion, the City of Euclid, Ohio, complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2009.

Internal Control Over Compliance

The management of the City of Euclid, Ohio, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City of Euclid, Ohio's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Euclid, Ohio's internal control over compliance.

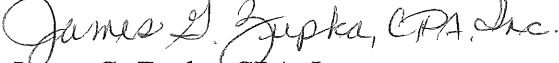
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

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

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Euclid, Ohio, as of and for the year ended December 31, 2009, and have issued our report thereon dated May 21, 2010, which contained unqualified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements as a whole. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

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


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

May 21, 2010

CITY OF EUCLID, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2009

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Disbursements
<u>U.S. Department of Housing and Urban Development</u>			
Direct Awards:			
Community Development Block Grant			
Entitlement Grant	14.218	B-08MC-39-0008	\$ 420,239
Entitlement Grant	14.218	B-09MC-39-0008	655,697
Entitlement Grant	14.218	B-08-MN-39-0008	137,863
Subtotal CFDA #14.218			<u>1,213,799</u>
Total U.S. Department of Housing and Urban Development			<u>1,213,799</u>
<u>U.S. Department of Energy</u>			
Direct Award:			
ARRA - Energy Efficiency and Conservation Grant	81.128	DE-EE0001561	7,817
Total U.S. Department of Energy			<u>7,817</u>
<u>U.S. Department of Justice</u>			
Direct Awards:			
Bulletproof Vest Program	16.607		361
Northern Border Initiative	16.814	A60900008-01	8,572
ARRA - COPS Hiring Recovery Program (CHRP)	16.710		66,392
Justice Assistance Grant - Recovery	16.738		19,876
Justice Assistance Grant - Victim Assistance	16.738		34,273
Justice Assistance Grant - Law Enforcement	16.738	2008-JG-LLE-5269	7,990
Subtotal CFDA #16.738			<u>62,139</u>
ARRA - U.S. Marshals Service - Asset Forfeiture Grant	16.UNK	0324A A3403FWF4014R	25,000
Total U.S. Department of Justice			<u>162,464</u>
<u>Federal Emergency Management Agency</u>			
Direct Award:			
Assistance to Firefighters Grant - Fire Prevention and Safety Program	97.044	EMW-2008-FO-06509	90,451
Total Federal Emergency Management Agency			<u>90,451</u>
<u>U.S. Department of Health and Human Services</u>			
Pass-Through Programs from:			
<i>State Department of Aging and the Western Reserve Area Agency on Aging</i>			
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045		70,075
Total U.S. Department of Health and Human Services			<u>70,075</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 1,544,606</u>

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

CITY OF EUCLID, OHIO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 1: **SIGNIFICANT ACCOUNTING POLICIES**

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

CITY OF EUCLID, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 & .505
DECEMBER 31, 2009

1. SUMMARY OF AUDITOR'S RESULTS

2009(i)	Type of Financial Statement Opinion	Unqualified
2009(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
2009(ii)	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
2009(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2009(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
2009(iv)	Were there any other significant deficiencies in internal control reported for major federal programs?	No
2009(v)	Type of Major Programs' Compliance Opinions	Unqualified
2009(vi)	Are there any reportable findings under .510?	No
2009(vii)	Major Programs (list): Community Development Block Grant - CFDA #14.218	
2009(viii)	Dollar Threshold: A/B Programs	Type A: \$300,000 Type B: All Others
2009(ix)	Low Risk Auditee?	Yes

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

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

The prior audit report, as of December 31, 2008, included no citations or instances of noncompliance. Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

Comprehensive Annual Financial Report

For the fiscal year ended December 31, 2009



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Euclid, Ohio

INTRODUCTORY SECTION

CITY OF EUCLID, OHIO

EUCLID, OHIO

Comprehensive Annual Financial Report

For the Year Ended December 31, 2009

**Issued by: Finance Department
Jack Johnson, Director of Finance**

CITY OF EUCLID, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2009

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**CITY OF EUCLID, OHIO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED DECEMBER 31, 2009**

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CITY OF EUCLID, OHIO
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585 East 222nd Street, Euclid, OH 44123-2099

Department of Finance
Jack Johnson, Director
Phone: 216/289-2850
Fax: 216/289-2764

May 21, 2010

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

We are pleased to submit to you the City of Euclid's Comprehensive Annual Financial Report (CAFR). This CAFR represents the official report of the City of Euclid's operations and financial position for the fiscal year ended December 31, 2009, and has been developed to accurately detail the status of the City's finances to Euclid residents and elected officials, investment institutions and underwriters, rating agencies and other interested parties. This report is done in compliance with GASB Statement No. 34, *Basic Financial Statements-and Management Discussion and Analysis-for State and Local Governments*.

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

Management's discussion and analysis (MD&A) immediately follows the independent accountants' report and provides a narrative introduction, overview, and analysis of the basic financial statements. As the MD&A complements this letter of transmittal, they both should be read together.

PROFILE OF THE GOVERNMENT

The City

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

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

City Government

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

City Services

The City of Euclid offers its citizens a full range of municipal services that include a municipal court, police and fire protection, sanitation, street maintenance and improvements, health and welfare, community and economic development, a civic cultural center, and a community center that is home to many senior citizen organizations and community activities. In addition, the City's recreational facilities include an 18-hole municipal golf course, an indoor ice skating rink, several swimming pools, and a variety of sports fields which provide opportunities for competitive sports. Fine health care is available in Euclid for people living and working in the City, due to the presence of Euclid Hospital, which is affiliated with the Cleveland Clinic and University Mednet's Clinic. In 2009, the City entered into a management agreement with Coral Company for the operation of Shore Civic Cultural Centre.

The City operates three enterprises: the Waste Water Treatment Plant, the Water Line Construction, and the Briardale Greens Golf Course. All are accounted for in the City's enterprise funds. In February 2010, the City entered into a management agreement with Billy Casper Golf, Inc. for the operation of the golf course. The City of Euclid provides waste water treatment for the cities of Wickliffe, Willowick, Willoughby Hills, and parts of Richmond Heights and South Euclid. Each of these communities depends in whole or in part on the City of Euclid's sanitary sewer system for transportation of their waste water to the City's waste water treatment plant.

The maintenance of the sanitary sewer system within each community is the responsibility of each individual community. The firm of DMG-Maximus, Inc. determines, annually and independently, the amount of required revenues to provide waste water services and recommends a rate structure that would equitably generate these revenues from the system users.

The City provides an aggregation program for City residents for natural gas using Vectron as the provider. Residents can also obtain electricity from First Energy Corporation and natural gas from Dominion East Ohio Gas Company, both independent, publicly-owned utilities. Cleveland Public Power, a City of Cleveland owned electric utility, serves a small portion of the community, and the Regional Transit Authority provides a county wide transit system bus service within the City.

Reporting Entity

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

The Euclid City School District has not been included in the accompanying financial statements. The Board is not appointed by the City, nor is it fiscally dependent on the City.

The Euclid Development Corporation (EDCOR) is presented as a component unit. This matter is discussed in more detail later in the notes to the basic financial statements.

FACTORS AFFECTING FINANCIAL CONDITION

Economic Condition and Outlook

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

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

During 2009, the City was not immune to the worldwide recession. Many of the City’s businesses trimmed employees or hours worked but all remained open and used 2009 to prepare for the future.

Major industrial companies, such as Lincoln Electric Company and Babcock & Wilcox, developed new products or began research and development of new products.

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

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

With the impetus of the grant, Lincoln Electric Company will construct a 2.5 megawatt Kenersys wind turbine on its Euclid Campus. The turbine will be one of the largest constructed in the State to date. The project will serve as a demonstration of wind turbine technology and will complement Lincoln’s business strategy to pursue manufacturing opportunities in the wind industry.

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

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

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

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

On the commercial/retail side, the Lake Shore Plaza strip \$1 million renovation is slated for 2010, along with the \$1.2 million Shore Center Shopping Center renovation. The renovation plans for these east and west anchors of downtown Euclid were completed in 2009 and will significantly complement the new CVS, First Merit Bank and Wendy's stores.

As part of the Shore Center Shopping Center project, Aldi, a value grocer, is locating in the center and is investing \$1.2 million in its own store.

Over all, between 2009 and 2010, over \$10 million in new investment will have occurred in Downtown Euclid.

The Great Lakes Expo Center, the first suburban convention center in Cuyahoga County, turned a former 215,000 sq. ft. Super Kmart into its new permanent home. Shows such the Annual Cleveland Home and Garden Show and the Annual Cleveland Sport, Travel and Outdoor Show now make Euclid their home. The Great Lakes Expo Center will provide another strong anchor to the City's business corridor and bring thousands of new visitors to the City.

Harbor Town/Euclid Waterfront Improvements Plan

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

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

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

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

City Council adopted the Euclid Waterfront Plan as an official addendum to the City's Master Plan, which is a requirement of many of the grants and funding sources.

The initial phase of implementation, which includes land acquisition needed for the proposed public improvements such as new access roads and public parking to serve the water side features like the beach, public trails, and public marina began in 2009. JJR will begin Phase 3, the design and engineering of the improvements to Sims Park, the extension of the fishing pier, and the boardwalk trails in 2010.

FINANCIAL INFORMATION

Summary of Accounting Policies and Budgetary Control

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

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

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

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

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

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

The City employs an encumbrance system documenting purchase commitment amounts prior to generation and release of official City purchase orders. Purchasing practices within the City require departmental review and authorization of all purchase requisitions. Where applicable, proposed purchases in excess of administrative approval limits are subject to competitive bid requirements of Council and are awarded subsequent to approved legislation authorizing the procurement of goods or services. The Finance Director certifies all purchase orders for availability of funds and the estimated expenditure is encumbered against the appropriate departmental or fund appropriation. These encumbrances are reported as a reservation of fund balance at December 31, 2009. Unencumbered appropriations lapse at year-end and become available for future appropriations.

Internal Accounting and Reporting Control

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

The City of Euclid receives federal financial assistance through various federal grant programs. An audit in accordance with the Single Audit Act of 1996 and U.S. Office of Management and Budget (OMB) Circular A133, *Audits of State and Local Governments and Non-Profit Organizations and Government Auditing Standards*, issued by the Comptroller General of the United States, has been performed for the fiscal year ended December 31, 2009. The required reports on supplementary information, compliance, and internal controls, along with various supplementary schedules, are included in a separate report.

Cash Management

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

The primary objective of the City's investment activity is the protection of investment principal. With that in mind, the City's investment practice attempts to maximize earnings while maintaining liquidity necessary to meet day to day financial obligations. In addition to the security of the investment, a major consideration is the timing of needed cash to pay City liabilities. Cash resources of all City funds are combined for maximum return and invested in accordance with the Ohio Revised Code. Allowable deposits and investments include certificates of deposit, savings accounts, State Treasurer's Investment Pool (STAROhio), manuscript bonds, U.S. Treasury Notes, federal agency securities, and repurchase agreements.

Risk Management

In 1988, the City undertook and implemented its own self-funded insurance plan that covers all areas of Risk Management, including general liability and vehicle coverage. The City has traditional premium based coverage on property and large equipment. The City instituted a medical self-insurance program in 1989 designed to provide City employees with maximum health care benefits while controlling the increasing cost of health insurance. Individual funds are charged for the per-capita cost of specific claims and administration. The level of risk assumed is limited by the City's purchase of specific stop-loss coverage per employee. City employees share in the cost of their health care.

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

Pension Obligations

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

OTHER INFORMATION

Independent Audit

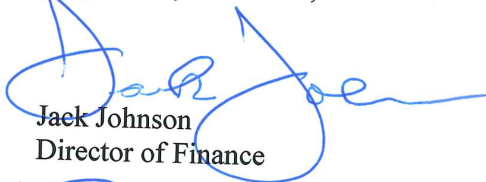
In accordance with Ohio law, an annual independent audit is required to be performed on all financial operations of the City. The Auditor of the State of Ohio has authorized the audit for 2009 to be performed by the independent public accounting firm of James G. Zupka, CPA, Inc. The independent accountants' unqualified opinion has been included in this report. The administration plans to continue this audit procedure as required by law as part of the preparation of a Comprehensive Annual Financial Report. The annual audit and management letter submitted by the James G. Zupka, CPA, Inc. provides information to the City to enable it to maintain and strengthen the City's accounting and budgeting controls.

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Euclid for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2008. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for one year only. We believe our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Respectfully submitted,



Jack Johnson
Director of Finance

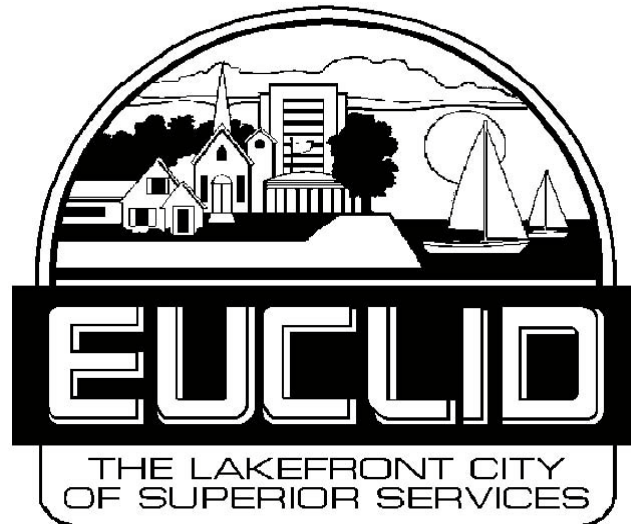


Bill Cervenik
Mayor

CITY OF EUCLID, OHIO

“A City of Superior Services”

BILL CERVENIK -*Mayor*



Directors & Chiefs

CHRIS FREY-*Law*

RANDY SMITH-*Public Service*

JACK JOHNSON-*Finance*

KATHY WILL-*Recreation*

FRANK PIETRAVOIA –*Economic Development*

CHIEF JAMES REPICKY –*Police*

CHIEF THOMAS COSGRIFF-*Fire*

Municipal Court

DEBORAH LEBARRON –*Judge*

Euclid City Council

KIRSTEN HOLZHEIMER GAIL- *President of Council*

DAVID GILLIHAM – *Ward I*

MICHAEL F. O'NEILL- *Ward V*

MADLINE SCARNIENCH – *Ward II*

JOHN M. WOJTILA – *Ward VI*

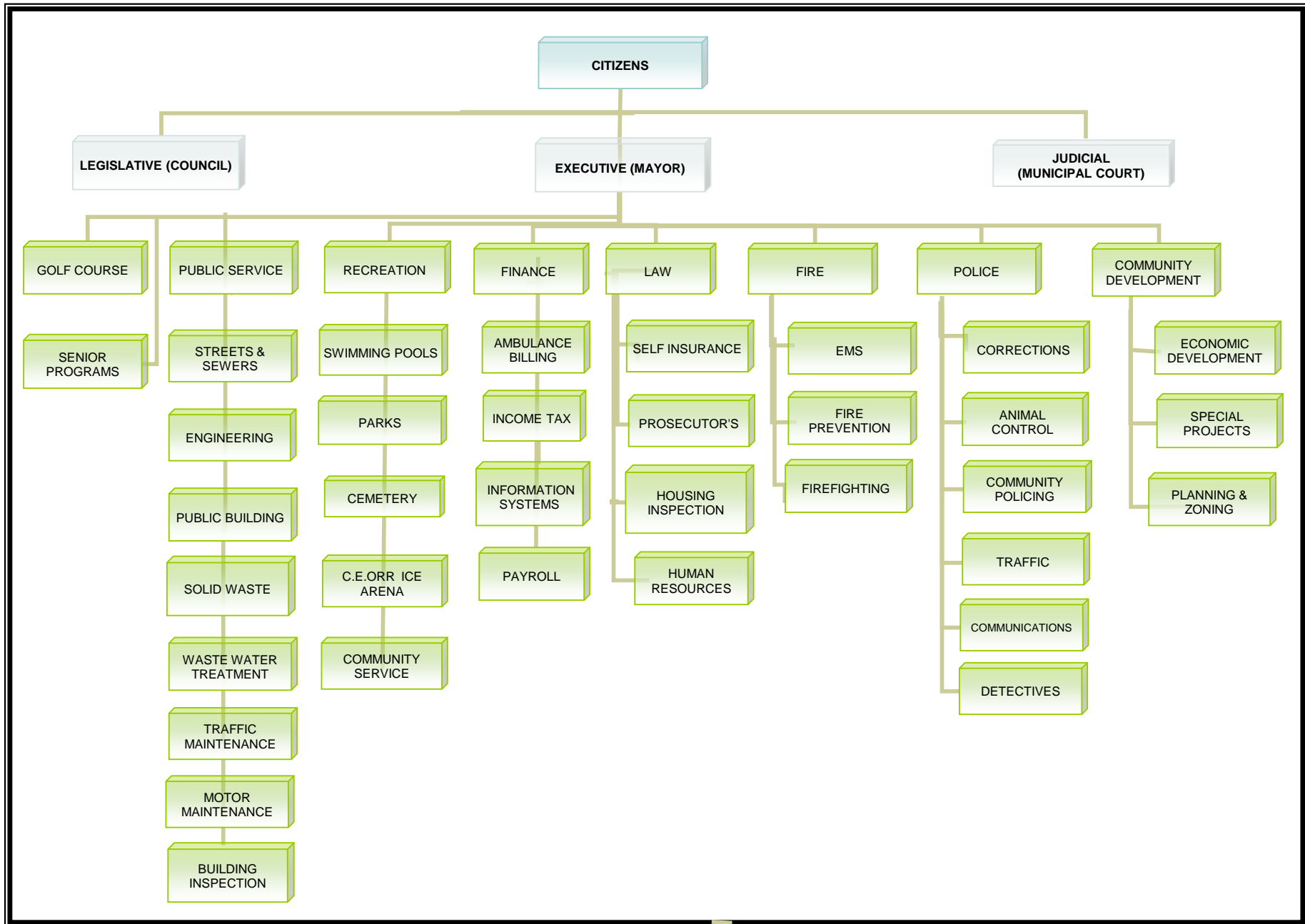
KANDACE JONES – *Ward III*

DARYL LANGMAN – *Ward VII*

MARY JO MINARIK – *Ward IV*

GREG VAN HO – *Ward VIII*

**CITY OF EUCLID, OHIO
ORGANIZATION CHART
DECEMBER 31, 2009**



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Euclid
Ohio

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

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A stylized, handwritten signature in black ink, appearing to read "JEFFREY R. EMMER".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emmer".

Executive Director

FINANCIAL SECTION

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 and
Members of the Audit Committee
City of Euclid, Ohio

The Honorable Mary Taylor
Auditor of State
State of Ohio

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


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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 21, 2010, on our consideration of the City of Euclid, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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


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

May 21, 2010

**CITY OF EUCLID, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
Unaudited**

The discussion and analysis of the City of Euclid's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2009. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter and the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2009 are as follows:

- Total assets of the City exceeded liabilities at the close of 2009 by \$94,479,855 compared to \$96,815,888 at the end of 2008, a decrease of \$2,336,033 or 2.41 percent. Of this amount, \$13,960,394 (2009) and \$19,465,443 (2008) may be used to meet the City's ongoing obligations to its citizens and creditors, provided it is expended or transferred according to the Charter of the City and/or the general laws of the State of Ohio.
- Total assets decreased by \$3,155,608 with governmental activities decreasing by \$6,233,985 and business-type activities increasing by \$3,078,377. This is reflected primarily in equity in pooled cash and cash equivalents.
- Municipal income tax revenue for 2009 was \$22,527,179 versus \$24,124,792 in 2008 a decrease of \$1,597,613 or 6.62 percent.
- Property taxes for governmental activities decreased by \$89,314, or 1.73 percent, to \$5,069,206.
- Together, municipal income taxes and property taxes accounted for \$27,596,385 in revenue, or 59.67 percent, of all revenues in governmental activities.
- Grants and entitlements not restricted to specific programs decreased by \$575,551, or 8.91 percent, to \$5,885,372.
- Charges for services in business-type activities increased by \$23,627, or 0.17 percent, from \$13,546,814 in 2008 to \$13,570,441 in 2009.
- The City's debt, including compensated absences, decreased by \$1,166,632, or 2.70 percent, to \$41,995,192 in the governmental activities.

CITY OF EUCLID, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
Unaudited

Overview of the Financial Statements

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

Government-wide Financial Statements. The government-wide financial statements, which begin on page 18, are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business.

The *Statement of Net Assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in the City's net assets are one indicator of whether the City's financial health is improving or deteriorating. In 2009, governmental activities unrestricted net assets were reduced by \$2,276,168 or 40.38 percent. Equity in pooled cash was reduced by \$1,770,832 or 17.03 percent. The primary reason was that services were continued at the same level despite the decline in income tax collections requiring the use of reserves. The loss of the Federal Weed and Seed Grant caused the decline in Intergovernmental Revenue. Despite the loss of the grant, the community policing programs were continued and funded in the General Fund. In business-type activities unrestricted net assets were reduced by \$3,228,881 or 23.35 percent. There were a number of sewer system improvement construction projects that were partially funded by the Waste Water Treatment Fund. The City has also begun negotiations with the EPA to define the necessary steps in the implementation of a Long Term Storm Water Runoff Control Plan. There have been some legal and construction costs in 2009.

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

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

For 2009, business-type activities expenditures increased by \$758,510 or 5.91 percent. This increase includes the following projects: East 214th & Lakeshore Boulevard improvements, Dille Road Project, and East 248th Street Sewer Improvements.

CITY OF EUCLID, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
Unaudited

Revenues in business-type activities reflect an increase of \$1,060,701 or 7.23 percent. This reflects an increase in Capital Grants and Contributions. The primary increase is due to commencement of a number of water line system improvement projects.

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

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

During 2009, unlike most cities, the City experienced a record number of home foreclosures, record unemployment and steeply declining revenue. Reduction in investment earnings as a result of lower interest rates, reductions in intergovernmental revenue and the local income tax all contributed to a very difficult year compared to 2008. Expenditures were reduced to ease some of the pressure, though it was still necessary to use some cash reserves to complete 2009. Recycling was eliminated to save \$255,366. The City also received a one-time grant of \$600,000 from First Energy for agreeing to extend the City's electric aggregation agreement for 10 years.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 27 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund and the General Obligation Bond Retirement Fund, which are considered to be major funds. Data from the other 25 governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

CITY OF EUCLID, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
Unaudited

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

The basic governmental fund financial statements can be found on pages 20 through 24 of this report.

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

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

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

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

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

Notes to the Financial Statements. The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29 through 69 of this report.

CITY OF EUCLID, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
Unaudited

Government-Wide Financial Analysis

This is the seventh year for the City in implementing Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments*. This statement requires a comparative analysis of government-wide data in the Management Discussion and Analysis section. As this is the seventh year of implementing the new standard, comparative data is available. Information regarding the government-wide net assets of the City is presented in the following table.

Table 1 - Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Assets						
Current and Other Assets	\$ 31,607,830	\$ 34,011,722	\$ 15,720,717	\$ 16,754,055	\$ 47,328,547	\$ 50,765,777
Capital Assets	69,055,976	72,886,069	61,252,963	57,141,248	130,308,939	130,027,317
Total Assets	\$ 100,663,806	\$ 106,897,791	\$ 76,973,680	\$ 73,895,303	\$ 177,637,486	\$ 180,793,094
Liabilities						
Current and Other Liabilities	\$ 9,356,455	\$ 9,964,100	\$ 4,267,520	\$ 7,811,158	\$ 13,623,975	\$ 17,775,258
Long Term Liabilities:						
Due within One Year	7,108,736	5,343,878	10,246,340	2,991,483	17,355,076	8,335,361
Due in More than One Year	34,886,456	37,817,946	17,292,124	20,048,641	52,178,580	57,866,587
Total Liabilities	51,351,647	53,125,924	31,805,984	30,851,282	83,157,631	83,977,206
Net Assets						
Invested in Capital Assets Net of Debt	37,644,890	39,956,632	34,567,361	29,214,805	72,212,251	69,171,437
Restricted for:						
Debt Service	5,396,059	5,160,270	0	0	5,396,059	5,160,270
Capital Projects	1,754,303	1,853,833	0	0	1,754,303	1,853,833
Special Revenue	1,156,848	1,164,905	0	0	1,156,848	1,164,905
Unrestricted (Deficit)	3,360,059	5,636,227	10,600,335	13,829,216	13,960,394	19,465,443
Total Net Assets	\$ 49,312,159	\$ 53,771,867	\$ 45,167,696	\$ 43,044,021	\$ 94,479,855	\$ 96,815,888

As noted earlier, net assets may serve, over time, as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$94,479,855 at the close of the most recent fiscal year.

By far the largest portion of the City's net assets, 76.4 percent, reflects its investment in capital assets (e.g. land, land improvements, buildings and improvements, infrastructure, and furniture, fixtures and equipment), net of accumulated depreciation, less any related, still outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, those assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other resources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

CITY OF EUCLID, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
Unaudited

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

Table 2 - Change in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues						
Program Revenues:						
Charges for Services	\$ 7,343,412	\$ 7,045,979	\$ 13,570,441	\$ 13,546,814	\$ 20,913,853	\$ 20,592,793
Operating Grants and Contributions	3,554,378	3,600,250	227,712	52,675	3,782,090	3,652,925
Capital Grants and Contributions	0	279,401	1,137,213	341,348	1,137,213	620,749
General Revenues:						
Property Taxes	5,069,206	5,158,520	465,667	639,606	5,534,873	5,798,126
Income Taxes	22,527,179	24,124,792	0	0	22,527,179	24,124,792
Grants and Entitlements	5,885,372	6,460,923	0	0	5,885,372	6,460,923
Investment Earnings	451,410	921,534	4,339	56,180	455,749	977,714
Payment in Lieu of Taxes	172,310	123,164	0	0	172,310	123,164
Miscellaneous	1,196,228	1,743,907	318,581	26,629	1,514,809	1,770,536
Gain on Sale of Capital Assets	45,431	0	0	0	45,431	0
Total Revenues	46,244,926	49,458,470	15,723,953	14,663,252	61,968,879	64,121,722
Expenses						
General Government	13,389,365	12,894,864	0	0	13,389,365	12,894,864
Security of Persons and Property	21,052,721	23,445,910	0	0	21,052,721	23,445,910
Refuse Collection and Disposal	2,251,317	2,506,683	0	0	2,251,317	2,506,683
Public Health	280,112	260,044	0	0	280,112	260,044
Lesiure Time Services	2,095,133	2,423,707	0	0	2,095,133	2,423,707
Community and Economic Development	2,846,921	3,201,584	0	0	2,846,921	3,201,584
Transportation	7,382,963	6,343,637	0	0	7,382,963	6,343,637
Interest and Fiscal Charges	1,406,102	1,505,395	0	0	1,406,102	1,505,395
Briardale Greens Golf Course	0	0	894,060	988,166	894,060	988,166
Waste Water Treatment	0	0	10,920,206	11,061,437	10,920,206	11,061,437
Water Line Improvement	0	0	1,786,012	792,165	1,786,012	792,165
Total Expenses	50,704,634	52,581,824	13,600,278	12,841,768	64,304,912	65,423,592
Increase (Decrease) in Net Assets Before Transfers	(4,459,708)	(3,123,354)	2,123,675	1,821,484	(2,336,033)	(1,301,870)
Transfers	0	667,820	0	(667,820)	0	0
Change in Net Assets	(4,459,708)	(2,455,534)	2,123,675	1,153,664	(2,336,033)	(1,301,870)
Net Assets at Beginning of Year	53,771,867	56,227,401	43,044,021	41,890,357	96,815,888	98,117,758
Net Assets End of Year	\$ 49,312,159	\$ 53,771,867	\$ 45,167,696	\$ 43,044,021	\$ 94,479,855	\$ 96,815,888

Governmental Activities

Several revenue sources fund the City's governmental activities with income tax revenue being the largest source. The City levies a municipal income tax of 2.38 percent on all income earned within the City, as well as on income of residents earned outside the City. In the latter case, the City allows a credit of 100 percent on the income earned outside of the City and paid to another municipality.

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

**CITY OF EUCLID, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
Unaudited**

Table 3 - Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2009	2008	2009	2008
General Government	\$ 13,389,365	\$ 12,894,864	\$ 10,950,639	\$ 12,051,160
Security of Persons and Property	21,052,721	23,445,910	17,715,394	18,885,079
Refuse Collection and Disposal	2,251,317	2,506,683	2,251,317	2,506,683
Public Health	280,112	260,044	201,714	176,251
Lesiure Time Services	2,095,133	2,423,707	1,494,497	1,689,374
Community and Economic Development	2,846,921	3,201,584	217,909	399,919
Transportation	7,382,963	6,343,637	5,569,272	4,442,333
Interest and Fiscal Charges	1,406,102	1,505,395	1,406,102	1,505,395
Total Cost of Services	\$ 50,704,634	\$ 52,581,824	\$ 39,806,844	\$ 41,656,194

Security of Persons and Property expenses totaled \$21,052,721, or 41.52 percent, of the total 2009 expenses. A significant portion of these expenses can be attributed to salaries, wages, and employee benefits for police officers and firefighters. As of December 31, 2009, the City employed 100 full time police officers and 80 full time firefighters. General Government expenses totaled \$13,389,365 or 26.41 percent, of total 2009 expenses. General Government is comprised of the following departments: Legislative, Municipal Court, Mayor, Finance, Law, and Administrative. A significant portion of these expenses are related to salaries, wages, and employee benefits.

Business-type Activities

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

Waste Water Treatment Fund: The Waste Water Treatment Fund accounts for the operation of the City's sanitary sewer and waste water treatment system which services the City and several other surrounding communities. The City continues to retain the services of DMG-Maximus, Inc., on an annual basis, to determine the adequacy of user rates to fund continuing operations. The Environmental Protection Agency's court mandated projects has resulted in rate increases of \$2.00 per MCF per year being scheduled for 2009 through 2013.

Water Line Improvement Fund: The Water Line Improvement Fund accounts for distribution of treated water to individual and commercial users in various parts of the City. During 2009, operating expenses in the fund increased by \$949,359 or 191.39 percent while operating revenues increased by \$659,499 or 40.62 percent. The revenue increase is primarily due to the increase in the surcharge attributable to this fund. Reimbursements from City of Cleveland's Division of Water for a portion of water line system repairs also accounts for revenue increase along with State Issue I grants. The expenditures increase reflects the commencement of a number of construction projects aimed at reconstructing the water line system.

CITY OF EUCLID, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Briardale Greens Golf Course Fund: The Briardale Greens Golf Course is a public golf course built upon land that was the site of a World War II housing project and is situated on the north side of the City. The golf course, in 2009 fell victim to a sluggish local economy and struggled toward the end of the season.

For 2010, the firm of Billy Casper Golf has been contracted to manage and operate the golf course.

Financial Analysis of the Government's Funds

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

Governmental Funds The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At the end of the current year, the City's total governmental funds reported ending fund balances of \$13,176,702, a decrease of \$1,517,544 from the prior year. Of the total, \$6,533,157 is the General Fund's ending fund balance, a \$1,217,636 decrease over 2008. The General Obligation Bond Retirement Fund increased by \$59,826 to \$3,655,975. All other governmental funds showed a decrease in fund balances of \$359,734 to \$2,987,570 over 2008.

The income tax is the largest single source of revenue for the General Fund. In 2009, the City experienced a significant decrease in income tax collections. In order to provide the same level of services to residents, some fund reserves were used.

The General Fund is the primary operating fund of the City and traditionally accounts for most of the general governmental revenue and expenditures. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance of \$5,143,251 and total fund balance of \$6,533,157 to total fund expenditures of \$37,191,817. Unreserved General Fund balance represents 13.83 percent of total General Fund expenditures, while total fund balance represents 17.57 percent of that same amount.

On a cash basis, projected budgetary fund balance in the General Fund, for year ending 2009 was about \$1.7 million. Net change in budgetary fund balance was decreased by \$1,980,933 taking budgetary fund balance from \$3,359,605 to \$1,679,971 as of December 31, 2009, which is actually a slightly less than expected. The bigger concern is the financial environment of 2009.

**CITY OF EUCLID, OHIO
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Analysis of General Fund Revenues

Municipal Income Taxes

Ohio law authorizes the levy of a municipal income tax at a rate not to exceed 1 percent by an act of Council, solely, without a vote of the electors. Municipal income taxes in excess of 1 percent must first be approved by a vote of the electors and be for a specified purpose. In 1968, by act of Council, a 1 percent income tax rate was established. In 1977, based upon a vote of the electors, the tax rate was increased to 1.5 percent. In 1982, based upon a vote of the electors, the tax rate was increased to 2 percent.

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

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

In 2009 the City conducted an Income Tax Amnesty Program. The City realized some degree of success in that the City was able to get 810 residents to participate in the program, 460 of whom were new filers. While the City had hoped for better results we were able to collect an additional \$388,212 in delinquent income taxes.

Income tax collections were down on a cash basis by 10.39 percent, or \$2,502,932, for 2009 from 2008. For 2010, we have budgeted further reductions of 2.7 percent which we believe to be a conservative estimate. For the first quarter of 2010, the City is ahead of our projection by 3.4 percent or \$186,973. We expect that with the Euclid City School District's construction of 4 new buildings, estimated to put \$40 million dollars into the local construction economy, along with major workforce expansions within 2 of our newer employers, University Hospital and Babcock & Wilcox, there is a chance that the City could exceed our collection projections.

**CITY OF EUCLID, OHIO
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
Unaudited**

Property Taxes

Taxes collected from real property in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year. Taxes collected from tangible personal property in one calendar year are levied in the same calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of the current calendar year, and at the rates determined in the preceding year. Beginning in tax year 2006, tangible personal property tax assessment rates, and therefore revenue, began declining by approximately 25 percent per year. As the assessment rates on tangible personal property decline, reimbursements from the State of Ohio have phased in. Local governments will be held harmless until tax year 2011. After 2011, reimbursements on levies still in place will decline until tax year 2018. Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year. Under Ohio law tangible personal property used in business (except for the public utility business) is assessed at 12.5 percent (from 18.75 percent) of true value (in general, true value is net book value) for inventory and 12.5 percent (from 18.75 percent) for machinery and equipment.

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

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

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

Purpose	2009	2008	2007
General Fund	6.72	6.72	6.72
Recreation Operating	1.30	1.30	1.30
Bond Retirement	3.88	3.88	3.88
Capital Improvements	1.70	1.70	1.70
Sewers	2.00	2.00	2.00
Total	<u>15.60</u>	<u>15.60</u>	<u>15.60</u>
Assessed Valuation	<u>\$ 749,989,650</u>	<u>\$ 837,916,020</u>	<u>\$ 904,734,233</u>

Property tax collections remain relative constant despite a decline in our assessed valuation. This is due in large part to a charter provision that applies HB 920 reduction factors to charter millage as if they were voted levies. HB 920 was enacted by the state legislature to freeze the amount of money a voted levy generates over the life of the levy. As property values increase/decrease, property taxes do not change as a result.

CITY OF EUCLID, OHIO
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State Local Government Funds and Other Shared Revenues

The State of Ohio shares various tax revenues with the City and other political subdivisions primarily through the State's Local Government Fund (LGF). As part of a new funding mechanism, starting in 2009, the State removed the freeze on LGF payments and replaced it with a percentage of certain state revenues; in addition, the Local Government Revenue Assistance Fund (LGRAAF) was discontinued. The combination of these programs is the City's largest source of non-tax General Fund revenue. In 2009, using the new funding mechanism, the City received \$2,864,106 from the State's LGF for a decrease of \$447,207 or 13.51 percent.

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

Proprietary Funds. The City's proprietary fund financial statements provide the same type of information found in the government-wide financial statements, but in more detail.

Capital Assets and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of December 31, 2009, amounts to \$130,308,939. This investment in capital assets includes land, construction in progress, land improvements, buildings and improvements, infrastructure, and furniture, fixtures, and equipment. A summary of the City's capital assets at December 31, 2009, is reflected in the table which follows.

**CITY OF EUCLID, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
Unaudited**

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

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$ 9,058,667	\$ 9,058,667	\$ 7,428,126	\$ 7,428,126	\$ 16,486,793	\$ 16,486,793
Construction in Progress	3,635,147	4,707,457	5,383,265	1,041,845	9,018,412	5,749,302
Land Improvements	1,947,486	2,005,557	565,268	627,357	2,512,754	2,632,914
Buildings and Improvements	9,146,317	8,996,288	8,552,418	7,839,438	17,698,735	16,835,726
Furniture, Fixtures and Equipment	3,676,580	3,329,593	853,499	719,686	4,530,079	4,049,279
Infrastructure:						
Streets	41,591,779	44,788,507	0	0	41,591,779	44,788,507
Sanitary Sewer	0	0	12,867,619	13,202,550	12,867,619	13,202,550
Storm Sewers	0	0	6,881,923	7,093,898	6,881,923	7,093,898
Water Lines	0	0	18,720,845	19,188,348	18,720,845	19,188,348
Totals	<u>\$ 69,055,976</u>	<u>\$ 72,886,069</u>	<u>\$ 61,252,963</u>	<u>\$ 57,141,248</u>	<u>\$ 130,308,939</u>	<u>\$ 130,027,317</u>

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

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

Governmental Activities

*Tungsten Road Project	\$ 54,875
*Traffic Resignalization	10,000
East 222 nd Rebuild (includes Issue 2 payments)	110,876
2009 Street Resurfacing	345,869
Memorial Park Basketball Court/Pavilion	19,000
*City Hall Parking Lot Resurface	<u>226,052</u>
<i>Total Governmental Activities</i>	<u>\$ 766,672</u>

Business-Type Activities

Euclid Avenue Improvement	\$ 305,160
E. 222 nd and Tungsten	122,651
St. Clair and Rockwell Fire Hydrant and Street Resurfacing	1,480,589
E. 248 th Street Sewer Improvements	329,457
Water Line Road Resurface	124,215
East 264 th Street Water and Sanitary Sewer	68,599
Roadway and Utility Improvement	77,353
Dille Road and East 204 th Street Project	909,808
E. 214 th Street and Lakeshore Blvd. Improvements	1,171,242
Waste Water Treatment Plant Roof	575,437
Driving Range Shelter	<u>24,072</u>
<i>Total Business-Type Activities</i>	<u>\$ 5,188,583</u>

- * Project was reported as an addition to Construction-in-Progress and completed during 2009. Additional information on the City's capital assets can be found in Note 9.

**CITY OF EUCLID, OHIO
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Debt

The City's outstanding General Obligation Debt is currently rated "A 1" by Moody's Investors Service. This investment grade rating is attributed to the City's improved financial practices and policies that have resulted in improved liquidity, moderately growing tax base with a slowly recovering economy, and a manageable debt profile. Maintaining its credit rating enables the City to obtain short term and long term financing at the lowest possible interest rates. As of December 31, 2009, the City's General Obligation Bonded Debt totaled \$32,204,731.

A summary of outstanding long-term debt at December 31, 2009 follows.

Table 6 - Outstanding Debt at December 31

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
General Obligation Bonds	\$ 25,667,580	\$ 28,354,079	\$ 6,537,151	\$ 6,962,444	\$ 32,204,731	\$ 35,316,523
Special Assessment Bonds	1,080,000	1,160,000	0	0	1,080,000	1,160,000
Notes Payable	2,340,000	0	7,040,000	5,600,000	9,380,000	5,600,000
Industrial Revenue Bond	1,120,000	1,235,000	0	0	1,120,000	1,235,000
OWDA Loans	0	0	6,779,135	8,620,444	6,779,135	8,620,444
OPWC Loans	1,670,375	1,652,108	5,971,616	6,079,837	7,641,991	7,731,945
	<u>\$ 31,877,955</u>	<u>\$ 32,401,187</u>	<u>\$ 26,327,902</u>	<u>\$ 27,262,725</u>	<u>\$ 58,205,857</u>	<u>\$ 59,663,912</u>

The special assessment bonds will be paid from the proceeds of special assessments levied against benefitted property owners. The various improvement notes will be paid out of the bond retirement fund. See Note 10 in the financial statements for more information regarding the City's outstanding debt.

Debt Capacity: The City is well within statutory limitations for both voted and unvoted debt. The computation of the legal debt margins at December 31, 2009 is included in the Statistical Section of this report under the heading "Legal Debt Margin", along with other related computations and ratios relevant to the City's note and bonded debt. The City's overall legal debt margin was \$56,864,062 and the unvoted debt margin was \$19,364,580 at December 31, 2009.

The ratio of net general bonded debt to assessed valuation and the amount of net bonded debt per capita provide useful information concerning the level of the City's debt to management and investors. The information as of December 31, 2009 for the City is as follows:

	Amount	Ratio of Bonded Debt to Assessed Value	Net Bonded Debt per Capita
Net General Obligation Debt (Bonded)	\$ 32,204,731	4.29%	\$ 611

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In April 2010, the City requested review of short term note issue and received an Aa2 MIG-1 rating for the debt issue from Moody's Investor Services. The rating was not considered an upgrade rather it was an adjustment of all governments to the Global Scale. It however did confirm that we are maintaining current rating.

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

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

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

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

The budget process for 2010 is complete, and although a challenge, The City has taken the necessary steps to reinstate structural balance to the City's budget. Projected cash basis fund balance will be drawn down by only \$30,000 in 2010. The City has an informal fund balance policy of 5 percent of budgeted revenues. Currently, the City is slightly below that at 4 percent but is working to restore that minimum. In 2010, several revenue enhancements have been instituted. City Council adopted legislation authorizing the City to bill residents for rubbish collection and to assess all properties for the cost of street lighting. The City has budgeted \$1,467,148 for the sanitation charges. The budgeted amount represents 85 percent of the total amount the City intends to bill. The City will also be instituting a Special Assessment for street lighting. The assessment is expected to generate about \$882,000. Because the City cannot collect the assessment in 2010, City Council has authorized an internal cash flow borrowing from our Bond Retirement Fund. The City will issue a Special Assessment Anticipation Note that will be held by the Bond Retirement Fund.

For 2010, in addition to revenue enhancements, the City also made significant cost reductions. The City has eliminated 27 positions in various departments, while eliminating complete divisions such as traffic engineering which maintains our traffic signs and signals and will contract with a private contractor to maintain the signal system. The firm, Senior Transportation Connection has been contracted to provide the services that were performed by the City's eliminated senior transportation program, which provides the City with a cost savings. The City has also entered into a contract with a private development firm to operate the Shore Cultural Centre. The General Fund previously subsidized the Cultural Centre operation by \$200,000 a year. Collective bargaining contracts in effect are set until December 2011. The City has contracts with all units except for the corrections unit, and salary increases are scheduled for 2011 ranging from 2 percent to 3 percent. Despite the economic stress experienced last year, the City has been able to maintain the \$557,000 plus balance in the Endowment Fund, which can be

**CITY OF EUCLID, OHIO
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used for emergency purposes with approval from City Council. The tax base continues to contract – the City's 2010 budget anticipates further reduction in real and personal property of about \$40,000 or 1.8 percent although collections are still at about 96 percent of levy. Foreclosures have impacted the City just as they have everywhere else. In 2008, in the City, there were reported 600 homes in foreclosure - that number is now closer to 1,000. Lincoln Electric is moving forward with its windmill project. Because there are federal funds involved in the project, Lincoln Electric is currently conducting a number of environmental impact studies that are required; and it is expected they will begin construction shortly. The City has also received word that another local company has received a grant to build a second windmill to generate electricity for its operation. Lincoln Electric, the City's largest employer, has returned employees to 40 hour workweeks.

The City is still moving forward with Lakefront Development plans. A new firm, JJR, has been engaged to assist us further through the process and revised the plan to provide more in the way of public access to the lakefront.

Contacting the City's Financial Department

This financial report is designed to provide a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Jack Johnson, Finance Director at the City of Euclid, 585 East 222nd Street, Euclid, Ohio 44123, 216-289-2850, or e-mail at jjohnson@cityofeuclid.com

CITY OF EUCLID, OHIO
STATEMENT OF NET ASSETS
DECEMBER 31, 2009

	<u>Primary Government</u>			<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>Euclid Development Corporation</u>
ASSETS:				
Equity in Pooled Cash and Cash Equivalents	\$ 8,626,028	\$ 9,711,086	\$ 18,337,114	\$ 635,785
Cash and Cash Equivalents in Segregated Accounts	5,091	0	5,091	0
Cash and Cash Equivalents with Fiscal Agents	50,132	0	50,132	0
Materials and Supplies Inventory	180,568	70,595	251,163	0
Accrued Interest Receivable	44,876	0	44,876	0
Accounts Receivable	524,125	4,730,185	5,254,310	381
Intergovernmental Receivable	2,806,754	436,224	3,242,978	0
Prepaid Items	61,375	15,867	77,242	200
Income Taxes Receivable	9,821,415	0	9,821,415	0
Property Taxes Receivable	5,892,716	563,509	6,456,225	0
Notes Receivable	1,323,652	0	1,323,652	0
Loans Receivable	0	0	0	1,666,362
Special Assessments Receivable	1,603,604	0	1,603,604	0
Deferred Charges	646,992	193,251	840,243	0
Non-Depreciable Capital Assets	12,693,814	12,811,391	25,505,205	0
Depreciable Capital Assets, net	56,362,162	48,441,572	104,803,734	0
Assets Held for Resale	20,502	0	20,502	0
Total Assets	<u>100,663,806</u>	<u>76,973,680</u>	<u>177,637,486</u>	<u>2,302,728</u>
LIABILITIES:				
Accounts Payable	603,804	2,610,720	3,214,524	40
Accrued Wages and Benefits	415,344	118,201	533,545	1,145
Intergovernmental Payable	2,341,075	373,810	2,714,885	0
Accrued Interest Payable	59,972	260,706	320,678	0
Retainage Payable	359,239	443,060	802,299	0
Claims Payable	756,018	0	756,018	0
Deferred Revenue	4,821,003	461,023	5,282,026	0
Long-Term Liabilities:				
Due Within One Year	7,108,736	10,246,340	17,355,076	0
Due in More Than One Year	34,886,456	17,292,124	52,178,580	0
Total Liabilities	<u>51,351,647</u>	<u>31,805,984</u>	<u>83,157,631</u>	<u>1,185</u>
NET ASSETS:				
Invested in Capital Assets, Net of Related Debt	37,644,890	34,567,361	72,212,251	0
Restricted for Debt Service	5,396,059	0	5,396,059	0
Restricted for Capital Outlay	1,754,303	0	1,754,303	0
Restricted for Special Revenue	1,156,848	0	1,156,848	0
Unrestricted	3,360,059	10,600,335	13,960,394	2,301,543
Total Net Assets	<u>\$ 49,312,159</u>	<u>\$ 45,167,696</u>	<u>\$ 94,479,855</u>	<u>\$ 2,301,543</u>

See accompanying notes to the basic financial statements.

CITY OF EUCLID, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Program Revenues</u>				<u>Net(Expense)Revenue and Changes in Net Assets</u>			<u>Component</u>
	<u>Expenses</u>	<u>Charges for Services and Sales</u>	<u>Operating Grants, Contributions and Interest</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>Unit</u>
Primary Government								
<i>Governmental Activities:</i>								
General Government	\$ 13,389,365	\$ 2,301,388	\$ 137,338	\$ 0	\$ (10,950,639)	\$ 0	\$(10,950,639)	\$ 0
Security of Persons and Property	21,052,721	2,845,690	491,637	0	(17,715,394)	0	(17,715,394)	0
Refuse Collection and Disposal	2,251,317	0	0	0	(2,251,317)	0	(2,251,317)	0
Public Health	280,112	78,398	0	0	(201,714)	0	(201,714)	0
Leisure Time Services	2,095,133	590,597	10,039	0	(1,494,497)	0	(1,494,497)	0
Community and Economic Development	2,846,921	1,413,183	1,215,829	0	(217,909)	0	(217,909)	0
Transportation	7,382,963	114,156	1,699,535	0	(5,569,272)	0	(5,569,272)	0
Interest and Fiscal Charges	1,406,102	0	0	0	(1,406,102)	0	(1,406,102)	0
Total Governmental Activities	50,704,634	7,343,412	3,554,378	0	(39,806,844)	0	(39,806,844)	0
<i>Business-Type Activities:</i>								
Briardale Greens Golf Course	894,060	939,058	0	0	0	44,998	44,998	0
Waste Water Treatment	10,920,206	10,663,957	227,712	94,932	0	66,395	66,395	0
Water Line Improvement	1,786,012	1,967,426	0	1,042,281	0	1,223,695	1,223,695	0
Total Business-Type Activities	13,600,278	13,570,441	227,712	1,137,213	0	1,335,088	1,335,088	0
Total Primary Government	\$ 64,304,912	\$ 20,913,853	\$ 3,782,090	\$ 1,137,213	(39,806,844)	1,335,088	(38,471,756)	0
<i>Component Units:</i>								
Euclid Development Corporation	114,681	87,818	0	0	0	0	0	(26,863)
Total Component Units	\$ 114,681	\$ 87,818	\$ 0	\$ 0	0	0	0	(26,863)
General Revenues:								
Property Taxes					5,069,206	465,667	5,534,873	0
Income Taxes					22,527,179	0	22,527,179	0
Payments in Lieu of Taxes					172,310	0	172,310	0
Grants and Entitlements not Restricted to Specific Programs					5,885,372	0	5,885,372	0
Investment Earnings					451,410	4,339	455,749	0
Gain on Sale of Capital Assets					45,431	0	45,431	0
Miscellaneous					1,196,228	318,581	1,514,809	3,283
Total General Revenues					35,347,136	788,587	36,135,723	3,283
<i>Change in Net Assets</i>					(4,459,708)	2,123,675	(2,336,033)	(23,580)
<i>Net Assets Beginning of Year</i>					53,771,867	43,044,021	96,815,888	2,325,123
Net Assets End of Year					\$ 49,312,159	\$ 45,167,696	\$ 94,479,855	\$ 2,301,543

See accompanying notes to the basic financial statements.

CITY OF EUCLID, OHIO
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2009

	<u>General</u>	<u>General Obligation Bond Retirement</u>	<u>All Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS:				
Equity in Pooled Cash and Cash Equivalents	\$ 1,686,512	\$ 2,761,392	\$ 4,128,784	\$ 8,576,688
Cash and Cash Equivalents in Segregated Accounts	5,091	0	0	5,091
Cash and Cash Equivalents with Fiscal Agents	50,132	0	0	50,132
Materials and Supplies Inventory	90,551	0	90,017	180,568
Accrued Interest Receivable	34,535	10,341	0	44,876
Accounts Receivable	506,616	0	17,509	524,125
Interfund Receivable	0	888,000	0	888,000
Intergovernmental Receivable	1,693,475	164,764	948,515	2,806,754
Prepaid Items	58,226	0	3,149	61,375
Income Taxes Receivable	9,821,415	0	0	9,821,415
Property Taxes Receivable	1,893,388	3,154,065	845,263	5,892,716
Notes Receivable	1,323,652	0	0	1,323,652
Special Assessments Receivable	0	1,339,041	264,563	1,603,604
Assets Held for Resale	0	0	20,502	20,502
Total Assets	<u>\$ 17,163,593</u>	<u>\$ 8,317,603</u>	<u>\$ 6,318,302</u>	<u>\$ 31,799,498</u>
LIABILITIES:				
Accounts Payable	\$ 499,991	\$ 0	\$ 103,813	\$ 603,804
Accrued Wages and Benefits	345,554	900	68,552	415,006
Intergovernmental Payable	2,104,319	2,858	232,683	2,339,860
Retainage Payable	0	0	359,239	359,239
Interfund Payable	0	0	888,000	888,000
Claims Payable	450,658	0	0	450,658
Deferred Revenue	7,229,914	4,657,870	1,678,445	13,566,229
Total Liabilities	<u>10,630,436</u>	<u>4,661,628</u>	<u>3,330,732</u>	<u>18,622,796</u>
FUND BALANCES:				
Reserved:				
Reserved for Encumbrances	26,556	0	478,468	505,024
Reserved for Notes Receivable	1,323,652	0	0	1,323,652
Reserved for Assets Held for Resale	0	0	20,502	20,502
Reserved for Unclaimed Monies	39,698	0	0	39,698
Unreserved, Undesignated, Reported in:				
General Fund	5,143,251	0	0	5,143,251
Special Revenue Funds	0	0	1,281,141	1,281,141
Debt Service Funds	0	3,655,975	0	2,767,975
Capital Projects Funds	0	0	1,207,459	2,095,459
Total Fund Balances	<u>6,533,157</u>	<u>3,655,975</u>	<u>2,987,570</u>	<u>13,176,702</u>
Total Liabilities and Fund Balances	<u>\$ 17,163,593</u>	<u>\$ 8,317,603</u>	<u>\$ 6,318,302</u>	<u>\$ 31,799,498</u>

See accompanying notes to the basic financial statements.

CITY OF EUCLID, OHIO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2009

Total Governmental Fund Balances		\$ 13,176,702
<i>Amounts reported for governmental activities in the statement of net assets are different because</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds		69,055,976
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Property and Other Taxes	\$ 1,071,713	
Municipal Income Tax	4,212,230	
Intergovernmental	1,801,413	
Special Assessments	1,603,604	
Charges for Services	56,266	
Total		8,745,226
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Assets.		
Net Assets	(268,971)	
Compensated Absences	10,374	
Claims	1,024	
Total		(257,573)
Bond issuance costs will be amortized over the life of the bonds on the Statement of Net Assets.		
		646,992
In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		
		(59,972)
Long-term liabilities, including bonds payable and compensated absences payable, are not due and payable in the current period and therefore are not reported in the funds:		
General Obligation Bonds	(25,481,000)	
Special Assessment Bonds	(1,080,000)	
Notes	(2,340,000)	
Industrial Development Revenue Bonds	(1,120,000)	
Premium on Bonds and Gain on Refunding	(186,580)	
Compensated Absences	(8,476,878)	
Claims	(987,228)	
Capital Leases	(653,131)	
OPWC Loans	(1,670,375)	
Total		(41,995,192)
Net Assets of Governmental Activities		\$ 49,312,159

See accompanying notes to the basic financial statements

CITY OF EUCLID, OHIO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>General</u>	<u>General Obligation Bond Retirement</u>	<u>All Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES:				
Property Taxes	\$ 1,490,321	\$ 2,708,089	\$ 665,322	\$ 4,863,732
Income Taxes	22,295,312	0	0	22,295,312
Payments in Lieu of Taxes	0	0	172,310	172,310
Special Assessments	0	144,778	175,421	320,199
Charges for Services	3,874,232	0	522,112	4,396,344
Licenses and Permits	136,019	0	0	136,019
Fines and Forfeitures	1,660,497	0	188,586	1,849,083
Intergovernmental	5,224,519	522,653	3,955,651	9,702,823
Interest	451,124	47,069	1,856	500,049
Rent	696,544	29,750	202,447	928,741
Contributions and Donations	0	0	51,034	51,034
Other	206,810	735,611	253,807	1,196,228
Total Revenues	<u>36,035,378</u>	<u>4,187,950</u>	<u>6,188,546</u>	<u>46,411,874</u>
EXPENDITURES:				
Current:				
General Government	12,337,357	150,856	358,597	12,846,810
Security of Persons and Property	20,146,174	0	347,090	20,493,264
Refuse Collection and Disposal	2,251,317	0	0	2,251,317
Public Health	272,496	0	0	272,496
Leisure Time Services	466,395	0	1,359,938	1,826,333
Community and Economic Development	1,376,242	0	1,351,764	2,728,006
Transportation	0	0	2,232,410	2,232,410
Capital Outlay	0	0	3,015,982	3,015,982
Debt Service:				
Principal Retirements	216,765	2,759,000	330,179	3,305,944
Interest and Fiscal Charges	125,071	1,218,268	24,404	1,367,743
Total Expenditures	<u>37,191,817</u>	<u>4,128,124</u>	<u>9,020,364</u>	<u>50,340,305</u>
<i>Excess of Revenues Over(Under) Expenditures</i>	<u>(1,156,439)</u>	<u>59,826</u>	<u>(2,831,818)</u>	<u>(3,928,431)</u>
OTHER FINANCING SOURCES AND USES:				
Transfers In	500,000	0	561,859	1,061,859
Notes Issued	0	0	2,340,000	2,340,000
Proceeds of OPWC Loan	0	0	18,267	18,267
Proceeds from Sale of Capital Assets	662	0	51,958	52,620
Transfers Out	(561,859)	0	(500,000)	(1,061,859)
Total Other Financing Sources and Uses	<u>(61,197)</u>	<u>0</u>	<u>2,472,084</u>	<u>2,410,887</u>
<i>Net Change in Fund Balance</i>	<u>(1,217,636)</u>	<u>59,826</u>	<u>(359,734)</u>	<u>(1,517,544)</u>
Fund Balance at Beginning of Year	<u>7,750,793</u>	<u>3,596,149</u>	<u>3,347,304</u>	<u>14,694,246</u>
Fund Balance at End of Year	<u>\$ 6,533,157</u>	<u>\$ 3,655,975</u>	<u>\$ 2,987,570</u>	<u>\$ 13,176,702</u>

See accompanying notes to the basic financial statements.

CITY OF EUCLID, OHIO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2009

Net Change in Fund Balances - Total Governmental Funds \$ (1,517,544)

Amounts reported for governmental activities in the Statement of Activities are different because :

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

Capital Asset Additions	\$ 2,148,161	
Current Year Depreciation	<u>(5,971,065)</u>	
Total		(3,822,904)

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. (7,189)

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

Delinquent Property Taxes	205,474	
Municipal Income Taxes	231,867	
Intergovernmental	(272,308)	
Special Assessments	337,749	
Charges for Services	<u>(738,137)</u>	
Total		(235,355)

Other financing sources in the governmental funds increase long-term liabilities in the Statement of Net Assets.

Proceeds of OPWC Loan	(18,267)	
Proceeds of Notes	<u>(2,340,000)</u>	
Total		(2,358,267)

Repayment of bonds and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.

Repayment of Bonds	2,874,000	
Repayment of Capital Leases	<u>431,944</u>	
Total		3,305,944

In the Statement of Activities, interest accrued on outstanding bonds, bond premium, bond issuance costs, and gain on refunding are amortized over the terms of the bonds, whereas in the governmental funds the expenditure is reported when the bonds are issued.

Accrued Interest	7,982	
Amortization of Bond Premium	22,659	
Amortization of Bond Issuance Costs	(31,181)	
Amortization of Gain on Refunding	<u>(15,160)</u>	
Total		(15,700)

Some expenses reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures.

Compensated Absences	230,419	
Claims	<u>(18,963)</u>	
Total		211,456

The Internal Service Fund used by management to charge the costs of insurance to individual funds is not reported in entity-wide Statement of Activities. Governmental expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the Internal Service Fund is allocated among the governmental activities.

Change in Net Assets	(20,394)	
Compensated Absences	225	
Claims	20	
Total	<u>20</u>	

Change in Net Assets of Governmental Activities \$ (4,459,708)

See accompanying notes to the basic financial statements

CITY OF EUCLID, OHIO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Property Taxes	\$ 1,743,444	\$ 1,743,444	\$ 1,490,321	\$ (253,123)
Income Taxes	22,716,863	22,716,863	21,581,849	(1,135,014)
Other Local Taxes	1,721,000	1,721,000	0	(1,721,000)
Charges for Services	4,189,714	4,189,714	4,031,765	(157,949)
Licenses and Permits	147,450	147,450	136,019	(11,431)
Fines and Forfeitures	1,865,600	1,865,600	1,685,878	(179,722)
Intergovernmental	3,749,565	3,749,565	5,359,299	1,609,734
Interest	500,000	500,000	506,082	6,082
Rent	60,500	60,500	713,237	652,737
Contributions and Donations	0	0	400	400
Other	130,700	130,700	207,540	76,840
Total Revenues	<u>36,824,836</u>	<u>36,824,836</u>	<u>35,712,390</u>	<u>(1,112,446)</u>
EXPENDITURES:				
Current:				
General Government	12,736,949	13,266,730	12,672,851	593,879
Security of Persons and Property	20,061,014	20,529,466	20,382,782	146,684
Refuse Collection and Disposal	2,528,362	2,528,362	2,275,462	252,900
Public Health	282,925	277,020	270,931	6,089
Leisure Time Services	494,723	495,821	467,623	28,198
Community and Economic Development	1,470,841	1,385,338	1,345,589	39,749
Debt Service:				
Principal Retirements	115,000	115,000	115,000	0
Interest and Fiscal Charges	101,888	101,888	101,888	0
Total Expenditures	<u>37,791,702</u>	<u>38,699,625</u>	<u>37,632,126</u>	<u>1,067,499</u>
Excess of Revenues Over(Under) Expenditures	<u>(966,866)</u>	<u>(1,874,789)</u>	<u>(1,919,736)</u>	<u>(44,947)</u>
OTHER FINANCING SOURCES AND USES:				
Transfers In	500,000	500,000	500,000	0
Proceeds from Sale of Capital Assets	1,000	1,000	662	(338)
Transfers Out	(367,000)	(561,859)	(561,859)	0
Total Other Financing Sources and Uses	<u>134,000</u>	<u>(60,859)</u>	<u>(61,197)</u>	<u>(338)</u>
Net Change in Fund Balance	(832,866)	(1,935,648)	(1,980,933)	(45,285)
Fund Balance at Beginning of Year	3,359,605	3,359,605	3,359,605	0
Prior Year Encumbrances Appropriated	301,299	301,299	301,299	0
Fund Balance at End of Year	<u>\$ 2,828,038</u>	<u>\$ 1,725,256</u>	<u>\$ 1,679,971</u>	<u>\$ (45,285)</u>

See accompanying notes to the basic financial statements.

CITY OF EUCLID, OHIO
STATEMENT OF FUND NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2009

	<u>Enterprise Funds</u>				<u>Governmental</u>
	<u>Waste Water</u>	<u>Water Line</u>	<u>Briardale</u>	<u>Totals</u>	<u>Internal</u>
	<u>Treatment</u>	<u>Improvement</u>	<u>Greens Golf</u>		
			<u>Course</u>		
ASSETS:					
Current Assets:					
Equity in Pooled Cash and Cash Equivalents	\$ 3,916,166	\$ 5,697,974	\$ 96,946	\$ 9,711,086	\$ 49,340
Materials and Supplies Inventory	61,094	0	9,501	70,595	0
Accounts Receivable	3,816,986	913,185	14	4,730,185	0
Intergovernmental Receivable	99,251	336,973	0	436,224	0
Prepaid Items	11,925	0	3,942	15,867	0
Property Taxes Receivable	563,509	0	0	563,509	0
Total Current Assets	8,468,931	6,948,132	110,403	15,527,466	49,340
Noncurrent Assets:					
Deferred Charges	112,793	80,458	0	193,251	0
Non-Depreciable Capital Assets	806,246	4,733,619	7,271,526	12,811,391	0
Depreciable Capital Assets, net	28,179,136	18,720,844	1,541,592	48,441,572	0
Total Noncurrent Assets	29,098,175	23,534,921	8,813,118	61,446,214	0
Total Assets	37,567,106	30,483,053	8,923,521	76,973,680	49,340
LIABILITIES:					
Current Liabilities:					
Accounts Payable	567,840	2,039,143	3,737	2,610,720	0
Accrued Wages and Benefits	115,543	0	2,658	118,201	338
Intergovernmental Payable	353,303	0	20,507	373,810	1,215
Accrued Interest Payable	245,303	15,403	0	260,706	0
Retainage Payable	55,055	388,005	0	443,060	0
Claims Payable	37,452	0	5,412	42,864	305,643
Deferred Revenue	461,023	0	0	461,023	0
Notes Payable	740,000	6,300,000	0	7,040,000	0
Compensated Absences Payable	137,444	0	2,932	140,376	8,041
General Obligation Bonds Payable	177,000	310,000	0	487,000	0
Capital Leases Payable	99,532	0	28,826	128,358	0
OPWC Loans Payable	289,412	141,379	0	430,791	0
OWDA Loans Payable	1,976,951	0	0	1,976,951	0
Total Current Liabilities	5,255,858	9,193,930	64,072	14,513,860	315,237
Noncurrent Liabilities:					
Claims Payable - net of current portion	98,248	0	14,199	112,447	741
Compensated Absences Payable - net of current portion	541,728	0	15,448	557,176	2,333
General Obligation Bonds Payable - net of current portion	2,319,217	3,730,934	0	6,050,151	0
Capital Leases Payable - net of current portion	181,453	0	47,888	229,341	0
OPWC Loans Payable - net of current portion	3,847,179	1,693,646	0	5,540,825	0
OWDA Loans Payable - net of current portion	4,802,184	0	0	4,802,184	0
Total Noncurrent Liabilities	11,790,009	5,424,580	77,535	17,292,124	3,074
Total Liabilities	17,045,867	14,618,510	141,607	31,805,984	318,311
NET ASSETS:					
Invested in Capital Assets, Net of Related Debt	14,552,454	11,278,504	8,736,403	34,567,361	0
Unrestricted	5,968,785	4,586,039	45,511	10,600,335	(268,971)
Total Net Assets	\$ 20,521,239	\$ 15,864,543	\$ 8,781,914	\$ 45,167,696	\$ (268,971)

See accompanying notes to the basic financial statements.

CITY OF EUCLID, OHIO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS -
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Enterprise Funds</u>			<u>Totals</u>	<u>Governmental</u>
	<u>Waste Water</u>	<u>Water Line</u>	<u>Briardale</u>		<u>Internal</u>
	<u>Treatment</u>	<u>Improvement</u>	<u>Greens Golf</u>		<u>Service Fund</u>
			<u>Course</u>		
OPERATING REVENUES:					
Charges for Services	\$ 10,650,263	\$ 1,967,426	\$ 939,058	\$ 13,556,747	\$ 317,000
Tap-In Fees	13,694	0	0	13,694	0
Other	241	315,665	2,675	318,581	0
Total Operating Revenues	<u>10,664,198</u>	<u>2,283,091</u>	<u>941,733</u>	<u>13,889,022</u>	<u>317,000</u>
OPERATING EXPENSES:					
Personal Services	4,352,283	0	466,657	4,818,940	32,819
Contractual Services	2,074,903	977,894	78,321	3,131,118	203,820
Materials and Supplies	2,825,179	0	247,862	3,073,041	581
Claims	0	0	566	566	100,491
Depreciation	976,957	467,503	83,917	1,528,377	0
Other	30,434	0	13,251	43,685	0
Total Operating Expenses	<u>10,259,756</u>	<u>1,445,397</u>	<u>890,574</u>	<u>12,595,727</u>	<u>337,711</u>
Operating Income (Loss)	<u>404,442</u>	<u>837,694</u>	<u>51,159</u>	<u>1,293,295</u>	<u>(20,711)</u>
NON-OPERATING REVENUES (EXPENSES):					
Interest	0	4,339	0	4,339	317
Intergovernmental	227,712	0	0	227,712	0
Property Taxes	465,667	0	0	465,667	0
Interest and Fiscal Charges	(660,450)	(340,615)	(3,486)	(1,004,551)	0
Total Non-Operating Revenues (Expenses)	<u>32,929</u>	<u>(336,276)</u>	<u>(3,486)</u>	<u>(306,833)</u>	<u>317</u>
Income (Loss) Before Contributions	<u>437,371</u>	<u>501,418</u>	<u>47,673</u>	<u>986,462</u>	<u>(20,394)</u>
Capital Grants and Contributions	94,932	1,042,281	0	1,137,213	0
Change in Net Assets	532,303	1,543,699	47,673	2,123,675	(20,394)
Net Assets (Deficit) at Beginning of Year	<u>19,988,936</u>	<u>14,320,844</u>	<u>8,734,241</u>	<u>43,044,021</u>	<u>(248,577)</u>
Net Assets (Deficit) at End of Year	<u>\$ 20,521,239</u>	<u>\$ 15,864,543</u>	<u>\$ 8,781,914</u>	<u>\$ 45,167,696</u>	<u>\$ (268,971)</u>

See accompanying notes to the basic financial statements.

CITY OF EUCLID, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Enterprise Funds			Governmental Activities	
	Waste Water Treatment	Water Line Improvement	Briardale Greens Golf Course	Totals	Internal Service Fund
Increase (Decrease) in Cash and Cash Equivalents					
Cash Flows from Operating Activities					
Cash Received from Customers	\$ 9,560,087	\$ 1,905,629	\$ 942,377	\$ 12,408,093	\$ 317,000
Cash Payments to Suppliers for Goods and Services	(4,883,266)	(739,660)	(283,264)	(5,906,190)	(219,155)
Cash Paid to Employees	(4,401,669)	0	(594,470)	(4,996,139)	(32,524)
Cash Paid for Claims	0	0	(566)	(566)	(153,254)
Other Operating Cash Payments	(14,366)	0	(64,767)	(79,133)	0
Net Cash Provided by (Used for) Operating Activities	260,786	1,165,969	(690)	1,426,065	(87,933)
Cash Flows from Noncapital Financing Activities					
Receipts for Operating Grants	227,190	0	0	227,190	0
Receipts for Property Taxes	443,548	0	0	443,548	0
Net Cash Provided by Noncapital Financing Activities	670,738	0	0	670,738	0
Cash Flows from Capital and Related Financing Activities					
Payments for Capital Acquisition and Retainage	(1,735,310)	(1,854,505)	(43,556)	(3,633,371)	0
Proceeds from OPWC	162,046	148,607	0	310,653	0
Proceeds from Notes	740,000	6,300,000	0	7,040,000	0
Proceeds from Capital Grants	106,630	718,349	0	824,979	0
Principal Paid on Notes	0	(5,600,000)	0	(5,600,000)	0
Principal Paid on General Obligation Bonds	(116,000)	(300,000)	0	(416,000)	0
Interest Paid on General Obligation Bonds	(100,375)	(336,612)	0	(436,987)	0
Principal Paid on OWDA Loans	(1,841,309)	0	0	(1,841,309)	0
Interest Paid on OWDA Loans	(540,809)	0	0	(540,809)	0
Principal Paid on OPWC Loans	(277,494)	(141,380)	0	(418,874)	0
Principal Paid on Capital Leases	(93,891)	0	(39,194)	(133,085)	0
Interest Paid on Capital Leases	(16,579)	0	(3,486)	(20,065)	0
Net Cash Used for Capital and Related Financing Activities	(3,713,091)	(1,065,541)	(86,236)	(4,864,868)	0
Cash Flows from Investing Activities					
Investment Earnings	0	4,339	0	4,339	317
Total Cash Flow from Investing Activities	0	4,339	0	4,339	317
Net Increase (Decrease) in Cash and Cash Equivalents	(2,781,567)	104,767	(86,926)	(2,763,726)	(87,616)
Cash and Cash Equivalents Beginning of Year	6,697,733	5,593,207	183,872	12,474,812	136,956
Cash and Cash Equivalents End of Year	\$ 3,916,166	\$ 5,697,974	\$ 96,946	\$ 9,711,086	\$ 49,340
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used for) Operating Activities					
Operating Income (Loss)	\$ 404,442	\$ 837,694	\$ 51,159	\$ 1,293,295	\$ (20,711)
Adjustments:					
Depreciation	976,957	467,503	83,917	1,528,377	0
(Increase) Decrease in Assets:					
Accounts Receivable	(1,057,038)	(377,462)	644	(1,433,856)	0
Prepaid Items	5,972	0	623	6,595	0
Materials and Supplies Inventory	3,319	0	(3,987)	(668)	0
Increase (Decrease) in Liabilities:					
Accounts Payable	63,071	251,275	(5,569)	308,777	(14,754)
Compensated Absences Payable	2,198	0	(80,525)	(78,327)	225
Matured Compensated Absences	(68,827)	0	(34,046)	(102,873)	0
Accrued Wages	5,765	0	(6,111)	(346)	20
Intergovernmental Payable	(77,680)	(13,041)	(7,171)	(97,892)	30
Claims Payable	2,607	0	376	2,983	(52,743)
Total Adjustments	(143,656)	328,275	(51,849)	132,770	(67,222)
Net Cash Provided by (Used for) Operating Activities	\$ 260,786	\$ 1,165,969	\$ (690)	\$ 1,426,065	\$ (87,933)
Schedule of NonCash Investing, Capital, and Financing Activities					
The Briardale Greens Golf Course Fund had capital assets purchased through a capital lease in the amount of \$41,592.					

See accompanying notes to the basic financial statements

**CITY OF EUCLID, OHIO
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND
DECEMBER 31, 2009**

	<u>Agency Fund</u>
ASSETS:	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 795,528</u>
<i>Total Assets</i>	<u><u>\$ 795,528</u></u>
LIABILITIES:	
Current Liabilities:	
Deposits Held and Due to Others	<u>\$ 795,528</u>
<i>Total Liabilities</i>	<u><u>\$ 795,528</u></u>

See accompanying notes to the basic financial statements.

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 1: DESCRIPTION OF THE CITY AND REPORTING ENTITY

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

Reporting Entity

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

The primary government of the City consists of all funds, departments, boards, and agencies that are not legally separate from the City. For the City, this includes police and fire protection, parks and recreation, planning, zoning, public safety, public service, street maintenance, sanitation system, and a staff to provide support (i.e., payroll processing, accounts payable, and revenue collection) to the service providers. The operation of each of these activities and entities is directly controlled by the City Council through the budgetary process.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; (3) the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the City is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the budget, the issuance of debt or the levying of taxes. The City has one component unit, Euclid Development Corporation.

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

NOTE 1: **DESCRIPTION OF THE CITY AND REPORTING ENTITY** (Continued)

Reporting Entity (Continued)

Euclid Development Corporation (EDCOR) The Euclid Development Corporation (EDCOR) is a legally separate, non-profit organization served by a board of trustees that is comprised of the Mayor, members of City Council, City department heads, and citizens of the City. EDCOR was formed under Chapter 1702 of the Ohio Revised Code for the purpose of providing administrative program assistance to the Community Development Department while combating deterioration and lessening the burdens of government by advancing, encouraging, and promoting residential and commercial redevelopment and revitalization in the City. The City subsidizes EDCOR's entire operation from its Community Development Block Grant. The City provides significant services and resources to EDCOR and EDCOR provides administrative program assistance to the Community Development Program for the City. Based upon the above reasons, EDCOR is reflected as a component unit of the City. EDCOR operates on a fiscal year ending December 31. Separately issued financial statements can be obtained from the Euclid Development Corporation, 585 East 222nd Street, Euclid, Ohio 44123.

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

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its proprietary funds unless those pronouncements conflict with or contradict GASB pronouncements. The City has elected not to apply FASB statements and interpretations issued after November 30, 1989, to its business-type activities and enterprise funds. The more significant of the City's accounting policies are described below.

A. **Basis of Presentation**

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

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

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

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

Government-wide Financial Statements The statement of net assets and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities. The activity of the internal service fund is eliminated to avoid “doubling up” revenues and expenses.

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

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

B. **Fund Accounting**

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

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

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

B. **Fund Accounting** (Continued)

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

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

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

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

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

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

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

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

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

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

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

B. **Fund Accounting** (Continued)

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

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

C. **Measurement Focus**

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

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

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

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

C. **Measurement Focus** (Continued)

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

D. **Basis of Accounting**

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

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements, and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 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.

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

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

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

Revenues – Exchange and Nonexchange Transactions (Continued)

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

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

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

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

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

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

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

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

E. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations 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 personal services and other expenditures object levels within each department for all funds. Budgetary modifications at the personal service and other expenditures level may only be made by ordinance of City Council. The Finance Director has been given the authority to allocate appropriations to the specific object levels within each department and fund.

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

The appropriation 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.

F. Cash and Cash Equivalents

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

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

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

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

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

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

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

During 2009, the City invested in Federal Home Loan Bank Securities, a repurchase agreement and the State Treasury Asset Reserve of Ohio (STAROhio). Investments are reported at fair value, which is based on quoted market prices.

STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on December 31, 2009.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the General Fund during 2009 amounted to \$451,124, which includes \$372,505 assigned from other City funds.

G. **Inventory**

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

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

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

H. Prepaid Items

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

I. Capital Assets

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

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

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

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	20-40 Years
Building and Improvements	20-40 Years
Furniture, Fixtures, and Equipment	3-10 Years
Infrastructure	25-50 Years

For 2009, the City's infrastructure consists of streets, storm sewers, and water and sewer lines.

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

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

J. Interfund Balances

In fund financial statements, outstanding interfund loans are reported as “interfund receivables/payables.” Interfund loans which do not represent available expendable resources are offset by a fund balance reserve account. Interfund balance amounts are eliminated in the statement of net assets, except for any residual amounts due between governmental and business-type activities, which are presented as internal balances.

K. Compensated Absences

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

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

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

L. Accrued Liabilities and Long-Term Obligations

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

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

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

L. **Accrued Liabilities and Long-Term Obligations** (Continued)

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

M. **Fund Balance Reserves**

The City reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent expendable resources and therefore are not available for appropriation or expenditure. As a result, encumbrances and unclaimed monies are recorded as a reservation of fund balance. Under Ohio law, unclaimed monies are not available for appropriation until they have remained unclaimed for five years. In addition, fund balance reserves have been credited for assets held for resale and notes receivable.

N. **Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The government-wide statement of net assets reports \$8,307,210 of restricted net assets, none of which is restricted by enabling legislation.

Net assets restricted for other purposes include resources restricted for court computerization, court special projects, and other grant funds.

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

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

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

O. Operating Revenue and Expenses

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

P. Interfund Activity

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

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

Q. Bond Issuance Costs

On the government-wide financial statements, bond issuance costs are deferred and amortized over the term of the applicable bonds using the effective interest method. Within the governmental fund statements, bond issuance costs are expended when incurred.

R. Bond Premium

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

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

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

S. **Gain/Loss on Refunding**

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

T. **Extraordinary and Special Items**

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

U. **Estimates**

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

NOTE 3: **CHANGE IN ACCOUNTING PRINCIPLES**

A. **Change in Accounting Principles**

For fiscal year 2009, the City implemented GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*, GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, and GASB Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*.

GASB Statement No. 52 improves the quality of financial reporting by requiring endowments to report their land and other real estate investments at fair value, creating consistency in reporting among similar entities that exist to invest resources for the purpose of generating income.

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

NOTE 3: **CHANGE IN ACCOUNTING PRINCIPLES** (Continued)

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

GASB Statement No. 55 incorporates the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the Governmental Accounting Standards Board's (GASB) authoritative literature.

GASB Statement No. 56 incorporates into the GASB authoritative literature certain accounting and financial reporting guidance presented in the American Institute of Certified Public Accountants' Statements on Auditing Standards.

The implementation of GASB Statement No. 52, GASB Statement No. 55, and GASB Statement No. 56 did not affect the presentation of the financial statements of the City.

NOTE 4: **COMPLIANCE AND ACCOUNTABILITY**

Fund Deficit

The following nonmajor funds had deficit fund balances or deficit net assets as of December 31, 2009:

Special Revenue

Community Development Block Grant	\$ 40,753
Recreation Operating	36,723

Capital Projects

Public Building Construction	261,070
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Internal Service

Self-Insurance Fund	268,971
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The deficits in the Special Revenue funds, Capital Project Fund and the Internal Service Fund resulted from recognition of accrued liabilities. The General Fund is responsible to cover deficit fund balances by means of a transfer. However, this is done when cash is needed rather when accruals occur.

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

NOTE 5: BUDGETARY BASIS OF ACCOUNTING

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

- Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
- Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
- Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).
- Unrecorded cash represents amounts received but not included as revenue on the budgetary statements, but is reported on the fund financial statements prepared using GAAP.
- Investments are reported at fair value (GAAP basis) rather than cost (budget basis).

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

GAAP Basis	\$ (1,217,636)
Net Adjustment for Revenue Accruals	(322,988)
Net Adjustment for Expenditure Accruals	(391,521)
Encumbrances	(48,788)
Budget Basis	<u><u>\$ (1,980,933)</u></u>

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

NOTE 6: DEPOSITS AND INVESTMENTS

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

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

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

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

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

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

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

NOTE 6: **DEPOSITS AND INVESTMENTS** (Continued)

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

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

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

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

Cash on Hand

The City had \$7,060 in undeposited cash on hand, which is reported on the balance sheet as part of "Equity in Pooled Cash and Cash Equivalents".

Deposits

Custodial Credit Risk Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in possession of an outside party. At year-end, the carrying amount of the City's deposits was \$13,319,418 and the bank balance was \$14,636,151. Of the bank balance, \$1,745,581 was covered by Federal depository insurance and \$12,890,570 was exposed to custodial credit risk because it was uninsured and uncollateralized. Although the securities were held by the pledging institution's trust department and all statutory requirements for the investment of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

NOTE 6: **DEPOSITS AND INVESTMENTS** (Continued)

Deposits (Continued)

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

Investments

Investments are reported at fair value. As of December 31, 2009, the City had the following investments:

	Fair Value	Average Maturity
Federal Home Loan Bank Bonds	\$ 3,987,060	730 days
STAROhio	700,005	23 days
Repurchase Agreement	1,174,322	2 days
Total	\$ 5,861,387	

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

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

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

NOTE 6: **DEPOSITS AND INVESTMENTS** (Continued)

Credit Risk All investments carry a rating of AAA by Standard & Poor's with the exception of STAROhio, which carries a rating of AAAM by Standard and Poor's. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service. The City has no investment policy that would further limit its investment choices.

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

<u>Percentage of Total Investments</u>	
Federal Home Loan Bank Bonds	68.02%
STAROhio	11.94%
Repurchase Agreements	20.04%

Component Unit - Euclid Development Corporation (EDCOR)

Custodial Credit Risk Custodial credit risk for deposits is the risk that in the event of bank failure, EDCOR will not be able to recover deposits or collateral securities that are in possession of an outside party. At year-end, the carrying amount of EDCOR's deposits was \$635,785 and the bank balance was \$632,211. Of the bank balance, \$632,211 was covered by Federal depository insurance.

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

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

NOTE 7: RECEIVABLES

Receivables at December 31, 2009, consisted primarily of municipal income taxes, property and other taxes, accounts (billings for utility services), special assessments, accrued interest on investments, and intergovernmental receivables arising from entitlements and shared revenues. All receivables are deemed collectible in full. Special assessments outstanding at December 31, 2009 are \$1,603,604, with delinquent special assessments outstanding being \$217,964.

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

A. Property Taxes

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

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

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

Tangible personal property tax revenue received during calendar 2009 (other than public utility property) represents the collection of 2009 taxes. Tangible personal property taxes received in calendar year 2009 were levied in after April 1, 2008, on the value as of December 31, 2008. In prior years, tangible personal property was assessed at twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory. The tangible personal property tax is being phased out-the assessment percentage for all property including inventory for 2009 is zero. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the City prior to June 30.

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

NOTE 7: **RECEIVABLES** (Continued)

A. **Property Taxes** (Continued)

The full tax rate for all City operations for the year ended December 31, 2009, was \$15.60 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2009 property tax receipts were based are as follows:

Real Property	\$ 734,881,250
Public Utility Property	<u>15,108,400</u>
Total Valuation	<u>\$ 749,989,650</u>

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

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

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

B. **Income Tax**

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

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

NOTE 7: **RECEIVABLES** (Continued)

B. **Income Tax** (Continued)

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

C. **Intergovernmental Receivables**

A summary of the principal items of intergovernmental receivables follows:

<u>Governmental Activities</u>	
Local Government	\$ 1,432,053
Gasoline Tax	644,221
Homestead and Rollback	307,827
Estate Tax	150,683
Motor Vehicle Tax	111,873
Various Grants Receivables	128,339
Other Governmental	31,758
Total Governmental Activities	<u>\$ 2,806,754</u>
 <u>Business-Type Activities</u>	
Homestead and Rollback	\$ 29,437
OPWC Receivables	406,787
Total Business-Type Activities	<u>\$ 436,224</u>

D. **Notes and Loans Receivable**

General Fund notes receivable represent amounts loaned to a major corporation in connection with an economic development and rehabilitation project. These notes will be paid back to the City over 30 years by the corporation at an interest rate of 2 percent. The City will incur interest charges at a rate of 8.25 percent on the bonds that had been issued by the City in conjunction with this program. The difference in the interest rates is a subsidy which will be funded by nontax revenue sources.

The component unit's loans receivable represent low interest loans for home improvements granted to eligible City residents through Euclid Development Corporation (EDCOR) under the Federal Community Development Block Grant program. The loans bear interest at an annual rate of 3 percent. The loans are to be repaid over periods ranging from 5 to 15 years.

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

NOTE 8: CONTINGENCIES

A. Grants

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

B. Litigation

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

NOTE 9: CAPITAL ASSETS

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

	Balance 12/31/2008	Additions	Deletions	Balance 12/31/2009
<u>Governmental Activities</u>				
<i>Capital Assets, Not Being Depreciated</i>				
Land	\$ 9,058,667	\$ 0	\$ 0	\$ 9,058,667
Construction in Progress	4,707,457	766,672	1,838,982	3,635,147
<i>Total Capital Assets, Not Being Depreciated</i>	<u>13,766,124</u>	<u>766,672</u>	<u>1,838,982</u>	<u>12,693,814</u>
<i>Capital Assets, Being Depreciated</i>				
Land Improvements	6,115,101	226,051	139,370	6,201,782
Buildings and Improvements	15,391,053	475,072	0	15,866,125
Furniture, Fixtures, and Equipment	10,663,289	906,417	442,481	11,127,225
Infrastructure:				
Streets	120,616,435	1,612,931	0	122,229,366
<i>Total Capital Assets, Being Depreciated</i>	<u>152,785,878</u>	<u>3,220,471</u>	<u>581,851</u>	<u>155,424,498</u>
Less Accumulated Depreciation:				
Land Improvements	(4,109,544)	(283,363)	(138,611)	(4,254,296)
Buildings and Improvements	(6,394,765)	(325,043)	0	(6,719,808)
Furniture, Fixtures, and Equipment	(7,333,696)	(553,000)	(436,051)	(7,450,645)
Infrastructure:				
Streets	(75,827,928)	(4,809,659)	0	(80,637,587)
<i>Total Accumulated Depreciation</i>	<u>(93,665,933)</u>	<u>(5,971,063)</u>	<u>(574,662)</u>	<u>(99,062,336)</u>
Total Capital Assets, Being Depreciated, Net	<u>59,119,945</u>	<u>(2,750,594)</u>	<u>7,189</u>	<u>56,362,162</u>
Governmental Activities Capital Assets, Net	<u>\$ 72,886,069</u>	<u>\$ (1,983,922)</u>	<u>\$ 1,846,171</u>	<u>\$ 69,055,976</u>

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

NOTE 9: CAPITAL ASSETS (Continued)

	Balance 12/31/2008	Additions	Deletions	Balance 12/31/2009
Business-Type Activities				
<i>Capital Assets, Not Being Depreciated</i>				
Land	\$ 7,428,126	\$ 0	\$ 0	\$ 7,428,126
Construction in Progress	1,041,845	5,188,583	847,163	5,383,265
<i>Total Capital Assets, Not Being Depreciated</i>	<u>8,469,971</u>	<u>5,188,583</u>	<u>847,163</u>	<u>12,811,391</u>
<i>Capital Assets, Being Depreciated</i>				
Land Improvements	1,374,836	0	0	1,374,836
Buildings and Improvements	13,527,303	1,000,295	0	14,527,598
Furniture, Fixtures, and Equipment	7,374,639	286,434	76,100	7,584,973
Infrastructure:				
Sanitary Sewers	17,518,715	11,943	0	17,530,658
Storm Sewers	10,721,584	0	0	10,721,584
Waterlines	23,375,159	0	0	23,375,159
<i>Total Capital Assets, Being Depreciated</i>	<u>73,892,236</u>	<u>1,298,672</u>	<u>76,100</u>	<u>75,114,808</u>
<i>Less Accumulated Depreciation:</i>				
Land Improvements	(747,479)	(62,089)	0	(809,568)
Buildings and Improvements	(5,687,865)	(287,315)	0	(5,975,180)
Furniture, Fixtures, and Equipment	(6,654,953)	(152,621)	(76,100)	(6,731,474)
Infrastructure:				
Sanitary Sewers	(4,316,165)	(346,874)	0	(4,663,039)
Storm Sewers	(3,627,686)	(211,975)	0	(3,839,661)
Waterlines	(4,186,811)	(467,503)	0	(4,654,314)
<i>Total Accumulated Depreciation</i>	<u>(25,220,959)</u>	<u>(1,528,377)</u>	<u>(76,100)</u>	<u>(26,673,236)</u>
Total Capital Assets, Being Depreciated, Net	<u>48,671,277</u>	<u>(229,705)</u>	<u>0</u>	<u>48,441,572</u>
Business-Type Activities Capital Assets, Net	<u>\$ 57,141,248</u>	<u>\$ 4,958,878</u>	<u>\$ 847,163</u>	<u>\$ 61,252,963</u>

*Depreciation Expense was charged to governmental functions as follows:

General Government	\$ 278,324
Security of Persons and Property	311,152
Leisure Time Services	266,305
Community and Economic Development	92,187
Transportation	5,023,097
	<u>\$ 5,971,065</u>

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

NOTE 10: LONG-TERM OBLIGATIONS

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

Debt Issue	Interest Rate	Original Issue Date	Original Issue Amount	Date of Maturity
<i>General Obligation Bonds:</i>				
Various Purpose Refunding - 1998	4.8-6.625%	1998	\$ 12,730,000	2018
Various Purpose - 1995	3.70-5.55	1995	8,400,000	2015
Various Purpose - 1998	3.80-4.90	1998	6,360,000	2018
Various Purpose - 2001	3.25-5.50	2001	7,235,000	2020
Various Purpose - 2004	2.50-5.00	2004	8,709,000	2025
Various Purpose Refunding - 2004	2.50-5.00	2004	4,388,000	2025
Various Purpose Refunding - 2008	4.70-5.125	2008	2,800,000	2018
Various Purpose - 2008	3.00-5.00	2008	7,825,000	2028
<i>Industrial Development Revenue Bonds</i>				
Lincoln Electric Industrial Development	8.25	1996	2,135,000	2016
<i>Ohio Public Works Commission</i>				
East 222nd Reconstruction -2006	0.00	2006	1,257,200	2029
<i>Special Assessment Bonds with Government Commitment</i>				
Heritage Drive Improvements - 1999	4.35-5.60	1999	1,715,000	2019
<i>Long-Term Notes Payable:</i>				
Various Purpose - 2009	1.75	2009	2,340,000	2010
<i>Enterprise General Obligation Bonds:</i>				
Peterson Waterline -1998	3.80-5.125	1998	2,145,000	2018
Various Purpose Refunding - 2004	3.80-5.125	1998	1,025,000	2018
Water Line Improvement - 1998	3.25-5.50	2001	4,260,000	2020
Water Line Improvement - 2001	2.50-5.00	2004	1,243,000	2025
Various Purpose Refunding - 2008	4.70-5.125	2008	2,660,000	2018
<i>Enterprise OWDA Loans:</i>				
Waste Water Treatment and Collection Systems -1993	5.20	1993	9,842,765	2014
Waste Water Treatment and Collection Systems -1994	4.56	1994	2,397,760	2014
Sewer Improvement - 1991	11.19	1991	6,093,465	2011
<i>Enterprise OPWC Loans:</i>				
Newton Avenue Improvements - 2000	0.00	2000	1,468,836	2019
East 226th Street/Edgecliff - 2003	0.00	2003	1,528,108	2023
East 197th Street - 2001	0.00	2001	759,025	2020
East 255th Street - 2002	0.00	2002	400,534	2022
East 216th Street - 2004	0.00	2004	581,131	2024
Brandywine Pump Station - 2005	0.00	2006	408,000	2028
Chatworth Dr. Sanitary -2005	0.00	2006	240,400	2028
Euclid Ave/Babbit Rd -2005	0.00	2006	540,900	2028
Miller Avenue - 2001	0.00	2001	1,689,900	2020
East 222nd Street -2003	0.00	2003	874,958	2023
East 214th Street - 2001	0.00	2001	262,735	2020
Euclid Avenue Bridge	0.00	2008	552,000	2028
East 222nd Street/Tungsten Road - 2009	0.00	2009	779,300	2039
Dille Road/East 204th Street - 2009	0.00	2009	950,000	2029
<i>Enterprise Long-Term Notes Payable:</i>				
Water Line Improvement	1.75	2009	6,300,000	2010
Sewer Improvement	1.75	2009	740,000	2010

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

NOTE 10: LONG-TERM OBLIGATIONS (Continued)

	Principal Outstanding 12/31/2008	Additions	Deletions	Principal Outstanding 12/31/2009	Due Within One Year
Governmental Activities					
<i>General Obligation Bonds:</i>					
Various Purpose Refunding - 1998	\$ 670,000	\$ 0	\$ 205,000	\$ 465,000	225,000
Various Purpose - 1995	770,000	0	770,000	0	0
Various Purpose - 2001	4,495,000	0	380,000	4,115,000	405,000
Various Purpose - 2004	8,373,000	0	118,000	8,255,000	491,000
Unamortized Premium	72,691	0	4,543	68,148	0
Various Purpose Refunding - 2004	3,297,000	0	386,000	2,911,000	447,000
Unamortized Premium	19,414	0	2,774	16,640	0
Unamortized Gain on Refunding	(106,120)	0	(15,160)	(90,960)	0
Various Purpose Refunding - 2008	2,730,000	0	325,000	2,405,000	340,000
Unamortized Premium	86,502	0	9,106	77,396	0
Various Purpose - 2008	7,825,000	0	495,000	7,330,000	520,000
Unamortized Premium	121,592	0	6,236	115,356	0
Total General Obligation Bonds	28,354,079	0	2,686,499	25,667,580	2,428,000
<i>Special Assessment Bonds with Governmental Commitment</i>					
Heritage Drive Improvements - 1999	1,160,000	0	80,000	1,080,000	85,000
<i>Notes Payable:</i>					
Various Purpose - 2009	0	2,340,000	0	2,340,000	2,340,000
Total Notes Payable	0	2,340,000	0	2,340,000	2,340,000
<i>Industrial Development Revenue Bonds</i>					
Lincoln Electric Industrial Development	1,235,000	0	115,000	1,120,000	125,000
<i>Ohio Public Works Commission</i>					
East 222nd Reconstruction -2006	1,652,108	18,267	0	1,670,375	0
<i>Other Obligations:</i>					
Capital Leases	1,085,075	0	431,944	653,131	179,241
Claims	968,265	42,327	23,364	987,228	272,466
Compensated Absences	8,707,297	1,496,963	1,727,382	8,476,878	1,679,029
Total Other Obligations	10,760,637	1,539,290	2,182,690	10,117,237	2,130,736
Total Governmental Activities	\$ 43,161,824	\$ 3,897,557	\$ 5,064,189	\$ 41,995,192	\$ 7,108,736

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

NOTE 10: LONG-TERM OBLIGATIONS (Continued)

	Principal Outstanding 12/31/2008	Additions	Deletions	Principal Outstanding 12/31/2009	Due Within One Year
<u>Business-Type Activities</u>					
<i>General Obligation Bonds:</i>					
Waste Water Fund:					
Various Purpose Refunding - 2008	\$ 1,325,000	\$ 0	\$ 115,000	\$ 1,210,000	\$ 120,000
Unamortized Premium	42,015	0	4,423	37,592	0
Various Purpose Refunding - 2004	1,240,000	0	1,000	1,239,000	57,000
Unamortized Premium	10,267	0	642	9,625	0
Water Line Fund:					
Water Line Improvement - 1998	0	0	0	0	0
Water Line Improvement - 2001	3,035,000	0	190,000	2,845,000	200,000
Various Purpose Refunding - 2008	1,270,000	0	110,000	1,160,000	110,000
Unamortized Premium	40,162	0	4,228	35,934	0
<i>Total General Obligation Bonds:</i>	<u>6,962,444</u>	<u>0</u>	<u>425,293</u>	<u>6,537,151</u>	<u>487,000</u>
<i>Notes Payable</i>					
Water Line Improvements - 2008	5,600,000	0	5,600,000	0	0
Water Line Improvements - 2009	0	7,040,000	0	7,040,000	7,040,000
	<u>5,600,000</u>	<u>7,040,000</u>	<u>5,600,000</u>	<u>7,040,000</u>	<u>7,040,000</u>
<i>OWDA Loans:</i>					
Waste Water Fund:					
Waste Water Treatment and Collection Systems -1993	5,112,317	0	825,461	4,286,856	868,943
Waste Water Treatment and Collection Systems -1994	1,281,365	0	190,231	1,091,134	190,004
Sewer Improvement - 1991	2,226,762	0	825,617	1,401,145	918,004
<i>Total OWDA Loans</i>	<u>8,620,444</u>	<u>0</u>	<u>1,841,309</u>	<u>6,779,135</u>	<u>1,976,951</u>
<i>OPWC Loans:</i>					
Waste Water Fund:					
Newton Avenue Improvements - 2000	807,860	0	73,442	734,418	73,442
East 226th Street/Edgecliff - 2003	1,107,879	0	76,406	1,031,473	76,406
East 197th Street - 2001	455,416	0	37,951	417,465	37,952
East 255th Street - 2002	270,359	0	20,026	250,333	20,026
East 216th Street - 2004	464,904	0	29,056	435,848	29,056
Brandywine Pump Station - 2006	329,907	0	16,918	312,989	16,918
Chatworth Dr. Sanitary -2006	229,642	0	11,777	217,865	11,777
Euclid Ave/Babbit Rd -2006	476,702	0	11,918	464,784	23,835
Euclid Avenue Improvement -2008	109,370	162,046	0	271,416	0
<i>Total Waste Water Fund</i>	<u>4,252,039</u>	<u>162,046</u>	<u>277,494</u>	<u>4,136,591</u>	<u>289,412</u>
Water Line Fund					
Miller Avenue - 2001	1,013,940	0	84,495	929,445	84,495
East 222nd Street -2003	656,218	0	43,748	612,470	43,748
East 214th Street - 2001	157,640	0	13,137	144,503	13,136
East 222nd/Tungsten Road - 2009	0	29,436	0	29,436	0
Dille Road/ East 204 - 2009	0	119,171	0	119,171	0
<i>Total Water Line Fund</i>	<u>1,827,798</u>	<u>148,607</u>	<u>141,380</u>	<u>1,835,025</u>	<u>141,379</u>
<i>Total OPWC Loan</i>	<u>6,079,837</u>	<u>310,653</u>	<u>418,874</u>	<u>5,971,616</u>	<u>430,791</u>
<i>Other Obligations</i>					
Capital Leases	449,192	41,592	133,085	357,699	128,358
Claims Payable	152,329	6,659	3,676	155,312	42,864
Compensated Absences	775,878	74,449	152,776	697,551	140,376
<i>Total Other Obligations</i>	<u>1,377,399</u>	<u>122,700</u>	<u>289,537</u>	<u>1,210,562</u>	<u>311,598</u>
Total Business-Type Activities	<u>\$ 28,640,124</u>	<u>\$ 7,473,353</u>	<u>\$ 8,575,013</u>	<u>\$ 27,538,464</u>	<u>\$ 10,246,340</u>

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

NOTE 10: **LONG-TERM OBLIGATIONS** (Continued)

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

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

Capital leases will be paid from the General Fund, the Streets and Highways Fund, the Culture Recreation and Community Development Special Revenue funds, the General Permanent Improvement Capital Projects Fund, and the Sewer and Briardale Golf Course Enterprise funds.

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

Compensated absences will be paid from the General Fund, the Court Computerization Fund, the Court Special Projects Fund, the Animal Shelter Fund, the Street Construction, Maintenance, and Repair Fund, the Community Television Fund, the Recreation Operating Fund, the Community Development Block Grant Fund, the Other Grants Special Revenue Fund, the Recreation Capital Projects Fund, and the Sewer and Briardale Golf Course Enterprise funds.

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

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

NOTE 10: **LONG-TERM OBLIGATIONS** (Continued)

At the end of the year, the City had four outstanding projects from OPWC for the East 222nd Street, Dille Road/E 204 Street Water Line, East 222nd/Tungsten Water Line and the Euclid Avenue Sanitary Sewer Improvement. The East 222nd Street project is recorded in the governmental activities, while the remaining projects are reported in business-type activities. As of December 31, 2009, the loan amount received for the outstanding project is reported in the following amortization schedules

The City has pledged future general revenue to repay taxable Industrial Development Revenue Bonds. Debt is payable solely from net revenues and are payable through 2016. Annual principal and interest payments on the revenue bonds are expected to require .5 percent of net revenue. Total principal and interest remaining to be paid on the debt is \$1,518,477. Principal and interest paid for the current year were \$216,888, and the related revenue received was \$109,336.

Refunded Bonds

In prior years, the City has defeased various bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. Government Securities that were placed in the trust fund. The investment and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the City's government-wide financial statements. As of December 31, 2009, the amount of defeased debt outstanding but removed from the government-wide financial statements amounted to \$8,330,000.

Legal Debt Margin

The City's overall legal debt margin was \$56,864,062 and the unvoted debt margin was \$19,364,580 at December 31, 2009.

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

NOTE 10: LONG-TERM OBLIGATIONS (Continued)

Governmental Activities

	General Obligation Bonds		Special Assessment Bonds		Industrial Development Revenue Bonds		OPWC Loan	Total Governmental Activities	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Principal	Interest
	2010	\$ 2,428,000	\$ 1,191,966	\$ 85,000	\$ 60,480	\$ 125,000	\$ 92,400	\$ 0	\$ 2,638,000
2011	2,326,000	1,092,388	90,000	55,720	135,000	82,088	83,519	2,634,519	1,230,196
2012	2,164,000	905,836	90,000	50,680	145,000	70,950	83,519	2,482,519	1,027,466
2013	2,231,000	816,986	100,000	45,640	160,000	58,988	83,519	2,574,519	921,614
2014	1,954,000	723,526	105,000	40,040	170,000	45,788	83,519	2,312,519	809,354
2015-2019	7,897,000	2,419,567	610,000	106,120	385,000	48,263	417,594	9,309,594	2,573,950
2020-2024	4,710,000	961,088	0	0	0	0	417,594	5,127,594	961,088
2025-2029	1,771,000	154,720	0	0	0	0	417,594	2,188,594	154,720
2030-2031	0	0	0	0	0	0	83,518	83,518	0
Total	\$ 25,481,000	\$ 8,266,077	\$ 1,080,000	\$ 358,680	\$ 1,120,000	\$ 398,477	\$ 1,670,375	\$ 29,351,375	\$ 9,023,234

Business Type Activities

	General Obligation Bonds		OWDA Loans		OPWC Loans	Total Business-Type Activities	
	Principal	Interest	Principal	Interest	Principal	Principal	Interest
2010	\$ 487,000	\$ 285,271	\$ 1,976,951	\$ 416,066	\$ 430,791	\$ 2,894,742	\$ 701,337
2011	509,000	267,961	1,606,040	258,581	451,793	2,566,833	526,542
2012	516,000	247,071	1,180,683	146,543	451,793	2,148,476	393,614
2013	554,000	227,136	765,015	21,856	451,792	1,770,807	248,992
2014	566,000	203,796	1,250,446	85,777	451,794	2,268,240	289,573
2015-2019	2,933,000	609,343	0	0	2,258,961	5,191,961	609,343
2020-2024	785,000	101,145	0	0	1,140,998	1,925,998	101,145
2025-2029	104,000	4,680	0	0	312,693	416,693	4,680
2030-2031	0	0	0	0	21,001	21,001	0
Total	\$ 6,454,000	\$ 1,946,403	\$ 6,779,135	\$ 928,823	\$ 5,971,616	\$ 19,204,751	\$ 2,875,226

NOTE 11: COMPENSATED ABSENCES

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

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

NOTE 11: **COMPENSATED ABSENCES** (Continued)

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

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

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

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

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

NOTE 12: **RISK MANAGEMENT**

A. **Property and Liability**

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

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

NOTE 12: **RISK MANAGEMENT** (Continued)

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

During 2009, the City negotiated with Love Insurance Company for commercial insurance coverage relating to property, boiler, and machinery insurance. The cost of the current coverage was \$61,995 for 2009. The City carries a commercial package property insurance policy for blanket coverage in excess of \$120,000,000. The policy coverage includes loss of business income for specific locations, personal property, securities, and property in the open. Included in this blanket is coverage for equipment breakdown with its own \$5,000 deductible. Additionally, the City carries inland marine insurance, which includes fire rescue and heavy vehicle coverage, of \$8,641,481 with a \$1,000 deductible, and a crime shield coverage of \$25,000 per loss with a \$10,000 deductible.

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

The claims liability of \$306,384 reported in the Self-Insurance Internal Service Fund at December 31, 2009 consists of \$305,360 of general liability insurance and \$1,024 of other claims and is based on an estimate of costs relating to incurred but not reported claims. Changes in the fund's general liability insurance claims liability amount for the last three years follow:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2007	\$ 410,715	\$ 59,664	\$ 110,949	\$ 359,430
2008	\$ 359,430	\$ 87,847	\$ 90,132	\$ 357,145
2009	\$ 357,145	\$ 99,467	\$ 151,252	\$ 305,360

B. **Health Insurance Benefits**

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

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

NOTE 12: **RISK MANAGEMENT** (Continued)

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

The City structured its health care plan through a cost sharing program that includes yearly deductible amounts as well as co-pays. For covered individuals, the yearly deductible amount is \$200, and for families the yearly deductible is \$300. In addition to this, covered employees or family members have a required co-pay of \$20 per office visit or \$50 per emergency care visit. If admitted, the \$50 co-pay is waived. Upon meeting the required employee contributions as well as staying within a Medical Mutual provider, maximum coverage is provided by the plan parameters. However, if an individual seeks care at a non-Medical Mutual provider, then 80 percent of the cost is covered. Furthermore, the plan allows for catastrophic (stop-loss) coverage of \$150,000 per occurrence. Employee medical benefits are charged to the respective fund in which the individual's salary is paid.

The claims liability of \$450,658 reported in the General Fund at December 31, 2009, is based on an estimate of costs relating to incurred but not reported claims. Changes in the funds claims liability amount for the last three years follows:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2007	\$ 628,713	\$ 2,614,225	\$ 2,845,068	\$ 397,870
2008	\$ 397,870	\$ 3,348,825	\$ 3,094,556	\$ 652,139
2009	\$ 652,139	\$ 3,636,722	\$ 3,838,203	\$ 450,658

C. **Workers' Compensation Program**

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

The claims liability of \$987,228 reported in governmental activities and \$155,312 reported in business-type activities is based on the requirements of Governmental Standards Board Statement No. 30, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. Changes in the fund's current claims liability amount for the last three years follows:

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

NOTE 12: **RISK MANAGEMENT** (Continued)

C. **Workers' Compensation Program** (Continued)

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2007	\$ 1,668,084	\$ 951,500	\$ 418,478	\$ 2,201,106
2008	\$ 2,201,106	\$ 48,986	\$ 1,129,498	\$ 1,120,594
2009	\$ 1,120,594	\$ 49,299	\$ 27,353	\$ 1,142,540

NOTE 13: **PENSION PLANS**

A. **Ohio Public Employees Retirement System**

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

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

For the year ended December 31, 2009, the members of all three plans were required to contribute 10.00 percent of their annual covered salaries. The City's contribution rate of 14.00 percent was allocated to fund pension benefits was 7.00 percent from January 1 through March 31, 2009 and 8.50 percent from April 1 through December 31, 2009. The Ohio Revised Code provides statutory authority for member and employer contributions.

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

NOTE 13: **PENSION PLANS** (Continued)

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

The City's required contributions for pension obligations to all three plans for the years ended December 31, 2009, 2008, and 2007 were \$1,978,293, \$1,024,197, and \$1,132,017, respectively. 85.79 percent has been contributed for 2009 while 100 percent has been contributed for 2008 and 2007.

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

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

Plan members are required to contribute 10.00 percent of their annual covered salary, while the City is required to contribute 19.50 percent and 24.0 percent for police officers and firefighters, respectively. The portion of the City's contributions to fund pension obligations was 12.75 percent for police officers and 17.25 percent for firefighters. . The City's contributions to the OP&F for police and firefighters were \$890,220 and \$912,383 for the year ended December 31, 2009, \$843,281 and \$894,648 for the year ended December 31, 2008, and \$853,332 and \$915,311 for the year ended December 31, 2007. The full amount has been contributed for 2008 and 2007. 80.99 percent for police and 76.80 percent for firefighters has been contributed for 2009, with the remainder being reported as a liability.

NOTE 14: **POST-EMPLOYMENT BENEFITS**

A. **Ohio Public Employees Retirement System**

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

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

NOTE 14: **POST-EMPLOYMENT BENEFITS** (Continued)

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

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

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

Funding Policy – The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits. The 2009 local government employer contribution rate was 14.00 percent of covered payroll.

OPERS Post-employment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contributions allocated to health care was 7.00 percent from January 1 through March 31, 2009 and 5.50 percent from April 1 through December 31, 2009. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care coverage by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. The City's actual employer contributions for 2009 which were used to fund post-employment benefits were \$1,418,948.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

NOTE 14: **POST-EMPLOYMENT BENEFITS** (Continued)

B. Ohio Police and Fire Pension Fund

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

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

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

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

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

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

NOTE 14: **POST-EMPLOYMENT BENEFITS** (Continued)

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2009, the employer contribution allocated to the health care plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of the Sections 115 and 401(h).

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

The City's actual contributions for the years ending December 31, 2009, 2008, and 2007, were \$471,2934 for police and \$357,019 for firefighters, \$556,206 for police and \$426,679 for firefighters, and \$451,759 for police and \$358,165 for firefighters, respectively was allocated to the health care plan.

NOTE 15: **CAPITAL LEASES**

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

During 2009, the City entered into a capital lease for equipment relating to the operations of the Briardale Greens Golf Course.

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

NOTE 15: **CAPITAL LEASES** (Continued)

Capital assets acquired by lease have been capitalized and depreciated as follows as of December 31, 2009:

	Governmental Activities	Business-Type Activities
<i>Capital Assets being Depreciated:</i>		
Furniture, Fixtures, and Equipment	\$ 1,737,052	\$ 1,067,278
Less Accumulated Depreciation:		
Furniture, Fixtures, and Equipment	(365,116)	(419,795)
Total Capital Assets being Depreciated	\$ 1,371,936	\$ 647,483
<u>Year ending December 31</u>		
2010	\$ 207,640	\$ 144,603
2011	207,640	144,604
2012	152,219	51,180
2013	152,526	50,874
Total Minimum Lease Payments	720,025	391,261
Less: Amount Representing Interest	(66,894)	(33,562)
Present Value of Minimum Lease Payments	\$ 653,131	\$ 357,699

NOTE 16: **INTERFUND TRANSFERS AND BALANCES**

A. **Transfers**

Transfers are primarily made from the General Fund and typically cover general operating and project costs. Transfers made from other governmental funds (Nuisance Abatement Fund) were due to excess funds, after the payment of all obligations of the fund. Transfers made during the year ended December 31, 2009, were as follows:

Transfer To	Transfer From		Totals
	General Fund	Other Governmental Funds	
General Fund	\$ 0	\$ 500,000	\$ 500,000
Other Governmental Funds	561,859	0	561,859
Totals	\$ 561,859	\$ 500,000	\$ 1,061,859

CITY OF EUCLID, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

NOTE 16: **INTERFUND TRANSFERS AND BALANCES** (Continued)

B. Interfund Receivable and Payable

As of December 31, 2009, the \$888,000 interfund receivable in the General Obligation Bond Retirement Debt Service Fund is from manuscript notes from the General Permanent Improvement Capital Projects Fund and the Public Building Construction Capital Projects Fund.

A portion of the interfund loan, \$538,000, is used to fund various building improvements. The General Permanent Improvement Capital Projects Fund will repay this portion of the interfund loan with dedicated revenues from the fund. The other portion of the interfund loan, \$350,000, is used to fund repairs to the clubhouse located at the Briardale Greens Golf Course. The Public Building Construction Capital Projects Fund will repay this portion of the interfund loan with annual transfers from the Briardale Greens Golf Course Enterprise Fund or the General Fund.

NOTE 17: **SUBSEQUENT EVENT**

On April 5, 2010, the City rolled over \$9,380,000 in notes for the following purposes: \$5,600,000 for water line improvements, \$700,000 for the Peterson Water Line, and \$3,080,000 for capital improvements. The notes have an interest rate of 6 percent and mature on December 1, 2011. The City also issued notes for the following purposes: \$885,000 for street lighting, \$450,000 for improving City streets, \$776,000 for acquiring motorized vehicular equipment, and \$725,000 for acquiring real property. The notes all have interest rates not to exceed 6 percent and will mature in May 2011.

City Council also approved tax assessment for street lighting and enacted a resident fee for rubbish pickup for fiscal year 2010.

Combining Statements
and Individual Fund Schedules

CITY OF EUCLID, OHIO

COMBINING STATEMENTS – NONMAJOR FUNDS

Nonmajor Special Revenue Funds

Special Revenue funds are used to account for the proceeds of specific revenue sources (other than amounts relating to major capital projects) that are legally restricted to expenditure for specified purposes.

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

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

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

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

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

Nuisance Abatement Fund - This fund accounts for services provided and assessments collected for the abatement of neighborhood nuisances.

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

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

Community Television Fund - This fund accounts for cable franchise tax used for the operating activities of community television.

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

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

CITY OF EUCLID, OHIO

COMBINING STATEMENTS – NONMAJOR FUNDS

Nonmajor Special Revenue Funds

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

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

Litter Control Fund - This fund accounts for grants used for recycling and composting activities in the City. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

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

Shore Corporation – This fund accounts for the operating costs of the Shore Cultural Center.

Nonmajor Capital Projects Funds

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

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

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

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

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

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

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

CITY OF EUCLID, OHIO

COMBINING STATEMENTS – NONMAJOR FUNDS

Nonmajor Capital Projects Funds

Bennington Hamlet Fund - This fund accounts for the collection of assessments for cost associated with economic development.

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

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

**CITY OF EUCLID, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2009**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
ASSETS:			
Equity in Pooled Cash and Cash Equivalents	\$ 1,140,106	\$ 2,988,678	\$ 4,128,784
Materials and Supplies Inventory	90,017	0	90,017
Accounts Receivable	17,509	0	17,509
Intergovernmental Receivable	923,494	25,021	948,515
Prepaid Items	3,149	0	3,149
Property Taxes Receivable	366,281	478,982	845,263
Special Assessments Receivable	264,563	0	264,563
Assets Held for Resale	20,502	0	20,502
Total Assets	<u>\$ 2,825,621</u>	<u>\$ 3,492,681</u>	<u>\$ 6,318,302</u>
LIABILITIES:			
Accounts Payable	62,243	41,570	103,813
Accrued Wages and Benefits	66,913	1,639	68,552
Intergovernmental Payable	206,412	26,271	232,683
Retainage Payable	0	359,239	359,239
Interfund Payable	0	888,000	888,000
Deferred Revenue	1,174,442	504,003	1,678,445
Total Liabilities	<u>1,510,010</u>	<u>1,820,722</u>	<u>3,330,732</u>
FUND BALANCES:			
Reserved:			
Reserved for Encumbrances	13,968	464,500	478,468
Reserved for Assets Held for Resale	20,502	0	20,502
Unreserved, Undesignated, Reported in:			
Special Revenue Funds	1,281,141	0	1,281,141
Capital Projects Funds	0	1,207,459	1,207,459
Total Fund Balances	<u>1,315,611</u>	<u>1,671,959</u>	<u>2,987,570</u>
Total Liabilities and Fund Balances	<u>\$ 2,825,621</u>	<u>\$ 3,492,681</u>	<u>\$ 6,318,302</u>

CITY OF EUCLID, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
REVENUES:			
Property Taxes	\$ 288,306	\$ 377,016	\$ 665,322
Payments in Lieu of Taxes	0	172,310	172,310
Special Assessments	134,653	40,768	175,421
Charges for Services	522,112	0	522,112
Fines and Forfeitures	188,586	0	188,586
Intergovernmental	3,732,684	222,967	3,955,651
Interest	694	1,162	1,856
Rent	202,447	0	202,447
Contributions and Donations	51,034	0	51,034
Other	251,007	2,800	253,807
Total Revenues	<u>5,371,523</u>	<u>817,023</u>	<u>6,188,546</u>
EXPENDITURES:			
Current:			
General Government	358,597	0	358,597
Security of Persons and Property	347,090	0	347,090
Leisure Time Services	1,359,938	0	1,359,938
Community and Economic Development	1,351,764	0	1,351,764
Transportation	2,232,410	0	2,232,410
Capital Outlay	0	3,015,982	3,015,982
Debt Service:			
Principal Retirements	22,212	307,967	330,179
Interest and Fiscal Charges	5,060	19,344	24,404
Total Expenditures	<u>5,677,071</u>	<u>3,343,293</u>	<u>9,020,364</u>
<i>Excess of Revenues Over(Under) Expenditures</i>	<u>(305,548)</u>	<u>(2,526,270)</u>	<u>(2,831,818)</u>
OTHER FINANCING SOURCES AND USES:			
Transfers In	561,859	0	561,859
Notes Issued	0	2,340,000	2,340,000
Proceeds of OPWC Loans	0	18,267	18,267
Proceeds from Sale of Capital Assets	0	51,958	51,958
Transfers Out	(500,000)	0	(500,000)
Total Other Financing Sources and Uses	<u>61,859</u>	<u>2,410,225</u>	<u>2,472,084</u>
Net Change in Fund Balance	(243,689)	(116,045)	(359,734)
Fund Balance at Beginning of Year	<u>1,559,300</u>	<u>1,788,004</u>	<u>3,347,304</u>
Fund Balance at End of Year	<u>\$ 1,315,611</u>	<u>\$ 1,671,959</u>	<u>\$ 2,987,570</u>

**CITY OF EUCLID, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2009**

	<u>State</u>	<u>Indigent</u> <u>Drivers</u> <u>Alcohol</u>	<u>Court</u> <u>Computerization</u>	<u>Court</u> <u>Special</u> <u>Projects</u>	<u>Animal</u> <u>Shelter</u>	<u>Nuisance</u> <u>Abatement</u>	<u>Indigent</u> <u>Drivers</u> <u>Interlock</u> <u>and Alcohol</u> <u>Monitoring</u>	<u>Street</u> <u>Maintenance</u> <u>and</u> <u>Construction</u>
	<u>Highway</u>	<u>Treatment</u>	<u>Computerization</u>	<u>Projects</u>	<u>Shelter</u>	<u>Abatement</u>	<u>Monitoring</u>	<u>Construction</u>
ASSETS:								
Equity in Pooled Cash and Cash Equivalents	\$ 46,201	\$ 88,273	\$ 104,239	\$ 190,514	\$ 8,845	\$ 54,328	\$ 1,350	\$ 70,025
Materials and Supplies Inventory	0	0	0	0	0	0	0	87,887
Accounts Receivable	0	1,185	5,898	8,380	0	0	500	1,421
Intergovernmental Receivable	56,707	0	0	0	0	0	0	719,314
Prepaid Items	0	0	0	0	0	0	0	0
Property Taxes Receivable	0	0	0	0	0	0	0	0
Special Assessments Receivable	0	0	0	0	0	264,563	0	0
Assets Held for Resale	0	0	0	0	0	0	0	0
Total Assets	<u>\$ 102,908</u>	<u>\$ 89,458</u>	<u>\$ 110,137</u>	<u>\$ 198,894</u>	<u>\$ 8,845</u>	<u>\$ 318,891</u>	<u>\$ 1,850</u>	<u>\$ 878,647</u>
LIABILITIES:								
Accounts Payable	0	3,284	0	240	0	1,100	0	17,708
Accrued Wages and Benefits	0	0	546	1,887	1,339	0	0	37,680
Intergovernmental Payable	0	0	840	2,904	2,061	0	0	91,241
Deferred Revenue	39,334	0	0	0	0	264,563	0	485,130
Total Liabilities	<u>39,334</u>	<u>3,284</u>	<u>1,386</u>	<u>5,031</u>	<u>3,400</u>	<u>265,663</u>	<u>0</u>	<u>631,759</u>
FUND BALANCES:								
Reserved:								
Reserved for Encumbrances	0	0	6,900	0	0	2,153	0	4,337
Reserved for Assets Held for Resale	0	0	0	0	0	0	0	0
Unreserved, Undesignated, Reported in:								
Special Revenue Funds	63,574	86,174	101,851	193,863	5,445	51,075	1,850	242,551
Total Fund Balances	<u>63,574</u>	<u>86,174</u>	<u>108,751</u>	<u>193,863</u>	<u>5,445</u>	<u>53,228</u>	<u>1,850</u>	<u>246,888</u>
Total Liabilities and Fund Balances	<u>\$ 102,908</u>	<u>\$ 89,458</u>	<u>\$ 110,137</u>	<u>\$ 198,894</u>	<u>\$ 8,845</u>	<u>\$ 318,891</u>	<u>\$ 1,850</u>	<u>\$ 878,647</u>

**CITY OF EUCLID, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2009
(CONTINUED)**

	<u>Community Television</u>	<u>Recreation Operating</u>	<u>Community Development Block Grant</u>	<u>Neighborhood Stabilization Program</u>	<u>Other Grants</u>	<u>Law Enforcement Trust</u>	<u>Shore Corp</u>	<u>Total Nonmajor Special Revenue</u>
ASSETS:								
Equity in Pooled Cash and Cash Equivalents	\$ 12,883	\$ 32,659	\$ 860	\$ 25,685	\$ 276,203	\$ 181,378	\$ 46,663	\$ 1,140,106
Materials and Supplies Inventory	0	2,130	0	0	0	0	0	90,017
Accounts Receivable	125	0	0	0	0	0	0	17,509
Intergovernmental Receivable	0	19,134	0	0	128,339	0	0	923,494
Prepaid Items	0	3,149	0	0	0	0	0	3,149
Property Taxes Receivable	0	366,281	0	0	0	0	0	366,281
Special Assessments Receivable	0	0	0	0	0	0	0	264,563
Assets Held for Resale	0	0	0	20,502	0	0	0	20,502
Total Assets	<u>\$ 13,008</u>	<u>\$ 423,353</u>	<u>\$ 860</u>	<u>\$ 46,187</u>	<u>\$ 404,542</u>	<u>\$ 181,378</u>	<u>\$ 46,663</u>	<u>\$ 2,825,621</u>
LIABILITIES:								
Accounts Payable	625	33,831	4,621	0	501	333	0	62,243
Accrued Wages and Benefits	0	9,415	8,240	971	4,299	0	2,536	66,913
Intergovernmental Payable	2,587	31,415	28,752	36,093	6,616	0	3,903	206,412
Deferred Revenue	0	385,415	0	0	0	0	0	1,174,442
Total Liabilities	<u>3,212</u>	<u>460,076</u>	<u>41,613</u>	<u>37,064</u>	<u>11,416</u>	<u>333</u>	<u>6,439</u>	<u>1,510,010</u>
FUND BALANCES:								
Reserved:								
Reserved for Encumbrances	0	578	0	0	0	0	0	13,968
Reserved for Assets Held for Resale	0	0	0	20,502	0	0	0	20,502
Unreserved, Undesignated, Reported in:								
Special Revenue Funds	9,796	(37,301)	(40,753)	(11,379)	393,126	181,045	40,224	1,281,141
Total Fund Balances	<u>9,796</u>	<u>(36,723)</u>	<u>(40,753)</u>	<u>9,123</u>	<u>393,126</u>	<u>181,045</u>	<u>40,224</u>	<u>1,315,611</u>
Total Liabilities and Fund Balances	<u>\$ 13,008</u>	<u>\$ 423,353</u>	<u>\$ 860</u>	<u>\$ 46,187</u>	<u>\$ 404,542</u>	<u>\$ 181,378</u>	<u>\$ 46,663</u>	<u>\$ 2,825,621</u>

CITY OF EUCLID, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>State</u> <u>Highway</u>	<u>Indigent</u> <u>Drivers</u> <u>Alcohol</u> <u>Treatment</u>	<u>Court</u> <u>Computerization</u>	<u>Court</u> <u>Special</u> <u>Projects</u>	<u>Animal</u> <u>Shelter</u>	<u>Nuisance</u> <u>Abatement</u>	<u>Indigent</u> <u>Drivers</u> <u>Interlock</u> <u>and Alcohol</u> <u>Monitoring</u>	<u>Street</u> <u>Maintenance</u> <u>and</u> <u>Construction</u>
REVENUES:								
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Special Assessments	0	0	0	0	0	134,653	0	0
Charges for Services	0	0	0	0	26,327	68,576	0	2,163
Fines and Forfeitures	0	12,122	72,002	102,612	0	0	1,850	0
Intergovernmental	111,358	0	0	0	0	0	0	1,672,529
Interest	5	0	0	0	0	0	0	0
Rent	0	0	0	0	36,996	0	0	0
Contributions and Donations	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	231,257
Total Revenues	<u>111,363</u>	<u>12,122</u>	<u>72,002</u>	<u>102,612</u>	<u>63,323</u>	<u>203,229</u>	<u>1,850</u>	<u>1,905,949</u>
EXPENDITURES:								
Current:								
General Government	0	0	0	0	0	0	0	0
Security of Persons and Property	0	11,376	97,671	91,496	83,055	0	0	0
Leisure Time Services	0	0	0	0	0	0	0	0
Community and Economic Development	0	0	0	0	0	74,620	0	0
Transportation	143,431	0	0	0	0	0	0	2,088,979
Debt Service:								
Principal Retirements	0	0	0	0	0	0	0	6,459
Interest and Fiscal Charges	0	0	0	0	0	0	0	1,471
Total Expenditures	<u>143,431</u>	<u>11,376</u>	<u>97,671</u>	<u>91,496</u>	<u>83,055</u>	<u>74,620</u>	<u>0</u>	<u>2,096,909</u>
<i>Excess of Revenues Over(Under) Expenditures</i>	<u>(32,068)</u>	<u>746</u>	<u>(25,669)</u>	<u>11,116</u>	<u>(19,732)</u>	<u>128,609</u>	<u>1,850</u>	<u>(190,960)</u>
OTHER FINANCING SOURCES AND USES:								
Transfers In	0	0	0	0	10,000	60,000	0	0
Transfers Out	0	0	0	0	0	(500,000)	0	0
Total Other Financing Sources and Uses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,000</u>	<u>(440,000)</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	(32,068)	746	(25,669)	11,116	(9,732)	(311,391)	1,850	(190,960)
Fund Balance (Deficit) at Beginning of Year	<u>95,642</u>	<u>85,428</u>	<u>134,420</u>	<u>182,747</u>	<u>15,177</u>	<u>364,619</u>	<u>0</u>	<u>437,848</u>
Fund Balance (Deficit) at End of Year	<u>\$ 63,574</u>	<u>\$ 86,174</u>	<u>\$ 108,751</u>	<u>\$ 193,863</u>	<u>\$ 5,445</u>	<u>\$ 53,228</u>	<u>\$ 1,850</u>	<u>\$ 246,888</u>

CITY OF EUCLID, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

	<u>Community</u>	<u>Recreation</u>	<u>Community</u>	<u>Neighborhood</u>	<u>Other</u>	<u>Litter</u>	<u>Law</u>	<u>Shore</u>	<u>Total</u>
	<u>Television</u>	<u>Operating</u>	<u>Development</u>	<u>Stabilization</u>	<u>Grants</u>	<u>Control</u>	<u>Enforcement</u>	<u>Corp</u>	<u>Nonmajor</u>
			<u>Block Grant</u>	<u>Program</u>			<u>Trust</u>		<u>Special</u>
									<u>Revenue</u>
REVENUES:									
Property Taxes	\$ 0	\$ 288,306	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 288,306
Special Assessments	0	0	0	0	0	0	0	0	134,653
Charges for Services	900	424,146	0	0	0	0	0	0	522,112
Fines and Forfeitures	0	0	0	0	0	0	0	0	188,586
Intergovernmental	0	147,708	1,075,936	137,990	563,371	0	23,792	0	3,732,684
Interest	0	0	68	0	0	0	621	0	694
Rent	0	47,564	0	0	0	0	0	117,887	202,447
Contributions and Donations	1,835	10,039	0	0	39,160	0	0	0	51,034
Other	0	0	0	0	11,760	0	7,990	0	251,007
Total Revenues	<u>2,735</u>	<u>917,763</u>	<u>1,076,004</u>	<u>137,990</u>	<u>614,291</u>	<u>0</u>	<u>32,403</u>	<u>117,887</u>	<u>5,371,523</u>
EXPENDITURES:									
Current:									
General Government	0	0	0	0	358,586	11	0	0	358,597
Security of Persons and Property	0	0	0	0	4,299	0	59,193	0	347,090
Leisure Time Services	0	1,168,868	0	0	0	0	0	191,070	1,359,938
Community and Economic Development	79,002	0	1,068,774	128,867	501	0	0	0	1,351,764
Transportation	0	0	0	0	0	0	0	0	2,232,410
Debt Service:									
Principal Retirements	0	15,753	0	0	0	0	0	0	22,212
Interest and Fiscal Charges	0	3,589	0	0	0	0	0	0	5,060
Total Expenditures	<u>79,002</u>	<u>1,188,210</u>	<u>1,068,774</u>	<u>128,867</u>	<u>363,386</u>	<u>11</u>	<u>59,193</u>	<u>191,070</u>	<u>5,677,071</u>
<i>Excess of Revenues Over(Under) Expenditures</i>	<u>(76,267)</u>	<u>(270,447)</u>	<u>7,230</u>	<u>9,123</u>	<u>250,905</u>	<u>(11)</u>	<u>(26,790)</u>	<u>(73,183)</u>	<u>(305,548)</u>
OTHER FINANCING SOURCES AND USES:									
Transfers In	69,296	279,563	0	0	0	0	0	143,000	561,859
Transfers Out	0	0	0	0	0	0	0	0	(500,000)
Total Other Financing Sources and Uses	<u>69,296</u>	<u>279,563</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>143,000</u>	<u>61,859</u>
Net Change in Fund Balance	(6,971)	9,116	7,230	9,123	250,905	(11)	(26,790)	69,817	(243,689)
Fund Balance (Deficit) at Beginning of Year	16,767	(45,839)	(47,983)	0	142,221	11	207,835	(29,593)	1,559,300
Fund Balance (Deficit) at End of Year	<u>\$ 9,796</u>	<u>\$ (36,723)</u>	<u>\$ (40,753)</u>	<u>\$ 9,123</u>	<u>\$ 393,126</u>	<u>\$ 0</u>	<u>\$ 181,045</u>	<u>\$ 40,224</u>	<u>\$ 1,315,611</u>

**CITY OF EUCLID, OHIO
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2009**

	<u>General Permanent Improvement</u>	<u>Recreation Capital</u>	<u>Sidewalk Repair and Replacement</u>	<u>Public Building Construction</u>	<u>Euclid Endowment</u>	<u>Sims Park</u>	<u>Bennington Hamlet</u>	<u>CMP Properties</u>	<u>Harbor Town TIF</u>	<u>Total Nonmajor Capital Projects</u>
ASSETS:										
Equity in Pooled Cash and Cash Equivalents	\$ 1,792,277	\$ 68,933	\$ 29,085	\$ 88,930	\$ 557,134	\$ 79,908	\$ 129,396	\$ 171,930	\$ 71,085	\$ 2,988,678
Intergovernmental Receivable	14,718	10,303	0	0	0	0	0	0	0	25,021
Property Taxes Receivable	281,754	197,228	0	0	0	0	0	0	0	478,982
Total Assets	<u>\$ 2,088,749</u>	<u>\$ 276,464</u>	<u>\$ 29,085</u>	<u>\$ 88,930</u>	<u>\$ 557,134</u>	<u>\$ 79,908</u>	<u>\$ 129,396</u>	<u>\$ 171,930</u>	<u>\$ 71,085</u>	<u>\$ 3,492,681</u>
LIABILITIES:										
Accounts Payable	28,719	1,502	0	0	0	0	6,684	3,375	1,290	41,570
Accrued Wages and Benefits	0	1,639	0	0	0	0	0	0	0	1,639
Intergovernmental Payable	0	4,095	0	0	22,176	0	0	0	0	26,271
Retainage Payable	359,239	0	0	0	0	0	0	0	0	359,239
Interfund Payable	538,000	0	0	350,000	0	0	0	0	0	888,000
Deferred Revenue	296,472	207,531	0	0	0	0	0	0	0	504,003
Total Liabilities	<u>1,222,430</u>	<u>214,767</u>	<u>0</u>	<u>350,000</u>	<u>22,176</u>	<u>0</u>	<u>6,684</u>	<u>3,375</u>	<u>1,290</u>	<u>1,820,722</u>
FUND BALANCES:										
Reserved:										
Reserved for Encumbrances	452,432	36	0	2,050	0	0	4,801	5,181	0	464,500
Unreserved, Undesignated, Reported in:										
Capital Projects Funds	413,887	61,661	29,085	(263,120)	534,958	79,908	117,911	163,374	69,795	1,207,459
Total Fund Balances	<u>866,319</u>	<u>61,697</u>	<u>29,085</u>	<u>(261,070)</u>	<u>534,958</u>	<u>79,908</u>	<u>122,712</u>	<u>168,555</u>	<u>69,795</u>	<u>1,671,959</u>
Total Liabilities and Fund Balances	<u>\$ 2,088,749</u>	<u>\$ 276,464</u>	<u>\$ 29,085</u>	<u>\$ 88,930</u>	<u>\$ 557,134</u>	<u>\$ 79,908</u>	<u>\$ 129,396</u>	<u>\$ 171,930</u>	<u>\$ 71,085</u>	<u>\$ 3,492,681</u>

CITY OF EUCLID, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE SIN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>General</u> <u>Permanent</u> <u>Improvement</u>	<u>Recreation</u> <u>Capital</u>	<u>Sidewalk</u> <u>Repair and</u> <u>Replacement</u>	<u>Public</u> <u>Building</u> <u>Construction</u>	<u>Euclid</u> <u>Endowment</u>	<u>Sims Park</u>	<u>Bennington</u> <u>Hamlet</u>	<u>CMP</u> <u>Properties</u>	<u>Harbor</u> <u>Town TIF</u>	<u>Total</u> <u>Nonmajor</u> <u>Capital</u> <u>Projects</u>
REVENUES:										
Property Taxes	\$ 221,774	\$ 155,242	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 377,016
Payments in Lieu of Taxes	0	0	0	0	0	0	28,547	103,020	40,743	172,310
Special Assessments	25	0	0	0	0	0	0	0	40,743	40,768
Intergovernmental	143,432	79,535	0	0	0	0	0	0	0	222,967
Interest	0	0	0	0	1,162	0	0	0	0	1,162
Other	2,800	0	0	0	0	0	0	0	0	2,800
Total Revenues	<u>368,031</u>	<u>234,777</u>	<u>0</u>	<u>0</u>	<u>1,162</u>	<u>0</u>	<u>28,547</u>	<u>103,020</u>	<u>81,486</u>	<u>817,023</u>
EXPENDITURES:										
Capital Outlay	2,539,697	208,029	0	63,550	65,964	1,974	19,833	52,435	64,500	3,015,982
Debt Service:										
Principal Retirements	260,376	47,591	0	0	0	0	0	0	0	307,967
Interest and Fiscal Charges	12,055	7,289	0	0	0	0	0	0	0	19,344
Total Expenditures	<u>2,812,128</u>	<u>262,909</u>	<u>0</u>	<u>63,550</u>	<u>65,964</u>	<u>1,974</u>	<u>19,833</u>	<u>52,435</u>	<u>64,500</u>	<u>3,343,293</u>
<i>Excess of Revenues Over(Under) Expenditures</i>	<u>(2,444,097)</u>	<u>(28,132)</u>	<u>0</u>	<u>(63,550)</u>	<u>(64,802)</u>	<u>(1,974)</u>	<u>8,714</u>	<u>50,585</u>	<u>16,986</u>	<u>(2,526,270)</u>
OTHER FINANCING SOURCES AND USES:										
Notes Issued	2,340,000	0	0	0	0	0	0	0	0	2,340,000
Proceeds of OPWC Loans	18,267	0	0	0	0	0	0	0	0	18,267
Proceeds from Sale of Capital Assets	50,544	0	0	0	1,414	0	0	0	0	51,958
Total Other Financing Sources and Uses	<u>2,408,811</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,414</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,410,225</u>
Net Change in Fund Balance	(35,286)	(28,132)	0	(63,550)	(63,388)	(1,974)	8,714	50,585	16,986	(116,045)
Fund Balance at Beginning of Year	901,605	89,829	29,085	(197,520)	598,346	81,882	113,998	117,970	52,809	1,788,004
Fund Balance at End of Year	<u>\$ 866,319</u>	<u>\$ 61,697</u>	<u>\$ 29,085</u>	<u>\$ (261,070)</u>	<u>\$ 534,958</u>	<u>\$ 79,908</u>	<u>\$ 122,712</u>	<u>\$ 168,555</u>	<u>\$ 69,795</u>	<u>\$ 1,671,959</u>

CITY OF EUCLID, OHIO

COMBINING STATEMENTS – NONMAJOR FUNDS

Fiduciary Fund

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

Agency Funds

Municipal Court Fund - This fund accounts for funds that flow through the Municipal Court office.

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

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

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

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

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

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

CITY OF EUCLID, OHIO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<u>Municipal Court</u>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 116,998	\$ 4,569,272	\$ 4,500,124	\$ 186,146
Total Assets	<u>\$ 116,998</u>	<u>\$ 4,569,272</u>	<u>\$ 4,500,124</u>	<u>\$ 186,146</u>
Liabilities:				
Deposits Held and Due to Others	116,998	4,569,272	4,500,124	186,146
Total Liabilities	<u>\$ 116,998</u>	<u>\$ 4,569,272</u>	<u>\$ 4,500,124</u>	<u>\$ 186,146</u>
<u>Employee Flex Spending</u>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	20,861	200,708	195,840	25,729
Total Assets	<u>\$ 20,861</u>	<u>\$ 200,708</u>	<u>\$ 195,840</u>	<u>\$ 25,729</u>
Liabilities:				
Deposits Held and Due to Others	20,861	200,708	195,840	25,729
Total Liabilities	<u>\$ 20,861</u>	<u>\$ 200,708</u>	<u>\$ 195,840</u>	<u>\$ 25,729</u>
<u>Retirees - Insurance Payments</u>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	1,884	31,358	26,028	7,214
Total Assets	<u>\$ 1,884</u>	<u>\$ 31,358</u>	<u>\$ 26,028</u>	<u>\$ 7,214</u>
Liabilities:				
Deposits Held and Due to Others	1,884	31,358	26,028	7,214
Total Liabilities	<u>\$ 1,884</u>	<u>\$ 31,358</u>	<u>\$ 26,028</u>	<u>\$ 7,214</u>
<u>Building Deposits</u>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	68,698	62,391	42,044	89,045
Total Assets	<u>\$ 68,698</u>	<u>\$ 62,391</u>	<u>\$ 42,044</u>	<u>\$ 89,045</u>
Liabilities:				
Deposits Held and Due to Others	68,698	62,391	42,044	89,045
Total Liabilities	<u>\$ 68,698</u>	<u>\$ 62,391</u>	<u>\$ 42,044</u>	<u>\$ 89,045</u>
<u>Street Opening</u>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	27,475	2,000	8,000	21,475
Total Assets	<u>\$ 27,475</u>	<u>\$ 2,000</u>	<u>\$ 8,000</u>	<u>\$ 21,475</u>
Liabilities:				
Deposits Held and Due to Others	27,475	2,000	8,000	21,475
Total Liabilities	<u>\$ 27,475</u>	<u>\$ 2,000</u>	<u>\$ 8,000</u>	<u>\$ 21,475</u>

CITY OF EUCLID, OHIO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

Revolving

Assets:

Equity in Pooled Cash and Cash Equivalents	518,831	27,666,746	27,729,657	455,920
Accounts Receivable	318	0	318	0
Total Assets	<u>\$ 519,149</u>	<u>\$ 27,666,746</u>	<u>\$ 27,729,975</u>	<u>\$ 455,920</u>

Liabilities:

Deposits Held and Due to Others	519,149	27,666,746	27,729,975	455,920
Total Liabilities	<u>\$ 519,149</u>	<u>\$ 27,666,746</u>	<u>\$ 27,729,975</u>	<u>\$ 455,920</u>

Temporary Suspense

Assets:

Equity in Pooled Cash and Cash Equivalents	10,142	80,981	81,124	9,999
Total Assets	<u>\$ 10,142</u>	<u>\$ 80,981</u>	<u>\$ 81,124</u>	<u>\$ 9,999</u>

Liabilities:

Deposits Held and Due to Others	10,142	80,981	81,124	9,999
Total Liabilities	<u>\$ 10,142</u>	<u>\$ 80,981</u>	<u>\$ 81,124</u>	<u>\$ 9,999</u>

TOTALS

Assets:

Equity in Pooled Cash and Cash Equivalents	764,889	32,613,456	32,582,817	795,528
Accounts Receivable	318	0	318	0
Total Assets	<u>\$ 765,207</u>	<u>\$ 32,613,456</u>	<u>\$ 32,583,135</u>	<u>\$ 795,528</u>

Liabilities:

Deposits Held and Due to Others	765,207	32,613,456	32,583,135	795,528
Total Liabilities	<u>\$ 765,207</u>	<u>\$ 32,613,456</u>	<u>\$ 32,583,135</u>	<u>\$ 795,528</u>

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

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Property Taxes	\$ 1,743,444	\$ 1,743,444	\$ 1,490,321	\$ (253,123)
Income Taxes	22,716,863	22,716,863	21,581,849	(1,135,014)
Other Local Taxes	1,721,000	1,721,000	0	(1,721,000)
Charges for Services	4,189,714	4,189,714	4,031,765	(157,949)
Licenses and Permits	147,450	147,450	136,019	(11,431)
Fines and Forfeitures	1,865,600	1,865,600	1,685,878	(179,722)
Intergovernmental	3,749,565	3,749,565	5,359,299	1,609,734
Interest	500,000	500,000	506,082	6,082
Rent	60,500	60,500	713,237	652,737
Contributions and Donations	0	0	400	400
Other	130,700	130,700	207,540	76,840
Total Revenues	<u>36,824,836</u>	<u>36,824,836</u>	<u>35,712,390</u>	<u>(1,112,446)</u>
EXPENDITURES:				
Current:				
General Government				
Legislative				
Personal Services	163,245	163,639	162,287	1,352
Materials and Supplies	4,409	4,409	2,302	2,107
Other	266	266	139	127
Total Legislative	<u>167,920</u>	<u>168,314</u>	<u>164,728</u>	<u>3,586</u>
Judicial				
Personal Services	830,942	830,313	770,242	60,071
Contractual Services	37,312	38,210	36,048	2,162
Materials and Supplies	63,737	65,271	61,596	3,675
Other	2,837	2,905	2,742	163
Total Judicial	<u>934,828</u>	<u>936,699</u>	<u>870,628</u>	<u>66,071</u>
Executive				
Personal Services	263,284	263,923	263,127	796
Materials and Supplies	3,577	3,577	2,975	602
Other	56	56	50	6
Total Executive	<u>266,917</u>	<u>267,556</u>	<u>266,152</u>	<u>1,404</u>
Finance				
Personal Services	950,409	965,589	938,839	26,750
Contractual Services	76,579	91,665	89,139	2,526
Materials and Supplies	70,636	80,082	77,875	2,207
Capital Outlay	5,550	6,475	6,297	178
Other	64,833	58,327	56,719	1,608
Total Finance	<u>1,168,007</u>	<u>1,202,138</u>	<u>1,168,869</u>	<u>33,269</u>
Law				
Personal Services	465,620	465,736	459,830	5,906
Contractual Services	47,371	46,230	33,354	12,876
Materials and Supplies	32,910	32,116	23,080	9,036
Other	2,685	2,620	1,883	737
Total Law	<u>548,586</u>	<u>546,702</u>	<u>518,147</u>	<u>28,555</u>

(Continued)

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

Buildings				
Personal Services	1,619,280	1,641,442	1,629,276	12,166
Contractual Services	138,413	132,294	123,170	9,124
Materials and Supplies	458,824	438,212	416,828	21,384
Other	3,977	3,798	3,489	309
Total Buildings	2,220,494	2,215,746	2,172,763	42,983
Administration				
Personal Services	276,808	277,481	277,110	371
Contractual Services	140,222	134,928	132,467	2,461
Materials and Supplies	9,915	10,609	10,518	91
Total Administration	426,945	423,018	420,095	2,923
Other Department				
Personal Services	4,833,770	5,180,164	4,920,061	260,103
Contractual Services	327,021	349,128	285,885	63,243
Materials and Supplies	1,634,538	1,764,787	1,684,924	79,863
Other	196,923	212,478	200,599	11,879
Total Other Department	6,992,252	7,506,557	7,091,469	415,088
Summer Youth				
Personal Services	11,000	0	0	0
Total Summer Youth	11,000	0	0	0
Total General Government	12,736,949	13,266,730	12,672,851	593,879
Security of Persons and Property				
Police				
Personal Services	10,752,570	10,967,410	10,925,661	41,749
Contractual Services	132,429	137,212	130,952	6,260
Materials and Supplies	92,596	95,970	92,910	3,060
Capital Outlay	11,059	11,463	10,980	483
Other	31,610	32,764	31,382	1,382
Total Police	11,020,264	11,244,819	11,191,885	52,934
Fire				
Personal Services	7,380,925	7,439,292	7,356,313	82,979
Contractual Services	21,367	21,367	14,600	6,767
Materials and Supplies	40,103	40,103	39,369	734
Capital Outlay	6,854	6,854	4,759	2,095
Other	5,912	5,912	5,619	293
Total Fire	7,455,161	7,513,528	7,420,660	92,868
Corrections				
Personal Services	1,323,922	1,434,138	1,433,261	877
Contractual Services	90,056	118,789	118,789	0
Materials and Supplies	164,154	208,356	208,351	5
Capital Outlay	5,477	7,224	7,224	0
Other	1,980	2,612	2,612	0
Total Corrections	1,585,589	1,771,119	1,770,237	882
Total Security of Persons and Property	20,061,014	20,529,466	20,382,782	146,684

(Continued)

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

Refuse Collection and Disposal				
Contractual Services	2,525,045	2,525,045	2,272,212	252,833
Other	3,317	3,317	3,250	67
Total Refuse Collection and Disposal	<u>2,528,362</u>	<u>2,528,362</u>	<u>2,275,462</u>	<u>252,900</u>
Public Health				
Personal Services	39,277	39,572	39,268	304
Contractual Services	205,144	199,924	195,053	4,871
Materials and Supplies	496	484	472	12
Other	38,008	37,040	36,138	902
Total Public Health	<u>282,925</u>	<u>277,020</u>	<u>270,931</u>	<u>6,089</u>
Leisure Time Services				
Personal Services	477,019	478,117	452,320	25,797
Contractual Services	6,414	6,414	4,513	1,901
Materials and Supplies	11,128	11,128	10,641	487
Other	162	162	149	13
Total Leisure Time Services	<u>494,723</u>	<u>495,821</u>	<u>467,623</u>	<u>28,198</u>
Community and Economic Development				
Unclaimed Monies				
Other	8,500	8,500	1,920	6,580
Total Unclaimed Monies	<u>8,500</u>	<u>8,500</u>	<u>1,920</u>	<u>6,580</u>
Protective Inspection				
Personal Services	849,714	806,152	797,670	8,482
Contractual Services	33,335	27,209	23,241	3,968
Materials and Supplies	17,730	14,457	12,194	2,263
Other	17,179	13,978	11,930	2,048
Total Protective Inspection	<u>917,958</u>	<u>861,796</u>	<u>845,035</u>	<u>16,761</u>
Community Service and Economic Development				
Personal Services	113,030	105,280	103,067	2,213
Contractual Services	259	259	100	159
Materials and Supplies	2,712	2,712	1,947	765
Other	799	799	555	244
Total Community Service and Economic Development	<u>116,800</u>	<u>109,050</u>	<u>105,669</u>	<u>3,381</u>
Economic Opportunity				
Personal Services	401,416	382,325	374,215	8,110
Contractual Services	11,191	10,166	7,971	2,195
Materials and Supplies	14,976	13,501	10,779	2,722
Total Economic Opportunity	<u>427,583</u>	<u>405,992</u>	<u>392,965</u>	<u>13,027</u>
Total - Community and Economic Development	<u>1,470,841</u>	<u>1,385,338</u>	<u>1,345,589</u>	<u>39,749</u>

(Continued)

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

Debt Service				
Principal Retirements				
Debt Service				
Principal Retirement	115,000	115,000	115,000	0
Total - Principal Retirements	<u>115,000</u>	<u>115,000</u>	<u>115,000</u>	<u>0</u>
Interest and Fiscal Charges				
Debt Service				
Miscellaneous	101,888	101,888	101,888	0
Total Interest and Fiscal Charges	<u>101,888</u>	<u>101,888</u>	<u>101,888</u>	<u>0</u>
Total Debt Service	<u>216,888</u>	<u>216,888</u>	<u>216,888</u>	<u>0</u>
Total Expenditures	<u>37,791,702</u>	<u>38,699,625</u>	<u>37,632,126</u>	<u>1,067,499</u>
Excess of Revenues Over(Under) Expenditures	<u>(966,866)</u>	<u>(1,874,789)</u>	<u>(1,919,736)</u>	<u>(44,947)</u>
OTHER FINANCING SOURCES AND USES:				
Transfers In	500,000	500,000	500,000	0
Proceeds from Sale of Capital Assets	1,000	1,000	662	(338)
Transfers Out	<u>(367,000)</u>	<u>(561,859)</u>	<u>(561,859)</u>	<u>0</u>
Total Other Financing Sources and Uses	<u>134,000</u>	<u>(60,859)</u>	<u>(61,197)</u>	<u>(338)</u>
Net Change in Fund Balance	<u>(832,866)</u>	<u>(1,935,648)</u>	<u>(1,980,933)</u>	<u>(45,285)</u>
Fund Balance at Beginning of Year	3,359,605	3,359,605	3,359,605	0
Prior Year Encumbrances Appropriated	<u>301,299</u>	<u>301,299</u>	<u>301,299</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ 2,828,038</u>	<u>\$ 1,725,256</u>	<u>\$ 1,679,971</u>	<u>\$ (45,285)</u>

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
GENERAL OBLIGATION BOND RETIREMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Property Taxes	\$ 3,071,037	\$ 3,071,037	\$ 2,708,089	\$ (362,948)
Special Assessments	120,000	120,000	144,778	24,778
Intergovernmental	317,631	317,631	755,218	437,587
Interest	300,000	300,000	69,438	(230,562)
Rent	35,000	35,000	29,750	(5,250)
Other	2,500	2,500	735,611	733,111
Total Revenues	<u>3,846,168</u>	<u>3,846,168</u>	<u>4,442,884</u>	<u>596,716</u>
EXPENDITURES:				
Current:				
General Government				
Personal Services	68,196	74,619	69,347	5,272
Contractual Services	21,124	25,648	25,350	298
Other	46,560	56,534	55,874	660
Total - General Government	<u>135,880</u>	<u>156,801</u>	<u>150,571</u>	<u>6,230</u>
Debt Service:				
Principal Retirement	3,038,988	3,689,924	2,759,000	930,924
Interest and Fiscal Charges	1,015,164	1,232,607	1,218,268	14,339
Total Debt Service	<u>4,054,152</u>	<u>4,922,531</u>	<u>3,977,268</u>	<u>945,263</u>
Total Expenditures	<u>4,190,032</u>	<u>5,079,332</u>	<u>4,127,839</u>	<u>951,493</u>
Excess of Revenues Over(Under) Expenditures	<u>(343,864)</u>	<u>(1,233,164)</u>	<u>315,045</u>	<u>1,548,209</u>
OTHER FINANCING SOURCES AND USES:				
Notes Issued	7,384,000	7,384,000	0	(7,384,000)
Total Other Financing Sources and Uses	<u>7,384,000</u>	<u>7,384,000</u>	<u>0</u>	<u>(7,384,000)</u>
Net Change in Fund Balance	7,040,136	6,150,836	315,045	(5,835,791)
Fund Balance at Beginning of Year	<u>2,370,112</u>	<u>2,370,112</u>	<u>2,370,112</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ 9,410,248</u>	<u>\$ 8,520,948</u>	<u>\$ 2,685,157</u>	<u>\$ (5,835,791)</u>

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
WASTE WATER TREATMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES :				
Charges for Services	\$ 10,597,400	\$ 10,597,400	\$ 9,546,152	\$ (1,051,248)
Tap-In Fees	20,000	20,000	13,694	(6,306)
Interest	0	0	149	149
Intergovernmental	160,449	160,449	227,190	66,741
Property Taxes	518,881	518,881	443,548	(75,333)
Other	0	0	241	241
Total Revenues	<u>11,296,730</u>	<u>11,296,730</u>	<u>10,230,974</u>	<u>(1,065,756)</u>
EXPENSES :				
Personal Services	4,502,837	4,527,837	4,402,829	125,008
Contractual Services	3,310,501	3,391,221	2,914,029	477,192
Materials and Supplies	3,713,249	3,713,249	2,953,088	760,161
Capital Outlay	3,428,549	3,434,493	1,938,459	1,496,034
Other	61,765	61,765	44,860	16,905
Debt Service:				
Principal Retirement	2,594,048	3,099,450	2,234,803	864,647
Interest and Fiscal Charges	647,335	795,269	567,781	227,488
Total Expenses	<u>18,258,284</u>	<u>19,023,284</u>	<u>15,055,849</u>	<u>3,967,435</u>
Excess of Revenues Over(Under) Expenses	<u>(6,961,554)</u>	<u>(7,726,554)</u>	<u>(4,824,875)</u>	<u>2,901,679</u>
OTHER FINANCING SOURCES AND USES :				
Notes Issued	0	740,000	740,000	0
Capital Grants and Contributions	0	25,118	25,118	0
Proceeds from OPWC Loans	2,354,100	2,328,982	243,558	(2,085,424)
Total Other Financing Sources and Uses	<u>2,354,100</u>	<u>3,094,100</u>	<u>1,008,676</u>	<u>(2,085,424)</u>
Net Change in Fund Equity	(4,607,454)	(4,632,454)	(3,816,199)	816,255
Fund Equity at Beginning of Year	5,067,649	5,067,649	5,067,649	0
Prior Year Encumbrances Appropriated	1,572,111	1,572,111	1,572,111	0
Fund Equity at End of Year	<u>\$ 2,032,306</u>	<u>\$ 2,007,306</u>	<u>\$ 2,823,561</u>	<u>\$ 816,255</u>

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
WATER LINE IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Charges for Services	\$ 1,050,000	\$ 1,050,000	\$ 1,589,964	\$ 539,964
Interest	0	0	111	111
Other	0	0	315,665	315,665
Total Revenues	<u>1,050,000</u>	<u>1,050,000</u>	<u>1,905,740</u>	<u>855,740</u>
EXPENSES:				
Contractual Services	1,414,775	1,671,460	1,083,256	588,204
Capital Outlay	2,250,054	6,617,882	5,693,231	924,651
Debt Service:				
Principal Retirement	7,107,253	6,041,382	6,041,380	2
Interest and Fiscal Charges	391,026	332,384	332,384	0
Total Expenses	<u>11,163,108</u>	<u>14,663,108</u>	<u>13,150,251</u>	<u>1,512,857</u>
Excess of Revenues Over(Under) Expenses	<u>(10,113,108)</u>	<u>(13,613,108)</u>	<u>(11,244,511)</u>	<u>2,368,597</u>
OTHER FINANCING SOURCES AND USES:				
Notes Issued	5,600,000	9,100,000	6,300,000	(2,800,000)
Capital Grants and Contributions	0	0	850,408	850,408
Proceeds from OPWC Loans	0	0	16,548	16,548
Total Other Financing Sources and Uses	<u>5,600,000</u>	<u>9,100,000</u>	<u>7,166,956</u>	<u>(1,933,044)</u>
Net Change in Fund Equity	<u>(4,513,108)</u>	<u>(4,513,108)</u>	<u>(4,077,555)</u>	<u>435,553</u>
Fund Equity at Beginning of Year	4,876,847	4,876,847	4,876,847	0
Prior Year Encumbrances Appropriated	716,361	716,361	716,361	0
Fund Equity at End of Year	<u>\$ 1,080,100</u>	<u>\$ 1,080,100</u>	<u>\$ 1,515,653</u>	<u>\$ 435,553</u>

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
BRIARDALE GREENS GOLF COURSE FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Charges for Services	\$ 1,117,350	\$ 1,117,350	\$ 939,058	\$ (178,292)
Other	1,000	1,000	3,319	2,319
Total Revenues	<u>1,118,350</u>	<u>1,118,350</u>	<u>942,377</u>	<u>(175,973)</u>
EXPENSES:				
Personal Services	609,601	618,241	594,470	23,771
Contractual Services	80,928	80,820	73,923	6,897
Materials and Supplies	282,031	281,652	257,425	24,227
Claims	620	619	566	53
Capital Outlay	40,512	40,457	36,617	3,840
Other	72,740	72,641	66,392	6,249
Total Expenses	<u>1,086,432</u>	<u>1,094,430</u>	<u>1,029,393</u>	<u>65,037</u>
Net Change in Fund Equity	31,918	23,920	(87,016)	(110,936)
Fund Equity at Beginning of Year	183,482	183,482	183,482	0
Prior Year Encumbrances Appropriated	390	390	390	0
Fund Equity (Deficit) at End of Year	<u>\$ 215,790</u>	<u>\$ 207,792</u>	<u>\$ 96,856</u>	<u>\$ (110,936)</u>

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
SELF INSURANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Charges for Services	\$ 242,000	\$ 317,000	\$ 317,000	\$ 0
Interest	1,800	1,800	317	(1,483)
Total Revenues	<u>243,800</u>	<u>318,800</u>	<u>317,317</u>	<u>(1,483)</u>
EXPENSES:				
Personal Services	32,843	32,843	32,524	319
Contractual Services	181,835	225,854	218,574	7,280
Materials and Supplies	483	599	581	18
Claims	127,494	158,359	153,254	5,105
Total Expenses	<u>342,655</u>	<u>417,655</u>	<u>404,933</u>	<u>12,722</u>
Net Change in Fund Equity	(98,855)	(98,855)	(87,616)	11,239
Fund Equity at Beginning of Year	<u>136,956</u>	<u>136,956</u>	<u>136,956</u>	<u>0</u>
Fund Equity at End of Year	<u>\$ 38,101</u>	<u>\$ 38,101</u>	<u>\$ 49,340</u>	<u>\$ 11,239</u>

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
STATE HIGHWAY FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Intergovernmental	\$ 132,458	\$ 132,458	\$ 113,414	\$ (19,044)
Interest	5,000	5,000	5	(4,995)
Total Revenues	<u>137,458</u>	<u>137,458</u>	<u>113,419</u>	<u>(24,039)</u>
EXPENDITURES:				
Current:				
Transportation				
Personal Services	0	17,320	633	16,687
Materials and Supplies	166,954	149,634	142,798	6,836
Total Expenditures	<u>166,954</u>	<u>166,954</u>	<u>143,431</u>	<u>23,523</u>
Excess of Revenues Over(Under) Expenditures	<u>(29,496)</u>	<u>(29,496)</u>	<u>(30,012)</u>	<u>(516)</u>
Net Change in Fund Balance	(29,496)	(29,496)	(30,012)	(516)
Fund Balance at Beginning of Year	43,731	43,731	43,731	0
Prior Year Encumbrances Appropriated	<u>32,482</u>	<u>32,482</u>	<u>32,482</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ 46,717</u>	<u>\$ 46,717</u>	<u>\$ 46,201</u>	<u>\$ (516)</u>

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
INDIGENT DRIVERS ALCOHOL TREATMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Fines and Forfeitures	\$ 10,000	\$ 10,000	\$ 11,569	\$ 1,569
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>11,569</u>	<u>1,569</u>
EXPENDITURES:				
Current:				
Security of Persons and Property				
Contractual Services	32,300	32,300	10,302	21,998
Total Expenditures	<u>32,300</u>	<u>32,300</u>	<u>10,302</u>	<u>21,998</u>
Net Change in Fund Balance	(22,300)	(22,300)	1,267	23,567
Fund Balance at Beginning of Year	<u>87,006</u>	<u>87,006</u>	<u>87,006</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 64,706</u>	<u>\$ 64,706</u>	<u>\$ 88,273</u>	<u>\$ 23,567</u>

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
COURT COMPUTERIZATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Fines and Forfeitures	\$ 70,000	\$ 70,000	\$ 72,826	\$ 2,826
Total Revenues	<u>70,000</u>	<u>70,000</u>	<u>72,826</u>	<u>2,826</u>
EXPENDITURES:				
Current:				
Security of Persons and Property				
Personal Services	46,547	47,547	46,485	1,062
Contractual Services	22,402	22,148	19,853	2,295
Materials and Supplies	11,691	11,559	6,759	4,800
Capital Outlay	54,157	53,543	31,314	22,229
Total Security of Persons and Property	<u>134,797</u>	<u>134,797</u>	<u>104,411</u>	<u>30,386</u>
Total Expenditures	<u>134,797</u>	<u>134,797</u>	<u>104,411</u>	<u>30,386</u>
Net Change in Fund Balance	(64,797)	(64,797)	(31,585)	33,212
Fund Balance at Beginning of Year	<u>128,924</u>	<u>128,924</u>	<u>128,924</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 64,127</u>	<u>\$ 64,127</u>	<u>\$ 97,339</u>	<u>\$ 33,212</u>

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
COURT SPECIAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Fines and Forfeitures	\$ 80,000	\$ 80,000	\$ 103,789	\$ 23,789
Total Revenues	<u>80,000</u>	<u>80,000</u>	<u>103,789</u>	<u>23,789</u>
EXPENDITURES:				
Current:				
Security of Persons and Property				
Personal Services	44,008	80,008	77,037	2,971
Contractual Services	3,745	3,745	2,756	989
Materials and Supplies	13,860	13,860	10,200	3,660
Other	511	511	377	134
Total - Security of Persons and Property	<u>62,124</u>	<u>98,124</u>	<u>90,370</u>	<u>7,754</u>
Total Expenditures	<u>62,124</u>	<u>98,124</u>	<u>90,370</u>	<u>7,754</u>
Net Change in Fund Balance	17,876	(18,124)	13,419	31,543
Fund Balance at Beginning of Year	<u>177,095</u>	<u>177,095</u>	<u>177,095</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 194,971</u>	<u>\$ 158,971</u>	<u>\$ 190,514</u>	<u>\$ 31,543</u>

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
ANIMAL SHELTER FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Charges for Services	\$ 29,000	\$ 29,000	\$ 26,327	\$ (2,673)
Rent	36,996	36,996	36,996	0
Total Revenues	<u>65,996</u>	<u>65,996</u>	<u>63,323</u>	<u>(2,673)</u>
EXPENDITURES:				
Current:				
Security of Persons and Property				
Personal Services	77,337	79,337	77,658	1,679
Contractual Services	1,596	2,166	1,631	535
Materials and Supplies	490	665	501	164
Other	6,324	8,579	6,462	2,117
Total Security of Persons and Property	<u>85,747</u>	<u>90,747</u>	<u>86,252</u>	<u>4,495</u>
Total Expenditures	<u>85,747</u>	<u>90,747</u>	<u>86,252</u>	<u>4,495</u>
Excess of Revenues Over(Under) Expenditures	<u>(19,751)</u>	<u>(24,751)</u>	<u>(22,929)</u>	<u>1,822</u>
OTHER FINANCING SOURCES AND USES:				
Transfers In	0	10,000	10,000	0
Total Other Financing Sources and Uses	<u>0</u>	<u>10,000</u>	<u>10,000</u>	<u>0</u>
Net Change in Fund Balance	(19,751)	(14,751)	(12,929)	1,822
Fund Balance at Beginning of Year	<u>21,774</u>	<u>21,774</u>	<u>21,774</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 2,023</u>	<u>\$ 7,023</u>	<u>\$ 8,845</u>	<u>\$ 1,822</u>

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
NUISANCE ABATEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Special Assessments	\$ 396,000	\$ 396,000	\$ 134,653	\$ (261,347)
Charges for Services	25,075	25,075	68,576	43,501
Total Revenues	<u>421,075</u>	<u>421,075</u>	<u>203,229</u>	<u>(217,846)</u>
EXPENDITURES:				
Current:				
Community and Economic Development				
Contractual Services	124,319	154,546	81,884	72,662
Materials and Supplies	271	44	39	5
Total Community and Economic Development	<u>124,590</u>	<u>154,590</u>	<u>81,923</u>	<u>72,667</u>
Total Expenditures	<u>124,590</u>	<u>154,590</u>	<u>81,923</u>	<u>72,667</u>
Excess of Revenues Over(Under) Expenditures	<u>296,485</u>	<u>266,485</u>	<u>121,306</u>	<u>(145,179)</u>
OTHER FINANCING SOURCES AND USES:				
Transfers In	0	60,000	60,000	0
Transfers Out	<u>(500,000)</u>	<u>(500,000)</u>	<u>(500,000)</u>	<u>0</u>
Total Other Financing Sources and Uses	<u>(500,000)</u>	<u>(440,000)</u>	<u>(440,000)</u>	<u>0</u>
Net Change in Fund Balance	(203,515)	(173,515)	(318,694)	(145,179)
Fund Balance at Beginning of Year	305,279	305,279	305,279	0
Prior Year Encumbrances Appropriated	<u>64,490</u>	<u>64,490</u>	<u>64,490</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 166,254</u>	<u>\$ 196,254</u>	<u>\$ 51,075</u>	<u>\$ (145,179)</u>

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
INDIGENT DRIVERS INTERLOCK AND ALCOHOL MONITORING FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Fines and Forfeitures	\$ 0	\$ 0	\$ 1,350	\$ 1,350
Total Revenues	<u>0</u>	<u>0</u>	<u>1,350</u>	<u>1,350</u>
EXPENDITURES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	<u>0</u>	<u>0</u>	<u>1,350</u>	<u>1,350</u>
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,350</u>	<u>\$ 1,350</u>

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
STREET MAINTENANCE AND CONSTRUCTION FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Charges for Services	\$ 5,000	\$ 5,000	\$ 742	\$ (4,258)
Intergovernmental	1,924,648	1,924,648	1,699,530	(225,118)
Other	193,000	193,000	269,790	76,790
Total Revenues	<u>2,122,648</u>	<u>2,122,648</u>	<u>1,970,062</u>	<u>(152,586)</u>
EXPENDITURES:				
Current:				
Transportation				
Personal Services	1,563,067	1,563,067	1,530,921	32,146
Contractual Services	60,927	60,927	49,369	11,558
Materials and Supplies	581,807	581,807	467,888	113,919
Other	319	319	263	56
Total Transportation	<u>2,206,120</u>	<u>2,206,120</u>	<u>2,048,441</u>	<u>157,679</u>
Total Expenditures	<u>2,206,120</u>	<u>2,206,120</u>	<u>2,048,441</u>	<u>157,679</u>
Net Change in Fund Balance	(83,472)	(83,472)	(78,379)	5,093
Fund Balance at Beginning of Year	114,231	114,231	114,231	0
Prior Year Encumbrances Appropriated	<u>27,472</u>	<u>27,472</u>	<u>27,472</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 58,231</u>	<u>\$ 58,231</u>	<u>\$ 63,324</u>	<u>\$ 5,093</u>

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
COMMUNITY TELEVISION FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Charges for Services	\$ 1,100	\$ 1,100	\$ 775	\$ (325)
Contributions and Donations	1,000	1,000	1,835	835
Total Revenues	<u>2,100</u>	<u>2,100</u>	<u>2,610</u>	<u>510</u>
EXPENDITURES:				
Current:				
Community and Economic Development				
Personal Services	53,054	55,350	54,452	898
Contractual Services	34,491	34,491	26,788	7,703
Materials and Supplies	147	147	113	34
Total Community and Economic Development	<u>87,692</u>	<u>89,988</u>	<u>81,353</u>	<u>8,635</u>
Total Expenditures	<u>87,692</u>	<u>89,988</u>	<u>81,353</u>	<u>8,635</u>
Excess of Revenues Over(Under) Expenditures	<u>(85,592)</u>	<u>(87,888)</u>	<u>(78,743)</u>	<u>9,145</u>
OTHER FINANCING SOURCES AND USES:				
Transfers In	67,000	69,296	69,296	0
Total Other Financing Sources and Uses	<u>67,000</u>	<u>69,296</u>	<u>69,296</u>	<u>0</u>
Net Change in Fund Balance	(18,592)	(18,592)	(9,447)	9,145
Fund Balance at Beginning of Year	<u>22,330</u>	<u>22,330</u>	<u>22,330</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 3,738</u>	<u>\$ 3,738</u>	<u>\$ 12,883</u>	<u>\$ 9,145</u>

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
RECREATION OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Property Taxes	\$ 337,274	\$ 337,274	\$ 288,306	\$ (48,968)
Charges for Services	502,000	502,000	424,146	(77,854)
Intergovernmental	104,768	104,768	147,708	42,940
Rent	40,000	40,000	47,564	7,564
Contributions and Donations	8,000	8,000	10,039	2,039
Total Revenues	<u>992,042</u>	<u>992,042</u>	<u>917,763</u>	<u>(74,279)</u>
EXPENDITURES:				
Current:				
Leisure Time Services				
Personal Services	755,989	781,585	774,166	7,419
Contractual Services	61,985	60,028	58,351	1,677
Materials and Supplies	358,033	346,672	336,306	10,366
Other	22,487	21,772	21,077	695
Total Leisure Time Services	<u>1,198,494</u>	<u>1,210,057</u>	<u>1,189,900</u>	<u>20,157</u>
Total Expenditures	<u>1,198,494</u>	<u>1,210,057</u>	<u>1,189,900</u>	<u>20,157</u>
Excess of Revenues Over(Under) Expenditures	<u>(206,452)</u>	<u>(218,015)</u>	<u>(272,137)</u>	<u>(54,122)</u>
OTHER FINANCING SOURCES AND USES:				
Transfers In	193,000	279,563	279,563	0
Total Other Financing Sources and Uses	<u>193,000</u>	<u>279,563</u>	<u>279,563</u>	<u>0</u>
Net Change in Fund Balance	(13,452)	61,548	7,426	(54,122)
Fund Balance at Beginning of Year	21,555	21,555	21,555	0
Prior Year Encumbrances Appropriated	1,537	1,537	1,537	0
Fund Balance (Deficit) at End of Year	<u>\$ 9,640</u>	<u>\$ 84,640</u>	<u>\$ 30,518</u>	<u>\$ (54,122)</u>

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Intergovernmental	\$ 1,420,000	\$ 2,015,404	\$ 1,075,936	\$ (939,468)
Interest	0	0	68	68
Total Revenues	<u>1,420,000</u>	<u>2,015,404</u>	<u>1,076,004</u>	<u>(939,400)</u>
EXPENDITURES:				
Current:				
Community and Economic Development				
Personal Services	761,640	812,964	772,004	40,960
Contractual Services	227,746	437,680	117,388	320,292
Materials and Supplies	130,923	251,605	67,482	184,123
Capital Outlay	91,230	175,324	47,023	128,301
Other	140,348	269,718	72,340	197,378
Total Community and Economic Development	<u>1,351,887</u>	<u>1,947,291</u>	<u>1,076,237</u>	<u>871,054</u>
Total Expenditures	<u>1,351,887</u>	<u>1,947,291</u>	<u>1,076,237</u>	<u>871,054</u>
Net Change in Fund Balance	68,113	68,113	(233)	(68,346)
Fund Balance at Beginning of Year	<u>1,093</u>	<u>1,093</u>	<u>1,093</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ 69,206</u>	<u>\$ 69,206</u>	<u>\$ 860</u>	<u>\$ (68,346)</u>

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
NEIGHBORHOOD STABILIZATION PROGRAM FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Intergovernmental	\$ 2,580,464	\$ 2,580,464	\$ 137,990	\$ (2,442,474)
Other	0	0	33,763	33,763
Total Revenues	<u>2,580,464</u>	<u>2,580,464</u>	<u>171,753</u>	<u>(2,408,711)</u>
EXPENDITURES:				
Current:				
Community and Economic Development				
Personal Services	70,000	86,010	75,095	10,915
Contractual Services	1,450,232	1,526,089	38,401	1,487,688
Materials and Supplies	55,478	58,379	1,470	56,909
Capital Outlay	864,754	909,986	31,102	878,884
Total Community and Economic Development	<u>2,440,464</u>	<u>2,580,464</u>	<u>146,068</u>	<u>2,434,396</u>
Total Expenditures	<u>2,440,464</u>	<u>2,580,464</u>	<u>146,068</u>	<u>2,434,396</u>
Net Change in Fund Balance	140,000	0	25,685	25,685
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 140,000</u>	<u>\$ 0</u>	<u>\$ 25,685</u>	<u>\$ 25,685</u>

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
OTHER GRANTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Intergovernmental	\$ 157,434	\$ 1,220,672	\$ 493,481	\$ (727,191)
Contributions and Donations	31,586	31,586	39,160	7,574
Other	21,217	21,217	11,760	(9,457)
Total Revenues	<u>210,237</u>	<u>1,273,475</u>	<u>544,401</u>	<u>(729,074)</u>
EXPENDITURES:				
Current:				
General Government				
Personal Services	108,989	375,275	178,344	196,931
Contractual Services	62,340	389,408	83,993	305,415
Materials and Supplies	6,181	33,018	6,891	26,127
Capital Outlay	97,521	540,568	113,777	426,791
Other	490	490	0	490
Total - General Government	<u>275,521</u>	<u>1,338,759</u>	<u>383,005</u>	<u>955,754</u>
Total Expenditures	<u>275,521</u>	<u>1,338,759</u>	<u>383,005</u>	<u>955,754</u>
Net Change in Fund Balance	(65,284)	(65,284)	161,396	226,680
Fund Balance at Beginning of Year	90,048	90,048	90,048	0
Prior Year Encumbrances Appropriated	<u>24,759</u>	<u>24,759</u>	<u>24,759</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 49,523</u>	<u>\$ 49,523</u>	<u>\$ 276,203</u>	<u>\$ 226,680</u>

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
LITTER CONTROL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES	\$ 0	\$ 0	\$ 0	\$ 0
EXPENDITURES:				
Current:				
General Government				
Materials and Supplies	11	11	11	0
Total General Government	11	11	11	0
Total Expenditures	11	11	11	0
Net Change in Fund Balance	(11)	(11)	(11)	0
Fund Balance at Beginning of Year	11	11	11	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
LAW ENFORCEMENT TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Intergovernmental	\$ 50,000	\$ 50,000	\$ 23,792	\$ (26,208)
Interest	4,500	4,500	621	(3,879)
Other	0	0	7,990	7,990
Total Revenues	<u>54,500</u>	<u>54,500</u>	<u>32,403</u>	<u>(22,097)</u>
EXPENDITURES:				
Current:				
Security of Persons and Property				
Personal Services	0	9,500	6,748	2,752
Contractual Services	17,497	16,025	8,072	7,953
Materials and Supplies	36,773	33,680	16,966	16,714
Capital Outlay	58,685	53,750	27,074	26,676
Total Security of Persons and Property	<u>112,955</u>	<u>112,955</u>	<u>58,860</u>	<u>54,095</u>
Total Expenditures	<u>112,955</u>	<u>112,955</u>	<u>58,860</u>	<u>54,095</u>
Net Change in Fund Balance	(58,455)	(58,455)	(26,457)	31,998
Fund Balance at Beginning of Year	<u>207,835</u>	<u>207,835</u>	<u>207,835</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 149,380</u>	<u>\$ 149,380</u>	<u>\$ 181,378</u>	<u>\$ 31,998</u>

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
SHORE CORPORATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Rent	\$ 190,000	\$ 190,000	\$ 117,887	\$ (72,113)
Total Revenues	<u>190,000</u>	<u>190,000</u>	<u>117,887</u>	<u>(72,113)</u>
EXPENDITURES:				
Current:				
Leisure Time Services				
Personal Services	110,623	110,623	94,094	16,529
Contractual Services	50,059	59,743	35,117	24,626
Materials and Supplies	136,039	162,355	95,432	66,923
Total Leisure Time Services	<u>296,721</u>	<u>332,721</u>	<u>224,643</u>	<u>108,078</u>
Total Expenditures	<u>296,721</u>	<u>332,721</u>	<u>224,643</u>	<u>108,078</u>
Excess of Revenues Over(Under) Expenditures	<u>(106,721)</u>	<u>(142,721)</u>	<u>(106,756)</u>	<u>35,965</u>
OTHER FINANCING SOURCES AND USES:				
Transfers In	107,000	143,000	143,000	0
Total Other Financing Sources and Uses	<u>107,000</u>	<u>143,000</u>	<u>143,000</u>	<u>0</u>
Net Change in Fund Balance	279	279	36,244	35,965
Fund Balance at Beginning of Year	<u>10,419</u>	<u>10,419</u>	<u>10,419</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 10,698</u>	<u>\$ 10,698</u>	<u>\$ 46,663</u>	<u>\$ 35,965</u>

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
GENERAL PERMANENT IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Property Taxes	\$ 259,441	\$ 259,441	\$ 221,774	\$ (37,667)
Special Assessments	0	0	25	25
Intergovernmental	108,996	108,996	143,432	34,436
Interest	39	39	321	282
Other	4,000	4,000	2,800	(1,200)
Total Revenues	<u>372,476</u>	<u>372,476</u>	<u>368,352</u>	<u>(4,124)</u>
EXPENDITURES:				
Current:				
Capital Outlay				
Contractual Services	312,593	312,593	98,365	214,228
Materials and Supplies	9,038	9,038	6,368	2,670
Capital Outlay	4,302,975	4,302,975	3,174,287	1,128,688
Other	29,156	29,156	20,546	8,610
Total Capital Outlay	<u>4,653,762</u>	<u>4,653,762</u>	<u>3,299,566</u>	<u>1,354,196</u>
Total Expenditures	<u>4,653,762</u>	<u>4,653,762</u>	<u>3,299,566</u>	<u>1,354,196</u>
Excess of Revenues Over(Under) Expenditures	<u>(4,281,286)</u>	<u>(4,281,286)</u>	<u>(2,931,214)</u>	<u>1,350,072</u>
OTHER FINANCING SOURCES AND USES:				
Notes Issued	2,400,000	2,400,000	2,340,000	(60,000)
Proceeds of OPWC Loans	352,189	352,189	310,719	(41,470)
Proceeds from Sale of Capital Assets	20,000	20,000	59,978	39,978
Total Other Financing Sources and Uses	<u>2,772,189</u>	<u>2,772,189</u>	<u>2,710,697</u>	<u>(61,492)</u>
Net Change in Fund Balance	(1,509,097)	(1,509,097)	(220,517)	1,288,580
Fund Balance at Beginning of Year	877,882	877,882	877,882	0
Prior Year Encumbrances Appropriated	<u>653,762</u>	<u>653,762</u>	<u>653,762</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 22,547</u>	<u>\$ 22,547</u>	<u>\$ 1,311,127</u>	<u>\$ 1,288,580</u>

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
RECREATION CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Taxes	\$ 181,609	\$ 181,609	\$ 0	\$ (181,609)
Property Taxes	0	0	155,242	155,242
Intergovernmental	56,156	56,156	79,535	23,379
Total Revenues	<u>237,765</u>	<u>237,765</u>	<u>234,777</u>	<u>(2,988)</u>
EXPENDITURES:				
Current:				
Capital Outlay				
Personal Services	70,399	72,705	71,051	1,654
Contractual Services	30,182	32,142	31,619	523
Materials and Supplies	19,338	19,592	19,273	319
Capital Outlay	144,944	141,715	140,402	1,313
Other	3,227	3,269	3,216	53
Total Capital Outlay	<u>268,090</u>	<u>269,423</u>	<u>265,561</u>	<u>3,862</u>
Total Expenditures	<u>268,090</u>	<u>269,423</u>	<u>265,561</u>	<u>3,862</u>
Net Change in Fund Balance	(30,325)	(31,658)	(30,784)	874
Fund Balance at Beginning of Year	94,109	94,109	94,109	0
Prior Year Encumbrances Appropriated	4,070	4,070	4,070	0
Fund Balance at End of Year	<u>\$ 67,854</u>	<u>\$ 66,521</u>	<u>\$ 67,395</u>	<u>\$ 874</u>

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
SIDEWALK REPAIR AND REPLACEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES	\$ 0	\$ 0	\$ 0	\$ 0
EXPENDITURES:				
Current:				
Capital Outlay				
Capital Outlay	5,013	5,013	0	5,013
Total Capital Outlay	5,013	5,013	0	5,013
Total Expenditures	5,013	5,013	0	5,013
Net Change in Fund Balance	(5,013)	(5,013)	0	5,013
Fund Balance at Beginning of Year	29,085	29,085	29,085	0
Fund Balance at End of Year	<u>\$ 24,072</u>	<u>\$ 24,072</u>	<u>\$ 29,085</u>	<u>\$ 5,013</u>

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
PUBLIC BUILDING CONSTRUCTION FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES	\$ 0	\$ 0	\$ 0	\$ 0
EXPENDITURES:				
Current:				
Capital Outlay				
Capital Outlay	159,387	159,387	73,070	86,317
Total Capital Outlay	159,387	159,387	73,070	86,317
Total Expenditures	159,387	159,387	73,070	86,317
Net Change in Fund Balance	(159,387)	(159,387)	(73,070)	86,317
Fund Balance at Beginning of Year	151,563	151,563	151,563	0
Prior Year Encumbrances Appropriated	8,387	8,387	8,387	0
Fund Balance at End of Year	<u>\$ 563</u>	<u>\$ 563</u>	<u>\$ 86,880</u>	<u>\$ 86,317</u>

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
EUCLID ENDOWMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Charges for Services	\$ 15,000	\$ 15,000	\$ 0	\$ (15,000)
Interest	0	0	1,162	1,162
Total Revenues	<u>15,000</u>	<u>15,000</u>	<u>1,162</u>	<u>(13,838)</u>
EXPENDITURES:				
Current:				
Capital Outlay:				
Contractual Services	86,011	86,011	43,788	42,223
Total Capital Outlay	<u>86,011</u>	<u>86,011</u>	<u>43,788</u>	<u>42,223</u>
Total Expenditures	<u>86,011</u>	<u>86,011</u>	<u>43,788</u>	<u>42,223</u>
Excess of Revenues Over(Under) Expenditures	<u>(71,011)</u>	<u>(71,011)</u>	<u>(42,626)</u>	<u>28,385</u>
OTHER FINANCING SOURCES AND USES:				
Proceeds from Sale of Capital Assets	0	0	1,414	1,414
Total Other Financing Sources and Uses	<u>0</u>	<u>0</u>	<u>1,414</u>	<u>1,414</u>
Net Change in Fund Balance	(71,011)	(71,011)	(41,212)	29,799
Fund Balance at Beginning of Year	589,746	589,746	589,746	0
Prior Year Encumbrances Appropriated	<u>8,600</u>	<u>8,600</u>	<u>8,600</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 527,335</u>	<u>\$ 527,335</u>	<u>\$ 557,134</u>	<u>\$ 29,799</u>

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
SIMS PARK FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES	\$ 0	\$ 0	\$ 0	\$ 0
EXPENDITURES:				
Current:				
Capital Outlay				
Contractual Services	46,750	46,750	1,974	44,776
Total Capital Outlay	46,750	46,750	1,974	44,776
Total Expenditures	46,750	46,750	1,974	44,776
Net Change in Fund Balance	(46,750)	(46,750)	(1,974)	44,776
Fund Balance at Beginning of Year	81,882	81,882	81,882	0
Fund Balance at End of Year	<u>\$ 35,132</u>	<u>\$ 35,132</u>	<u>\$ 79,908</u>	<u>\$ 44,776</u>

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
BENNINGTON HAMLET FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Payments in Lieu of Taxes	\$ 20,000	\$ 20,000	\$ 28,547	\$ 8,547
Total Revenues	<u>20,000</u>	<u>20,000</u>	<u>28,547</u>	<u>8,547</u>
EXPENDITURES:				
Current:				
Capital Outlay				
Contractual Services	85,843	133,843	17,950	115,893
Total Capital Outlay	<u>85,843</u>	<u>133,843</u>	<u>17,950</u>	<u>115,893</u>
Total Expenditures	<u>85,843</u>	<u>133,843</u>	<u>17,950</u>	<u>115,893</u>
Net Change in Fund Balance	(65,843)	(113,843)	10,597	124,440
Fund Balance at Beginning of Year	96,155	96,155	96,155	0
Prior Year Encumbrances Appropriated	<u>17,843</u>	<u>17,843</u>	<u>17,843</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 48,155</u>	<u>\$ 155</u>	<u>\$ 124,595</u>	<u>\$ 124,440</u>

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
CMP PROPERTIES FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Payments in Lieu of Taxes	\$ 32,000	\$ 32,000	\$ 103,020	\$ 71,020
Total Revenues	<u>32,000</u>	<u>32,000</u>	<u>103,020</u>	<u>71,020</u>
EXPENDITURES:				
Current:				
Capital Outlay				
Contractual Services	61,038	69,125	20,671	48,454
Materials and Supplies	63,254	80,167	34,597	45,570
Total Capital Outlay	<u>124,292</u>	<u>149,292</u>	<u>55,268</u>	<u>94,024</u>
Total Expenditures	<u>124,292</u>	<u>149,292</u>	<u>55,268</u>	<u>94,024</u>
Net Change in Fund Balance	(92,292)	(117,292)	47,752	165,044
Fund Balance at Beginning of Year	87,178	87,178	87,178	0
Prior Year Encumbrances Appropriated	<u>30,792</u>	<u>30,792</u>	<u>30,792</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 25,678</u>	<u>\$ 678</u>	<u>\$ 165,722</u>	<u>\$ 165,044</u>

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL -
HARBOR TOWN TIF FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Payments in Lieu of Taxes	\$ 0	\$ 40,000	\$ 40,743	\$ 743
Special Assessments	5,000	5,000	40,743	35,743
Total Revenues	<u>5,000</u>	<u>45,000</u>	<u>81,486</u>	<u>36,486</u>
EXPENDITURES:				
Current:				
Capital Outlay				
Contractual Services	<u>0</u>	<u>90,000</u>	<u>63,210</u>	<u>26,790</u>
Total Capital Outlay	<u>0</u>	<u>90,000</u>	<u>63,210</u>	<u>26,790</u>
Total Expenditures	<u>0</u>	<u>90,000</u>	<u>63,210</u>	<u>26,790</u>
Net Change in Fund Balance	5,000	(45,000)	18,276	63,276
Fund Balance at Beginning of Year	<u>52,809</u>	<u>52,809</u>	<u>52,809</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 57,809</u>	<u>\$ 7,809</u>	<u>\$ 71,085</u>	<u>\$ 63,276</u>

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STATISTICAL SECTION

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
<i>Financial Trends</i>	
These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	S2-S7
<i>Revenue Capacity</i>	
These schedules contain information to help the reader assess the City’s most significant local revenue sources, the municipal income tax and the property tax.	S8-S13
<i>Debt Capacity</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.	S14-S19
<i>Demographic and Economic Information</i>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.	S20-S21
<i>Operating Information</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 government provides and the activities it performs.	S22-S27

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2003. Schedules presenting government-wide information begin in that year.

City of Euclid, Ohio
Net Assets By Component
Last Seven Years
(Accrual Basis of Accounting)

	2009	2008	2007	2006	2005 Restated	2004	2003
<u>Governmental Activities</u>							
Invested in Capital Assets, Net of Related Debt	\$ 37,644,890	\$ 39,956,632	\$ 41,151,610	\$ 12,190,259	\$ 13,335,911	\$ 9,441,514	\$ 16,919,428
Restricted:							
Capital Outlay	1,754,303	1,853,833	3,322,255	2,882,741	891,816	3,896,532	0
Debt Service	5,396,059	5,160,270	5,769,963	5,166,780	4,617,366	8,899,900	2,764,898
Special Revenue	1,156,848	1,164,905	1,908,168	1,970,792	2,223,784	1,597,871	1,253,520
Unrestricted	3,360,059	5,636,227	4,075,405	6,065,273	2,959,733	2,339,507	6,910,033
Total Governmental Activities Net Assets	\$ 49,312,159	\$ 53,771,867	\$ 56,227,401	\$ 28,275,845	\$ 24,028,610	\$ 26,175,324	\$ 27,847,879
<u>Business Type - Activities</u>							
Invested in Capital Assets, Net of Related Debt	\$ 34,567,361	\$ 29,214,805	\$ 29,982,118	\$ 28,971,722	\$ 29,207,199	\$ 29,795,176	\$ 28,646,313
Restricted:							
Debt Service	0	0	0	0	0	1,200,000	0
Unrestricted	10,600,335	13,829,216	11,908,239	13,304,043	8,390,986	4,378,060	6,786,523
Total Business-Type Activities Net Assets	\$ 45,167,696	\$ 43,044,021	\$ 41,890,357	\$ 42,275,765	\$ 37,598,185	\$ 35,373,236	\$ 35,432,836
<u>Primary Government</u>							
Invested in Capital Assets, Net of Related Debt	\$ 72,212,251	\$ 69,171,437	\$ 71,133,728	\$ 41,161,981	\$ 42,543,110	\$ 39,236,690	\$ 45,565,741
Restricted	8,307,210	8,179,008	11,000,386	10,020,313	7,732,966	15,594,303	4,018,418
Unrestricted	13,960,394	19,465,443	19,369,316	19,369,316	11,350,719	6,717,567	13,696,556
Total Primary Government Net Assets	\$ 94,479,855	\$ 96,815,888	\$ 101,503,430	\$ 70,551,610	\$ 61,626,795	\$ 61,548,560	\$ 63,280,715

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

	2009	2008	2007	2006	2005 Restated	2004	2003
<u>Program Revenues</u>							
Governmental Activities:							
Charges for Services:							
General Government	\$ 2,301,388	\$ 564,303	\$ 1,031,766	\$ 1,019,146	\$ 1,630,952	\$ 2,101,899	\$ 2,074,682
Security of Persons and Property	2,845,690	4,073,600	4,999,375	4,975,827	2,897,560	2,150,294	2,645,843
Public Health and Welfare	78,398	83,793	91,602	92,922	33,424	85,666	85,730
Leisure Time Services	590,597	730,006	883,285	796,916	615,674	755,333	660,437
Community and Economic Development	1,413,183	1,554,640	542,492	236,343	532,403	323,664	268,828
Refuse Collection and Disposal	0	0	0	0	231,521	942,743	1,083,386
Transportation	114,156	39,637	207,307	88,588	191,361	459,799	444,152
Subtotal - Charges for Services	<u>7,343,412</u>	<u>7,045,979</u>	<u>7,755,827</u>	<u>7,209,742</u>	<u>6,132,895</u>	<u>6,819,398</u>	<u>7,263,058</u>
Operating Grants and Contributions:							
General Government	137,338	0	498,055	428,589	243,965	0	0
Security of Persons and Property	491,637	487,231	18,906	139,422	1,400	91,319	123,014
Leisure Time Services	10,039	4,327	5,947	43,084	36,744	0	0
Community and Economic Development	1,215,829	1,247,025	889,458	1,123,011	1,116,634	87,740	379,087
Transportation	1,699,535	1,861,667	1,935,960	1,835,670	1,927,988	0	0
Subtotal - Operating Grants and Contributions	<u>3,554,378</u>	<u>3,600,250</u>	<u>3,348,326</u>	<u>3,569,776</u>	<u>3,326,731</u>	<u>179,059</u>	<u>502,101</u>
Capital Grants and Contributions:							
General Government	0	279,401	0	18,690	31,219	0	0
Community Development	0	0	0	0	0	1,320,553	1,435,493
Leisure Time Activities	0	0	0	11,170	19,767	0	90,146
Subtotal - Capital Grants and Contributions	<u>0</u>	<u>279,401</u>	<u>0</u>	<u>29,860</u>	<u>50,986</u>	<u>1,320,553</u>	<u>1,525,639</u>
Total Governmental Activities Program Revenues	<u><u>10,897,790</u></u>	<u><u>10,925,630</u></u>	<u><u>11,104,153</u></u>	<u><u>10,809,378</u></u>	<u><u>9,510,612</u></u>	<u><u>8,319,010</u></u>	<u><u>9,290,798</u></u>
<u>Business-Type Activities</u>							
Charges for Services:							
Briardale Greens Golf Course	939,058	1,035,336	1,019,279	987,636	795,003	786,232	780,200
Waste Water Treatment	10,663,957	10,887,935	10,876,879	11,498,677	9,396,074	9,730,420	12,383,945
Water Line Improvement	1,967,426	1,623,543	1,671,736	1,605,235	840,218	0	0
Operating Grants and Contributions:							
Wastewater Treatment	227,712	52,675	39,479	814,589	0	0	0
Capital Grants and Contributions							
Briardale Golf Course	0	0	0	121,449	0	0	250,488
Wastewater Treatment	94,932	276,000	0	0	0	0	0
Waterline Improvement	1,042,281	65,348	0	0	0	0	0
Total Business-Type Activities Program Revenues	<u><u>14,935,366</u></u>	<u><u>13,940,837</u></u>	<u><u>13,607,373</u></u>	<u><u>15,027,586</u></u>	<u><u>11,031,295</u></u>	<u><u>10,516,652</u></u>	<u><u>13,414,633</u></u>
Total Primary Government Program Revenues	<u><u>\$ 25,833,156</u></u>	<u><u>\$ 24,866,467</u></u>	<u><u>\$ 24,711,526</u></u>	<u><u>\$ 25,836,964</u></u>	<u><u>\$ 20,541,907</u></u>	<u><u>\$ 18,835,662</u></u>	<u><u>\$ 22,705,431</u></u>

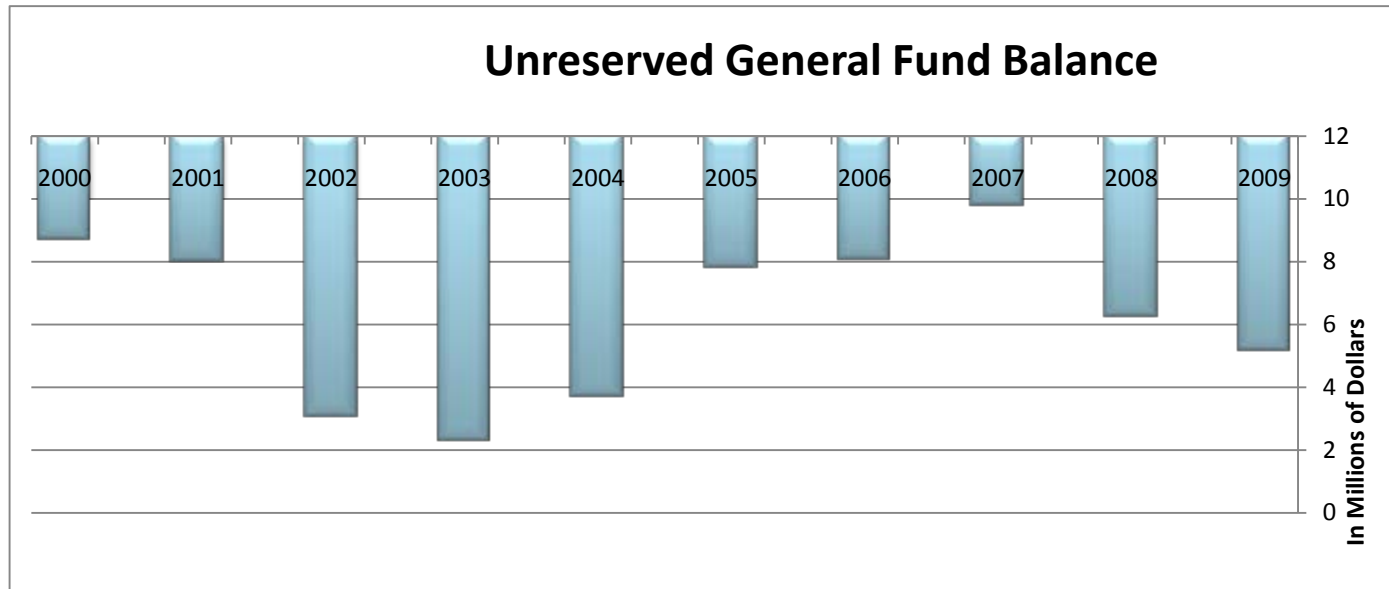
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City of Euclid, Ohio
Changes in Net Assets (continued)
Last Seven Years
(Accrual Basis of Accounting)

	2009	2008	2007	2006	2005 Restated	2004	2003
Expenses							
Governmental Activities:							
General Government	\$ 13,389,365	\$ 12,894,864	\$ 14,000,128	\$ 12,352,031	\$ 11,114,592	\$ 11,965,470	\$ 12,180,369
Security of Persons and Property:							
Refuse Collection and Disposal	21,052,721	23,445,910	22,884,517	21,466,024	21,544,601	21,147,901	19,842,460
Public Health and Welfare	2,251,317	2,506,683	2,219,004	2,013,501	1,777,289	1,912,089	1,848,221
Leisure Time Services	280,112	260,044	277,425	257,280	256,582	234,887	287,591
Community and Economic Development	2,095,133	2,423,707	1,706,870	2,109,410	1,924,054	4,077,885	1,914,797
Transportation	2,846,921	3,201,584	2,955,795	3,173,312	2,619,435	478,828	965,181
Interest and Fiscal Charges	7,382,963	6,343,637	7,396,063	2,695,350	4,446,355	1,489,045	1,432,019
	1,406,102	1,505,395	1,553,302	1,546,588	1,566,775	2,069,348	1,913,236
Total Governmental Activities Expenses	50,704,634	52,581,824	52,993,104	45,613,496	45,249,683	43,375,453	40,383,874
Business-Type Activities							
Briardale Golf Course	894,060	988,166	1,059,840	996,359	1,206,580	770,115	716,146
Wastewater Treatment	10,920,206	11,061,437	10,109,869	9,438,610	10,732,693	10,313,927	12,131,189
Water Line Improvement	1,786,012	792,165	765,993	915,675	557,637	0	0
Total Business-Type Activities Expenses	13,600,278	12,841,768	11,935,702	11,350,644	12,496,910	11,084,042	12,847,335
Total Primary Government Program Expenses	64,304,912	65,423,592	64,928,806	56,964,140	57,746,593	54,459,495	53,231,209
Net (Expense)/Revenue							
Governmental Activities	(39,806,844)	(41,656,194)	(41,888,951)	(34,804,118)	(35,739,071)	(35,056,443)	(31,093,076)
Business-Type Activities	1,335,088	1,099,069	1,671,671	3,676,942	(1,465,615)	(567,390)	567,298
Total Primary Government Net Expense	(38,471,756)	(40,557,125)	(40,217,280)	(31,127,176)	(37,204,686)	(35,623,833)	(30,525,778)
General Revenues and Other Changes in Net Assets							
Governmental Activities							
Property Taxes	\$ 5,069,206	\$ 5,158,520	\$ 5,839,560	\$ 7,391,165	\$ 5,471,671	\$ 9,724,482	\$ 9,514,574
Municipal Income Taxes	22,527,179	24,124,792	24,286,649	26,227,696	22,004,837	20,213,175	18,311,962
Grants and Entitlements not Restricted to							
Specific Programs	5,885,372	6,460,923	5,647,600	3,846,566	5,745,954	3,208,030	3,540,576
Payments in Lieu of Taxes	172,310	123,164	72,269	68,730	59,293	0	0
Investment Income	451,410	921,534	1,303,442	1,163,865	663,536	398,378	257,951
Gain/Loss on Sale of Capital Assets	45,431	0	176,305	0	0	0	(48,192)
Miscellaneous	1,196,228	1,743,907	18,771	66,875	10,827	53,367	0
Transfers	0	667,820	286,456	286,456	(625,806)	286,456	286,456
Total Governmental Activities	35,347,136	39,200,660	37,631,052	39,051,353	33,330,312	33,883,888	31,863,327
Business-Type Activities							
Property Taxes	465,667	639,606	626,240	767,977	670,778	609,316	776,352
Grants and Entitlements not Restricted to							
Specific Programs	0	0	0	0	614,188	183,912	0
Investment Income	4,339	56,180	63,583	48,163	351	1,018	987
Miscellaneous	318,581	26,629	294	0	0	0	0
Transfers	0	(667,820)	(286,456)	(286,456)	625,806	(286,456)	(286,456)
Total Business-Type Activities	788,587	54,595	403,661	529,684	1,911,123	507,790	490,883
Total Primary Government General Revenues and Other Changes in Net Assets	36,135,723	39,255,255	38,034,713	39,581,037	35,241,435	34,391,678	32,354,210
Change in Net Assets							
Governmental Activities	(4,459,708)	(2,455,534)	(4,257,899)	4,247,235	(2,408,759)	(1,172,555)	770,251
Business-Type Activities	2,123,675	1,153,664	2,075,332	4,206,626	445,508	(59,600)	1,058,181
Total Primary Government Change in Net Assets	\$ (2,336,033)	\$ (1,301,870)	\$ (2,182,567)	\$ 8,453,861	\$ (1,963,251)	\$ (1,232,155)	\$ 1,828,432

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

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
General Fund										
Reserved	\$ 1,389,906	\$ 1,529,833	\$ 97,896	\$ 99,257	\$ 37,934	\$ 3,837,679	\$ 1,909,424	\$ 2,021,963	\$ 2,227,337	\$ 2,253,161
Unreserved	5,143,251	6,220,960	9,782,186	8,076,295	7,821,849	3,678,477	2,288,627	3,075,721	7,994,663	8,696,957
Total General Fund	6,533,157	7,750,793	9,880,082	8,175,552	7,859,783	7,516,156	4,198,051	5,097,684	10,222,000	10,950,118
All Other Governmental Funds										
Reserved	498,970	728,790	1,257,678	346,199	522,175	5,739,842	3,206,235	904,389	1,675,870	2,150,041
Unreserved, Undesignated, Reported in:										
Special Revenue funds	1,281,141	1,425,191	1,787,192	1,684,898	1,520,080	1,180,356	982,576	(365,426)	(51,760)	(1,391,338)
Debt Service funds	2,767,975	3,596,149	3,775,688	2,947,437	3,056,034	3,008,900	2,764,898	3,024,670	3,533,956	4,755,832
Capital Projects funds	2,095,459	1,193,323	2,131,623	2,499,812	401,209	2,558,005	(3,112,551)	866,054	1,358,973	(4,154,328)
Total All Other Governmental Funds	6,643,545	6,943,453	8,952,181	7,478,346	5,499,498	12,487,103	3,841,158	4,429,687	6,517,039	1,360,207
Total Governmental Funds	\$ 13,176,702	\$ 14,694,246	\$ 18,832,263	\$ 15,653,898	\$ 13,359,281	\$ 20,003,259	\$ 8,039,209	\$ 9,527,371	\$ 16,739,039	\$ 12,310,325

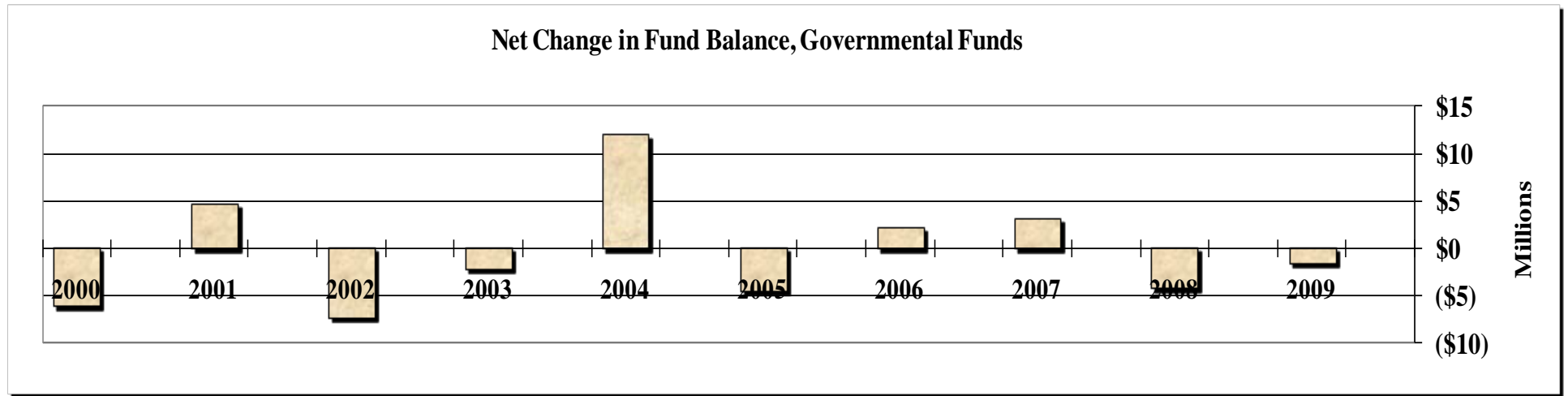


City of Euclid, Ohio
Changes in Fund Balances - Governmental Funds
Last Ten Years
(Modified Accrual Basis of Accounting)

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Revenues											
Property and Other Taxes	\$ 4,863,732	\$ 5,317,922	\$ 6,511,494	\$ 6,213,540	\$ 5,893,239	\$ 29,815,540	\$ 27,489,246	\$ 26,810,629	\$ 30,368,310	\$ 31,501,707	\$ 31,266,768
Municipal Income Taxes	22,295,312	23,949,387	25,508,186	23,084,613	23,029,224	0	0	0	0	0	0
Charges for Services	4,396,344	4,468,421	5,011,318	4,357,413	4,201,706	4,709,566	4,769,455	4,149,742	4,642,160	4,062,852	4,113,440
Fees, Licenses and Permits	136,019	119,297	131,568	45,638	241,899	572,019	436,977	305,921	303,514	259,928	240,531
Fines and Forfeitures	1,849,083	2,115,947	1,843,132	1,760,313	1,350,888	1,488,128	1,443,538	1,363,606	1,506,379	1,464,585	1,608,146
Payments in Lieu of Taxes	172,310	123,164	72,269	68,730	59,293	0	0	0	0	0	0
Intergovernmental	9,702,823	10,781,759	8,544,675	8,123,702	8,401,874	4,725,839	5,272,087	5,344,993	5,717,660	5,251,766	5,192,251
Special Assessments	320,199	505,921	84,684	190,634	88,111	270,469	232,264	287,221	258,963	342,700	276,387
Rentals	928,741	378,566	438,302	370,186	329,315	300,078	277,330	268,929	1,058,189	280,874	220,947
Contributions and Donations	51,034	35,658	27,517	144,696	35,280	0	0	0	0	0	0
Interest	500,049	862,215	1,286,011	1,162,032	663,536	397,135	252,601	246,511	293,649	1,649,780	1,724,345
Miscellaneous	1,196,228	891,394	18,771	66,875	10,827	186,241	248,911	74,088	251,664	222,102	100,550
Total Revenues	46,411,874	49,549,651	49,477,927	45,588,372	44,305,192	42,465,015	40,422,409	38,851,640	44,400,488	45,036,294	44,743,365
Expenditures											
Current:											
General Government	12,846,810	13,255,819	12,389,735	11,367,827	10,527,754	12,064,453	9,980,456	11,056,302	11,948,092	13,567,309	14,922,100
Security of Persons and Property	20,493,264	22,504,755	20,876,789	20,107,626	18,582,973	20,605,101	19,574,377	20,583,109	21,246,143	21,053,341	20,640,384
Public Health and Welfare	272,496	260,044	277,809	257,651	257,846	235,365	287,592	445,574	482,245	716,270	409,636
Leisure Time Services	1,826,333	2,142,829	1,998,691	1,836,370	1,662,926	3,858,686	2,946,549	2,317,867	2,739,069	2,723,594	2,983,011
Community and Economic Development	2,728,006	3,084,899	2,613,273	2,743,472	2,277,566	2,039,604	2,473,339	2,666,776	3,611,075	2,517,605	2,184,926
Refuse Collection and Disposal	2,251,317	2,506,683	2,204,171	1,857,975	1,786,082	1,912,089	1,848,221	1,870,822	1,861,473	1,736,867	2,210,387
Transportation	2,232,410	2,596,559	2,242,299	2,096,922	1,587,855	1,589,464	1,819,574	4,331,625	5,612,092	4,898,168	5,367,946
Capital Outlay	3,015,982	5,376,523	3,579,883	2,780,690	3,227,405	0	0	0	0	0	0
Debt Service:											
Principal Retirement	3,305,944	9,590,395	6,419,365	2,927,010	8,711,529	6,861,073	2,697,510	2,387,632	2,398,902	2,300,908	2,168,811
Interest and Fiscal Charges	1,367,743	1,492,737	1,529,377	1,518,668	1,568,293	2,086,281	1,928,585	1,876,224	2,244,424	1,986,533	1,786,862
Bond Issuance Costs	0	275,697	0	0	0	0	0	0	0	0	0
Total Expenditures	50,340,305	63,086,940	54,131,392	47,494,211	50,190,229	51,252,116	43,556,203	47,535,931	52,143,515	51,500,595	52,674,063
Excess of Revenues Over (Under) Expenditures	(3,928,431)	(13,537,289)	(4,653,465)	(1,905,839)	(5,885,037)	(8,787,101)	(3,133,794)	(8,684,291)	(7,743,027)	(6,464,301)	(7,930,698)

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

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Other Financing Sources (Uses)											
Sale of Capital Assets	52,620	55,191	224,113	0	0	2,800	724,808	0	0	0	0
Special Assessment Bonds Issued	0	0	0	0	0	0	0	0	0	0	1,715,000
General Obligation Bonds Issued	0	10,625,000	0	0	0	13,097,000	0	0	11,495,000	0	0
Premium on Debt Issued	0	215,765	40,280	0	0	0	0	0	0	0	0
OPWC Loan	18,267	1,119,127	434,981	98,000	0	0	0	447,179	0	407,526	1,420,569
Notes Issued	2,340,000	0	6,846,000	3,816,000	100,000	5,981,000	0	0	0	0	0
Inception of Capital Lease	0	205,758	0	0	1,077,689	1,583,897	15,780	824,509	149,179	301,201	0
Transfers In	1,061,859	1,195,820	825,300	1,085,900	918,056	689,115	586,880	1,304,019	2,547,214	2,067,657	5,737,961
Transfers Out	(1,061,859)	(528,000)	(538,844)	(799,444)	(631,600)	(602,659)	(300,424)	(1,149,563)	(1,663,023)	(2,283,069)	(6,290,601)
Payment to Refunded Bond Escrow Agent	0	(3,489,389)	0	0	0	0	0	0	0	0	0
Total Other Financing Sources (Uses)	2,410,887	9,399,272	7,831,830	4,200,456	1,464,145	20,751,153	1,027,044	1,426,144	12,528,370	493,315	2,582,929
Net Change in Fund Balances	\$ (1,517,544)	\$ (4,138,017)	\$ 3,178,365	\$ 2,294,617	\$ (4,420,892)	\$ 11,964,052	\$ (2,106,750)	\$ (7,258,147)	\$ 4,785,343	\$ (5,970,986)	\$ (5,347,769)
Debt Service as a Percentage of Noncapital Expenditures	9.70%	19.68%	15.38%	9.79%	20.63%	18.47%	11.41%	9.06%	9.65%	8.91%	8.43%



City of Euclid, Ohio
Property Tax Rates - Direct and Overlapping Governments
(Per \$1,000 of Assessed Valuation)
Last Ten Years

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Unvoted Millage										
Bond Sinking Fund	3.88	3.88	3.88	3.88	3.88	3.88	3.88	3.88	3.88	3.88
Total Unvoted Millage	3.88	3.88	3.88	3.88	3.88	3.88	3.88	3.88	3.88	3.88
Voted Millage										
1964 Charter Current Expense	6.72	6.72	6.72	6.72	6.72	6.72	6.72	6.72	6.72	6.72
1964 Charter Perm Improvement	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
1964 Charter Recreational	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70
1964 Charter Recreational	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30
1976 Sewage Levy	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Total Voted Millage	11.72	11.72	11.72	11.72	11.72	11.72	11.72	11.72	11.72	11.72
Total Millage	15.60	15.60	15.60	15.60	15.60	15.60	15.60	15.60	15.60	15.60
Overlapping Rates by Taxing District										
City of Euclid										
Residential/Agricultural Effective Rate	6.8571	6.5566	6.5540	6.5523	6.8792	6.8787	6.8790	7.1638	7.1631	7.1618
Commerical/Industrial and Public Utility Effective Rate	10.6120	10.3296	10.3634	10.3668	10.3549	9.9554	9.7881	9.9331	9.9603	9.9731
General Business and Public Utility Personal Property	15.6000	15.6000	15.6000	15.6000	15.6000	15.6000	15.6000	15.6000	15.6000	15.6000
Euclid City Schools										
Residential/Agricultural Effective Rate	54.4664	46.1446	39.1132	39.0934	43.0313	37.5124	35.0153	37.9854	37.5787	37.6672
Commerical/Industrial and Public Utility Effective Rate	72.8014	66.1743	59.4467	59.4747	59.3941	51.2261	47.5742	48.8727	48.6599	48.8477
General Business and Public Utility Personal Property	89.9000	85.2000	78.2000	78.2000	78.2000	72.8000	70.3000	70.6000	70.2000	70.3000
Cuyahoga County										
Residential/Agricultural Effective Rate	13.1789	12.6607	11.8688	11.8655	11.7227	10.9754	10.9899	9.7642	9.7718	9.7846
Commerical/Industrial and Public Utility Effective Rate	12.8457	12.8153	12.4535	12.4941	12.5881	11.9846	12.0433	10.1235	10.0506	9.9918
General Business and Public Utility Personal Property	13.3200	13.3200	13.4200	13.4200	13.5200	13.5200	13.5200	11.7200	11.7200	11.7200
Special Taxing Districts (1)										
Residential/Agricultural Effective Rate	7.9811	7.2832	7.2794	7.2761	7.7965	6.3793	5.7037	6.2552	5.1689	5.1747
Commerical/Industrial and Public Utility Effective Rate	7.9119	7.8711	7.8782	7.8962	8.0597	6.7804	6.2102	6.3523	5.5500	5.5322
General Business and Public Utility Personal Property	8.2800	8.2800	8.2800	8.2800	8.2800	7.2800	6.9800	6.9800	6.9800	6.9800

Source: County Auditor

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

Charter millage is consistently applied to all types of property.

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

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

(1) Metro Parks (1.85 mills), Port Authority (.13 mills), Euclid Library (3.5 mills), Community College (2.8 mills)

City of Euclid, Ohio
Assessed Valuation and Estimated Actual Values of Taxable Property
Last Ten Years

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value
2009	\$ 553,341,120	\$ 181,540,130	\$ 2,099,660,714	\$ 15,108,400	\$ 17,168,636
2008	\$ 615,910,790	\$ 183,124,340	\$ 2,282,957,514	\$ 13,964,270	\$ 15,868,489
2007	\$ 617,695,210	\$ 184,247,970	\$ 2,291,266,229	\$ 21,020,000	\$ 23,886,364
2006	\$ 549,090,850	\$ 185,048,420	\$ 2,097,540,771	\$ 22,108,400	\$ 25,123,182
2005	\$ 549,066,990	\$ 196,770,870	\$ 2,130,965,314	\$ 24,167,100	\$ 27,462,614
2004	\$ 549,167,830	\$ 202,727,320	\$ 2,148,271,857	\$ 24,947,560	\$ 28,349,500
2003	\$ 502,349,750	\$ 199,443,630	\$ 2,005,123,943	\$ 24,563,360	\$ 27,912,909
2002	\$ 502,484,040	\$ 195,662,440	\$ 1,994,704,229	\$ 25,710,060	\$ 29,215,977
2001	\$ 502,678,150	\$ 191,537,930	\$ 1,983,474,514	\$ 31,693,220	\$ 36,015,023
2000	\$ 459,297,580	\$ 175,137,390	\$ 1,812,671,343	\$ 32,953,180	\$ 37,446,795

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

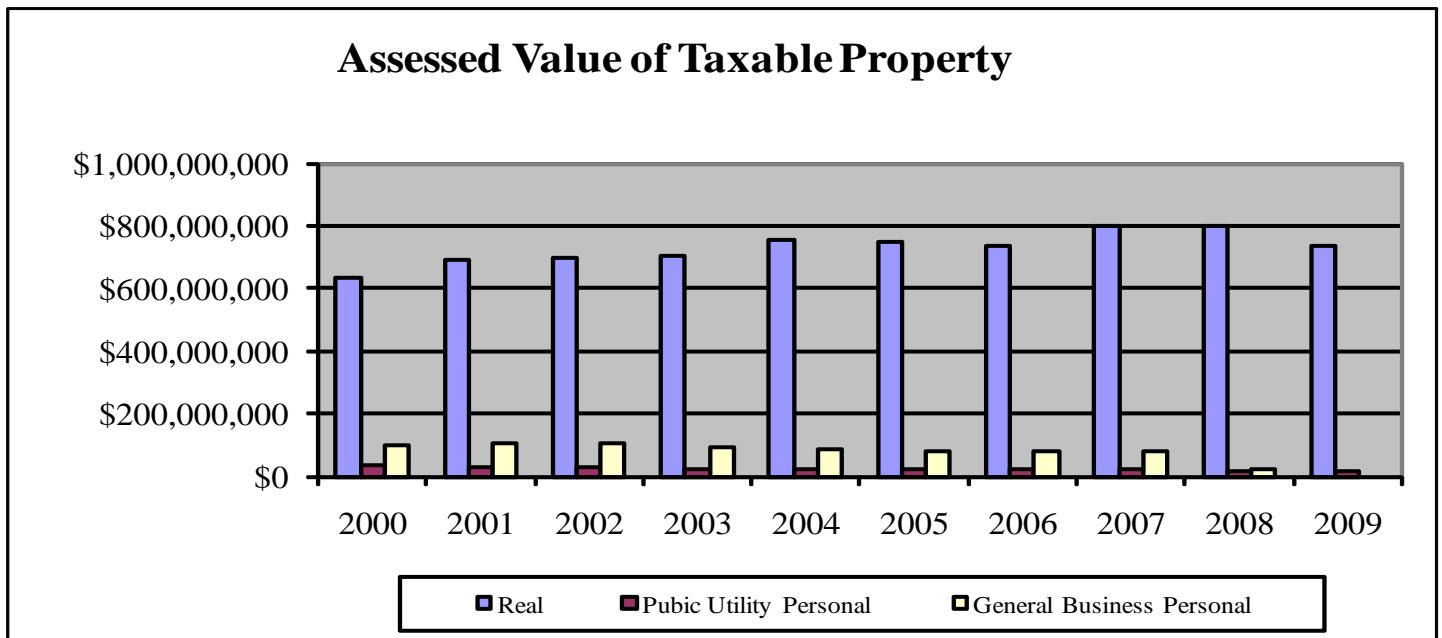
The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General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

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

Source: Ohio Department of Taxation

City of Euclid, Ohio
Assessed Valuation and Estimated Actual Values of Taxable Property
Last Ten Years
(Continued)

Collection Year	Tangible Personal Property		Assessed Value	Total Estimated Actual Value	Ratio	Weighted Average Tax Rate
	Assessed Value	Estimated Actual Value				
2009	\$ 0	\$ 0	\$ 749,989,650	\$ 2,116,829,351	35.43%	7.9421
2008	\$ 24,916,620	\$ 132,888,640	\$ 837,916,020	\$ 2,431,714,643	34.46%	7.8008
2007	\$ 81,771,053	\$ 436,112,283	\$ 904,734,233	\$ 2,751,264,875	32.88%	8.3575
2006	\$ 77,001,463	\$ 410,674,469	\$ 833,249,133	\$ 2,533,338,423	32.89%	8.4756
2005	\$ 80,320,200	\$ 321,280,800	\$ 850,325,160	\$ 2,479,708,728	34.29%	8.7551
2004	\$ 88,592,903	\$ 354,371,612	\$ 865,435,613	\$ 2,530,992,969	34.19%	8.7436
2003	\$ 90,128,261	\$ 360,513,044	\$ 816,485,001	\$ 2,393,549,896	34.11%	8.8146
2002	\$ 102,144,004	\$ 408,576,016	\$ 826,000,544	\$ 2,432,496,222	33.96%	9.1256
2001	\$ 102,559,257	\$ 410,237,028	\$ 828,468,557	\$ 2,429,726,565	34.10%	9.1770
2000	\$ 100,830,156	\$ 403,320,624	\$ 768,218,306	\$ 2,253,438,762	34.09%	9.2722



City of Euclid, Ohio
Property Tax Levies And Collections
Last Ten Years

Year	Total Tax Levy	Current Tax Collections (1)	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Total Tax Levy
2009	\$ 7,636,772	\$ 5,849,893	76.60%	\$ 423,626	\$ 6,273,519	82.15%	\$ 547,502	7.17%
2008	\$ 7,755,667	\$ 6,345,313	81.82%	\$ 489,718	\$ 6,835,031	88.13%	\$ 511,356	6.59%
2007	\$ 8,248,325	\$ 6,773,525	82.12%	\$ 362,574	\$ 7,136,099	86.52%	\$ 426,602	5.17%
2006	\$ 8,161,127	\$ 6,759,330	82.82	\$ 291,261	\$ 7,050,591	86.39	\$ 659,193	8.08%
2005	\$ 6,571,871	\$ 5,470,854	83.25	\$ 302,983	\$ 5,773,837	87.86	\$ 552,594	8.41%
2004	\$ 7,102,956	\$ 5,765,902	81.18	\$ 416,427	\$ 6,182,329	87.04	\$ 773,180	10.89%
2003	\$ 6,771,824	\$ 5,729,679	84.61	\$ 307,880	\$ 6,037,559	89.16	\$ 797,874	11.78%
2002	\$ 6,824,687	\$ 5,760,886	84.41	\$ 361,604	\$ 6,122,490	89.71	\$ 569,507	8.34%
2001	\$ 6,564,534	\$ 5,848,361	89.09	\$ 138,590	\$ 5,986,951	91.20	\$ 480,160	7.31%
2000	\$ 6,678,329	\$ 5,975,461	89.48	\$ 169,445	\$ 6,144,906	92.01	\$ 621,329	9.30%

Source: County Auditor

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

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

City of Euclid, Ohio
Principal Taxpayers - Real Estate Tax
 2009 and 2000

Taxpayer	2009	
	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Cleve Electric Illum Co	\$ 12,315,810	1.68 %
Lincoln Electric Co	12,025,410	1.64 %
Niederst Indian Hills, LLC	11,822,510	1.61 %
Northpointe Towers LTD	6,885,000	0.94 %
Harbor Crest LTD.	5,510,970	0.75 %
Willo Arms Euclid LLC	5,017,300	0.68 %
Horizon House LTD	3,638,640	0.50 %
Depot Land Co LTD	3,369,730	0.46 %
AE Portfolio, LLC	2,975,000	0.40 %
Normandy Towers East I & E	2,664,210	0.36 %
Total	\$ 66,224,580	9.02 %
 Total Assessed Valuation	 \$ 734,881,250	

Taxpayer	2000	
	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Cleve Electric Illum Co.	\$ 16,549,230	2.15 %
Lincoln Electric Co.	14,112,890	1.84 %
Ohio Bell Telephone Co.	10,019,850	1.30 %
Indian Hills Senior Community, Inc.	8,263,500	1.08 %
Argo Tech Co.	7,728,840	1.01 %
Regency Towers Associates	7,053,800	0.92 %
Americana Apartments	5,265,720	0.69 %
East Ohio Gas Co.	5,186,440	0.68 %
Troy CMBS Property, LLC	4,566,630	0.59 %
Reliance Electric & Engine Co.	4,555,080	0.59 %
Total	\$ 83,301,980	10.84 %
 Total Assessed Valuation	 \$ 768,218,306	

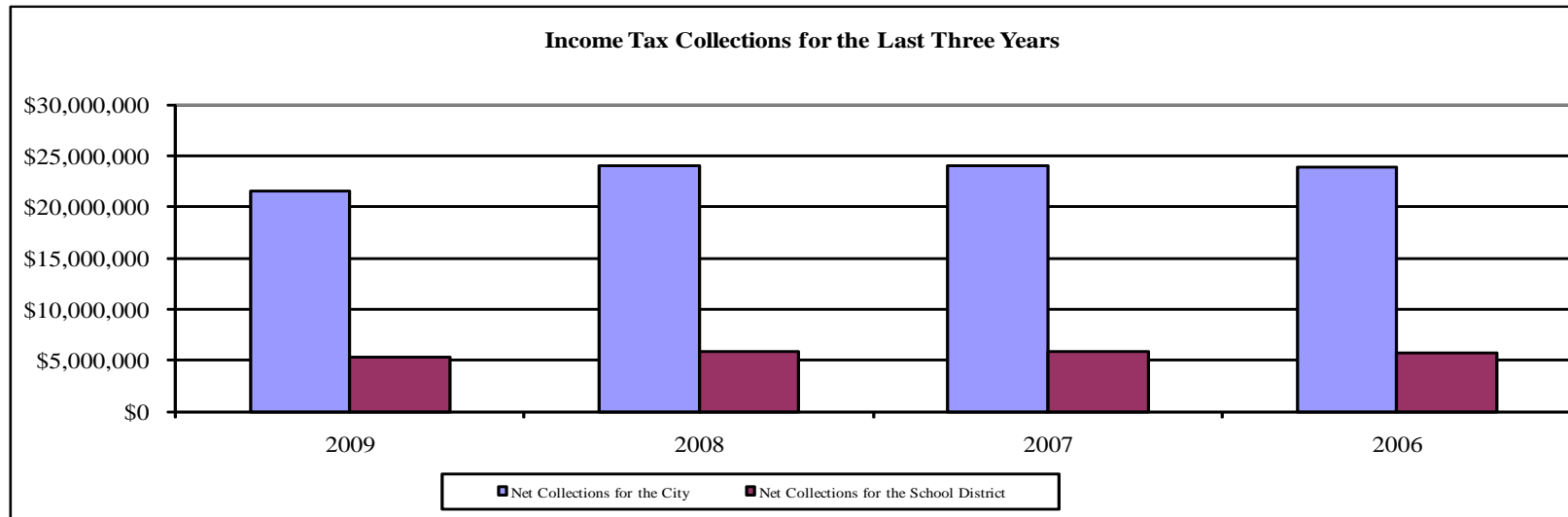
Source: County Auditor

(1) The amounts presented represent the assessed values upon which 2008 and 1999 collections were based.

City of Euclid, Ohio
Income Tax Collection
Last Four Years

<u>Year</u>	<u>Tax Rate</u>	<u>Individual</u>	<u>Net Profit</u>	<u>Payroll Withholding</u>	<u>Penalty and Interest</u>	<u>Miscellaneous Revenue</u>	<u>Gross Collections</u>	<u>Refunds and Adjustments</u>	<u>Net Collections</u>	<u>Net Collections for the City</u>	<u>Net Collections for the School District</u>
2009	2.85%	\$5,571,815	\$2,205,169	\$19,127,921	\$501,077	\$139,475	\$27,545,457	(\$710,927)	\$26,834,530	\$21,570,417	\$5,264,113
2008	2.85%	\$5,613,660	\$3,506,412	\$20,750,925	\$658,185	\$31,777	\$30,560,960	(\$621,987)	\$29,938,973	\$24,076,487	\$5,862,486
2007	2.85%	\$5,828,145	\$3,057,660	\$21,195,076	\$562,751	\$37,298	\$30,680,930	(\$823,011)	\$29,857,919	\$24,021,190	\$5,836,729
2006	2.85%	\$5,875,202	\$2,250,314	\$21,436,836	\$533,447	\$103,748	\$30,199,547	(\$515,617)	\$29,683,931	\$23,914,232	\$5,769,698

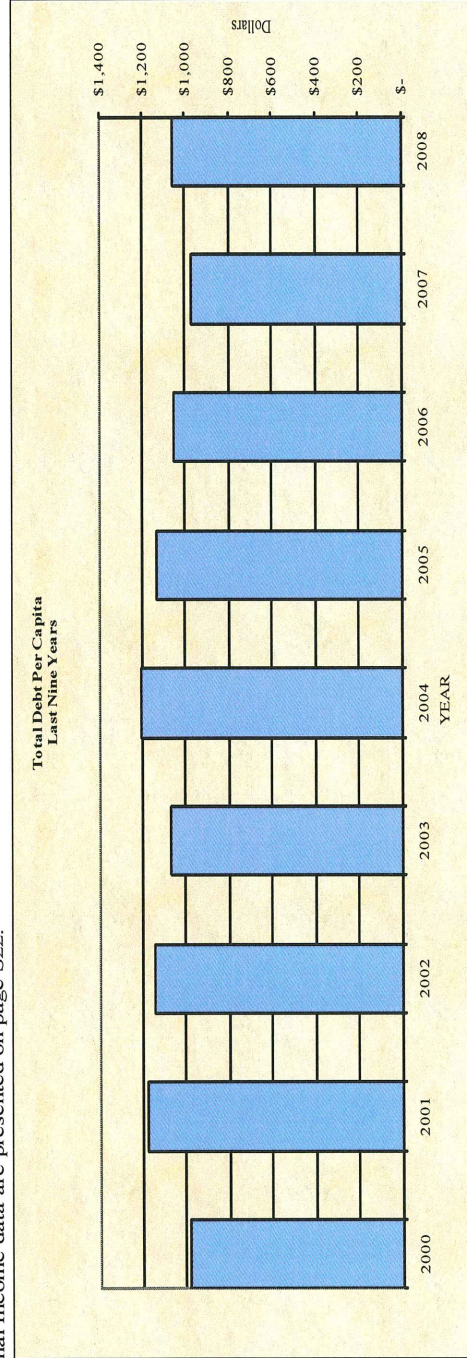
- Note:
1. The information provided was determined on a cash basis.
 2. As the function of collections and administration of the income tax was transferred from the Central Collection Agency in November 2005, only the years from 2006 forward are presented.
 3. The City is prohibited by statute from presenting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



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

Year	Governmental Activities				Business-Type Activities				Total Debt	Percentage of Personal Income	Per Capita	
	General Obligation Bonds (1)	Special Assessment Bonds	OPWC Loans	Capital Leases	Development Revenue Bonds	General Obligation Bonds (1)	Capital Leases	OWDA Loans				OPWC Loans
2009	\$ 25,667,580	\$ 1,080,000	\$ 1,670,375	\$ 653,131	\$ 1,120,000	\$ 6,537,151	\$ 357,699	\$ 6,779,135	\$ 5,971,616	\$ 49,836,687	4.81%	\$ 945
2008	\$ 28,354,079	\$ 1,160,000	\$ 1,652,108	\$ 1,085,075	\$ 1,235,000	\$ 6,962,444	\$ 449,192	\$ 8,620,444	\$ 6,079,837	\$ 55,598,179	5.36%	\$ 1,055
2007	\$ 23,007,141	\$ 1,235,000	\$ 532,981	\$ 1,304,712	\$ 1,340,000	\$ 6,546,909	\$ 502,859	\$ 10,328,970	\$ 6,352,551	\$ 51,151,123	4.93%	\$ 970
2006	\$ 25,043,297	\$ 1,305,000	\$ 98,000	\$ 1,736,675	\$ 1,440,000	\$ 6,863,551	\$ 540,893	\$ 11,915,515	\$ 6,515,556	\$ 55,458,487	5.35%	\$ 1,052
2005	\$ 27,264,455	\$ 1,375,000	\$ 0	\$ 2,174,685	\$ 1,530,000	\$ 7,165,193	\$ 693,242	\$ 13,389,914	\$ 6,069,001	\$ 59,661,490	5.76%	\$ 1,132
2004	\$ 34,057,000	\$ 1,440,000	\$ 2,393,316	\$ 1,775,901	\$ 1,615,000	\$ 2,918,000	\$ 425,954	\$ 14,765,846	\$ 4,080,513	\$ 63,471,530	6.12%	\$ 1,204
2003	\$ 27,440,000	\$ 1,500,000	\$ 2,534,696	\$ 560,826	\$ 1,695,000	\$ 1,765,000	\$ 480,677	\$ 16,042,064	\$ 4,288,338	\$ 56,306,601	5.43%	\$ 1,068
2002	\$ 29,710,000	\$ 1,560,000	\$ 2,606,540	\$ 744,918	\$ 1,765,000	\$ 1,845,000	\$ 539,513	\$ 17,226,034	\$ 4,296,009	\$ 60,293,014	5.82%	\$ 1,144
2001	\$ 31,880,000	\$ 1,615,000	\$ 2,256,993	\$ 223,541	\$ 1,830,000	\$ 1,930,000	\$ 12,855	\$ 18,333,990	\$ 3,986,226	\$ 62,068,605	5.99%	\$ 1,177
2000	\$ 22,275,000	\$ 1,670,000	\$ 1,952,635	\$ 269,633	\$ 1,890,000	\$ 2,005,000	\$ 32,051	\$ 19,367,447	\$ 2,154,420	\$ 51,616,186	4.98%	\$ 979

(1) Amounts include associated premiums and gains
 Note: Population and Personal Income data are presented on page S22.



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

Year	Population (1)	Estimated Actual Value of Taxable Property (2)	Gross Bonded Debt (3)	Ratio of Net Bonded Debt to Estimated Actual Value of Taxable Property	Net Bonded Debt Per Capita
2009	52,717	\$ 749,989,650	\$32,204,731	4.29 %	\$ 611
2008	52,717	\$ 837,916,020	\$35,316,523	4.21 %	\$ 670
2007	52,717	\$ 904,734,233	\$29,554,050	3.27 %	\$ 561
2006	52,717	\$ 833,249,133	\$31,906,848	3.83 %	\$ 605
2005	52,717	\$ 850,325,160	\$34,429,648	4.05 %	\$ 653
2004	52,717	\$ 865,435,613	\$36,975,000	4.27 %	\$ 701
2003	52,717	\$ 816,485,001	\$29,205,000	3.58 %	\$ 554
2002	52,717	\$ 826,000,544	\$31,555,000	3.82 %	\$ 599
2001	52,717	\$ 828,468,557	\$33,810,000	4.08 %	\$ 641
2000	52,717	\$ 768,218,306	\$24,280,000	3.16 %	\$ 461

Sources:

(1) U. S. Bureau of Census, Census of Population.
2000 Federal Census

(2) County Auditor

(3) Includes all general obligation bonded debt with the exception of Special Assessment debt.

City of Euclid, Ohio
Legal Debt Margin
Last Ten Years

	2009	2008	2007	2006	2005
Total Assessed Property Value	<u>\$ 749,989,650</u>	<u>\$ 837,916,020</u>	<u>\$ 904,734,233</u>	<u>\$ 833,249,133</u>	<u>\$ 850,325,160</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>78,748,913</u>	<u>87,981,182</u>	<u>94,997,094</u>	<u>87,491,159</u>	<u>89,284,142</u>
Debt Outstanding:					
General Obligation Bonds	\$ 25,481,000	\$ 28,160,000	\$ 23,029,000	\$ 25,073,000	\$ 27,302,000
General Obligation Bonds - Enterprise	6,454,000	6,870,000	6,536,000	6,852,000	7,153,000
Special Assessment Bonds	1,080,000	1,160,000	1,235,000	1,305,000	1,375,000
Notes	2,340,000	0	6,846,000	3,816,000	100,000
Notes - Enterprise	7,040,000	5,600,000	3,000,000	3,000,000	1,000,000
OPWC Loans	1,670,375	1,652,108	532,981	98,000	0
OPWC Loans - Enterprise	5,971,616	6,079,837	6,352,551	6,515,556	6,069,001
OWDA Loans	6,779,135	8,620,444	10,328,970	11,915,515	13,389,914
Industrial Development Revenue Bonds	1,120,000	1,235,000	1,340,000	1,440,000	1,530,000
Total Gross Indebtedness	<u>57,936,126</u>	<u>59,377,389</u>	<u>59,200,502</u>	<u>60,015,071</u>	<u>57,918,915</u>
Less:					
General Obligation Bonds - Enterprise	(6,454,000)	(6,870,000)	(6,536,000)	(6,852,000)	(7,153,000)
Special Assessment Bonds	(1,080,000)	(1,160,000)	(1,235,000)	(1,305,000)	(1,375,000)
Notes	(2,340,000)	0	(6,846,000)	(3,816,000)	(100,000)
Notes - Enterprise	(7,040,000)	(5,600,000)	(3,000,000)	(3,000,000)	(1,000,000)
OPWC Loans	(1,670,375)	(1,652,108)	(532,981)	(98,000)	0
OPWC Loans - Enterprise	(5,971,616)	(6,079,837)	(6,352,551)	(6,515,556)	(6,069,001)
OWDA Loans	(6,779,135)	(8,620,444)	(10,328,970)	(11,915,515)	(13,389,914)
Industrial Development Revenue Bonds	(1,120,000)	(1,235,000)	(1,340,000)	(1,440,000)	(1,530,000)
General Obligation Bond Retirement Fund Balance	(3,596,149)	(3,596,149)	(3,775,688)	(2,947,437)	(3,056,034)
Total Net Debt Applicable to Debt Limit	<u>21,884,851</u>	<u>24,563,851</u>	<u>19,253,312</u>	<u>22,125,563</u>	<u>24,245,966</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$ 56,864,062</u>	<u>\$ 63,417,331</u>	<u>\$ 75,743,782</u>	<u>\$ 65,365,596</u>	<u>\$ 65,038,176</u>
Legal Debt Margin as a Percentage of the Debt Limit	72.21%	72.08%	79.73%	74.71%	72.84%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$ 41,249,431</u>	<u>\$ 46,085,381</u>	<u>\$ 49,760,383</u>	<u>\$ 45,828,702</u>	<u>\$ 46,767,884</u>
Total Gross Indebtedness	\$ 57,936,126	\$ 59,377,389	\$ 59,200,502	\$ 60,015,071	\$ 57,918,915
Less:					
General Obligation Bonds - Enterprise	(6,454,000)	(6,870,000)	(6,536,000)	(6,852,000)	(7,153,000)
Special Assessment Bonds	(1,080,000)	(1,160,000)	(1,235,000)	(1,305,000)	(1,375,000)
Notes	(2,340,000)	0	(6,846,000)	(3,816,000)	(100,000)
Notes - Enterprise	(7,040,000)	(5,600,000)	(3,000,000)	(3,000,000)	(1,000,000)
OPWC Loans	(1,670,375)	(1,652,108)	(532,981)	(98,000)	0
OPWC Loans - Enterprise	(5,971,616)	(6,079,837)	(6,352,551)	(6,515,556)	(6,069,001)
OWDA Loans	(6,779,135)	(8,620,444)	(10,328,970)	(11,915,515)	(13,389,914)
Industrial Development Revenue Bonds	(1,120,000)	(1,235,000)	(1,340,000)	(1,440,000)	(1,530,000)
General Obligation Bond Retirement Fund Balance	(3,596,149)	(3,596,149)	(3,775,688)	(2,947,437)	(3,056,034)
Net Debt Within 5 ½ % Limitations	<u>21,884,851</u>	<u>24,563,851</u>	<u>19,253,312</u>	<u>22,125,563</u>	<u>24,245,966</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$ 19,364,580</u>	<u>\$ 21,521,530</u>	<u>\$ 30,507,071</u>	<u>\$ 23,703,139</u>	<u>\$ 22,521,918</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	46.95%	46.70%	61.31%	51.72%	48.16%

Source: City Financial Records

City of Euclid, Ohio
Legal Debt Margin
Last Ten Years
(Continued)

	2004	2003	2002	2001	2000
Total Assessed Property Value	<u>\$ 865,435,613</u>	<u>\$ 816,485,001</u>	<u>\$ 826,000,544</u>	<u>\$ 828,468,557</u>	<u>\$ 768,218,306</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	90,870,739	85,730,925	86,730,057	86,989,198	80,662,922
Debt Outstanding:					
General Obligation Bonds	\$ 34,057,000	\$ 27,440,000	\$ 29,710,000	\$ 31,880,000	\$ 25,835,000
General Obligation Bonds - Enterprise	2,918,000	1,765,000	1,845,000	1,930,000	2,005,000
Special Assessment Bonds	1,440,000	1,500,000	1,560,000	1,615,000	0
Notes	5,981,000	0	0	0	10,025,000
Notes - Enterprise	1,200,000	0	0	0	0
OPWC Loans	2,393,316	2,534,696	2,606,540	2,256,993	1,952,635
OPWC Loans - Enterprise	4,080,513	4,288,338	4,296,009	3,986,226	2,154,420
OWDA Loans	14,765,846	16,042,064	17,226,034	18,333,990	19,367,447
Industrial Development Revenue Bonds	1,615,000	1,695,000	1,765,000	1,830,000	0
Total Gross Indebtedness	<u>68,450,675</u>	<u>55,265,098</u>	<u>59,008,583</u>	<u>61,832,209</u>	<u>61,339,502</u>
Less:					
General Obligation Bonds - Enterprise	(2,918,000)	(1,765,000)	(1,845,000)	(1,930,000)	(2,005,000)
Special Assessment Bonds	0	0	0	0	0
Notes	(5,981,000)	0	0	0	0
Notes - Enterprise	(1,200,000)	0	0	0	0
OPWC Loans	(2,393,316)	(2,534,696)	(2,606,540)	(2,256,993)	(1,952,635)
OPWC Loans - Enterprise	(4,080,513)	(4,288,338)	(4,296,009)	(3,986,226)	(2,154,420)
OWDA Loans	(14,765,846)	(16,042,064)	(17,226,034)	(18,333,990)	(19,367,447)
Industrial Development Revenue Bonds	0	0	0	0	0
General Obligation Bond Retirement Fund Balance	(3,008,900)	(2,764,898)	(3,024,670)	(3,533,956)	(4,755,832)
Total Net Debt Applicable to Debt Limit	<u>34,103,100</u>	<u>27,870,102</u>	<u>30,010,330</u>	<u>31,791,044</u>	<u>31,104,168</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$ 56,767,639</u>	<u>\$ 57,860,823</u>	<u>\$ 56,719,727</u>	<u>\$ 55,198,154</u>	<u>\$ 49,558,754</u>
Legal Debt Margin as a Percentage of the Debt Limit	62.47%	67.49%	65.40%	63.45%	61.44%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$ 47,598,959</u>	<u>\$ 44,906,675</u>	<u>\$ 45,430,030</u>	<u>\$ 45,565,771</u>	<u>\$ 42,252,007</u>
Total Gross Indebtedness	<u>\$ 68,450,675</u>	<u>\$ 55,265,098</u>	<u>59,008,583</u>	<u>61,832,209</u>	<u>61,339,502</u>
Less:					
General Obligation Bonds - Enterprise	(2,918,000)	(1,765,000)	(1,845,000)	(1,930,000)	(2,005,000)
Special Assessment Bonds	0	0	0	0	0
Notes	(5,981,000)	0	0	0	0
Notes - Enterprise	(1,200,000)	0	0	0	0
OPWC Loans	(2,393,316)	(2,534,696)	(2,606,540)	(2,256,993)	(1,952,635)
OPWC Loans - Enterprise	(4,080,513)	(4,288,338)	(4,296,009)	(3,986,226)	(2,154,420)
OWDA Loans	(14,765,846)	(16,042,064)	(17,226,034)	(18,333,990)	(19,367,447)
Industrial Development Revenue Bonds	0	0	0	0	0
General Obligation Bond Retirement Fund Balance	(3,008,900)	(2,764,898)	(3,024,670)	(3,533,956)	(4,755,832)
Net Debt Within 5 ½ % Limitations	<u>34,103,100</u>	<u>27,870,102</u>	<u>30,010,330</u>	<u>31,791,044</u>	<u>31,104,168</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$ 13,495,859</u>	<u>\$ 17,036,573</u>	<u>\$ 15,419,700</u>	<u>\$ 13,774,727</u>	<u>\$ 11,147,839</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	28.35%	37.94%	33.94%	30.23%	26.38%

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

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
Direct - City of			
General Obligation Bonds	\$ 25,667,580	100.00%	\$25,667,580
Special Assessment Bonds	1,080,000	100.00%	1,080,000
OPWC Loans	1,670,375	100.00%	1,670,375
Capital Leases	653,131	100.00%	653,131
Police Pension	1,120,000	100.00%	1,120,000
General Obligation Notes	<u>2,340,000</u>	100.00%	<u>2,340,000</u>
Total Direct Debt	<u>32,531,086</u>		<u>32,531,086</u>
Overlapping			
Euclid City School District			
General Obligation Bonds	10,203,854	100.00%	10,203,854
County			
General Obligation Bonds	336,472,572	2.53%	8,515,676
Regional			
Transit Authority	<u>163,025,000</u>	2.53%	<u>4,125,947</u>
Total Overlapping Debt	<u>509,701,426</u>		<u>22,845,477</u>
Total	<u>\$ 542,232,512</u>		<u>\$55,376,563</u>

Source: County Auditor

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

City of Euclid, Ohio
Pledged Revenue Coverage
Industrial Development Revenue Bonds - General Fund
Last Ten Years

Year	Net Revenues (1)	Operating Expenses	Net Revenue Available for Debt Service	Debt Service			Coverage
				Principal	Interest	Total	
2009	\$ 109,336	\$ 0	\$ 109,336	\$ 115,000	\$ 101,888	\$ 216,888	0.50
2008	\$ 109,336	\$ 0	\$ 109,336	\$ 105,000	\$ 110,550	\$ 215,550	0.51
2007	\$ 109,335	\$ 0	\$ 109,335	\$ 100,000	\$ 118,800	\$ 218,800	0.50
2006	\$ 109,336	\$ 0	\$ 109,336	\$ 90,000	\$ 126,225	\$ 216,225	0.51
2005	\$ 109,336	\$ 0	\$ 109,336	\$ 85,000	\$ 133,238	\$ 218,238	0.50
2004	\$ 109,336	\$ 0	\$ 109,336	\$ 80,000	\$ 139,838	\$ 219,838	0.50
2003	\$ 109,336	\$ 0	\$ 109,336	\$ 70,000	\$ 145,613	\$ 215,613	0.51
2002	\$ 109,336	\$ 0	\$ 109,336	\$ 65,000	\$ 150,975	\$ 215,975	0.51
2001	\$ 109,336	\$ 0	\$ 109,336	\$ 60,000	\$ 155,925	\$ 215,925	0.51
2000	\$ 40,000	\$ 0	\$ 40,000	\$ 55,000	\$ 160,463	\$ 215,463	0.19

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

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

City of Euclid, Ohio
Principal Employers
2009 and 2006

2009		
Employer	Number of W-2 Issued	Percentage of Total City Employment
Lincoln Electric	2,416	10.16%
Cleveland Clinic	1,594	6.70%
Euclid Board of Education	1,379	5.80%
City of Euclid	686	2.88%
Cuyahoga County	552	2.32%
University Hospital Health System	519	2.18%
Argo Tech Corporation	434	1.82%
Babcock& Wilcox Nuclear Operations	249	1.05%
HC Starck Incorporated	245	1.03%
Hose Masters	244	1.03%
Total	<u>8,318</u>	<u>34.96%</u>
Total Estimated Employment within the City	<u>23,790</u>	

2006		
Employer	Employees	Percentage of Total City Employment
Lincoln Electric	2,771	11.65%
Euclid Board of Education	1,464	6.15%
Meridia Health Systems	1,282	5.39%
City of Euclid	680	2.86%
Cuyahoga County	598	2.51%
Argo Tech Corp.	437	1.84%
University Hospitals Health System	388	1.63%
Hose Masters	278	1.17%
Marine Mechanical Corp.	261	1.10%
GE Lighting, Inc.	160	0.67%
Total	<u>8,319</u>	<u>34.97%</u>
Total Employment within the City	<u>25,025</u>	

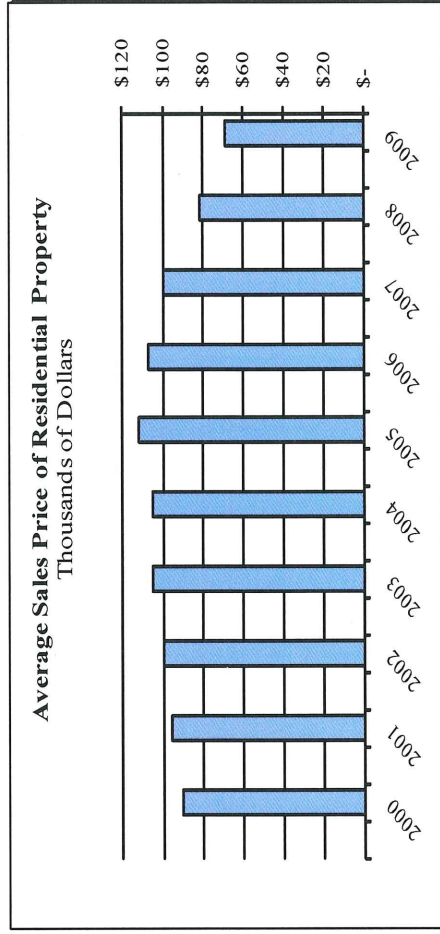
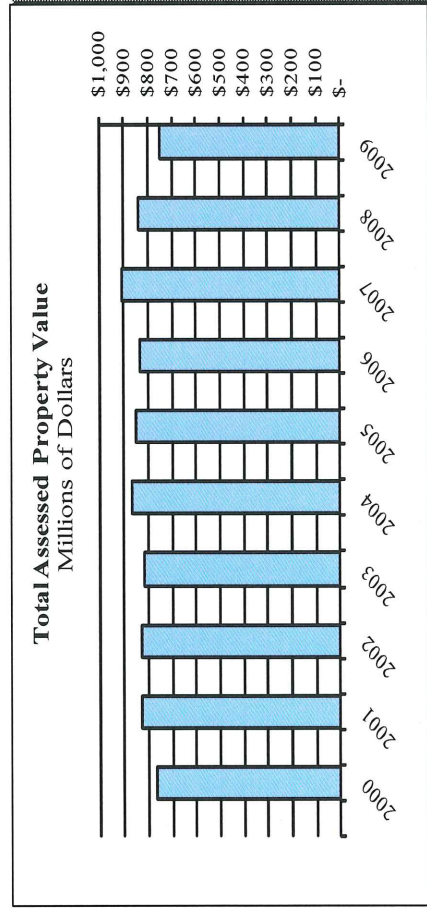
Source: City Income Tax Department

(1) Information prior to 2006 is not available

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

Year	Population (1)	Total Personal Income (\$)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)	Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Cuyahoga County Unemployment Rate (3)	Average Sales Price of Residential Property (4)	Total Assessed Property Value (4)
2009	52,717	\$ 1,036,627,088	\$ 19,664	\$ 35,151	38.9	19.6%	6,040	9.0%	\$ 69,136	\$ 749,989,650
2008	52,717	\$ 1,036,627,088	\$ 19,664	\$ 35,151	38.9	19.6%	6,042	7.1%	\$ 81,777	\$ 837,916,020
2007	52,717	\$ 1,036,627,088	\$ 19,664	\$ 35,151	38.9	19.6%	6,303	6.3%	\$ 99,664	\$ 904,734,233
2006	52,717	\$ 1,036,627,088	\$ 19,664	\$ 35,151	38.9	19.6%	6,414	5.7%	\$ 107,011	\$ 833,249,133
2005	52,717	\$ 1,036,627,088	\$ 19,664	\$ 35,151	38.9	19.6%	6,301	6.0%	\$ 111,934	\$ 850,325,160
2004	52,717	\$ 1,036,627,088	\$ 19,664	\$ 35,151	38.9	19.6%	6,021	6.7%	\$ 105,056	\$ 865,435,613
2003	52,717	\$ 1,036,627,088	\$ 19,664	\$ 35,151	38.9	19.6%	5,992	6.5%	\$ 104,931	\$ 816,485,001
2002	52,717	\$ 1,036,627,088	\$ 19,664	\$ 35,151	38.9	19.6%	5,891	4.7%	\$ 99,723	\$ 826,000,544
2001	52,717	\$ 1,036,627,088	\$ 19,664	\$ 35,151	38.9	19.6%	6,051	3.7%	\$ 95,643	\$ 828,468,557
2000	52,717	\$ 1,036,627,088	\$ 19,664	\$ 35,151	38.9	19.6%	5,970	3.4%	\$ 90,300	\$ 768,218,306

- (1) Source: U. S. Census
 (a) Years 2000 through 2009 - 2000 Federal Census
 (b) Years 1997 through 1999 - 1990 Federal Census
 (2) Source: Ohio Department of Education Website: "<http://www.ode.state.oh.us/>"
 (3) Source: County Planning Commission
 (4) Source: County Auditor
 (5) Computation of per capita personal income multiplied by population



City of Euclid, Ohio
Full-Time Equivalent City Government Employees by Function/Program
Last Eight Years (1)

Function/Program	2009	2008	2007	2006	2005	2004	2003	2002
General Government								
Council	11	11	11	11	11	11	11	11
Finance	15	16	15	13	13	13	17	20
Tax	10	10	10	7	7	0	0	0
Mayor	22	24	24	24	24	25	26	29
Law	10	9	9	10	8	8	7	10
Municipal Court	28	26	26	23	27	26	26	26
Public Service Administration	7	6	6	6	6	6	6	8
Engineer	2	3	3	3	3	3	3	4
Public Building	10	10	10	9	10	10	11	12
Security of Persons and Property								
Police	96	99	95	95	95	95	95	98
Police - Administration	11	9	7	7	7	7	8	15
Police - Records Room	6	6	6	6	5	5	6	7
Police - School Guards	11	10	10	10	10	10	13	12
Police - Communications	16	17	16	15	14	16	18	19
Police - Corrections	28	38	38	36	32	38	40	36
Police - Animal Control	2	3	2	2	2	3	4	6
Fire	79	82	82	80	77	78	82	83
Leisure Time Activities								
Recreation - Administration	4	5	4	4	4	4	4	5
Parks & Rec Maintenance	14	15	14	17	16	16	22	26
Recreation - Programs	75	75	75	75	75	88	119	129
Shore Cultural Center	0	4	4	4	4	4	5	5
Golf Course	27	34	34	34	33	31	32	34
Community Development								
Economic Development	6	8	7	6	5	7	7	8
Building	5	4	4	3	2	2	3	6
Housing	12	13	11	10	10	7	10	11
Weatherization	5	6	6	6	7	6	7	7
Senior Programs	15	23	21	20	21	22	25	29
Transportation								
Motor Maintenance	12	12	12	12	12	12	14	14
Traffic Maintenance	4	4	4	4	4	4	4	5
Street M&R	29	27	25	23	23	24	26	37
Basic Utility Services								
Wastewater	43	43	43	44	44	42	44	44
Totals:	<u>615</u>	<u>652</u>	<u>634</u>	<u>619</u>	<u>611</u>	<u>623</u>	<u>695</u>	<u>756</u>

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

(1) Information prior to 2002 is not available

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

Function/Program	2009	2008	2007	2006	2005	2004	2003	2002
General Government								
<i>Council and Clerk</i>								
Number of Ordinances & Resolutions Passed	218	250	258	220	202	229	246	242
<i>Finance Department</i>								
Number of checks/ vouchers issued	6,492	6,966	6,839	6,292	5,258	5,459	5,455	6,210
Amount of checks written	\$ 21,145,225	\$ 21,301,660	\$ 20,765,198	\$ 18,347,965	\$ 20,341,425	\$ 22,292,434	\$ 21,994,000	\$ 20,500,023
Interest earnings for fiscal year (cash basis)	\$ 578,273	\$ 970,513	\$ 1,393,041	\$ 968,963	\$ 488,302	\$ 323,793	\$ 286,042	\$ 564,599
Agency Ratings - Moody's Financial Services	A1	A1	A1	A1	A1	Aa3	Aa3	Aa3
Health Insurance Costs vs General Fund Expenditures %	9.89%	8.96%	8.81%	9.19%	9.04%	9.04%	9.19%	7.98%
General Fund Receipts (cash basis)	\$ 36,206,654	\$ 38,721,325	\$ 38,573,561	\$ 37,147,964	\$ 34,784,647	\$ 34,633,913	\$ 30,962,129	\$ 31,970,610
General Fund Expenditures (cash basis)	\$ 38,143,278	\$ 39,123,349	\$ 37,588,519	\$ 36,015,179	\$ 33,973,504	\$ 34,146,031	\$ 32,303,473	\$ 34,484,278
General Fund Cash Balances	\$ 1,689,062	\$ 3,625,687	\$ 4,027,711	\$ 3,042,669	\$ 1,909,884	\$ 1,098,740	\$ 647,842	\$ 2,202,957
<i>Income Tax Department</i>								
Number of Individual Returns	25,487	32,180	28,916	34,128	n/a	n/a	n/a	n/a
Number of Business Returns	2,958	2,928	2,638	2,853	n/a	n/a	n/a	n/a
Number of Business Withholding Accounts	3,043	3,050	3,117	3,131	n/a	n/a	n/a	n/a
Amount of Penalties and Interest Collected	\$ 501,077	\$ 658,185	\$ 562,411	\$ 533,448	n/a	n/a	n/a	n/a
Annual number of Corporate withholding forms processed	17,746	18,434	18,448	17,992	n/a	n/a	n/a	n/a
Annual number of balance due statements forms processed	6,484	7,779	6,914	7,033	n/a	n/a	n/a	n/a
Annual number of estimated payment forms processed	14,883	15,916	15,512	20,167	n/a	n/a	n/a	n/a
Annual number of reconciliations of withholdings processed	3,112	2,230	1,643	2,325	n/a	n/a	n/a	n/a
<i>Municipal Court</i>								
Number of Civil Cases	4,234	4,937	4,670	4,041	3,246	2,723	2,639	2,234
Number of Traffic/Criminal cases	7,510	8,718	7,573	6,398	5,908	7,801	8,363	7,942
<i>Vital Statistics</i>								
<i>Certificates Filed</i>								
Number of Births	2	1	2	2	4	0	4	na
Number of Deaths	430	491	406	440	512	529	553	na
<i>Certificates Issued</i>								
Number of Births	1,724	1,855	2,401	2,458	2,518	2,469	2,713	na
Number of Deaths	1,830	2,128	2,080	2,218	2,684	2,769	2,889	na
Burial Permits Issued	675	601	579	456	478	550	na	na
<i>Civil Service</i>								
Number of police entry tests administered	0	0	0	1	1	(a)	(a)	(a)
Number of fire entry tests administered	0	0	1	(a)	1	(a)	(a)	1
Number of police promotional tests administered	0	0	4	1	(a)	(a)	(a)	(a)
Number of fire promotional tests administered	0	3	0	4	(a)	1	(a)	2
Number of hires of Police Officers from certified lists	0	0	3	2	6	(a)	(a)	(a)
Number of hires of Fire/Medics from certified lists	0	0	5	(a)	12	(a)	(a)	0
Number of promotions from police certified lists	1	0	4	1	(a)	(a)	(a)	(a)
Number of promotions from fire certified lists	0	3	1	11	(a)	1	(a)	3

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

(Continued)

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

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

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

(Continued)

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

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

(Continued)

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

Function/Program	2009	2008	2007	2006	2005	2004	2003	2002
Wastewater Department								
Wastewater Rates for Water Consumption Based Customers (per 1000 MCF)								
Euclid	\$ 31.01	\$ 29.01	\$ 29.01	\$ 29.01	\$ 29.01	\$ 28.71	\$ 28.71	\$ 28.26
Cuyahoga County (So.Euclid, Highland Hts, Richmond Hts)	\$ 29.05	\$ 29.05	\$ 29.05	\$ 29.49	\$ 26.05	\$ 25.75	\$ 25.75	\$ 24.86
Willoughby Hills	\$ 24.16	\$ 24.16	\$ 24.16	\$ 24.16	\$ 24.16	\$ 24.16	\$ 24.16	\$ 24.16
Wastewater Rates for Wastewater Master Meter Customers (per 1000 Gallons)								
Wickliffe	\$ 1.73	\$ 1.73	\$ 1.73	\$ 1.73	\$ 1.73	\$ 1.73	\$ 1.73	\$ 1.73
Willowick	\$ 1.73	\$ 1.73	\$ 1.73	\$ 1.73	\$ 1.73	\$ 1.73	\$ 1.73	\$ 1.73
Wastewater Flow MGD								
Euclid	10.59	13.80	16.74	15.58	14.09	15.19	12.86	12.05
Wickliffe	1.92	2.14	2.36	2.60	2.51	2.38	2.51	2.15
Willowick	1.88	2.08	1.85	2.00	1.49	1.26	1.28	1.06
Total	<u>14.39</u>	<u>18.02</u>	<u>20.95</u>	<u>20.18</u>	<u>18.09</u>	<u>18.83</u>	<u>16.65</u>	<u>15.26</u>
Water Line Construction Fund								
Euclid (charges included with wastewater billing) (per 1000 MCF)	\$ 9.00	\$ 8.00	\$ 7.00	\$ 6.00	\$ 5.50	\$ 4.50	\$ 4.00	\$ 3.50
Wastewater Rates								
Wickliffe & Willowick (master metered per 1,000 GA)								
Operating, Maintenance & Repairs	\$ 1.39	\$ 1.39	\$ 1.39	\$ 1.39	\$ 1.39	\$ 1.39	\$ 1.39	\$ 1.39
Capital Costs	0.28	0.28	0.28	0.28	0.28	0.28	0.28	0.28
Lakeshore Trunk Sewer Line maintenance	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06
Total	<u>\$ 1.73</u>	<u>\$ 1.73</u>	<u>\$ 1.73</u>	<u>\$ 1.73</u>	<u>\$ 1.73</u>	<u>\$ 1.73</u>	<u>\$ 1.73</u>	<u>\$ 1.73</u>
Willoughby Hills (per MCF of water consumption)								
Operating, Maintenance & Repairs	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60
Capital Costs	4.08	4.08	4.08	4.08	4.08	4.08	4.08	4.08
Satellite Sewer Discharge Program services	0.48	0.48	0.48	0.48	0.48	0.48	0.48	0.48
Total	<u>\$ 24.16</u>	<u>\$ 24.16</u>	<u>\$ 24.16</u>	<u>\$ 24.16</u>	<u>\$ 24.16</u>	<u>\$ 24.16</u>	<u>\$ 24.16</u>	<u>\$ 24.16</u>
Cuyahoga County (So.Euclid, Highland Hts, Richmond Hts)								
Operating, Maintenance & Repairs	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60
Capital Costs	4.08	4.08	4.08	4.08	4.08	4.08	4.08	4.08
Satellite Sewer Discharge Program services	0.48	0.48	0.48	0.48	0.48	0.48	0.48	0.48
Equalization under billing (2nd quarter 2000)				0.44	0.44	0.44	0.44	
Equalization under billing (3rd quarter 2000)	1.94	1.94	1.94	1.94				
Meter Reading/Billing Charges (City of Cleveland)	1.45	1.45	1.45	1.45	1.45	1.15	1.15	0.70
Administrative Expenses (City of Euclid)	1.50	1.50	1.50	1.50	0.00	0.00	0.00	0.00
Total	<u>\$ 29.05</u>	<u>\$ 29.05</u>	<u>\$ 29.05</u>	<u>\$ 29.49</u>	<u>\$ 26.05</u>	<u>\$ 25.75</u>	<u>\$ 25.75</u>	<u>\$ 24.86</u>
Euclid								
Operating, Maintenance & Repairs	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60
Capital Costs	4.08	4.08	4.08	4.08	4.08	4.08	4.08	4.08
Peterson Construction Fund	5.88	3.88	3.88	3.88	3.88	3.88	3.88	3.88
Meter Reading/Billing Charges	1.61	1.45	1.45	1.45	1.45	1.15	1.15	0.70
Total	<u>\$ 31.17</u>	<u>\$ 29.01</u>	<u>\$ 29.01</u>	<u>\$ 29.01</u>	<u>\$ 29.01</u>	<u>\$ 28.71</u>	<u>\$ 28.71</u>	<u>\$ 28.26</u>

* Through June 30, 2009

Source: City Departments

(1) Information prior to 2002 is not available

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

Function/Program	2009	2008	2007	2006	2005	2004
General Government						
Square Footage Occupied	11,392	11,392	11,392	11,392	11,392	11,392
Administrative Vehicles	1	1	17	21	20	20
Inspection Vehicles	12	14	14	13	13	13
Municipal Court Vehicles	1	1	1	1	1	1
Lands & Buildings Vehicles	11	11	10	9	9	9
Police						
Stations	1	1	1	1	1	1
Mini-stations	2	2	2	2	1	0
Square Footage of Buildings	58,384	58,384	58,384	58,384	51,194	49,094
Vehicles	64	64	66	69	59	60
Fire						
Stations	3	3	3	3	4	4
Square Footage of Buildings	27,389	27,389	27,389	27,389	34,579	34,579
Vehicles	16	18	18	18	18	21
Recreation						
Number of Parks	3	3	3	3	3	3
Acres of Parks	106	106	106	106	106	106
Acres of Playgrounds/Recreation	254	254	254	254	254	254
Number of Playgrounds	18	18	18	18	18	18
Number of Tennis Courts	6	6	6	6	6	6
Number of Skateboarding Areas	1	1	1	1	1	1
Number of Baseball Diamonds	19	19	19	19	19	19
Number of Soccer Fields	7	7	7	7	7	7
Number of Swimming Pools	6	6	6	6	6	6
Number of Ice Rinks	1	1	1	1	1	1
Acres of Golf Course	126	126	126	126	126	126
Square Footage of Shore Center Building	153,525	153,525	153,525	153,525	153,525	153,525
Other Public Works						
Streets (miles)	143.065	143.065	143.065	143.065	143.065	143.065
Service Vehicles	43	40	35	35	33	32
Waste water						
Sanitary Sewers (miles)	262.38	262.38	262.38	262.38	262.38	262.38
Vehicles	10	11	20	13	13	13
Water Department						
Water Lines (miles)	139.65	139.65	139.65	139.65	139.65	139.65

Source: City Departments

(1) Information prior to 2004 is not available

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Mary Taylor, CPA
Auditor of State

CITY OF EUCLID

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
SEPTEMBER 28, 2010