OHIO LOCAL GOVERNMENT INNOVATION FUND

PROGRAM APPLICATION

Regional Consolidated Public Safety Dispatch Feasibility Study

MARCH 1, 2012

a collaborative application submitted by the cities of:

Beachwood
Euclid
Shaker Heights
South Euclid
University Heights

Lead Applicant

The City of South Euclid

Georgine Welo, Mayor

PLEASE NOTE:

The ***Five "Application Tabs"*** within this application *(Contact Information, Collaborative Partners, Project Information, Financial Documentation & Supporting Documents*) have been **bookmarked** within the PDF application for easy location and access.

1349 South Green Road ● South Euclid, Ohio 44121 ● 216.381.0400 ● www.cityofsoutheuclid.com

LOCAL GOVERNMENT INNOVATION FUND APPLICATION
REGIONAL CONSOLIDATED PUBLIC SAFETY
DISPATCH FEASIBILITY STUDY

TAB 1:

CONTACT INFORMATION

TAB 1: CONTACT INFORMATION

Name of Main Applicant:	The City of South Euclid Georgine Welo, Mayor
Address:	1349 South Green Road South Euclid, Ohio 44121
Phone:	216.381.0400 ext. 234
Fax:	216.381.0364
Primary Email Address:	knietert@sepolice.com kbenjamin@seuclid.com
Applicant Contact Information:	
Name:	Kevin Nietert, Chief of Police
Email:	knietert@sepolice.com
Alternate Contact Information:	
Name:	Keith Benjamin, Director of Community Services
Email:	kbenjamin@seuclid.com
County:	Cuyahoga
Population Data:	22,247 (2010 Census)

TAB 2:

COLLABORATIVE PARTNERS

TAB 2 COLLABORATIVE PARTNERS

Collaborative Partner #1	The City of Beachwood Merle S. Gorden, Mayor Mark Sechrist, Chief of Police
Address:	2700 Richmond Road Beachwood, Ohio 44122
Phone:	216.464.1234
Fax:	216.292.1954
Primary Email Address:	police@beachwoodohio.com
County:	Cuyahoga
Population Data:	11,936 (2010 Census)

Nature of Partnership:
The City of Beachwood City Council has approved legislation authorizing the City to join in the application to the Local Government Innovation Fund and signed a Memorandum of Agreement to conduct a Consolidated Public Safety Dispatch Study to assess whether it is feasible to consolidate communication centers and dispatch functions for the five participating Cuyahoga County partnership communities of Beachwood, Euclid, Shaker Heights, South Euclid and University Heights.

Documentation of executed partnership agreements is included in Tab 5: Supporting Documentation section of this application.

Collaborative Partner #2	The City of Euclid Bill Cervenik, Mayor Tom Brickman, Chief of Police
Address:	585 East 222nd Street Euclid, Ohio 44123
Phone:	216.731.1234
Fax:	216.289.8543
Primary Email Address:	TBrickman@cityofeuclid.com
County:	Cuyahoga
Population Data:	48,936 (2010 Census)

Nature of Partnership:
The City of Euclid City Council has approved legislation authorizing the City to join in the application to the Local Government Innovation Fund and signed a Memorandum of Agreement to conduct a Consolidated Public Safety Dispatch Study to assess whether it is feasible to consolidate communication centers and dispatch functions for the five participating Cuyahoga County partnership communities of Beachwood, Euclid, Shaker Heights, South Euclid and University Heights.

Documentation of executed partnership agreements is included in Tab 5: Supporting Documentation section of this application.

Collaborative Partner #3	The City of Shaker Heights Earl Leiken, Mayor Scott Lee, Chief of Police
Address:	3400 Lee Road Shaker Heights, Ohio 44120
Phone:	216.491.1220
Fax:	216.491.1465
Primary Email Address:	Scott.Lee@shakeronline.com
County:	Cuyahoga
Population Data:	28,417 (2010 Census)

Nature of Partnership:
The City of Shaker Heights City Council has approved legislation authorizing the City to join in the application to the Local Government Innovation Fund and signed a Memorandum of Agreement to conduct a Consolidated Public Safety Dispatch Study to assess whether it is feasible to consolidate communication centers and dispatch functions for the five participating Cuyahoga County partnership communities of Beachwood, Euclid, Shaker Heights, South Euclid and University Heights.

Documentation of executed partnership agreements is included in Tab 5: Supporting Documentation section of this application.

Collaborative Partner #4	The City of University Heights Susan Infeld, Mayor Steve Hammett, Chief of Police
Address:	2300 Warrensville Center Road University Heights, Ohio 44118
Phone:	216.932.1800
Fax:	216.932.8531
Primary Email Address:	shammett@universityheights.com
County:	Cuyahoga
Population Data:	13,592 (2010 Census)

Nature of Partnership:
The City of University Heights City Council has approved legislation authorizing the City to join in the application to the Local Government Innovation Fund and signed a Memorandum of Agreement to conduct a Consolidated Public Safety Dispatch Study to assess whether it is feasible to consolidate communication centers and dispatch functions for the five participating Cuyahoga County partnership communities of Beachwood, Euclid, Shaker Heights, South Euclid and University Heights.

Documentation of executed partnership agreements is included in Tab 5: Supporting Documentation section of this application.

TAB 3:

PROJECT INFORMATION

TAB 3 PROJECT INFORMATION

The "Regional Consolidated Public Safety Dispatch Feasibility Study" is a ***shared-service partnership approach to innovation*** between the Beachwood Police Department, Euclid Police Department, Shaker Heights Police Department, South Euclid Police Department, and the University Heights Police Department.

The study is intended to address the feasibility of merging or sharing communication centers and dispatch functions, while maintaining or improving the existing level of service each community provides at less than or equal to the current cost. The six-month study will be conducted by the Center for Public Management at the Maxine Goodman Levin College of Urban Affairs at Cleveland State University for a projected cost of $63,096.

The Cities of Beachwood, Euclid, Shaker Heights, South Euclid, University Heights are located in the northeast corner of Cuyahoga County, Ohio. 2010 combined population totals approximately 125,155 residents within a geographic area of 28.38 square miles. Each of the cities has their own police, fire and emergency medical service divisions. Beachwood, Euclid and South Euclid provide their own dispatch services for law enforcement and fire. Shaker Heights and University Heights provide their own law enforcement dispatch, and while they both contract with EastComm for fire dispatch services, they are willing to consider consolidating all of their communication and dispatch functions within one center.

Problem Statement/Response to Economic Demand/Economic Impact

The proposed study is responding to current substantial changes in economic demand for regional and collaborative services, as a result of urban sprawl and the ongoing economic recession. The emergency dispatch center is an example where consolidation and/or sharing of services by several communities may reduce costs and increase efficiencies, while still upholding a high level of service that our residents expect. Since 2009 Calls for Emergency Service for the five-city collaborative have increased from 103,804 calls for service in 2009 to 135,732 calls for service in 2011 – straining staffing and economic capacity for individual communities.

Maintaining high levels and quality of safety services is also critical to maintaining our communities as vital and safe places to live and work. The quality of safety services we provide has a direct impact on promoting a better business environment and facilitating economic retention and attraction.

However, difficult financial conditions pose challenges to local governments to continue levels of service with reduced resources. As a result, thoroughly examining all aspects of municipal operations is prudent to meet these challenges, and regionalizing dispatch services is an example of where consolidation of services could save taxpayer dollars, reduce costs, modernize technology, and continue to meet the public safety and governmental needs of our communities.

Project Description
The Regional Consolidated Public Safety Dispatch Study will assess the feasibility of developing a consolidated or shared public safety dispatch center for the cities of Beachwood, Euclid, Shaker Heights, South Euclid, and University Heights. The goal of the study is to assess if consolidation or shared services will reduce staffing costs, duplication of services, and redundant capital expenses. The study will also consider how centralization will reduce the physical blueprint of dispatch operations and reduce other costs, including utilities and communications equipment.

Return on Investment
The proposed shared-services study will assess and identify: any legal impediments in the creation and implementation; staffing analysis to show if a consolidated dispatch center will reduce overall staffing; cost analysis for overall staffing and capital costs; costs of consolidation and investment in modern equipment and communications networks to ensure interoperability and system resiliencies.

The study will determine if the proposed investment in high quality equipment, facilities and staff, and the level and quality of service provided by a consolidated dispatch center will exceed those currently being supplied by the individual communities, and how, if centralized, will benefit from economies of scale that result in a lower cost per call dispatched. The study will determine expected return on investment, however, based on initial evaluation, a return of between 25% and 74% is expected.

Past Success on Innovation & Collaboration/Probability of Success
Probability of success is based on a memorandum of understanding signed by all five community police departments with the clear expectation that the intended collaboration between the Beachwood Police Department, Euclid Police Department, Shaker Heights Police Department, South Euclid Police Department, and University Heights Police Department will result in more efficient and effective service delivery, in addition to seeking to promote collaboration, merger, and shared services among local governments.

In addition, the five communities' have successfully collaborated in the formation of the ***Eastside Departments Group Enforcement (EDGE***) program. Through an agreement signed in March 2011, these communities formed EDGE to provide for cooperation between the participating cities in the provision of police services, assistance, and protection, in order to enhance the protection of life, limb, and property, and the reduction of crime and subversive activities in the respective communities. This includes more costly, but rarely used (but necessary) resources such as a shared Special Weapons And Tactics (SWAT) team, Hostage Negotiations, Snipers, Accident Investigation Unit, etc.

Replicability
The five-city collaborative includes a great diversity in terms of population size, socio-economic demographics and economic tax base. The feasibility study will be utilized to determine how communities of differing sizes and capacities can successfully work together to provide shared services, with efficiencies for all. Upon implementation, the project will serve to document both successes and challenges facing service consolidation – clearing the way for successful regional implementation by other communities.

LOCAL GOVERNMENT INNOVATION FUND APPLICATION
REGIONAL CONSOLIDATED PUBLIC SAFETY
DISPATCH FEASIBILITY STUDY

TAB 4:

FINANCIAL INFORMATION

TAB 4: FINANCIAL INFORMATION

REGIONAL CONSOLIDATED PUBLIC SAFETY DISPATCH FEASIBILITY STUDY

The request is for $63,096 from the Local Government Innovation Fund to fund the Regional Consolidated Public Safety Dispatch Feasibility Study to be administered by the Center for Public Management of the Maxine Goodman Levin College of Urban Affairs at Cleveland State University to assist the Cities of Beachwood, Euclid, Shaker Heights, South Euclid and University Heights in assessing the feasibility of consolidating public safety dispatch functions for police, fire and emergency medical services (EMS). Anticipated project costs are detailed below:

Anticipated Project Costs

Personnel:	
Project Management, Research	$22,658
Fringe benefits	$ 9,642
Total Personnel	**$39,300**
Operating:	
Contract Services	$ 8,000
Supplies and Travel	$ 280
Total Operating	**$ 8,280**
Total Direct Costs (TDC)	$47,580
Indirect Costs (20% of TDC)	$ 9,516
City Administrative Staff Costs (in-kind contribution)	$ 6,000
TOTAL PROJECT COST	**$63,096**

Explanation of Financial Projections

The application to the LGIF is for a feasibility study, which will identify anticipated savings that would occur as a result of the regional consolidation. The study will determine expected return on investment, however, based on initial evaluation, a return of between 25% and 74% is expected.

Three-Year Financial History

The following pages include Comprehensive Annual Financial Reports for the most recent audited three years for the Cities of Beachwood, Euclid, Shaker Heights, South Euclid and University Heights.

CITY OF SOUTH EUCLID, OHIO

COMPREHENSIVE

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2010

ISSUED BY THE DEPARTMENT OF FINANCE

Joseph G. Filippo, CPA

FINANCE DIRECTOR

City of South Euclid, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2010
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CITY OF SOUTH EUCLID

FINANCE DEPARTMENT
Joseph G. Filippo, CPA
Director of Finance

May 19, 2011

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

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

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

Under Ohio law, regular audits are required to be performed on all financial related operations of the City. These audits may be done by either the State Auditor's Office or, if the State Auditor permits, an independent public accounting firm. For the year 2010, the City of South Euclid was audited by James G. Zupka, CPA Inc. Their unqualified opinion is included in the financial section of this report.

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

Reporting Entity

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

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

The City is a member of the Northern Ohio Risk Management Association, a shared risk pool. In addition, the City participates in the Tri-City Consortium on Aging and the YMCA of Greater Cleveland/South Euclid-Lyndhurst Recreation Commission which have been determined to be joint ventures and the

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Northeast Ohio Public Energy Council, the First Suburbs Consortium of Northeast Ohio Council of Governments and the Heights Area Special Rescue Team which are jointly governed organizations. The shared risk pool, joint ventures and the jointly governed organizations are discussed in Notes 10, 20 and 21 to the basic financial statements.

Form of Government

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

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

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

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

City Services

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

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

Economic Condition and Outlook

The City is primarily a residential community with a preponderance of single family homes. A major medical facility, University Suburban Health Care, provides quality health care to South Euclid residents as well as to our neighboring communities. South Euclid is home to Notre Dame College, a private, four-year institution of higher learning. The following industries are also vital to the City’s financial condition and contribute to the stable economic condition of the City: AeroControlex Group Inc., Division of TransDigm, Inc. is a Fortune 500 company which manufactures custom components for the aerospace industry; Rochling Glastic Composites, LP manufactures thermoset polymers used in appliances.

The City's retail shopping and business districts serve as important tax contributors and pedestrian friendly shopping areas for residents. The continuing revitalization of some of South Euclid's older and obsolete business districts serve to help maintain and revitalize adjacent neighborhoods. A few of the vacant spaces saw rebirth during the year with the introduction of Guy's Pizza and the renovation of a vacant restaurant building which was the old Lobster Pot. That building is being transformed as a new commercial space and currently on the market for lease.

The Mayfield-Green Shopping District houses more than a dozen national and local retail stores including: CVS Pharmacy, Marc's Discount Store, Phoenix Coffee Shop, Cheek-to-Cheek Dance Studio, Eat at Joes, South Euclid Hardware, Amir's Foods, Key Bank and other restaurants and shops, including a Giant Eagle Supermarket. The District's location to the growing Notre Dame College campus, University Suburban Health Center, and Senders Pediatric Health Center has contributed to continuing signs of building revitalization and storefront renovation.

Cedar Center North, once a blighted and obsolete retail strip, has been demolished and previous contamination of the brownfield site has been remediated. In April 2011, construction of the first phase of the new Cedar Center North Shopping District began with new national anchor, Gordon Foods Marketplace. The project's first phase is expected to be fully under construction in 2011 and 2012 and will include over 50,000 square feet of local and national retail and restaurants. Phase One developer Coral Company, revitalized the south side of the Cedar Center District located in University Heights, which is anchored by Whole Foods Market and CVS. Smaller neighborhood-based shopping districts are located throughout the City serve the needs of residents and small businesses, including the Glengate, Glenmont and Cedar-Green Shopping areas.

AeroControlex Group Inc. completed the expansion to their existing facility. As a result of acquiring another company, a 7,500 square foot expansion of office space was required to house 40 new employees that were relocated to the City.

Arby's and Taco Bell restaurants both had their existing locations undergo exterior renovations to bring both locations up to the architectural standards of the new corporate images for these buildings. There were two large interior renovation projects which included the interior renovation on an existing Key Bank building and a new Car Parts Warehouse which moved into a vacant commercial building.

Proposed new retail continues with the purchase of the South Euclid portion of the closed Oakwood Country Club by real estate developer First Interstate Properties. Oakwood Country Club is located on Warrensville Center Road between Cedar and Mayfield Roads and the property lies in portions of South Euclid and Cleveland Heights. First Interstate has proposed the development of approximately 40 acres of the 61 acres that reside in South Euclid. The proposed $45 million retail project is estimated to generate over $2 million a year for the City and Schools. The developer has submitted an application for rezoning request, which is currently under public review.

Notre Dame College continues to grow their campus and student population and holds the distinction of being one of the fastest growing colleges in the country. They acquired the former Regina High School building to further expand their classroom and office space as part of the continued growth of the college. College enrollment has grown from several hundred to several thousand in the last decade, spurring the creation of new academic and athletic programs and acceptance into the NCAA. Notre Dame recently completed a new dormitory in order to meet the College's growing enrollment. As one of the City's largest employers, Notre Dame College also serves as one of the City's community partners, collaborating with the City on major events and activities for residents.

The City's residential areas are home to a diversity of housing types from pre-World War II era colonials and farmhouses, 1950's style bungalows and thousands of homes built between 1960 and the 1980's. In the last decade, the City has continued to provide for the demand for new housing and several new developments as well as the construction of some infill homes. While there has been an increase in vacant homes as a result of the housing and foreclosure crisis and economic recession, homeowners continue to carefully maintain their properties and the City has been proactive in providing a mix of new programs and enhanced codes to both

enforce and remediate the negative effects of the nationwide economic downturn. To encourage individual upkeep, the City continues to administer its exterior residential inspection program. The program establishes minimum standards governing the maintenance of dwelling structures, which allows the City to work to create neighborhoods that are enjoyable to inhabit.

Without the support of caring property owners, the goals of the program could not be reached. Each year, a specific area of the City is selected for inspection with an annual average of 1,500 home inspections. Additionally, the City has strengthened housing codes and increased enforcement of rental properties and vacant buildings to help ensure the stability of the City's diverse neighborhoods. With an increase in foreclosed properties throughout our region, many efforts have been focused on vacant and abandoned properties.

One example of the City's response to the housing and foreclosure crisis is the creation of the City's Green Neighborhoods Initiative, a federal National Stabilization Program funded project that utilizes green-building techniques to rehabilitate troubled residential properties. The innovative neighborhood revitalization strategy is also funded through competitive grants. The initiative has two main components: the purchase, rehab and resale of vacant and abandoned homes and the creation of community gardens and community green space. The first objective is buying vacant, foreclosed and abandoned homes. The homes purchased by the City will be rehabbed in an innovative way using green building techniques and universal design to accommodate first floor living and all life phases. Once completed, these revitalized homes will be resold to qualified owner-occupants. The City also plans to build a new green and sustainable designed home on a former vacant property. Construction of the new home is expected to begin in 2011. In addition the Green Neighborhoods Initiative has constructed three successful Community Gardens and is working on the development of additional neighborhood pocket parks.

Long term financial planning

The general fund balance decreased from the previous year in 2010. The net change in fund balance for the general fund was ($408,681) which represents a 9.00 percent decrease. The general fund balance was still a healthy $4,129,806.

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

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

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

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

Relevant financial policies

The City uses the City income tax to run its daily operations. All of the income tax goes into the general fund. When needed the general fund will subsidize other funds where revenue collected is not enough to cover their expenses. Funds that may receive a transfer include the safety forces vehicle, sewer

rehabilitation, general capital improvements, road improvement and the flood control capital projects funds. All transfers are approved by City Council.

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

Major Initiatives

For the Year In 2010, the City of South Euclid continued its commitment to provide quality services and facilities to the City's residents. Emphasis continued to be placed on the maintenance and improvement of the City's infrastructure, specifically streets and sewers. The City also continued its traditional annual road resurfacing program. Through the combination of the road improvement fund and the flood control fund 6 streets were able to be reconstructed or resurfaced. There were also a number of roads where preventative maintenance work was performed. Over $600,000 was spent from the road improvement fund and over $1,300,000 was spent from the flood control fund.

In 2009 the City of South Euclid entered into a joint economic development agreement with the City of Cleveland whereby the City of Cleveland has assumed ownership, including capital improvement and repair responsibilities, for the public water mains within the City of South Euclid, in return for South Euclid sharing a portion of any tax revenue that would be generated by any business that might relocate from Cleveland to South Euclid. Under this agreement South Euclid can elect to replace failing water mains under a municipal public bidding and contract process. The cost of this, including engineering and supervision, is then eligible for reimbursement by the City of Cleveland. In 2010, a new fund entitled Water Distribution Infrastructure fund was established to account for these projects. $966,000 was spent for water main replacement in 2010. There are also projects scheduled for 2011.

There were a couple of major projects for 2010 that included replacement or renovation of various infrastructure assets within the City. Five roads and water mains were replaced with the inception of the above mentioned new fund. South Green Road was overhauled at a cost of over $550,000. The Maplegrove project was completed and the Cedar Center infrastructure project was started.

Although home construction has slowed down on a nationwide level, the Planned Unit Residential Development, (PURD), known as Cutter's Creek, still built a few units in 2010. The entire development is planned with 46 units. To date, 33 of those units are being constructed.

Two new police cars were purchased and outfitted with all the new equipment and computers. The Police Department also purchased a new state of the art electronic fingerprint machine at a cost of about $28,000. The police firing range renovation was also completed in 2010. That project was partially funded by ARRA stimulus money. The Service Department purchased a used dump truck to help replenish the aging vehicles that the City owns. The City also purchased a new server and is in the process of updating the aging computers throughout City Hall. The Court had upgraded security for the Court room by installing a metal detector and having an officer present during all Court proceedings.

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

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

The redevelopment of the Cedar Center area is expected to continue progressing and will include over 50,000 square feet of local and national retail and restaurants.

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

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

Other Information

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of South Euclid for its comprehensive annual financial report for the fiscal year ended December 31, 2010. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgements

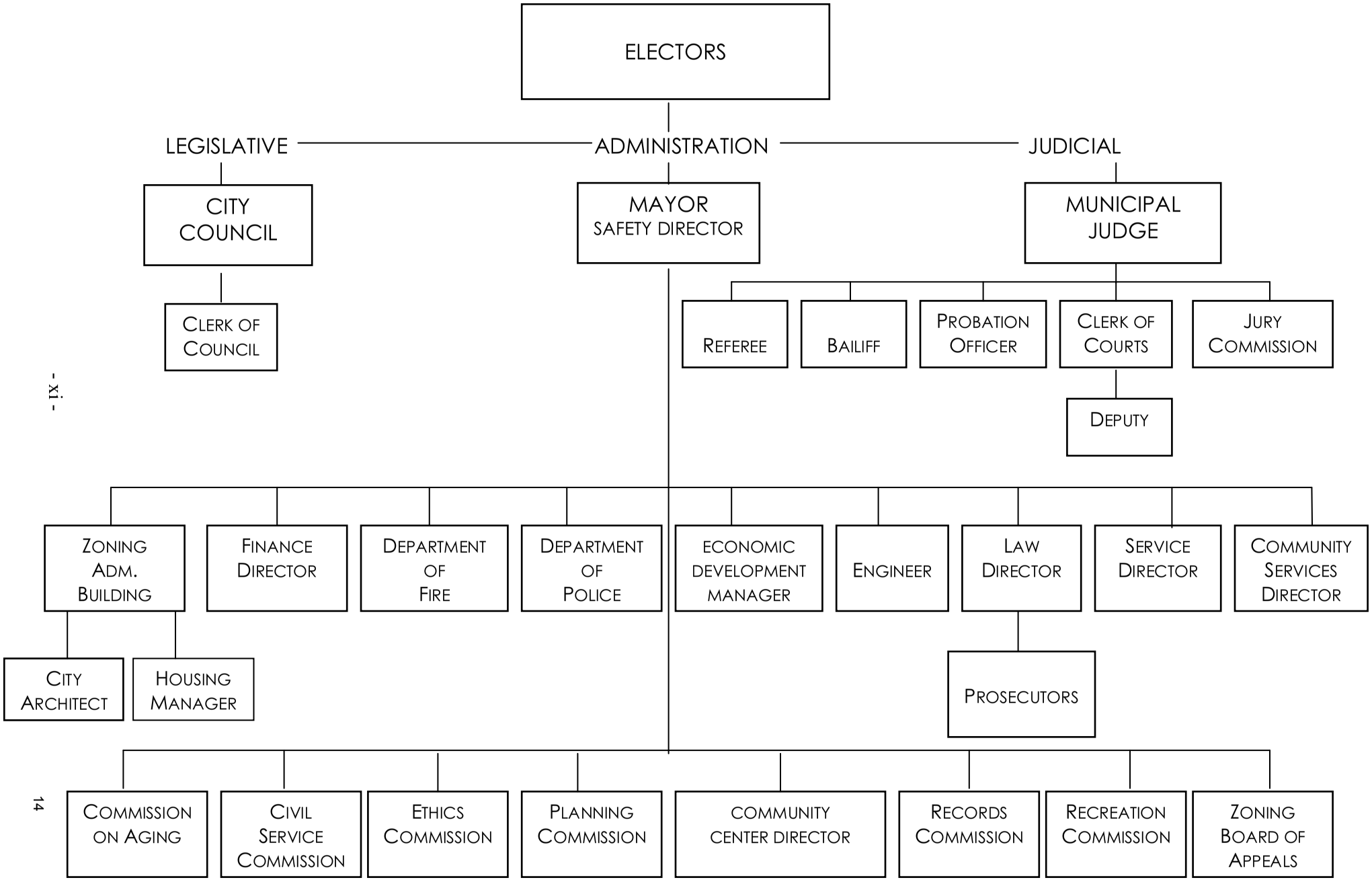
The preparation of this report would not be possible without the diligent and extra work by our Finance Department staff. I appreciate their efforts. Appreciation is also expressed to all City Hall Department Heads and Superintendents for their cooperation and assistance. In addition, my gratitude and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

Respectfully submitted,

Georgine Welo
Mayor

Joseph G. Filippo, CPA
Finance Director

City of South Euclid
Organization Chart



CITY OF SOUTH EUCLID

ELECTED AND APPOINTED CITY OFFICIALS

HONORABLE MAYOR GEORGINE WELO

CITY COUNCIL

Dr. David B. Miller, President, At Large

Modestino Romeo, Ward 2

Ruth Gray, Ward 1

Tony Caroscio, At Large

Dennis Fiorelli, At Large

Edward A. Icove, Ward 3

Jane Goodman, Ward 4

MUNICIPAL JUDGE

Patricia A. Kleri

APPOINTED OFFICIALS

Joseph G. Filippo, Director of Finance

Michael Lograsso, Director of Law

James Anderson, Active Director of Service

Paul Kowalczyk, Building Commissioner

Kevin Nietert, Chief of Police

Rick Huston, Chief of Fire

Andrew K. Blackley, City Engineer

Edward J. Gallagher, Director of Economic Development

Meg Martines, Director of Community Center

Keith A. Benjamin, Director of Community Services

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of South Euclid
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2009

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

President

Executive Director

JAMES G. ZUPKA, C.P.A., INC.
Certified Public Accountants
5240 East 98th Street
Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants (216) 475 - 6136 Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

The Honorable Dave Yost
Auditor of State
State of Ohio

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of South Euclid, Cuyahoga County, Ohio, as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of South Euclid, Ohio's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of South Euclid, Ohio, as of December 31, 2010, and the respective changes in financial position, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 5, the City adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and restated the December 31, 2009 fund balance of the General Fund and the nonmajor governmental funds due to a change in fund structure.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 19, 2011, on our consideration of the City of South Euclid, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

James G. Zupka, CPA, Inc.

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

May 19, 2011

The discussion and analysis of the City of South Euclid's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2010. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers are encouraged to consider information presented here in conjunction with the additional information contained in the transmittal letter, as well as the basic financial statements and the notes to the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

- The assets of the City of South Euclid exceeded its liabilities at December 31, 2010. Of this amount, the unrestricted net assets may be used to meet the City's ongoing obligations to citizens and vendors.

- Total liabilities decreased from 2009 to 2010 due to the continued pay down of outstanding debt obligations.

- Despite the slow economy, Cutter's Creek, the Planned Unit Residential Development, built five more units during 2010, bringing the total to 33 units.

- The second-largest shopping area in the City is located at Cedar Road between Warrensville and Fenwick Roads. The 10+ acres of property the City purchased for a mixed-use residential, business and retail project is currently in the retail and residential development phase of the site plan development. The City has a developer's agreement with the Coral Company who is in the process of submitting site plans.

Using this Annual Financial Report

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

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

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

Statement of Net Assets and the Statement of Activities

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

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

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

Reporting the City of South Euclid's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

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

As noted earlier, the Statement of Net Assets looks at the City as a whole and can be used as an indicator of the City's financial position. Table 1 provides a summary of the City's net assets for 2010 compared to 2009.

Table 1
Net Assets

	Governmental Activities		
	2010	2009	Change
Assets			
Current and Other Assets	$44,163,176	$42,437,769	$1,725,407
Capital Assets, Net	43,919,740	43,337,342	582,398
Total Assets	88,082,916	85,775,111	2,307,805
Liabilities			
Current Liabilities	25,776,658	8,940,363	(16,836,295)
Long-Term Liabilities:			
Due Within One Year	1,394,688	1,488,114	93,426
Due in More Than One Year	12,243,900	29,451,446	17,207,546
Total Liabilities	39,415,246	39,879,923	464,677
Net Assets			
Invested in Capital Assets, Net of Related Debt	33,940,171	32,938,396	1,001,775
Restricted for:			
Capital Projects	8,191,218	6,012,190	2,179,028
Debt Service	674,337	817,326	(142,989)
Street Maintenance	330,710	238,023	92,687
Street Lighting	428,838	437,834	(8,996)
Sewer Maintenance	390,003	435,148	(45,145)
Other Purposes	1,145,337	851,859	293,478
Unrestricted	3,567,056	4,164,412	(597,356)
Total Net Assets	$48,667,670	$45,895,188	$2,772,482

Total assets increased from 2009 to 2010 due to an increase in capital assets, net of depreciation and from increases in current and other assets in cash, accounts receivable and materials and supplies inventories. Cash increases can be attributed to revenues exceeding expenses and the increase in inventories is from an effort on management's part to conserve.

Total liabilities decreased due to the continued pay down of outstanding debt obligations and a decrease in construction projects which resulted in a reduction in contracts payable. Current liabilities increased and due in more than one year decreased due to the change in notes from long-term to short-term liabilities.

Table 2 shows the changes in net assets for the years ended December 31, 2010 and 2009 and corresponds to the Statement of Activities on page 13.

Table 2
Changes in Net Assets

	Governmental Activities		
	2010	2009	Change
Revenues			
Program Revenues:			
Charges for Services and Operating Assessments	$4,631,318	$4,541,380	$89,938
Operating Grants	1,354,082	1,262,066	92,016
Capital Grants	1,987,926	95,906	1,892,020
Total Program Revenues	7,973,326	5,899,352	2,073,974
General Revenues:			
Property Taxes	4,915,386	5,575,441	(660,055)
Income Taxes	8,151,305	8,332,487	(181,182)
Grants and Entitlements	2,344,675	2,143,984	200,691
Interest	71,301	155,891	(84,590)
Gain on Sale of Capital Assets	6,447	0	6,447
Miscellaneous	668,973	500,572	168,401
Total General Revenues	16,158,087	16,708,375	(550,288)
Total Revenues	24,131,413	22,607,727	1,523,686
Program Expenses			
General Government:			
Legislative and Executive	2,388,528	2,653,976	265,448
Judicial System	528,283	571,587	43,304
Security of Persons and Property:			
Police	5,341,130	5,566,689	225,559
Fire	4,354,968	4,389,709	34,741
Public Health Services	127,799	129,249	1,450
Leisure Time Activities	368,780	356,693	(12,087)
Community Development	215,342	244,319	28,977
Building Department	654,922	743,044	88,122
Transportation	2,945,127	3,318,990	373,863
Basic Utility Services	3,173,606	2,464,808	(708,798)
Swimming Pools	339,938	406,544	66,606
Interest and Fiscal Charges	920,508	1,185,865	265,357
Total Program Expenses	21,358,931	22,031,473	672,542
Increase in Net Assets	2,772,482	576,254	2,196,228
Net Assets Beginning of Year	45,895,188	45,318,934	576,254
Net Assets End of Year	$48,667,670	$45,895,188	$2,772,482

Program revenues increased in 2010 due to a greater amount of capital grants being received. General revenues decreased mainly due to decreases in property tax, income tax and interest revenues which can be contributed to the overall poor economic condition and lower rates of return on the City's investments. City's management, through careful fiscal planning, was able to reduce total program expenses.

Governmental Activities

Several revenue sources fund our governmental activities with the City income tax being the largest contributor. The City's income tax rate was 1.5 percent from 1984 through 2005. In August 2005 the voters of South Euclid passed an income tax rate increase to 2.00 percent. The new rate of 2.00 percent became effective January 1, 2006. Residents of the City who work in another community receive a 0.75 percent credit on income earned outside the City and paid to another municipality. In prior years, the City has experienced a decline in income tax collections. The City remains committed to collecting all taxes due to it and during 2010 working in conjunction with the Regional Income Tax Agency to identify and assess individuals who were delinquent in filing their income tax returns. Property tax revenues decreased in 2010 but remained the City's second largest source of revenues. Revenues from grants and entitlements represented approximately 10 percent of total governmental revenues. These funds are received from the State of Ohio in the form of local government assistance and estate taxes.

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

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

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

The City's Funds

Information about the City's major funds starts on page 14. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had an increase in total revenues and expenditures from 2009. Revenues were up due to greater intergovernmental revenues in the form of grants. Expenditures were increased due to additional debt payments being made during 2010. The general fund experienced a significant drop in revenues from 2009 in property taxes, income taxes and interest from the poor economic situation. The City proactively reduced general fund expenditures with the largest savings in general government and security of persons and property. General fund revenues exceeded expenditures, however as a result of a large transfer to other restricted funds, the general fund balance decreased from 2009.

During 2010, the flood control capital projects fund balance increased as a result of the City spending less on capital projects during the year. During 2010, the land acquisition capital projects fund balance decreased due to the payment of principal and interest expenditures for the bond anticipation notes. During the year, the City issued and retired bond anticipation notes. This activity is reflected in the land acquisition capital projects fund.

General Fund Budgeting Highlights

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

During the course of 2010, the City amended its general fund budget numerous times. The actual revenue amount was more than the final budget. This variance is made up of higher than expected income tax and property tax collections. It also includes unanticipated nuisance abatement collections and court fees. Final appropriations exceeded actual expenditures. This variance was due primarily to the conservative budgeting techniques of the City and a concerted effort to reduce spending at the end of the year.

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

Capital Assets and Debt Administration

Capital Assets

Table 3 shows 2010 balances of capital assets as compared to 2009.

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

	Governmental Activities	
	2010	2009
Land	$1,182,897	$1,182,897
Construction in Progress	0	945,127
Buildings and Improvements	2,667,121	2,916,993
Equipment	536,151	409,507
Vehicles	1,291,524	1,477,459
Infrastructure		
Streets	13,275,670	13,446,170
Bridges, Sewers and Culverts	22,372,339	21,055,725
Waterlines	2,550,864	1,859,335
Traffic Signals	43,174	44,129
Total Capital Assets	$43,919,740	$43,337,342

The increase in capital assets was primarily due to the construction and renovation of various infrastructure assets within the City, including the South Green Road project, the Water Main Replacement project, the completion of the Maplegrove project and the Cedar Center Infrastructure project.

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

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

The City Engineer maintains a comprehensive listing of all the streets, sewer and water lines and bridges and culverts within the City. Each spring, this inventory is updated with current conditions and recommendations made for repair or replacement. As mentioned before, the City has been very aggressive in pursuing funding to assist in the financing of infrastructure projects. For more information about the City's capital assets, see Note 12 to the basic financial statements.

Long-Term Obligations

Table 4 summarizes the long-term obligations outstanding.

Table 4
Outstanding Long-Term Obligations at Year End

	Governmental Activities	
	2010	2009
General Obligation Bonds	$6,083,267	$7,078,990
Special Assessment Bonds	190,000	230,000
OPWC Loans	2,235,704	1,869,186
OWDA Loans	1,724,826	1,810,714
Notes	2,001,739	18,558,639
Police and Fire Pension Liability	295,528	302,301
Capital Lease	217,631	254,052
Compensated Absences	889,893	835,678
Total	$13,638,588	$30,939,560

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

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

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

The OPWC loans represent five, twenty-year zero-interest loans. The OPWC loan's repayment source is service assessments being collected in the flood control fund. In fiscal year 2008, the City began the Nine Mile Creek Rehabilitation OPWC project; and in fiscal year 2010, the City began the Cedar Center OPWC

project, and as of December 31, 2010 neither of the projects were finalized. Therefore, the repayment schedules are not included in the schedule of debt service payments.

The $2,000,000 Land Acquisition Bond Anticipation notes issued September 29, 2010 at 1.00 percent and outstanding at December 31, 2010, will mature March 29, 2011.

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

The City of South Euclid's overall legal debt margin is $16,854,804 with an unvoted debt margin of $2,040,573 on December 31, 2010. For more information about the City's long-term obligations, see Note 14 to the basic financial statements.

Current Financial Related Activities

The Administration provided strong fiscal management, holding general operating expenses in check while maintaining City services at a high level in 2010. But with decreasing revenues from Federal and State sources and increasing expenses, the City is going to see some tougher times in the coming years. In 2011, hospitalization has again increased along with the City's portion of the Ohio Public Employee's Retirement System contribution. The City will see flat or decreased income tax collections in 2011 due to the economic times and loss of jobs. Expenses can only be cut back so much without jeopardizing the safety, health and welfare of the residents. The Administration will continue to monitor the revenues and expenses and make appropriate adjustments as needed. The Administration continues toward its goal of keeping all residents and other interested parties fully informed as to the financial status of the City of South Euclid.

Contacting the City of South Euclid's Financial Management

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

Basic Financial Statements

City of South Euclid, Ohio

Statement of Net Assets

December 31, 2010

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	$10,919,362
Cash and Cash Equivalents	
In Segregated Accounts	88,264
Accounts Receivable	98,733
Intergovernmental Receivable	1,397,852
Prepaid Items	78,812
Materials and Supplies Inventory	153,313
Income Taxes Receivable	4,275,885
Property Taxes Receivable	4,775,607
Special Assessments Receivable	3,428,318
Investment in Joint Venture	9,792
Assets Held for Resale	18,851,457
Deferred Charges	85,781
Nondepreciable Capital Assets	1,182,897
Depreciable Capital Assets	42,736,843
Total Assets	88,082,916
Liabilities	
Accounts Payable	193,295
Accrued Wages	267,772
Contracts Payable	112,227
Intergovernmental Payable	992,260
Accrued Interest Payable	124,307
Vacation Benefits Payable	603,072
Deferred Revenue	4,341,726
Notes Payable	19,141,999
Long-Term Liabilities:	
Due Within One Year	1,394,688
Due In More Than One Year	12,243,900
Total Liabilities	39,415,246
Net Assets	
Invested in Capital Assets, Net of Related Debt	33,940,171
Restricted for:	
Capital Projects	8,191,218
Debt Service	674,337
Street Maintenance	330,710
Street Lighting	428,838
Sewer Maintenance	390,003
Other Purposes	1,145,337
Unrestricted	3,567,056
Total Net Assets	$48,667,670

See accompanying notes to the basic financial statements

City of South Euclid, Ohio
Statement of Activities
For the Year Ended December 31, 2010

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services and Operating Assessments	Operating Grants	Capital Grants	Governmental Activities
Governmental Activities:					
General Government:					
Legislative and Executive	$2,388,528	$266,024	$0	$0	($2,122,504)
Judicial System	528,283	58,507	0	0	(469,776)
Security of Persons and Property:					
Police	5,341,130	594,913	27,996	0	(4,718,221)
Fire	4,354,968	468,368	16,159	0	(3,870,441)
Public Health Services	127,799	14,323	0	0	(113,476)
Leisure Time Activities	368,780	40,072	0	78,835	(249,873)
Community Development	215,342	24,134	0	0	(191,208)
Building Department	654,922	72,724	0	0	(582,198)
Transportation	2,945,127	150,034	892,110	78,636	(1,824,347)
Basic Utility Services	3,173,606	2,865,154	417,817	1,830,455	1,939,820
Swimming Pools	339,938	77,065	0	0	(262,873)
Interest and Fiscal Charges	920,508	0	0	0	(920,508)
Total Governmental Activities	$21,358,931	$4,631,318	$1,354,082	$1,987,926	(13,385,605)

General Revenues	
Property Taxes Levied for:	
General Purposes	3,768,986
Debt Service	407,046
Capital Projects	530,252
Other Purposes	209,102
Income Taxes Levied for General Purposes	8,151,305
Grants and Entitlements not Restricted to Specific Programs	2,344,675
Investment Earnings	71,301
Gain on Sale of Capital Assets	6,447
Miscellaneous	668,973
Total General Revenues	16,158,087
Change in Net Assets	2,772,482
Net Assets Beginning of Year	45,895,188
Net Assets End of Year	$48,667,670

See accompanying notes to the basic financial statements

City of South Euclid, Ohio
Balance Sheet
Governmental Funds
December 31, 2010

	General	Flood Control	Land Acquisition	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	$3,498,267	$2,192,649	$162,173	$5,066,273	$10,919,362
Cash and Cash Equivalents In Segregated Accounts	88,264	0	0	0	88,264
Materials and Supplies Inventory	53,082	0	0	100,231	153,313
Accounts Receivable	56,417	0	0	42,316	98,733
Interfund Receivable	600,000	0	0	0	600,000
Intergovernmental Receivable	872,992	0	0	524,860	1,397,852
Prepaid Items	78,812	0	0	0	78,812
Income Taxes Receivable	4,275,885	0	0	0	4,275,885
Property Taxes Receivable	3,643,238	0	0	1,132,369	4,775,607
Investment in Joint Venture	9,792	0	0	0	9,792
Assets Held for Resale	0	0	18,293,873	557,584	18,851,457
Special Assessments Receivable	73,933	2,496,006	0	858,379	3,428,318
Total Assets	$13,250,682	$4,688,655	$18,456,046	$8,282,012	$44,677,395
Liabilities					
Accounts Payable	$124,953	$627	$0	$67,715	$193,295
Accrued Wages	255,194	0	0	12,578	267,772
Contracts Payable	112,227	0	0	0	112,227
Intergovernmental Payable	557,642	0	0	434,618	992,260
Interfund Payable	0	0	500,000	100,000	600,000
Accrued Interest Payable	0	0	56,274	0	56,274
Deferred Revenue	8,070,860	2,496,006	0	2,452,538	13,019,404
Notes Payable	0	0	19,141,999	0	19,141,999
Total Liabilities	9,120,876	2,496,633	19,698,273	3,067,449	34,383,231
Fund Balances					
Nonspendable	131,894	0	0	100,231	232,125
Restricted	0	2,192,022	0	5,124,862	7,316,884
Committed	3,095	0	0	0	3,095
Assigned	165,513	0	0	0	165,513
Unassigned (Deficit)	3,829,304	0	(1,242,227)	(10,530)	2,576,547
Total Fund Balances (Deficit)	4,129,806	2,192,022	(1,242,227)	5,214,563	10,294,164
Total Liabilities and Fund Balances	$13,250,682	$4,688,655	$18,456,046	$8,282,012	$44,677,395

See accompanying notes to the basic financial statements

City of South Euclid, Ohio

Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities
December 31, 2010

Total Governmental Fund Balances		$10,294,164
Amounts reported for governmental activities in the statement of net assets are different because		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		43,919,740
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Property Taxes	433,881	
Income Taxes	3,569,185	
Special Assessments	3,428,318	
Intergovernmental	1,236,502	
Investment in Joint Venture	9,792	
Total		8,677,678
In the statement of activities, note issuance costs are amortized over the term of the notes, whereas in governmental funds a note issuance expenditure is reported when notes are issued.		85,781
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		(68,033)
Vacation Benefits payable is not expected to be paid with expendable available financial resources and therefore are not reported in the funds.		(603,072)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
General Obligation Bonds	(6,083,267)	
Special Assessment Bonds	(190,000)	
OPWC Loans Payable	(2,235,704)	
Notes Payable	(2,001,739)	
OWDA Loans Payable	(1,724,826)	
Police and Fire Pension Loan	(295,528)	
Capital Leases Payable	(217,631)	
Compensated Absences	(889,893)	
Total		(13,638,588)
Net Assets of Governmental Activities		$48,667,670

See accompanying notes to the basic financial statements

City of South Euclid, Ohio

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended December 31, 2010

	General	Flood Control	Land Acquisition	Other Governmental Funds	Total Governmental Funds
Revenues					
Property Taxes	$3,752,692	$0	$0	$1,147,399	$4,900,091
Income Taxes	8,290,533	0	0	0	8,290,533
Special Assessments	69,620	1,826,114	0	826,124	2,721,858
Intergovernmental	2,296,850	0	0	3,390,397	5,687,247
Interest	71,301	0	0	0	71,301
Fees, Licenses and Permits	27,587	0	0	0	27,587
Fines and Forfeitures	1,132,444	0	0	19,391	1,151,835
Rentals	114,946	0	0	11,325	126,271
Charges for Services	547,558	0	0	61,003	608,561
Other	58,199	0	0	610,774	668,973
Total Revenues	16,361,730	1,826,114	0	6,066,413	24,254,257
Expenditures					
Current:					
General Government:					
Legislative and Executive	2,351,795	0	0	12,423	2,364,218
Judicial System	520,867	0	0	0	520,867
Security of Persons and Property:					
Police	5,004,626	0	0	231,669	5,236,295
Fire	4,178,010	0	0	148,600	4,326,610
Public Health Services	127,799	0	0	0	127,799
Leisure Time Activities	356,328	0	0	0	356,328
Community Development	215,342	0	0	0	215,342
Building Department	639,842	0	0	0	639,842
Transportation	971,973	0	0	858,874	1,830,847
Basic Utility Services	1,453,626	0	0	881,502	2,335,128
Swimming Pools	263,621	0	0	0	263,621
Capital Outlay	0	955,313	0	1,783,280	2,738,593
Debt Service:					
Principal Retirement	6,773	480,691	18,550,000	468,692	19,506,156
Interest and Fiscal Charges	12,778	180,535	892,750	114,918	1,200,981
Capital Appreciation Bonds Accretion	0	0	0	541,414	541,414
Note Issuance Costs	0	0	222,738	0	222,738
Total Expenditures	16,103,380	1,616,539	19,665,488	5,041,372	42,426,779
Excess of Revenues Over (Under) Expenditures	258,350	209,575	(19,665,488)	1,025,041	(18,172,522)
Other Financing Sources (Uses)					
Sale of Capital Assets	6,447	0	0	0	6,447
Inception of Capital Lease	0	0	0	108,685	108,685
Premium on Bond Anticipation Notes Issued	0	0	3,479	0	3,479
Bond Anticipation Notes Issued	0	0	2,000,000	0	2,000,000
OPWC Loan Issued	0	260,039	0	161,282	421,321
Transfers In	0	0	0	673,478	673,478
Transfers Out	(673,478)	0	0	0	(673,478)
Total Other Financing Sources (Uses)	(667,031)	260,039	2,003,479	943,445	2,539,932
Net Change in Fund Balances	(408,681)	469,614	(17,662,009)	1,968,486	(15,632,590)
Fund Balances Beginning of Year (Restated - See Note 5)	4,538,487	1,722,408	16,419,782	3,246,077	25,926,754
Fund Balances End of Year	$4,129,806	$2,192,022	($1,242,227)	$5,214,563	$10,294,164

See accompanying notes to the basic financial statements

City of South Euclid, Ohio

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Year Ended December 31, 2010

Net Change in Fund Balances - Total Governmental Funds		($15,632,590)
Amounts reported for governmental activities in the statement of activities are different because		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.		
Capital Outlay	2,508,409	
Depreciation	(1,926,011)	
Total		582,398
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property Taxes	15,295	
Income Taxes	(139,228)	
Intergovernmental	(564)	
Special Assessments	24,183	
Investment in Joint Venture	(28,977)	
Total		(129,291)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		20,047,570
In the statement of activities, note issuance costs are amortized over the term of the notes, whereas in governmental funds a note issuance expenditure is reported when notes are issued.		222,738
Some expenses reported in the statement of activities do not require the the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Accrued Interest on Bonds	576,328	
Amortization of Premium	11,674	
Amortization of Note Issuance Costs	(136,957)	
Bond Accretion	(170,572)	
Total		280,473
Some expenses reported in the statement of activities do not require the use of curent financial resources and therefore are not reported as expenditures in governmental funds.		
Compensated Absences	(54,215)	
Vacation Benefits	(11,116)	
Total		(65,331)
Other financing sources in the governmental funds that increase long-term liabilities in the statement of net assets are not reported as revenues in the statement of activities.		
OWPC Loan Issued	(421,321)	
Bond Anticipation Notes Issued	(2,000,000)	
Premium on Bond Anticipation Notes Issued	(3,479)	
Inception of Capital Lease	(108,685)	
Total		(2,533,485)
Change in Net Assets of Governmental Activities		$2,772,482

See accompanying notes to the basic financial statements

City of South Euclid, Ohio

Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	$3,685,491	$3,685,491	$3,752,692	$67,201
Income Taxes	8,063,111	8,063,111	8,210,134	147,023
Special Assessments	68,373	68,373	69,620	1,247
Intergovernmental	2,435,374	2,435,370	2,479,707	44,337
Interest	10,184	10,184	10,370	186
Fees, Licenses and Permits	22,601	22,601	23,013	412
Fines and Forfeitures	1,113,798	1,113,798	1,134,107	20,309
Rentals	112,831	112,831	114,888	2,057
Charges for Services	548,805	548,027	545,573	(2,454)
Other	55,742	55,742	56,876	1,134
Total Revenues	16,116,310	16,115,528	16,396,980	281,452
Expenditures				
Current:				
General Government:				
Legislative and Executive	2,984,549	2,982,549	2,443,470	539,079
Judicial System	585,115	585,115	540,075	45,040
Security of Persons and Property:				
Police	5,624,617	5,680,173	5,277,185	402,988
Fire	4,337,958	4,348,658	4,253,666	94,992
Public Health Services	156,271	156,271	140,481	15,790
Leisure Time Activities	609,446	645,445	336,896	308,549
Community Development	332,073	332,073	261,112	70,961
Building Department	700,356	704,655	665,555	39,100
Transportation	1,134,877	1,134,877	1,037,276	97,601
Basic Utility Services	1,742,721	1,742,722	1,563,087	179,635
Swimming Pools	305,768	325,768	264,401	61,367
Total Expenditures	18,513,751	18,638,306	16,783,204	1,855,102
Excess of Revenues Under Expenditures	(2,397,441)	(2,522,778)	(386,224)	2,136,554
Other Financing Sources (Uses)				
Sale of Capital Assets	6,447	6,447	6,447	0
Advances In	125,770	125,770	128,000	2,230
Advances Out	(400,000)	(400,000)	(400,000)	0
Transfers Out	(325,796)	(629,014)	(673,478)	(44,464)
Total Other Financing Sources (Uses)	(593,579)	(896,797)	(939,031)	(42,234)
Net Change in Fund Balance	(2,991,020)	(3,419,575)	(1,325,255)	2,094,320
Fund Balance Beginning of Year	3,788,851	3,788,851	3,788,851	0
Prior Year Encumbrances Appropriated	463,403	463,403	463,403	0
Fund Balance End of Year	$1,261,234	$832,679	$2,926,999	$2,094,320

See accompanying notes to the basic financial statements

City of South Euclid, Ohio

Statement of Fiduciary Assets and Liabilities

Agency Fund

December 31, 2010

Assets	
Equity in Pooled Cash and Cash Equivalents	$1,006,111
Liabilities	
Deposits Held and Due to Others	$1,006,111

See accompanying notes to the basic financial statements

Note 1 – Description of the City and Reporting Entity

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

Reporting Entity

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

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

The City is associated with six organizations: one shared risk pool, two joint ventures and three defined as jointly governed organizations. The Northern Ohio Risk Management Association is a shared risk pool. The joint ventures are the Tri-City Consortium on Aging and the YMCA of Greater Cleveland/South Euclid-Lyndhurst Recreation Commission. The Northeast Ohio Public Energy Council, the First Suburbs Consortium of Northeast Ohio Council of Governments and the Heights Area Special Rescue Team are jointly governed organizations. These organizations are presented in Notes 10, 20 and 21 to the basic financial statements.

Note 2 – Summary of Significant Accounting Policies

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

Basis of Presentation

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

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

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

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

Fund Accounting

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

Governmental Funds

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

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

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

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

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

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

Measurement Focus

Government-wide Financial Statements

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

Fund Financial Statements

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

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

Basis of Accounting

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

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

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

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: income tax, state-levied locally shared taxes (including gasoline tax and motor vehicle license fees), fines and forfeitures, interest, grants 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, 2010, but which were levied to finance year 2011 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

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

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

Cash and Cash Equivalents

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

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

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

Following the Charter and Codified Ordinances of the City as well as Ohio statutes, the City has, by resolution, specified the funds to receive an allocation of interest earnings. Interest is distributed to the general fund. Interest revenue credited to the general fund during 2010 amounted to $71,301, which includes $48,458 assigned from other City funds.

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2010, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of purchase and reflecting the expenditure/expense in the year in which the services are consumed.

Inventory

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

Assets Held for Resale

Assets held for resale represent land purchased by the City which will be sold for development purposes and homes purchased and repaired to be resold under the Community Development in-fill housing project. As of December 31, 2010, the City has four homes which are being held for resale.

Capital Assets

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

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

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:

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

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

Interfund Balances

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

Compensated Absences

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

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

Accrued Liabilities and Long-Term Obligations

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

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

Fund Balance

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

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

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

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

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

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

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

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

Note Issuance Costs

Note issuance costs for underwriting fees and note insurance for the short-term land acquisition notes are being amortized using the straight-line method over the life of the bonds on the government-wide statements. The straight-line method of amortization is not materially different from the effective-interest method.

As permitted by State statute, the City paid note issuance costs from the note proceeds and therefore does not consider that portion of the debt to be capital-related debt. That portion of the debt was offset against the unamortized note issuance costs, which were included in the determination of unrestricted net assets. Reporting both within the same element of net assets prevents one classification from being overstated while another is understated by the same amount.

Net Assets

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

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

Internal Activity

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

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

Bond/Note Premiums

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

Extraordinary and Special Items

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

Estimates

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

Budgetary Process

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

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

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

Note 3 - Budgetary Basis of Accounting

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).

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

3. Encumbrances are treated as expenditures (budget) rather than restricted, committed, or assigned fund balance (GAAP).

4. Investments reported at cost (budget) rather than fair value (GAAP).

5. Advances-In and Advances-Out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).

6. Unrecorded cash represents amounts received but not reported by the City on the operating statements (budget), but which is reported on the GAAP basis operating statements.

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

Net Change in Fund Balance

	General
GAAP Basis	($408,681)
Net Adjustment for Revenue Accruals	(26,098)
Advances In	128,000
Beginning Fair Value Adjustment for Investments	(28,761)
Ending Fair Value Adjustment for Investments	90,154
Unrecorded Cash	(45)
Net Adjustment for Expenditure Accruals	(198,755)
Advances Out	(400,000)
Encumbrances	(481,069)
Budget Basis	($1,325,255)

Note 4 – Accountability

Fund balances at June 30, 2010 included the following individual fund deficit:

	Deficit Fund Balance
Special Revenue Funds:	
Police Pension Fund	$2,658
Fire Pension Fund	4,409
Capital Projects Fund:	
Land Acquisition Fund	1,242,227

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

The land acquisition capital projects funds' deficit is the result of the issuance of short-term bond anticipation notes which are used to finance the project until bonds are issued. Once the notes are retired or bonds are issued, these deficits will be eliminated.

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

Changes in Accounting Principles

For fiscal year 2010, the City has implemented Governmental Accounting Standard Board (GASB) Statement No. 51, "Accounting and Reporting for Intangible Assets" and Governmental Accounting Standard Board (GASB) Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions".

GASB Statement No. 51 establishes accounting and financial reporting of such assets to reduce inconsistencies thereby enhancing the comparability of accounting and financial reporting of such assets among state and local governments. The implementation of this statement did not result in any change to the City's financial statements.

GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The implementation of this statement resulted in the reclassification of certain funds and restatement of the City's financial statements.

Restatement of Prior Year Fund Balance/Net Assets

The implementation of GASB Statement No. 54 had the following effect on fund balances of the major and nonmajor funds as they were previously reported.

	General	Flood Control	Land Acquisition	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balance at December 31, 2009	$4,489,703	$1,722,408	$16,419,782	$3,294,861	$25,926,754
Change in Fund Structure	48,784	0	0	(48,784)	0
Adjusted Fund Balance at December 31, 2009	$4,538,487	$1,722,408	$16,419,782	$3,246,077	$25,926,754

Note 6 - Fund Balances

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

Fund Balances	General	Flood Control	Land Acquisition	Nonmajor Governmental Funds	Total
Nonspendable					
Prepaids	$78,812	$0	$0	$0	$78,812
Inventory	53,082	0	0	100,231	153,313
Total Nonspendable	131,894	0	0	100,231	232,125
Restricted for					
Sewer Rental	0	0	0	44,181	44,181
Home Improvement	0	0	0	779,177	779,177
Public Safety	0	0	0	191,068	191,068
Street Maintenance	0	0	0	54,996	54,996
Debt Service Payments	0	0	0	651,317	651,317
Street Lighting	0	0	0	22,719	22,719
Capital Improvements	0	2,192,022	0	3,381,404	5,573,426
Total Restricted	0	2,192,022	0	5,124,862	7,316,884
Committed to					
Other Purposes	3,095	0	0		3,095
Assigned to					
Other Purposes	165,513	0	0	0	165,513
Unassigned (Deficit)	3,829,304	0	(1,242,227)	(10,530)	2,576,547
Total Fund Balances (Deficit)	$4,129,806	$2,192,022	($1,242,227)	$5,214,563	$10,294,164

Note 7 - Deposits and Investments

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

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

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

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

3. Written repurchase agreements in securities listed above;

4. Bonds and other obligations of the State of Ohio;

5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations,

7. The State Treasurer's investment pool (STAR Ohio); and

8. Commercial paper and bankers acceptances if training requirements have been met.

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

Deposits

Custodial Credit Risk Custodial credit risk for deposits is the risk that, in the event of the failure of the counterparty, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, $1,561,459 of the City's bank balance of $4,099,969 was uninsured and uncollateralized. Although the securities were held by the pledging financial institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

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

Investments

As of December 31, 2010, the City had the following investments:

	Fair Value	Maturity	Standard & Poor's	Percent of Total Investments
Federal Home Loan Mortgage Corporation Notes	$990,490	Less than five years	AA+	11.40 %
Federal Home Loan Bank Bonds	1,105,335	Less than one year	AA+	12.72
Money Market Accounts	199,464	Less than one year	AA+	2.30
Repurchase Agreements	6,392,733	Less than one year	AA+	73.58
Total Portfolio	$8,688,022			

Interest Rate Risk As a means of limiting its exposure to fair value losses caused by rising interest rates, the City's investment policy requires that operating funds be invested primarily in short-term investments maturing within two years from the date of purchase if they have a variable interest rate and five years for investments that have a fixed rate and that the City's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity. Repurchase agreements are limited to 30 days and the market value of the securities must exceed the principal value of the agreement by at least 2 percent and be marked to market daily.

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

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

Note 8 - Receivables

Receivables at December 31, 2010, consisted primarily of municipal income taxes, property and other taxes, intergovernmental receivables arising from entitlements and shared revenues, special assessments, and accounts (billings for utility service).

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

Special assessments expected to be collected in more than one year amount to $145,000 in the Special Assessment Bond Retirement Fund. At December 31, 2010 the total amount of delinquent special assessments was $348,495.

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

Property Taxes

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 2010 for real and public utility property taxes represents collections of the 2009 taxes. Property tax payments received during 2010 for tangible personal property (other than public utility property) is for 2010 taxes.

2010 real property taxes are levied after October 1, 2010, on the assessed value as of January 1, 2010, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2010 real property taxes are collected in and intended to finance 2011.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2010 public utility property taxes which became a lien December 31, 2009, are levied after October 1, 2010, and are collected in 2011 with real property taxes.

Tangible personal property tax revenue received during 2010 (other than public utility property tax) represents the collection of 2010 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. Tangible personal property taxes received from telephone companies in 2010 were levied after October 1, 2009, on the value as of December 31, 2009. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The full tax rate for all City operations for the year ended December 31, 2010, was $13.10 per $1,000 of assessed value. The assessed values of real and tangible personal property upon which 2010 property tax receipts were based are as follows:

Category	Assessed Value
Real Estate	
Residential/Agricultural	$353,049,480
Other Real Estate	48,504,460
Tangible Personal Property	
Public Utility	6,958,830
Total Assessed Values	$408,512,770

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City of South Euclid. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and tangible personal property taxes and public utility taxes which are measurable as of December 31, 2010 and for which there is an enforceable legal claim. In the general fund, the general obligation bond retirement fund, the road improvement capital projects fund and the police and fire pension special revenue funds, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2010 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent

property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is deferred.

Income Taxes

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

Intergovernmental Receivables

A summary of intergovernmental receivables follows:

Governmental Activities	Amount
Local Government	$563,234
Homestead and Rollback	376,235
Gasoline and Excise Tax	208,600
State and Local Highway Tax	100,885
Permissive Motor Vehicle License Tax	63,443
Motor Vehicle License Fees	58,581
Commercial Activity Tax	22,201
Estate Tax	2,459
Cuyahoga County Auditor	1,511
City of University Heights	397
City of Richmond Heights	306
Total	$1,397,852

Note 9 - Risk Management

Property and Liability

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

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

Worker's Compensation

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

Note 10 - Shared Risk Pool

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

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

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

In 2010, the City of South Euclid paid $88,402 in premiums from the general fund, which represents 9.28 percent of total premiums. Financial information can be obtained by contacting the fiscal agent, the Finance Director at the City of Bedford Heights, 5661 Perkins Road, Bedford Heights, Ohio, 44146.

Note 11 – Assets Held for Resale

Assets held for resale represents ten plus acres of land on Cedar Road purchased by the City which will be sold for development purposes. The City has a developer's agreement with the Coral Company who is scheduled to purchase the property by the end of 2011.

The City also has assets held for resale in the form of four homes purchased and repaired to be resold under the Community Development in-fill housing project.

Note 12 - Capital Assets

Capital asset activity for the year ended December 31, 2010, was as follows:

Governmental Activities	Balance 12/31/2009	Additions	Deductions	Balance 12/31/2010
Capital Assets not being Depreciated:				
Land	$1,182,897	$0	$0	$1,182,897
Construction in Progress	945,127	68,729	(1,013,856)	0
Total Capital Assets not being Depreciated	2,128,024	68,729	(1,013,856)	1,182,897
Capital Assets being Depreciated:				
Buildings and Improvements	10,986,526	144,558	0	11,131,084
Equipment	2,293,270	201,151	0	2,494,421
Vehicles	4,453,655	68,606	(90,033)	4,432,228
Infrastructure:				
Streets	21,311,990	550,978	0	21,862,968
Bridges, Sewers and Culverts	23,187,251	1,743,982	0	24,931,233
Waterlines	2,413,372	744,261	0	3,157,633
Traffic Signals	47,732	0	0	47,732
Total Capital Assets being Depreciated	64,693,796	3,453,536	(90,033)	68,057,299
Less Accumulated Depreciation:				
Buildings and Improvements	(8,069,533)	(394,430)	0	(8,463,963)
Equipment	(1,883,763)	(74,507)	0	(1,958,270)
Vehicles	(2,976,196)	(254,541)	90,033	(3,140,704)
Infrastructure:				
Streets	(7,865,820)	(721,478)	0	(8,587,298)
Bridges, Sewers and Culverts	(2,131,526)	(427,368)	0	(2,558,894)
Waterlines	(554,037)	(52,732)	0	(606,769)
Traffic Signals	(3,603)	(955)	0	(4,558)
Total Accumulated Depreciation	(23,484,478)	(1,926,011) *	90,033	(25,320,456)
Total Capital Assets being Depreciated, Net	41,209,318	1,527,525	0	42,736,843
Governmental Activities Capital Assets, Net	$43,337,342	$1,596,254	($1,013,856)	$43,919,740

*Depreciation expense was charged to governmental activities as follows:

General Government:	
Legislative and Executive	$1,665
Judicial System	5,232
Security of Persons and Property:	
Police	34,665
Fire	27,180
Leisure Time Activities	11,220
Building Department	6,012
Transportation	1,112,122
Basic Utility Services	651,598
Swimming Pools	76,317
Total Depreciation Expense	$1,926,011

Note 13 - Note Debt

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

Land Acquisiton Fund	Balance 12/31/2009	Additions	Reductions	Balance 12/31/2010
3.30% Short Term Note	$1,800,000	$0	$1,800,000	$0
1.45% Short Term Note	0	1,800,000	0	1,800,000
1.10% Short Term Note	0	19,225,000	19,225,000	0
1.10% Short Term Note Premium	0	68,768	68,768	0
1.00% Short Term Note	0	9,595,000	0	9,595,000
1.00% Short Term Note Premium	0	23,700	5,925	17,775
1.50% Short Term Note	0	7,675,000	0	7,675,000
1.50% Short Term Note Premium	0	72,299	18,075	54,224
Total	$1,800,000	$38,459,767	$21,117,768	$19,141,999

In 2010, the City issued $1,800,000 in Housing Development bond anticipation notes for acquiring real property and improving the site to assist in providing housing. These notes mature on December 15, 2011. The Housing Development bond anticipation notes that were issued in 2009 for $1,800,000 matured on December 16, 2010.

The $9,595,000 Land Acquisition Bond Anticipation note issued September 29, 2010 at 1.00 percent and the $7,675,000 Land Acquisition Bond Anticipation note issued September 29, 2010 at 1.50 percent and outstanding at December 31, 2010, will mature September 28, 2011. The notes will be paid from the land acquisition capital projects fund.

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

Note 14 - Long-Term Obligations

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

Debt Issue	Interest Rate	Original Issue	Year of Maturity
1998 Recreational Facilities Improvement Refunding Bonds:			
Capital Appreciation Bonds	4.75% to 4.85%	$59,994	2010 to 2011
2003 Various Purpose General Obligation Bond	3.0% to 3.7%	9,400,000	2004 to 2018
2002 Parking Lot Improvement Special Assessment Bond	4.0% to 6.7%	630,000	1994 to 2014
OPWC Liberty Road Bridge Replacement	0%	755,891	2002 to 2022
OPWC Whitehall Road Bridge Replacement	0%	188,822	2006 to 2025
OPWC Bexley Infrastructure	0%	1,247,424	2005 to 2024
OPWC Cedar Center	0%	260,039	N/A
OPWC Nine Mile Creek Rehabiliation	0%	341,315	N/A
Land Acquisition Bond Anticipation Notes	1.00%	2,000,000	2011
OWDA Stormwater Improvement	N/A	2,052,371	N/A
Police and Fire Pension	4.25%	391,010	1973 to 2035

A schedule of changes in bonds and other long-term obligations of the City during 2010 follows:

	Amount Outstanding 12/31/2009	Additions	Deletions	Amount Outstanding 12/31/2010	Amounts Due In One Year
Governmental Activities					
General Obligation Bonds					
1998 Recreational Facilities Improvement Refunding Bonds					
Capital Appreciation Bonds	$59,994	$0	($33,586)	$26,408	$26,408
Accretion on Capital Appreciation Bonds	832,340	170,572	(541,414)	461,498	461,498
Total 1998 Recreational Facilities Bonds	892,334	170,572	(575,000)	487,906	487,906
2003 Various Purpose General Obligation Bonds	6,175,000	0	(590,000)	5,585,000	610,000
Premium on Various Purpose Bonds	11,656	0	(1,295)	10,361	0
Total 2003 Various Purpose General Obligation Bonds	6,186,656	0	(591,295)	5,595,361	610,000
Total General Obligation Bonds	7,078,990	170,572	(1,166,295)	6,083,267	1,097,906
Special Assessment Bonds with Governmental Commitment					
2002 Parking Lot Improvement	230,000	0	(40,000)	190,000	45,000
OPWC Loans:					
Liberty Road Bridge Replacement	472,432	0	(18,897)	453,535	37,794
Whitehall Road Bridge Replacement	151,057	0	(4,720)	146,337	9,441
Bexley Infrastructure	904,382	0	(31,186)	873,196	62,371
Cedar Center	0	260,039	0	260,039	0
Nine Mile Creek Rehabiliation	341,315	161,282	0	502,597	0
Total OPWC Loans	1,869,186	421,321	(54,803)	2,235,704	109,606
Land Acquisition Notes Payable	18,550,000	2,000,000	(18,550,000)	2,000,000	0
Premium on Notes Payable	8,639	3,479	(10,379)	1,739	0
Total Notes Payable	18,558,639	2,003,479	(18,560,379)	2,001,739	0
OWDA Stormwater Improvement	1,810,714	0	(85,888)	1,724,826	0
Police and Fire Pension	302,301	0	(6,773)	295,528	7,065
Capital Lease	254,052	108,685	(145,106)	217,631	56,666
Compensated Absences	835,678	416,739	(362,524)	889,893	78,445
Total Governmental Activities	$30,939,560	$3,120,796	($20,421,768)	$13,638,588	$1,394,688

In 1998, the City defeased a 1991 recreational facilities improvement bond issue in order to take advantage of lower interest rates. The proceeds of the new bonds were placed in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. On December 31, 2010, none of the defeased bonds are still outstanding.

On August 15, 1998 the City issued $4,744,994 in voted general obligation bonds which included serial and capital appreciation (deep discount) bonds in the amount of $4,685,000 and $59,994, respectively. The general obligation bonds were issued for the purpose of refunding a portion of the 1991 recreational facilities improvement bonds to take advantage of lower interest rates. The bonds were issued for a fourteen year

period with a final maturity at December 1, 2011. The bonds will be retired from the general obligation bond retirement fund.

The capital appreciation bonds remained outstanding at December 31, 2010. The capital appreciation bonds were originally sold at a discount of $1,085,006, which is being accreted annually until the point of maturity of the capital appreciation bonds, which is December 1, 2011.

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

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

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

A line of credit has been established with the Ohio Public Works Commission in the amount of $260,039 for improvements to the Cedar Center; however, since this loan is not finalized, the repayment schedule is not included in the schedule of debt service payments. The loan will be paid from the flood control capital projects fund.

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

The $2,000,000 Land Acquisition Bond Anticipation note issued September 29, 2010 at 1.00 percent and outstanding at December 31, 2010, will mature March 29, 2011. The notes will be paid from the land acquisition capital projects fund.

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

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

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

As of December 31, 2010, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was $16,854,804 and the unvoted legal debt margin was $2,040,573.

Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2010 are as follows:

	General Obligation Bonds				Special Assessment Bonds	
	Serial		Capital Appreciation			
	Principal	Interest	Principal	Accretion	Principal	Interest
2011	$610,000	$189,654	$26,408	$461,498	$45,000	$12,730
2012	630,000	171,048	0	0	45,000	9,715
2013	655,000	150,888	0	0	50,000	6,700
2014	680,000	129,274	0	0	50,000	3,350
2015	705,000	106,834	0	0	0	0
2016-2018	2,305,000	169,780	0	0	0	0
Total	$5,585,000	$917,478	$26,408	$461,498	$190,000	$32,495

	Police and Fire Pension		OPWC Loans
	Principal	Interest	Principal
2011	$7,065	$12,486	$109,606
2012	7,368	12,182	109,607
2013	7,685	11,865	109,607
2014	8,015	11,535	109,607
2015	8,359	11,191	109,607
2016-2020	47,499	50,253	548,033
2021-2025	58,564	39,189	372,280
2026-2030	72,334	25,418	4,721
2031-2035	78,639	8,464	0
Total	$295,528	$182,583	$1,473,068

Note 15 - Compensated Absences

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

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

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

Note 16 – Capital Lease

In 2010, the City entered into a capital lease for copiers. In prior years, the City had entered into a capitalized lease obligation for sixteen new Ford vehicles and a master leaf collection unit. The leases meet the criteria for a capital lease as defined by the Statement of Financial Accounting Standards No. 13 "Accounting for Lease" and have been recorded on the government-wide statements. The original amounts capitalized for the capital leases and the book values as of December 31, 2010 are as follows:

	Amounts
Vehicles	$769,465
Equipment	108,685
Total Capitalized	878,150
Less: Accumulated Depreciation	(345,532)
Current Book Value	$532,618

The following is a schedule of the future minimum leases payments required under the capital lease and the present value of the minimum lease payments as of December 31, 2010.

	Amounts
2011	$60,935
2012	60,935
2013	60,935
2014	21,737
2015	21,737
Total Minimum Lease Payments	226,279
Less: Amount representing interest	(8,648)
Present Value of Minimum Lease Payments	$217,631

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

Note 17 - Contingencies

Litigation

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

Grants

The City received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and

conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2010.

Note 18 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

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

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units and 18.1 percent of covered payroll for law and public safety employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of covered payroll. For the year ended December 31, 2010, members in state and local classifications contributed 10 percent of covered payroll while public safety and law enforcement members contributed 10.5 percent and 11.1 percent, respectively. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan. For 2010, member and employer contribution rates were consistent across all three plans.

The City's 2010 contribution rate was 14.0 percent, except for those plan members in law enforcement or public safety, for whom the City's contribution was 17.87 percent of covered payroll. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. The portion of employer contribution allocated to health care for members in the Traditional Plan was 5.5 percent from January 1 through February 28, 2010, and 5 percent from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73 percent from January 1 through February 28, 2010, and 4.23 percent from March 1 through December 31, 2010. Employer contribution rates are actuarially determined.

The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2010, 2009 and 2008 were $322,829, $367,021 and $290,787, respectively. For 2010, 91.18 percent has been contributed with the balance being reported as an intergovernmental

payable. The full amount has been contributed for 2009 and 2008. Contributions to the Member-Directed Plan for 2010 were $2,588 made by the City and $1,849 made by plan members.

Ohio Police and Fire Pension Fund

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

Funding Policy – The Ohio Revised Code requires plan members to contribute 10.0 percent of their annual covered salary, while employers are required to contribute 19.5 percent for police officers and 24.0 percent for firefighters.

The OP&F Pension Fund is authorized by the Ohio Revised Code to allocate a portion of the employer contributions to retiree health care benefits. The portion of employer contributions used to fund pension benefits was 12.75 percent of covered payroll for police officers and 17.25 percent of covered payroll for firefighters. The City's contributions to OP&F for police and firefighters were $361,958 and $456,906 for the year ended December 31, 2010, $429,949 and $542,440 for the year ended December 31, 2009, and $373,253 and $455,223 for the year ended December 31, 2008, respectively. 72.01 percent for police and 68.35 percent for firefighters has been contributed for 2010 with the balance for both police and firefighters being report as an intergovernmental payable. The full amount has been contributed for 2009 and 2008.

In addition to current contributions, the City pays installments on the accrued liability incurred when the State of Ohio established the statewide pension system for police and fire fighters in 1967. As of December 31, 2010, the unfunded liability of the City was $295,528 payable in semi-annual payments through the year of 2035. This is an accounting liability of the City which will not vary.

Note 19 - Postemployment Benefits

Ohio Public Employees Retirement System

Plan Description – Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan—a cost sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan—a defined contribution plan; and the Combined Plan—a cost sharing, multiple employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

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

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio

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

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

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

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2010, state and local employers contributed at a rate of 14.0 percent of covered payroll, and public safety and law enforcement employers contributed at 17.87 percent. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units and 18.1 percent of covered payroll for law and public safety employer units.

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 for members in the Traditional Plan was 5.5 percent from January 1 through February 28, 2010, and 5 percent from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73 percent from January 1 through February 28, 2010, and 4.23 percent from March 1 through December 31, 2010.

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

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2010, 2009 and 2008 were $209,911, $316,203 and $290,787, respectively. For 2010, 91.18 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2009 and 2008.

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

Ohio Police and Fire Pension Fund

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

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

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

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

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2010, the employer contribution allocated to the health care plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were $191,625 and $178,789 for the year ended December 31, 2010, $227,620 and $212,259 for the year ended December 31, 2009, and $246,188 and $217,107 for the year ended December 31, 2008. 72.01 percent has been contributed for police and 68.35 percent has been contributed for firefighters for 2010 with the balance for both police and firefighters being report as an intergovernmental payable. The full amount has been contributed for 2009 and 2008.

Note 20 - Joint Venture

Tri-City Consortium on Aging

The Tri-City Consortium on Aging (Consortium) is a joint venture among the Cities of South Euclid, Lyndhurst and Highland Heights, formed for the purpose of coordinating among the cities all matters related to assistance and programs for the aged. Consortium revenues consist of contributions from the member

cities and federal grants. The Consortium is controlled by the Council composed of the Mayors of the Cities of South Euclid, Lyndhurst, and Highland Heights, with the advice of a nine member commission. Continued existence of the Consortium is dependent on the City's continued participation; however the City of South Euclid has no explicit and measurable equity interest in the Consortium. The Consortium is not accumulating financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the City. In 2010, the City contributed $261,542, paid from the general fund, which represented 50.2 percent of Consortium revenues. To obtain a copy of the Consortium's financial statements, write to the Tri-City Consortium on Aging, 1370 Victory Drive, South Euclid, Ohio, 44121.

YMCA of Greater Cleveland/South Euclid-Lyndhurst Recreation Commission

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

The operation of SELREC is controlled by a nine member board consisting of the following: one member appointed by the Mayor of the City of South Euclid and one member appointed by the Mayor of the City of Lyndhurst, three members that are residents of the City of South Euclid, three members that are residents of the City of Lyndhurst, and one member that is a resident of the South Euclid-Lyndhurst City School District and that lives in either the City of South Euclid or the City of Lyndhurst (jointly appointed by the Mayors of the Cities of South Euclid and Lyndhurst). The continued existence of the joint venture depends on the City's continued participation. SELREC is not accumulating significant financial resources or experiencing fiscal stress which would cause additional benefit or burden on the City. In 2010, the City contributed $37,424. The City also has a measurable equity interest in SELREC because the joint venture agreement stipulates that the participants have a claim to assets and sets forth the method of distribution upon dissolution of the joint venture. SELREC has no capital assets. SELREC is audited on a two-year basis; the latest reported is for the fiscal year ended June 30, 2008. Financial statements can be obtained by contacting the fiscal agent, South Euclid-Lyndhurst City School District, 6044 Mayfield Road, Lyndhurst, Ohio 44124.

On July 1, 2010, the YMCA of Greater Cleveland assumed operational control of SELREC. The YMCA assumed financial control of SELREC on October 1, 2010. On October 21, 2010, the Fiscal Agent provided a cash reconciliation to the YMCA and also provided them the revenue received for their summer programs totaling $77,524. On October 31, 2010, SELREC had a negative fund balance of $168,909 on the books of its formal fiscal agent. The South Euclid-Lyndhurst City School District and the cities of South Euclid and Lyndhurst will contribute payments equivalent of 40 percent, 36 percent and 24 percent respectively, of the remaining negative fund balance to cover the deficit. SELREC will finance the SELREC programs for eighteen months, which is through December 31, 2011. The City of South Euclid will continue its subsidy to SELREC/YMCA through that time period. On December 31, 2011, SELREC will dissolve and the City's involvement with the YMCA will end.

Note 21 - Jointly Governed Organizations

Northeast Ohio Public Energy Council

The City is a member of The Northeast Ohio Public Energy Council (NOPEC). NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of

electricity and natural gas. NOPEC is currently comprised of 126 communities who have been authorized by ballot to purchase electricity and natural gas on behalf of their citizens. The intent of NOPEC is to provide electricity and natural gas at the lowest possible rates while at the same time insuring stability in prices by entering into long-term contracts with suppliers to provide electricity and natural gas to the citizens of its member communities.

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the eight-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. The City of South Euclid did not contribute to NOPEC during 2010. Financial information can be obtained by contacting Joseph Migliorini, Board Chairman, at 175 South Main Street, Akron, Ohio 44308 or at their website at www.nopecinfo.org.

First Suburbs Consortium of Northeast Ohio Council of Governments

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

The Council is governed by an Assembly made up of one representative from each member community. The representatives then elect the Governing Board made up of a Chair, Vice Chair and other members elected in annual elections. The Board oversees and manages the council. The degree of control exercised by any participating government is limited to its representation in the Assembly and on the Board. During 2010, the City of South Euclid contributed $1,500 for membership to the Council. Financial information can be obtained by contacting First Suburbs Consortium of Northeast Ohio Council of Governments, 40 Severance Circle, Cleveland Heights, Ohio 44118.

Heights Area Special Rescue Team

The City is a member of the Heights Area Special Rescue Team (HASRT). HASRT is a council of governments formed under Ohio Revised Code Chapter 167. The governing body of HASRT is comprised of the five Fire Chiefs of the member cities. HASRT was established to provide mutual aid for the provision of emergency fire protection and rescue squad services and to organize, train and equip a special rescue team to conduct rescue activities requiring unusual training and/or equipment in participating communities. Annual member receipts are based on an agreed formula based on the member cities population. During 2010, the City of South Euclid contributed $4,905 to HASRT. Financial information can be obtained by contacting Heights Area Special Rescue Team, 3400 Lee Road, Shaker Heights, Ohio, 44120.

Note 22 - Interfund Transactions

Interfund Balances

Interfund balances at December 31, 2010 consist of the following:

	Interfund Receivable
Interfund Payable	General
Special Revenue Funds:	
Street, Construction, Maintenance and Repair	$100,000
Capital Projects Funds:	
Land Acquisition	500,000
Total	$600,000

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

Interfund Transfers

Interfund transfers for the year ended December 31, 2010, consisted of the following:

	Transfers From
Transfers To	General
Other Governmental Funds:	
FEMA Fire Fighters Grant	$3,478
Special Assessment Bond Retirement	20,000
General Capital Improvements	350,000
Safety Forces Vehicle	200,000
Road Improvement	100,000
Total	$673,478

The transfer from the general fund to the FEMA fire fighters grant special revenue fund was to cover general operating expenditures. The special assessment bond retirement received a transfer from the general fund to help pay for debt. The general capital improvements capital projects fund received a transfer from the general fund to help cover general operating expenditures. The safety forces vehicle capital projects fund received transfers from the general fund to fund future capital purchases. Capital purchases in the safety forces vehicle fund will benefit the police and fire departments. A transfer from the general fund to the road improvement capital projects fund was made as a supplement to tax levy proceeds to cover costs.

Combining and Individual Fund Statements and Schedules

Combining Statements – Nonmajor Funds

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

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

Nonmajor Debt Service Funds

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

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

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

Nonmajor Capital Projects Funds

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

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

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

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

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

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

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

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

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

City of South Euclid, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2010

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	$726,492	$651,317	$3,688,464	$5,066,273
Materials and Supplies Inventory	100,231	0	0	100,231
Accounts Receivable	0	0	42,316	42,316
Intergovernmental Receivable	449,228	36,866	38,766	524,860
Property Taxes Receivable	218,594	0	913,775	1,132,369
Assets Held for Resale	557,584	0	0	557,584
Special Assessments Receivable	799,700	58,679	0	858,379
Total Assets	$2,851,829	$746,862	$4,683,321	$8,282,012
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	$67,715	$0	$0	$67,715
Accrued Wages	12,578	0	0	12,578
Intergovernmental Payable	85,242	0	349,376	434,618
Interfund Payable	100,000	0	0	100,000
Deferred Revenue	1,404,452	95,545	952,541	2,452,538
Total Liabilities	1,669,987	95,545	1,301,917	3,067,449
Fund Balances				
Nonspendable	100,231	0	0	100,231
Restricted	1,092,141	651,317	3,381,404	5,124,862
Unassigned (Deficit)	(10,530)	0	0	(10,530)
Total Fund Balances	1,181,842	651,317	3,381,404	5,214,563
Total Liabilities and Fund Balances	$2,851,829	$746,862	$4,683,321	$8,282,012

City of South Euclid, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended December 31, 2010

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property Taxes	$208,124	$447,958	$491,317	$1,147,399
Special Assessments	822,301	3,823	0	826,124
Intergovernmental	1,329,843	73,733	1,986,821	3,390,397
Fines and Forfeitures	19,391	0	0	19,391
Rentals	11,325	0	0	11,325
Charges for Services	61,003	0	0	61,003
Other	30,912	0	579,862	610,774
Total Revenues	2,482,899	525,514	3,058,000	6,066,413
Expenditures				
Current:				
General Government:				
Legislative and Executive	0	12,423	0	12,423
Security of Persons and Property:				
Police	231,669	0	0	231,669
Fire	148,600	0	0	148,600
Transportation	858,874	0	0	858,874
Basic Utility Services	881,502	0	0	881,502
Capital Outlay	0	0	1,783,280	1,783,280
Debt Service:				
Principal Retirement	0	73,586	395,106	468,692
Interest and Fiscal Charges	0	15,448	99,470	114,918
Capital Appreciation Bonds Accretion	0	541,414	0	541,414
Total Expenditures	2,120,645	642,871	2,277,856	5,041,372
Excess of Revenues Over (Under) Expenditures	362,254	(117,357)	780,144	1,025,041
Other Financing Sources				
Inception of Capital Lease	0	0	108,685	108,685
OPWC Loan Issued	0	0	161,282	161,282
Transfers In	3,478	20,000	650,000	673,478
Total Other Financing Sources	3,478	20,000	919,967	943,445
Net Change in Fund Balances	365,732	(97,357)	1,700,111	1,968,486
Fund Balances Beginning of Year - Restated	816,110	748,674	1,681,293	3,246,077
Fund Balances End of Year	$1,181,842	$651,317	$3,381,404	$5,214,563

City of South Euclid, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2010

	Operation Home Improvement	COPS Grant	Street Construction, Maintenance and Repair	State Highway
Assets				
Equity in Pooled Cash and Cash Equivalents	$231,294	$646	$80,371	$7,012
Materials and Supplies Inventory	0	0	100,231	0
Intergovernmental Receivable	0	0	341,164	27,605
Property Taxes Receivable	0	0	0	0
Assets Held for Resale	557,584	0	0	0
Special Assessments Receivable	19,964	0	0	0
Total Assets	$808,842	$646	$521,766	$34,617
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	$9,701	$0	$10,969	$0
Accrued Wages	0	0	8,247	0
Intergovernmental Payable	0	0	13,923	0
Interfund Payable	0	0	100,000	0
Deferred Revenue	19,964	0	291,859	23,664
Total Liabilities	29,665	0	424,998	23,664
Fund Balances				
Nonspendable	0	0	100,231	0
Restricted	779,177	646	0	10,953
Unassigned (Deficit)	0	0	(3,463)	0
Total Fund Balances (Deficit)	779,177	646	96,768	10,953
Total Liabilities and Fund Balances	$808,842	$646	$521,766	$34,617

Permissive Motor Vehicle License	Police Range	Law Enforcement	Street Lighting
$34,219	$24,987	$165,435	$63,507
0	0	0	0
63,443	0	0	0
0	0	0	0
0	0	0	0
0	0	0	406,119
$97,662	$24,987	$165,435	$469,626
$0	$0	$0	$40,788
0	0	0	0
0	0	0	0
0	0	0	0
53,619	0	0	406,119
53,619	0	0	446,907
0	0	0	0
44,043	24,987	165,435	22,719
0	0	0	0
44,043	24,987	165,435	22,719
$97,662	$24,987	$165,435	$469,626

(continued)

City of South Euclid, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2010

	Sewer Rental	Police Pension	Fire Pension	Total Nonmajor Special Revenue Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	$62,338	$31,092	$25,591	$726,492
Materials and Supplies Inventory	0	0	0	100,231
Intergovernmental Receivable	0	8,508	8,508	449,228
Property Taxes Receivable	0	109,297	109,297	218,594
Assets Held for Resale	0	0	0	557,584
Special Assessments Receivable	373,617	0	0	799,700
Total Assets	$435,955	$148,897	$143,396	$2,851,829
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	$6,257	$0	$0	$67,715
Accrued Wages	4,331	0	0	12,578
Intergovernmental Payable	7,569	33,750	30,000	85,242
Interfund Payable	0	0	0	100,000
Deferred Revenue	373,617	117,805	117,805	1,404,452
Total Liabilities	391,774	151,555	147,805	1,669,987
Fund Balances				
Nonspendable	0	0	0	100,231
Restricted	44,181	0	0	1,092,141
Unassigned (Deficit)	0	(2,658)	(4,409)	(10,530)
Total Fund Balances (Deficit)	44,181	(2,658)	(4,409)	1,181,842
Total Liabilities and Fund Balances	$435,955	$148,897	$143,396	$2,851,829

City of South Euclid, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2010

	Operation Home Improvement	COPS Grant	Street Construction, Maintenance and Repair	State Highway
Revenues				
Property Taxes	$0	$0	$0	$0
Special Assessments	33,413	0	0	0
Intergovernmental	417,817	0	683,364	55,383
Fines and Forfeitures	0	0	0	0
Rentals	0	0	0	0
Charges for Services	0	0	41,143	0
Other	20,344	0	7,966	0
Total Revenues	471,574	0	732,473	55,383
Expenditures				
Current:				
Security of Persons and Property:				
Police	0	551	0	0
Fire	0	0	0	0
Transportation	0	0	661,562	67,311
Basic Utility Services	271	0	0	0
Total Expenditures	271	551	661,562	67,311
Excess of Revenues Over (Under) Expenditures	471,303	(551)	70,911	(11,928)
Other Financing Sources				
Transfers In	0	0	0	0
Net Change in Fund Balances	471,303	(551)	70,911	(11,928)
Fund Balances (Deficit) Beginning of Year - Restated	307,874	1,197	25,857	22,881
Fund Balances (Deficit) End of Year	$779,177	$646	$96,768	$10,953

(continued)

City of South Euclid, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds (continued)

For the Year Ended December 31, 2010

	Permissive Motor Vehicle License	Police Range	Law Enforcement	FEMA Firefighters Grant
Revenues				
Property Taxes	$0	$0	$0	$0
Special Assessments	0	0	0	0
Intergovernmental	127,412	0	11,837	0
Fines and Forfeitures	0	14,531	4,860	0
Rentals	0	11,325	0	0
Charges for Services	0	0	0	0
Other	0	0	2,602	0
Total Revenues	127,412	25,856	19,299	0
Expenditures				
Current:				
Security of Persons and Property:				
Police	0	64,399	27,369	0
Fire	0	0	0	0
Transportation	130,001	0	0	0
Basic Utility Services	0	0	0	0
Total Expenditures	130,001	64,399	27,369	0
Excess of Revenues Over (Under) Expenditures	(2,589)	(38,543)	(8,070)	0
Other Financing Sources				
Transfers In	0	0	0	3,478
Net Change in Fund Balances	(2,589)	(38,543)	(8,070)	3,478
Fund Balances (Deficit) Beginning of Year - Restated	46,632	63,530	173,505	(3,478)
Fund Balances (Deficit) End of Year	$44,043	$24,987	$165,435	$0

Street Lighting	Sewer Rental	Police Pension	Fire Pension	Total Nonmajor Special Revenue Funds
$0	$0	$104,062	$104,062	$208,124
452,039	336,849	0	0	822,301
0	0	17,015	17,015	1,329,843
0	0	0	0	19,391
0	0	0	0	11,325
0	19,860	0	0	61,003
0	0	0	0	30,912
452,039	356,709	121,077	121,077	2,482,899
0	0	139,350	0	231,669
0	0	0	148,600	148,600
0	0	0	0	858,874
470,653	410,578	0	0	881,502
470,653	410,578	139,350	148,600	2,120,645
(18,614)	(53,869)	(18,273)	(27,523)	362,254
0	0	0	0	3,478
(18,614)	(53,869)	(18,273)	(27,523)	365,732
41,333	98,050	15,615	23,114	816,110
$22,719	$44,181	($2,658)	($4,409)	$1,181,842

City of South Euclid, Ohio
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2010

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	$642,371	$8,946	$651,317
Intergovernmental Receivable	36,866	0	36,866
Special Assessments Receivable	0	58,679	58,679
Total Assets	$679,237	$67,625	$746,862
Liabilities and Fund Balances			
Liabilities			
Deferred Revenue	$36,866	$58,679	$95,545
Fund Balances			
Restricted	642,371	8,946	651,317
Total Liabilities and Fund Balances	$679,237	$67,625	$746,862

City of South Euclid, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Debt Service Funds

For the Year Ended December 31, 2010

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
Revenues			
Property Taxes	$447,958	$0	$447,958
Special Assessments	0	3,823	3,823
Intergovernmental	73,733	0	73,733
Total Revenues	521,691	3,823	525,514
Expenditures			
General Government:			
Legislative and Executive	12,423	0	12,423
Debt Service:			
Principal Retirement	33,586	40,000	73,586
Interest and Fiscal Charges	0	15,448	15,448
Capital Appreciation Bonds Accretion	541,414	0	541,414
Total Expenditures	587,423	55,448	642,871
Excess of Revenues Under Expenditures	(65,732)	(51,625)	(117,357)
Other Financing Sources			
Transfers In	0	20,000	20,000
Net Change in Fund Balances	(65,732)	(31,625)	(97,357)
Fund Balances Beginning of Year	708,103	40,571	748,674
Fund Balances End of Year	$642,371	$8,946	$651,317

City of South Euclid, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2010

	General Capital Improvements	Safety Forces Vehicle	Water Distribution Infrastructure	Road Improvement
Assets				
Equity in Pooled Cash and Cash Equivalents	$665,225	$994,562	$912,370	$647,545
Accounts Receivable	42,316	0	0	0
Intergovernmental Receivable	0	0	0	38,766
Property Taxes Receivable	0	0	0	913,775
Total Assets	$707,541	$994,562	$912,370	$1,600,086
Liabilities and Fund Balances				
Liabilities				
Intergovernmental Payable	$0	$0	$0	$349,376
Deferred Revenue	0	0	0	952,541
Total Liabilities	0	0	0	1,301,917
Fund Balances				
Restricted	707,541	994,562	912,370	298,169
Total Liabilities and Fund Balances	$707,541	$994,562	$912,370	$1,600,086

Sidewalk Improvement	Stanhope Parking Lot	Issue II	Sewer Rehabilitation	Total Nonmajor Capital Projects Funds
$7	$2,853	$464,651	$1,251	$3,688,464
0	0	0	0	42,316
0	0	0	0	38,766
0	0	0	0	913,775
$7	$2,853	$464,651	$1,251	$4,683,321
$0	$0	$0	$0	$349,376
0	0	0	0	952,541
0	0	0	0	1,301,917
7	2,853	464,651	1,251	3,381,404
$7	$2,853	$464,651	$1,251	$4,683,321

City of South Euclid, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Capital Projects Funds

For the Year Ended December 31, 2010

	General Capital Improvements	Safety Forces Vehicle	Water Distribution Infrastructure	Road Improvement
Revenues				
Property Taxes	$0	$0	$0	$491,317
Intergovernmental	78,835	0	1,830,455	77,531
Other	358,370	4,900	0	216,592
Total Revenues	437,205	4,900	1,830,455	785,440
Expenditures				
Capital Outlay	216,976	5,414	918,085	642,805
Debt Service:				
Principal Retirement	145,106	0	0	250,000
Interest and Fiscal Charges	11,160	0	0	88,310
Total Expenditures	373,242	5,414	918,085	981,115
Excess of Revenues Over (Under) Expenditures	63,963	(514)	912,370	(195,675)
Other Financing Sources				
Inception of Capital Lease	108,685	0	0	0
OWPC Loan Issued	0	0	0	161,282
Transfers In	350,000	200,000	0	100,000
Total Other Financing Sources	458,685	200,000	0	261,282
Net Change in Fund Balances	522,648	199,486	912,370	65,607
Fund Balances Beginning of Year	184,893	795,076	0	232,562
Fund Balances End of Year	$707,541	$994,562	$912,370	$298,169

Sidewalk Improvement	Stanhope Parking Lot	Issue II	Sewer Rehabilitation	Total Nonmajor Capital Projects Funds
$0	$0	$0	$0	$491,317
0	0	0	0	1,986,821
0	0	0	0	579,862
0	0	0	0	3,058,000
0	0	0	0	1,783,280
0	0	0	0	395,106
0	0	0	0	99,470
0	0	0	0	2,277,856
0	0	0	0	780,144
0	0	0	0	108,685
0	0	0	0	161,282
0	0	0	0	650,000
0	0	0	0	919,967
0	0	0	0	1,700,111
7	2,853	464,651	1,251	1,681,293
$7	$2,853	$464,651	$1,251	$3,381,404

Combining Statement - Agency Fund

Agency Fund

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

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

City of South Euclid, Ohio

Statement of Changes in Assets and Liabilities

Agency Fund

For the Year Ended December 31, 2010

	Beginning Balance 12/31/09	Additions	Deductions	Ending Balance 12/31/10
Deposits Fund				
Assets				
Equity in Pooled Cash and Cash Equivalents	$1,172,399	$429,025	$595,313	$1,006,111
Liabilities				
Deposits Held and Due to Others	$1,172,399	$429,025	$595,313	$1,006,111

Individual Fund Schedules of Revenues, Expenditures

and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual

City of South Euclid, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	$3,685,491	$3,685,491	$3,752,692	$67,201
Income Taxes	8,063,111	8,063,111	8,210,134	147,023
Special Assessments	68,373	68,373	69,620	1,247
Intergovernmental	2,435,374	2,435,370	2,479,707	44,337
Interest	10,184	10,184	10,370	186
Fees, Licenses and Permits	22,601	22,601	23,013	412
Fines and Forfeitures	1,113,798	1,113,798	1,134,107	20,309
Rentals	112,831	112,831	114,888	2,057
Charges for Services	548,805	548,027	545,573	(2,454)
Other	55,742	55,742	56,876	1,134
Total Revenues	16,116,310	16,115,528	16,396,980	281,452
Expenditures				
Current:				
General Government:				
Legislative and Executive:				
Council				
Personal Services	99,350	100,350	97,860	2,490
Materials and Supplies	4,520	3,520	142	3,378
Total Council	103,870	103,870	98,002	5,868
Mayor				
Personal Services	162,562	165,562	162,797	2,765
Contractual Services	4,145	3,329	2,411	918
Materials and Supplies	2,880	2,310	1,823	487
Other	8,681	7,067	4,586	2,481
Total Mayor	178,268	178,268	171,617	6,651
Finance Department				
Personal Services	287,566	287,566	273,570	13,996
Contractual Services	32,693	32,693	29,751	2,942
Materials and Supplies	7,076	7,076	6,612	464
Other	1,851	1,851	1,850	1
Total Finance Department	329,186	329,186	311,783	17,403
Law Director				
Personal Services	139,847	141,847	137,231	4,616
Contractual Services	198,307	194,709	183,706	11,003
Materials and Supplies	16,467	16,228	14,932	1,296
Other	8,799	8,636	8,535	101
Total Law Director	363,420	361,420	344,404	17,016
Civil Service				
Personal Services	8,222	10,222	7,739	2,483
Contractual Services	21,251	19,492	9,670	9,822
Materials and Supplies	54	50	24	26
Other	3,338	3,101	1,444	1,657
Total Civil Service	$32,865	$32,865	$18,877	$13,988

(continued)

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Municipal Complex				
Personal Services	$26,329	$28,329	$21,050	$7,279
Contractual Services	462,686	460,953	420,327	40,626
Materials and Supplies	62,886	62,676	49,206	13,470
Other	21,538	21,481	21,476	5
Total Municipal Complex	573,439	573,439	512,059	61,380
Engineer				
Personal Services	18,841	20,841	18,830	2,011
Contractual Services	22,648	20,648	14,375	6,273
Total Engineer	41,489	41,489	33,205	8,284
Mandated				
Contractual Services	506,450	556,450	475,179	81,271
Other	50,000	50,000	0	50,000
Total Mandated	556,450	606,450	475,179	131,271
General Services				
Personal Services	104,322	104,322	64,122	40,200
Contractual Services	660,884	613,664	388,998	224,666
Other	40,356	37,576	25,224	12,352
Total General Services	805,562	755,562	478,344	277,218
Total Legislative and Executive	2,984,549	2,982,549	2,443,470	539,079
Judicial System:				
Municipal Court				
Personal Services	528,124	528,124	499,574	28,550
Contractual Services	5,792	5,792	3,559	2,233
Materials and Supplies	42,221	42,221	31,562	10,659
Other	8,978	8,978	5,380	3,598
Total Judicial System	585,115	585,115	540,075	45,040
Total General Government	3,569,664	3,567,664	2,983,545	584,119
Security of Persons and Property:				
Police:				
Police Department				
Personal Services	4,705,395	4,744,396	4,470,437	273,959
Contractual Services	110,815	98,884	98,845	39
Materials and Supplies	124,668	110,195	99,899	10,296
Other	159,663	202,623	141,433	61,190
Total Police Department	5,100,541	5,156,098	4,810,614	345,484
Dispatchers				
Personal Services	515,469	515,468	459,003	56,465
Other	8,607	8,607	7,568	1,039
Total Dispatchers	524,076	524,075	466,571	57,504
Total Police	$5,624,617	$5,680,173	$5,277,185	$402,988

(continued)

City of South Euclid, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Fire:				
Fire Department				
Personal Services	$4,067,089	$4,087,089	$4,040,770	$46,319
Contractual Services	119,541	114,902	93,309	21,593
Materials and Supplies	52,139	49,934	38,752	11,182
Other	57,689	55,233	55,169	64
Total Fire Department	4,296,458	4,307,158	4,228,000	79,158
Fire Hydrants				
Contractual Services	41,500	41,500	25,666	15,834
Total Fire	4,337,958	4,348,658	4,253,666	94,992
Total Security of Persons and Property	9,962,575	10,028,831	9,530,851	497,980
Public Health Services:				
Health and Human Services				
Contractual Services	156,271	156,271	140,481	15,790
Leisure Time Activities:				
Recreation Department				
Personal Services	98,535	98,535	94,999	3,536
Contractual Services	237,167	271,669	39,892	231,777
Materials and Supplies	3,249	3,575	288	3,287
Other	12,637	13,809	4,621	9,188
Total Recreation Department	351,588	387,588	139,800	247,788
Community Center				
Personal Services	139,783	142,782	137,604	5,178
Contractual Services	58,516	56,955	28,572	28,383
Materials and Supplies	10,487	10,250	6,423	3,827
Other	49,072	47,870	24,497	23,373
Total Community Center	257,858	257,857	197,096	60,761
Total Leisure Time Activities	609,446	645,445	336,896	308,549
Community Development:				
Boards and Commissions				
Personal Services	36,057	39,057	35,163	3,894
Contractual Services	1,650	1,650	700	950
Total Boards and Commissions	37,707	40,707	35,863	4,844
Community Relations				
Personal Services	93,475	93,475	85,217	8,258
Contractual Services	1,601	1,368	1,037	331
Materials and Supplies	256	215	167	48
Other	33,293	30,567	20,395	10,172
Total Community Relations	$128,625	$125,625	$106,816	$18,809

(continued)

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Economic Development Department:				
Economic Development Department				
Personal Services	$68,344	$73,344	$63,711	$9,633
Contractual Services	41,950	41,827	41,817	10
Materials and Supplies	164	150	128	22
Other	55,283	50,420	12,777	37,643
Total Economic Development Department	165,741	165,741	118,433	47,308
Total Community Development	332,073	332,073	261,112	70,961
Building Department:				
Building Department				
Personal Services	639,829	639,830	622,053	17,777
Contractual Services	19,203	20,547	13,151	7,396
Materials and Supplies	22,187	23,803	15,401	8,402
Other	19,137	20,475	14,950	5,525
Total Building Department	700,356	704,655	665,555	39,100
Transportation:				
Service Department				
Personal Services	607,261	607,261	559,215	48,046
Contractual Services	68,006	68,006	63,074	4,932
Materials and Supplies	47,569	47,569	47,434	135
Other	9,624	9,624	7,667	1,957
Total Service Department	732,460	732,460	677,390	55,070
Service Garage				
Personal Services	163,204	168,204	162,181	6,023
Contractual Services	59,936	58,577	47,704	10,873
Materials and Supplies	173,635	170,123	145,471	24,652
Other	5,642	5,513	4,530	983
Total Service Garage	402,417	402,417	359,886	42,531
Total Transportation	1,134,877	1,134,877	1,037,276	97,601
Basic Utility Services:				
Refuse Collection and Disposal				
Contractual Services	1,538,637	1,538,637	1,376,715	161,922
Materials and Supplies	7,113	7,113	2,442	4,671
Other	1,800	1,800	618	1,182
Total Refuse Collection and Disposal	1,547,550	1,547,550	1,379,775	167,775
Curbside Recycling				
Personal Services	151,223	151,224	140,933	10,291
Contractual Services	43,948	43,948	42,379	1,569
Total Curbside Recycling	195,171	195,172	183,312	11,860
Total Basic Utility Services	$1,742,721	$1,742,722	$1,563,087	$179,635

(continued)

City of South Euclid, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Swimming Pools:				
Swimming Pools				
Personal Services	$192,618	$192,618	$162,973	$29,645
Contractual Services	90,775	106,820	79,841	26,979
Materials and Supplies	11,823	13,913	10,593	3,320
Other	10,552	12,417	10,994	1,423
Total Swimming Pools	305,768	325,768	264,401	61,367
Total Expenditures	18,513,751	18,638,306	16,783,204	1,855,102
Excess of Revenues Under Expenditures	(2,397,441)	(2,522,778)	(386,224)	2,136,554
Other Financing Sources (Uses)				
Sale of Capital Assets	6,447	6,447	6,447	0
Advances In	125,770	125,770	128,000	2,230
Advances Out	(400,000)	(400,000)	(400,000)	0
Transfers Out	(325,796)	(629,014)	(673,478)	(44,464)
Total Other Financing Sources (Uses)	(593,579)	(896,797)	(939,031)	(42,234)
Net Change in Fund Balance	(2,991,020)	(3,419,575)	(1,325,255)	2,094,320
Fund Balance Beginning of Year	3,788,851	3,788,851	3,788,851	0
Prior Year Encumbrances Appropriated	463,403	463,403	463,403	0
Fund Balance End of Year	$1,261,234	$832,679	$2,926,999	$2,094,320

City of South Euclid, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Flood Control Fund
For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Special Assessments	$1,769,082	$1,820,728	$1,826,114	$5,386
Expenditures				
Capital Outlay:				
Contractual Services	1,682,491	1,682,491	1,341,488	341,003
Other	5,367	5,367	3,608	1,759
Total Capital Outlay	1,687,858	1,687,858	1,345,096	342,762
Debt Service:				
Principal Retirement	715,014	715,014	480,691	234,323
Interest and Fiscal Charges	268,541	268,541	180,535	88,006
Total Debt Service	983,555	983,555	661,226	322,329
Total Expenditures	2,671,413	2,671,413	2,006,322	665,091
Excess of Revenues Under Expenditures	(902,331)	(850,685)	(180,208)	670,477
Other Financing Sources				
OPWC Loan Issued	251,918	259,272	260,039	767
Net Change in Fund Balance	(650,413)	(591,413)	79,831	671,244
Fund Balance Beginning of Year	1,465,812	1,465,812	1,465,812	0
Prior Year Encumbrances Appropriated	261,096	261,096	261,096	0
Fund Balance End of Year	$1,076,495	$1,135,495	$1,806,739	$671,244

City of South Euclid, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Land Acquisition Fund
For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues	$0	$0	$0	$0
Expenditures				
Debt Service:				
Principal Retirement	20,531,622	39,732,576	39,575,000	157,576
Interest and Fiscal Charges	483,378	935,429	931,719	3,710
Other	115,558	223,625	222,738	887
Total Debt Service	21,130,558	40,891,630	40,729,457	162,173
Total Expenditures	21,130,558	40,891,630	40,729,457	162,173
Excess of Revenues Under Expenditures	(21,130,558)	(40,891,630)	(40,729,457)	162,173
Other Financing Sources				
Bond Anticipation Notes Issued	20,831,235	40,295,000	40,295,000	0
Premium on Bond Anticipation Notes	86,978	168,246	168,246	0
Advances In	206,787	400,000	400,000	0
Total Other Financing Sources	21,125,000	40,863,246	40,863,246	0
Net Change in Fund Balance	(5,558)	(28,384)	133,789	162,173
Fund Balance Beginning of Year	28,384	28,384	28,384	0
Fund Balance End of Year	$22,826	$0	$162,173	$162,173

City of South Euclid, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Operation Home Improvement Fund
For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Special Assessments	$30,212	$30,212	$33,413	$3,201
Intergovernmental	419,700	419,700	417,817	(1,883)
Other	20,344	20,344	20,344	0
Total Revenues	470,256	470,256	471,574	1,318
Expenditures				
Current:				
Basic Utility Services:				
Refuse Collection and Disposal:				
Contractual Services	191	191	191	0
Other	302,601	760,601	629,914	130,687
Total Expenditures	302,792	760,792	630,105	130,687
Excess of Revenues Over (Under) Expenditures	167,464	(290,536)	(158,531)	132,005
Other Financing Uses				
Advances Out	(15,000)	(15,000)	(15,000)	0
Net Change in Fund Balance	152,464	(305,536)	(173,531)	132,005
Fund Balance Beginning of Year	148,524	148,524	148,524	0
Prior Year Encumbrances Appropriated	175,792	175,792	175,792	0
Fund Balance End of Year	$476,780	$18,780	$150,785	$132,005

City of South Euclid, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
COPS Grant Fund
For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues	$0	$0	$0	$0
Expenditures				
Current:				
Security of Persons and Property:				
Police Department:				
Other	1,197	1,197	1,197	0
Net Change in Fund Balance	(1,197)	(1,197)	(1,197)	0
Fund Balance Beginning of Year	907	907	907	0
Prior Year Encumbrances Appropriated	290	290	290	0
Fund Balance End of Year	$0	$0	$0	$0

City of South Euclid, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Construction, Maintenance and Repair Fund
For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	$639,499	$653,502	$690,200	$36,698
Charges for Services	38,121	38,955	41,143	2,188
Other	7,380	7,543	7,966	423
Total Revenues	685,000	700,000	739,309	39,309
Expenditures				
Current:				
Transportation:				
Street Maintenance:				
Personal Services	592,886	594,387	588,462	5,925
Contractual Services	26,205	25,659	25,659	0
Materials and Supplies	133,097	132,143	126,230	5,913
Total Expenditures	752,188	752,189	740,351	11,838
Net Change in Fund Balance	(67,188)	(52,189)	(1,042)	51,147
Fund Balance Beginning of Year	54,281	54,281	54,281	0
Prior Year Encumbrances Appropriated	16,812	16,812	16,812	0
Fund Balance End of Year	$3,905	$18,904	$70,051	$51,147

City of South Euclid, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
State Highway Fund
For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	$52,000	$55,000	$55,962	$962
Expenditures				
Current:				
Transportation:				
Street Maintenance:				
Personal Services	40	40	20	20
Materials and Supplies	70,000	70,000	67,954	2,046
Total Expenditures	70,040	70,040	67,974	2,066
Net Change in Fund Balance	(18,040)	(15,040)	(12,012)	3,028
Fund Balance Beginning of Year	18,984	18,984	18,984	0
Prior Year Encumbrances Appropriated	40	40	40	0
Fund Balance End of Year	$984	$3,984	$7,012	$3,028

City of South Euclid, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Permissive Motor Vehicle License Fund
For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	$110,000	$128,000	$128,079	$79
Expenditures				
Current:				
Transportation:				
Materials and Supplies	136,300	136,300	134,221	2,079
Excess of Revenues Under Expenditures	(26,300)	(8,300)	(6,142)	2,158
Other Financing Uses				
Advances Out	(60,000)	(60,000)	(60,000)	0
Net Change in Fund Balance	(86,300)	(68,300)	(66,142)	2,158
Fund Balance Beginning of Year	94,061	94,061	94,061	0
Prior Year Encumbrances Appropriated	6,300	6,300	6,300	0
Fund Balance End of Year	$14,061	$32,061	$34,219	$2,158

City of South Euclid, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Range Fund
For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Fines and Forfeitures	$10,116	$14,050	$14,531	$481
Rentals	7,884	10,950	11,325	375
Total Revenues	18,000	25,000	25,856	856
Expenditures				
Current:				
Security of Persons and Property:				
Police Department:				
Contractual Services	101,048	101,048	88,017	13,031
Materials and Supplies	3,876	3,876	3,823	53
Other	29,264	29,264	28,300	964
Total Expenditures	134,188	134,188	120,140	14,048
Net Change in Fund Balance	(116,188)	(109,188)	(94,284)	14,904
Fund Balance Beginning of Year	3,183	3,183	3,183	0
Prior Year Encumbrances Appropriated	116,088	116,088	116,088	0
Fund Balance End of Year	$3,083	$10,083	$24,987	$14,904

City of South Euclid, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Law Enforcement Fund
For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	$12,267	$11,654	$11,837	$183
Fines and Forfeitures	5,037	4,785	4,860	75
Other	2,696	2,561	2,602	41
Total Revenues	20,000	19,000	19,299	299
Expenditures				
Current:				
Security of Persons and Property:				
Police Department:				
Contractual Services	41,195	41,195	15,033	26,162
Other	48,988	48,988	12,336	36,652
Total Expenditures	90,183	90,183	27,369	62,814
Net Change in Fund Balance	(70,183)	(71,183)	(8,070)	63,113
Fund Balance Beginning of Year	158,322	158,322	158,322	0
Prior Year Encumbrances Appropriated	15,183	15,183	15,183	0
Fund Balance End of Year	$103,322	$102,322	$165,435	$63,113

City of South Euclid, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
FEMA Firefighters Grant Fund
For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	$0	$0	$0	$0
Expenditures	0	0	0	0
Excess of Revenues Over Expenditures	0	0	0	0
Other Financing Sources (Uses)				
Advances Out	(49,522)	(49,522)	(53,000)	(3,478)
Transfers In	0	0	3,478	3,478
Total Other Financing Sources (Uses)	(49,522)	(49,522)	(49,522)	0
Net Change in Fund Balance	(49,522)	(49,522)	(49,522)	0
Fund Balance Beginning of Year	49,522	49,522	49,522	0
Fund Balance End of Year	$0	$0	$0	$0

City of South Euclid, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Lighting Fund
For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Special Assessments	$380,000	$450,000	$452,039	$2,039
Expenditures				
Current:				
Basic Utility Services:				
Street Maintenance:				
Contractual Services	455,000	475,000	468,052	6,948
Other	791	791	0	791
Total Expenditures	455,791	475,791	468,052	7,739
Net Change in Fund Balance	(75,791)	(25,791)	(16,013)	9,778
Fund Balance Beginning of Year	78,729	78,729	78,729	0
Prior Year Encumbrances Appropriated	791	791	791	0
Fund Balance End of Year	$3,729	$53,729	$63,507	$9,778

City of South Euclid, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Sewer Rental Fund
For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Special Assessments	$330,514	$330,514	$336,849	$6,335
Charges for Services	19,486	19,486	19,860	374
Total Revenues	350,000	350,000	356,709	6,709
Expenditures				
Current:				
Basic Utility Services:				
Sewer Maintenance:				
Personal Services	331,978	336,979	322,294	14,685
Contractual Services	98,554	93,554	89,084	4,470
Materials and Supplies	21,628	21,628	11,781	9,847
Other	600	600	600	0
Total Expenditures	452,760	452,761	423,759	29,002
Net Change in Fund Balance	(102,760)	(102,761)	(67,050)	35,711
Fund Balance Beginning of Year	114,789	114,789	114,789	0
Prior Year Encumbrances Appropriated	3,142	3,142	3,142	0
Fund Balance End of Year	$15,171	$15,170	$50,881	$35,711

City of South Euclid, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Pension Fund
For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	$99,080	$99,080	$104,062	$4,982
Intergovernmental	16,200	16,200	17,015	815
Total Revenues	115,280	115,280	121,077	5,797
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Contractual Services	141,000	141,000	140,600	400
Net Change in Fund Balance	(25,720)	(25,720)	(19,523)	6,197
Fund Balance Beginning of Year	50,615	50,615	50,615	0
Fund Balance End of Year	$24,895	$24,895	$31,092	$6,197

City of South Euclid, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Pension Fund
For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	$99,080	$99,080	$104,062	$4,982
Intergovernmental	16,200	16,200	17,015	815
Total Revenues	115,280	115,280	121,077	5,797
Expenditures				
Current:				
Security of Persons and Property:				
Fire:				
Contractual Services	153,000	153,000	143,600	9,400
Net Change in Fund Balance	(37,720)	(37,720)	(22,523)	15,197
Fund Balance Beginning of Year	48,114	48,114	48,114	0
Fund Balance End of Year	$10,394	$10,394	$25,591	$15,197

City of South Euclid, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Obligation Bond Retirement Fund
For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	$428,939	$428,939	$447,958	$19,019
Intergovernmental	70,603	70,603	73,733	3,130
Total Revenues	499,542	499,542	521,691	22,149
Expenditures				
Current:				
General Government:				
Legislative and Executive:				
Contractual Services	23,000	23,000	7,948	15,052
Other	13,156	13,156	4,475	8,681
Total General Government	36,156	36,156	12,423	23,733
Debt Service:				
Principal Retirement	33,586	33,586	33,586	0
Capital Apprecitation Bonds Accretion	670,414	670,414	541,414	129,000
Total Debt Service	704,000	704,000	575,000	129,000
Total Expenditures	740,156	740,156	587,423	152,733
Net Change in Fund Balance	(240,614)	(240,614)	(65,732)	174,882
Fund Balance Beginning of Year	708,103	708,103	708,103	0
Fund Balance End of Year	$467,489	$467,489	$642,371	$174,882

City of South Euclid, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Special Assessment Bond Retirement Fund
For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Special Assessments	$0	$3,000	$3,823	$823
Expenditures				
Debt Service:				
Principal Retirement	40,000	40,000	40,000	0
Interest and Fiscal Charges	20,000	20,000	15,448	4,552
Total Expenditures	60,000	60,000	55,448	4,552
Excess of Revenues Under Expenditures	(60,000)	(57,000)	(51,625)	5,375
Other Financing Sources				
Transfers In	20,000	20,000	20,000	0
Net Change in Fund Balance	(40,000)	(37,000)	(31,625)	5,375
Fund Balance Beginning of Year	40,571	40,571	40,571	0
Fund Balance End of Year	$571	$3,571	$8,946	$5,375

City of South Euclid, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Capital Improvements Fund
For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	$82,975	$77,859	$78,835	$976
Other	332,654	312,141	316,054	3,913
Total Revenues	415,629	390,000	394,889	4,889
Expenditures				
Capital Outlay:				
Capital Outlay	350,307	374,307	302,699	71,608
Excess of Revenues Over Expenditures	65,322	15,693	92,190	76,497
Other Financing Sources				
Transfers In	0	350,000	350,000	0
Net Change in Fund Balance	65,322	365,693	442,190	76,497
Fund Balance Beginning of Year	178,760	178,760	178,760	0
Prior Year Encumbrances Appropriated	6,133	6,133	6,133	0
Fund Balance End of Year	$250,215	$550,586	$627,083	$76,497

City of South Euclid, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Safety Forces Vehicle Fund
For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Other	$0	$9,000	$9,400	$400
Expenditures				
Capital Outlay:				
Capital Outlay	222,460	222,460	27,874	194,586
Excess of Revenues Under Expenditures	(222,460)	(213,460)	(18,474)	194,986
Other Financing Sources				
Transfers In	200,000	200,000	200,000	0
Net Change in Fund Balance	(22,460)	(13,460)	181,526	194,986
Fund Balance Beginning of Year	768,116	768,116	768,116	0
Prior Year Encumbrances Appropriated	22,460	22,460	22,460	0
Fund Balance End of Year	$768,116	$777,116	$972,102	$194,986

City of South Euclid, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Water Distribution Infrastructure Fund
For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	$1,830,455	$1,830,455	$1,830,455	$0
Expenditures				
Capital Outlay:				
Contractual Services	1,830,455	1,830,455	966,061	864,394
Net Change in Fund Balance	0	0	864,394	864,394
Fund Balance Beginning of Year	0	0	0	0
Fund Balance End of Year	$0	$0	$864,394	$864,394

City of South Euclid, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Road Improvement Fund
For the Year Ended December 31, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	$392,075	$814,259	$491,317	($322,942)
Intergovernmental	61,870	128,492	77,531	(50,961)
Other	172,842	358,957	216,592	(142,365)
Total Revenues	626,787	1,301,708	785,440	(516,268)
Expenditures				
Capital Outlay:				
Contractual Services	463,007	813,007	309,687	503,320
Debt Service:				
Principal Retirement	400,000	700,000	250,000	450,000
Interest and Fiscal Charges	94,310	283,710	88,310	195,400
Total Debt Service	494,310	983,710	338,310	645,400
Total Expenditures	957,317	1,796,717	647,997	1,148,720
Excess of Revenues Over (Under) Expenditures	(330,530)	(495,009)	137,443	632,452
Other Financing Sources				
OPWC Loans Issued	128,704	267,292	161,282	(106,010)
Transfers In	79,801	165,730	100,000	(65,730)
Total Other Financing Sources	208,505	433,022	261,282	(171,740)
Net Change in Fund Balance	(122,025)	(61,987)	398,725	460,712
Fund Balance Beginning of Year	219,555	219,555	219,555	0
Prior Year Encumbrances Appropriated	13,007	13,007	13,007	0
Fund Balance End of Year	$110,537	$170,575	$631,287	$460,712

City of South Euclid, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Sidewalk Improvement Fund
For the Year Ended December 31, 2010

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

City of South Euclid, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Stanhope Parking Lot Fund
For the Year Ended December 31, 2010

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

City of South Euclid, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Issue II Fund
For the Year Ended December 31, 2010

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

City of South Euclid, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Sewer Rehabilitation Fund
For the Year Ended December 31, 2010

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

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Statistical Section

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

Contents **Pages(s)**

Financial Trends ..... ***S2 – S11***

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity ..... ***S12 – S14***

These schedules contain information to help the reader assess the City's most significant local revenue, the municipal income tax.

Debt Capacity ..... ***S16 – S21***

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.

Economic and Demographic Information ..... ***S22 – S25***

These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information ..... ***S26 – S31***

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

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

City of South Euclid, Ohio

Net Assets By Component

Last Ten Years

(Accrual Basis of Accounting)

	2010	2009	2008	2007
Governmental Activities				
Invested in Capital Assets,				
Net of Related Debt	$33,940,171	$32,938,396	$30,383,626	$28,853,662
Restricted:				
Capital Projects	8,191,218	6,012,190	6,357,363	5,732,147
Debt Service	674,337	817,326	840,410	1,205,795
Street Maintenance	330,710	238,023	437,529	618,196
Street Lighting	428,838	437,834	514,248	551,299
Sewer Maintenance	390,003	435,148	384,037	398,264
Other Purposes (1)	1,145,337	851,859	646,835	304,415
Unrestricted	3,567,056	4,164,412	5,754,886	7,541,936
Total Governmental Activities Net Assets	$48,667,670	$45,895,188	$45,318,934	$45,205,714

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

2006	2005	2004	2003	2002	2001
$22,453,546	$20,848,365	$18,556,099	$17,806,555	$14,677,992	$16,110,371
10,817,930	12,072,013	13,586,656	9,536,999	12,337,811	10,221,386
1,228,773	1,230,674	1,209,362	4,689,143	4,624,328	564,075
868,767	767,151	745,178	619,840	0	0
564,263	581,334	616,735	638,139	0	0
361,298	398,185	374,740	386,731	0	0
338,842	295,348	404,799	449,460	2,340,095	2,507,471
6,233,264	5,772,223	5,689,409	6,886,696	6,541,579	6,937,209
$42,866,683	$41,965,293	$41,182,978	$41,013,563	$40,521,805	$36,340,512

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

	2010	2009	2008	2007	2006
Program Revenues					
Governmental Activities:					
Charges for Services and Operating Assessments:					
General Government:					
Legislative and Executive	$266,024	$276,698	$345,357	$317,840	$235,896
Judicial System	58,507	59,178	57,596	62,730	44,503
Security of Persons and Property:					
Police	594,913	607,784	693,554	663,424	475,520
Fire	468,368	436,945	495,777	495,329	328,461
Public Health Services	14,323	18,024	16,474	18,029	12,693
Leisure Time Activities	40,072	35,970	49,565	53,397	35,031
Community Development	24,134	25,565	36,442	31,376	19,959
Building Department	72,724	77,024	93,325	94,543	62,304
Transportation	150,034	140,916	188,751	98,837	96,845
Basic Utility Services	2,865,154	2,776,764	2,953,380	3,200,213	2,952,317
Swimming Pools	77,065	86,512	119,300	114,041	121,333
Operating Grants, Contributions and Interest	1,354,082	1,262,066	1,107,332	910,810	1,032,575
Capital Grants, Contributions and Capital Assessments	1,987,926	95,906	245,873	693,176	86,335
Total Governmental Activities Program Revenues	7,973,326	5,899,352	6,402,726	6,753,745	5,503,772
Expenses					
Governmental Activities:					
General Government:					
Legislative and Executive	2,388,528	2,653,976	2,819,870	2,402,438	2,423,252
Judicial System	528,283	571,587	467,629	490,694	463,068
Security of Persons and Property:					
Police	5,341,130	5,566,689	5,477,289	5,282,303	5,202,341
Fire	4,354,968	4,389,709	4,228,508	3,934,595	3,583,897
Public Health Services	127,799	129,249	133,196	135,702	130,178
Leisure Time Activities	368,780	356,693	585,200	1,065,090	377,023
Community Development	215,342	244,319	294,638	236,405	204,704
Building Department	654,922	743,044	770,710	737,700	646,628
Transportation	2,945,127	3,318,990	3,579,503	3,322,800	3,138,160
Basic Utility Services	3,173,606	2,464,808	3,928,628	3,028,247	3,322,453
Swimming Pools	339,938	406,544	420,665	379,311	371,225
Interest and Fiscal Charges	920,508	1,185,865	1,418,744	1,497,241	496,930
Total Governmental Activities Expenses	21,358,931	22,031,473	24,124,580	22,512,526	20,359,859
Total Primary Government Net Expense	(13,385,605)	(16,132,121)	(17,721,854)	(15,758,781)	(14,856,087)
General Revenues and Other Changes in Net Assets					
Governmental Activities					
Taxes:					
Property Taxes Levied For:					
General Purposes	3,768,986	4,295,069	4,256,560	4,318,695	4,005,660
Debt Service	407,046	520,995	442,310	456,913	487,938
Capital Projects	530,252	517,143	511,338	546,189	549,010
Other Purposes	209,102	242,234	239,886	250,978	229,592
Municipal Income Taxes	8,151,305	8,332,487	9,085,439	8,997,144	7,309,426
Grants and Entitlements not Restricted to Specific Programs	2,344,675	2,143,984	2,351,687	2,292,053	2,186,857
Increase in Investment in Joint Venture	0	0	0	0	27,217
Investment Earnings	71,301	155,891	426,403	1,014,924	766,878
Gain on Sale of Capital Assets	6,447	0	0	0	42,525
Miscellaneous	668,973	500,572	521,451	220,916	152,374
Total Governmental Activities	16,158,087	16,708,375	17,835,074	18,097,812	15,757,477
Total Primary Government Change in Net Assets	$2,772,482	$576,254	$113,220	$2,339,031	$901,390

2005	2004	2003	2002	2001
$214,236	$212,514	$81,257	$64,126	$117,227
42,818	42,712	480,593	448,288	436,864
444,970	438,192	63,961	26,077	49,710
326,040	327,875	331,904	268,318	1,621
12,796	100,210	0	0	0
74,440	13,590	37,390	36,367	38,942
22,012	107,106	109,337	98,144	70,682
57,307	140,534	357,593	304,627	147,740
89,006	55,040	9,202	5,943	13,074
2,934,578	2,951,856	2,938,776	2,735,584	37,958
142,634	132,144	156,078	162,915	166,060
928,712	968,392	926,987	797,868	3,740,595
24,468	262,868	653,384	2,690,808	672,508
5,314,017	5,753,033	6,146,462	7,639,065	5,492,981
2,149,780	2,142,448	1,978,940	1,953,365	1,895,080
439,808	453,624	460,425	373,524	371,504
4,600,120	4,501,705	4,342,704	4,085,718	3,853,772
3,552,050	3,314,684	3,139,703	2,854,567	2,665,347
127,609	136,516	168,765	132,411	157,173
385,161	525,902	522,564	387,883	415,552
219,507	182,993	207,347	307,024	243,728
587,553	619,424	734,635	657,134	563,338
2,732,270	2,587,269	3,382,764	2,167,781	1,928,058
2,590,425	2,656,146	3,098,100	2,368,217	2,019,669
442,493	702,414	769,297	773,327	746,909
491,110	495,871	308,094	445,494	364,455
18,317,886	18,318,996	19,113,338	16,506,445	15,224,585
(13,003,869)	(12,565,963)	(12,966,876)	(8,867,380)	(9,731,604)
3,945,778	3,935,438	3,597,642	3,683,343	3,553,391
491,236	525,600	480,622	490,604	481,170
558,422	559,713	549,291	557,055	549,581
228,914	228,606	208,170	207,014	207,006
5,889,209	5,258,353	6,005,698	5,573,741	5,897,127
2,132,798	2,032,457	2,271,565	1,921,190	2,324,610
0	0	64,400	103,518	163,469
459,995	163,416	264,118	472,003	635,777
0	0	0	9,800	149,725
79,832	31,795	17,128	30,405	32,623
13,786,184	12,735,378	13,458,634	13,048,673	13,994,479
$782,315	$169,415	$491,758	$4,181,293	$4,262,875

City of South Euclid, Ohio

Fund Balances, Governmental Funds

Last Two Years

(Modified Accrual Basis of Accounting)

	2010	2009
General Fund		
Nonspendable	$131,894	$136,237
Committed	3,095	0
Assigned	165,513	373,928
Unassigned	3,829,304	4,028,322
Total General Fund	4,129,806	4,538,487
All Other Governmental Funds		
Nonspendable	100,231	58,558
Restricted	7,316,884	21,333,187
Unassigned	(1,252,757)	(3,478)
Total All Other Governmental Funds	6,164,358	21,388,267
Total Governmental Funds	$10,294,164	$25,926,754

Note: The City implemented GASB 54 in 2010.

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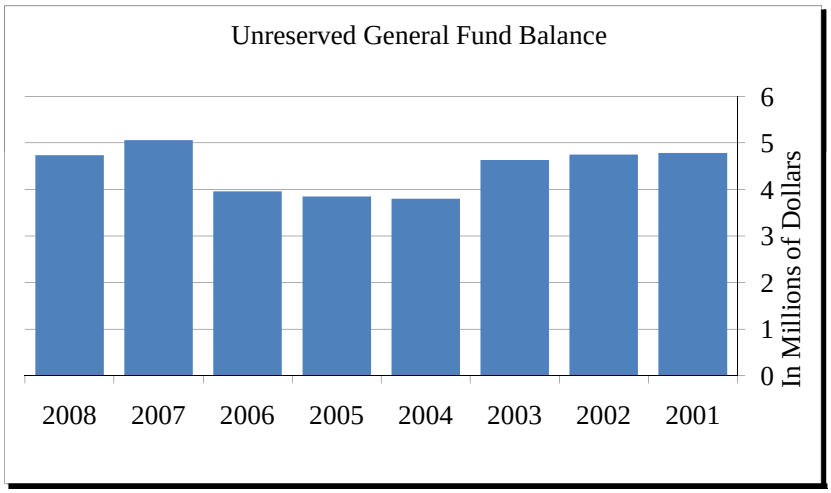
City of South Euclid, Ohio
Fund Balances, Governmental Funds
2008 and Prior Seven Years
(Modified Accrual Basis of Accounting)

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

Note: The City implemented GASB 54 in 2010.



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

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

	2010	2009	2008	2007	2006
Revenues					
Property Taxes	$4,900,091	$5,534,076	$5,453,873	$5,501,086	$5,268,129
Income Taxes	8,290,533	8,311,273	8,463,897	8,674,233	6,741,479
Special Assessments	2,721,858	2,863,451	2,725,157	3,019,836	2,841,329
Intergovernmental	5,687,247	3,745,257	3,444,675	3,965,660	3,311,300
Interest	71,301	155,891	426,403	1,014,924	766,878
Fees, Licenses and Permits	27,587	474,395	451,096	416,655	606,335
Fines and Forfeitures	1,151,835	686,194	643,670	547,248	578,346
Rentals	126,271	130,790	122,628	620,707	158,687
Charges for Services	608,561	640,340	996,316	587,344	306,598
Other	668,973	500,572	521,451	220,916	152,374
Total Revenues	24,254,257	23,042,239	23,249,166	24,568,609	20,731,455
Expenditures					
Current:					
General Government:					
Legislative and Executive	2,364,218	2,631,006	2,793,959	2,383,974	2,424,399
Judicial System	520,867	541,010	490,556	472,870	453,396
Security of Persons and Property:					
Police	5,236,295	5,482,855	5,393,378	5,116,404	4,842,681
Fire	4,326,610	4,298,797	4,130,488	3,867,768	3,484,989
Public Health Services	127,799	129,249	133,196	135,702	130,178
Leisure Time Activities	356,328	351,427	403,482	400,970	370,605
Community Development	215,342	244,319	294,638	236,405	204,704
Building Department	639,842	716,900	773,098	714,860	643,659
Transportation	1,830,847	2,089,754	2,247,498	2,237,033	1,748,928
Basic Utility Services	2,335,128	2,282,521	2,480,311	2,280,720	2,135,250
Swimming Pools	263,621	318,555	330,541	298,761	274,413
Capital Outlay	2,738,593	2,654,497	4,004,012	10,014,436	3,821,801
Debt Service:					
Principal Retirement	19,506,156	19,466,247	18,361,773	1,315,524	1,175,441
Interest and Fiscal Charges	1,200,981	1,252,209	1,398,321	520,804	415,518
Capital Appreciation Bonds Accretion	541,414	0	0	0	0
Note Issuance Costs	222,738	0	0	0	0
Total Expenditures	42,426,779	42,459,346	43,235,251	29,996,231	22,125,962
Excess of Revenues Over (Under) Expenditures	(18,172,522)	(19,417,107)	(19,986,085)	(5,427,622)	(1,394,507)
Other Financing Sources (Uses)					
Sale of Capital Assets	6,447	0	5,423	7,468	173,253
Inception of Capital Lease	108,685	0	174,902	0	356,964
Premium on Bond Anticipation Notes Issued	3,479	103,670	0	0	0
Bond Anticipation Notes Issued	2,000,000	18,550,000	18,010,000	17,000,000	0
OPWC Loans Issued	421,321	43,535	297,780	0	0
OWDA Loan Proceeds	0	0	0	2,052,371	0
General Obligation Bonds Issued	0	0	0	0	0
General Obligation Notes Issued	0	0	0	0	0
Premium on General Obligation Notes	0	0	0	0	0
Compensation for Loss of Asset	0	10,707	0	0	0
Transfers In	673,478	1,110,000	1,257,232	1,650,547	945,000
Transfers Out	(673,478)	(1,110,000)	(1,257,232)	(1,650,547)	(945,000)
Total Other Financing Sources (Uses)	2,539,932	18,707,912	18,488,105	19,059,839	530,217
Net Change in Fund Balances	($15,632,590)	($709,195)	($1,497,980)	$13,632,217	($864,290)
Debt Service as a Percentage of Noncapital Expenditures (a)	53.6%	52.7%	48.5%	8.8%	9.5%

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

2005	2004	2003	2002	2001
$5,279,878	$5,265,227	$4,767,851	$4,942,050	$4,733,663
5,594,529	5,349,183	5,739,236	5,729,709	5,480,272
2,891,889	2,879,471	2,731,482	2,810,566	2,838,353
3,205,613	3,026,880	3,733,712	5,664,588	3,917,807
459,995	163,416	264,118	472,003	679,836
638,644	534,101	748,651	604,012	169,739
472,986	521,519	489,830	450,711	467,915
184,116	166,792	105,893	42,530	97,359
257,754	346,546	303,336	276,359	284,989
79,832	31,795	17,128	71,598	48,570
19,065,236	18,284,930	18,901,237	21,064,126	18,718,503
2,140,190	2,171,553	1,955,867	1,954,740	1,914,256
426,959	437,166	444,559	365,555	370,071
4,522,458	4,376,502	4,178,466	3,887,106	3,853,690
3,400,649	3,279,987	2,978,482	2,777,117	2,569,171
127,609	136,516	168,765	111,483	102,938
341,400	393,217	467,343	360,608	334,721
219,507	185,669	207,345	139,688	130,464
569,766	572,410	719,646	630,633	544,835
1,940,539	1,779,840	1,675,861	1,547,080	1,480,690
1,840,926	1,930,402	1,968,487	1,918,152	1,930,490
266,658	351,821	461,665	498,134	493,966
3,208,757	2,583,885	7,510,874	8,339,672	2,443,991
1,070,655	1,019,245	9,342,841	6,318,734	1,394,639
427,297	460,865	431,485	385,878	260,248
0	0	0	0	0
0	0	0	0	0
20,503,370	19,679,078	32,511,686	29,234,580	17,824,170
(1,438,134)	(1,394,148)	(13,610,449)	(8,170,454)	894,333
10,412	6,023	2,731	32,677	211,625
0	0	0	0	0
0	0	20,074	0	0
0	0	0	0	0
0	355,909	820,587	446,333	665,490
0	0	0	0	0
0	0	9,400,000	0	0
0	0	0	8,900,000	5,900,000
0	0	0	13,617	6,195
0	0	0	0	0
732,917	407,500	348,103	1,403,833	1,802,751
(732,917)	(407,500)	(348,103)	(1,403,833)	(1,802,751)
10,412	361,932	10,243,392	9,392,627	6,783,310
($1,427,722)	($1,032,216)	($3,367,057)	$1,222,173	$7,677,643
9.5%	9.5%	64.2%	47.2%	12.1%

City of South Euclid, Ohio

Income Tax Revenue Base and Collections

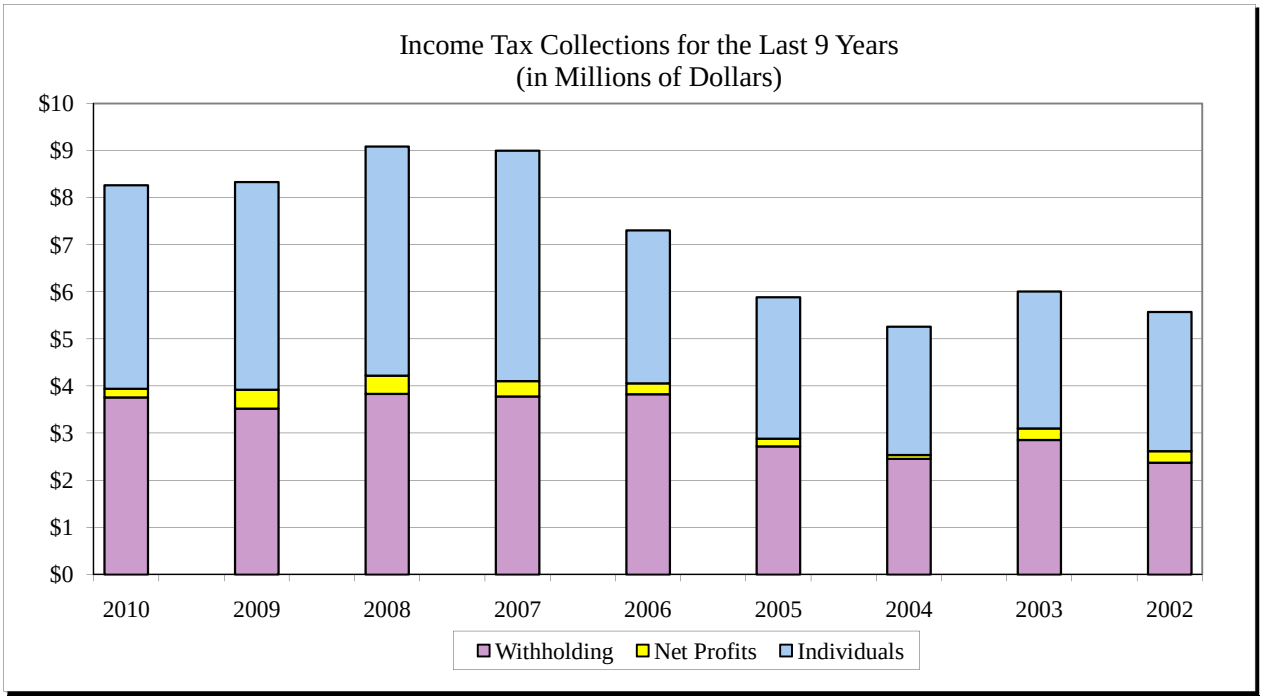
Last Nine Years (1)

Tax Year (2)	Tax Rate (3)	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes From Individuals	Percentage of Taxes from Individuals
2010	2.00 %	$8,267,892	$3,761,738	45.50%	$180,464	2.18%	$4,325,690	52.32%
2009	2.00	8,332,487	3,525,243	42.31	395,796	4.75	4,411,448	52.94
2008	2.00	9,085,439	3,835,277	42.21	387,804	4.27	4,862,358	53.52
2007	2.00	8,997,144	3,777,901	41.99	327,496	3.64	4,891,747	54.37
2006	2.00	7,309,426	3,830,126	52.40	229,265	3.14	3,250,035	44.46
2005	1.50	5,889,209	2,720,121	46.19	164,850	2.80	3,004,238	51.01
2004	1.50	5,258,353	2,458,664	46.76	80,510	1.53	2,719,179	51.71
2003	1.50	6,005,698	2,854,627	47.53	249,266	4.15	2,901,805	48.32
2002	1.50	5,573,741	2,373,168	42.58	247,983	4.45	2,952,590	52.97

(1) Information prior to 2002 is not available.

(2) 2002 through 2010 are on an Accrual Basis.

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



City of South Euclid, Ohio

Income Tax Statistics

2009 and 2001

2009 (1)

Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
$0 - $24,999	2,421	34.45%	$25,239,335	7.24%
$25,000 - $49,999	1,779	25.31	65,852,753	18.89
$50,000 - $74,999	1,304	18.56	80,118,155	22.98
$75,000 - $99,999	733	10.43	62,753,595	18.00
Over $100,000	791	11.25	114,730,486	32.89
Total	7,028	100.00%	$348,694,324	100.00%

2001 (2)

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

(1) Information for 2009 is the most current available.

(2) Information prior to 2001 is not available.

City of South Euclid, Ohio

Principal Income Taxpayers

Current Year and Seven Years Ago (Cash Basis) (1)

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

2010 Taxpayers	Ranking
South Euclid-Lyndhurst Board of Education	1
University Hospitals Health System	2
Notre Dame College	3
City of South Euclid	4
University Suburban Health Center	5
Cuyahoga County Auditors	6
AeroControlex Group Inc.	7
Rochling Glastic Composites, LP	8
Riser Foods	9
University Dermatologists Inc.	10

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

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

(1) Information prior to 2003 is not available.

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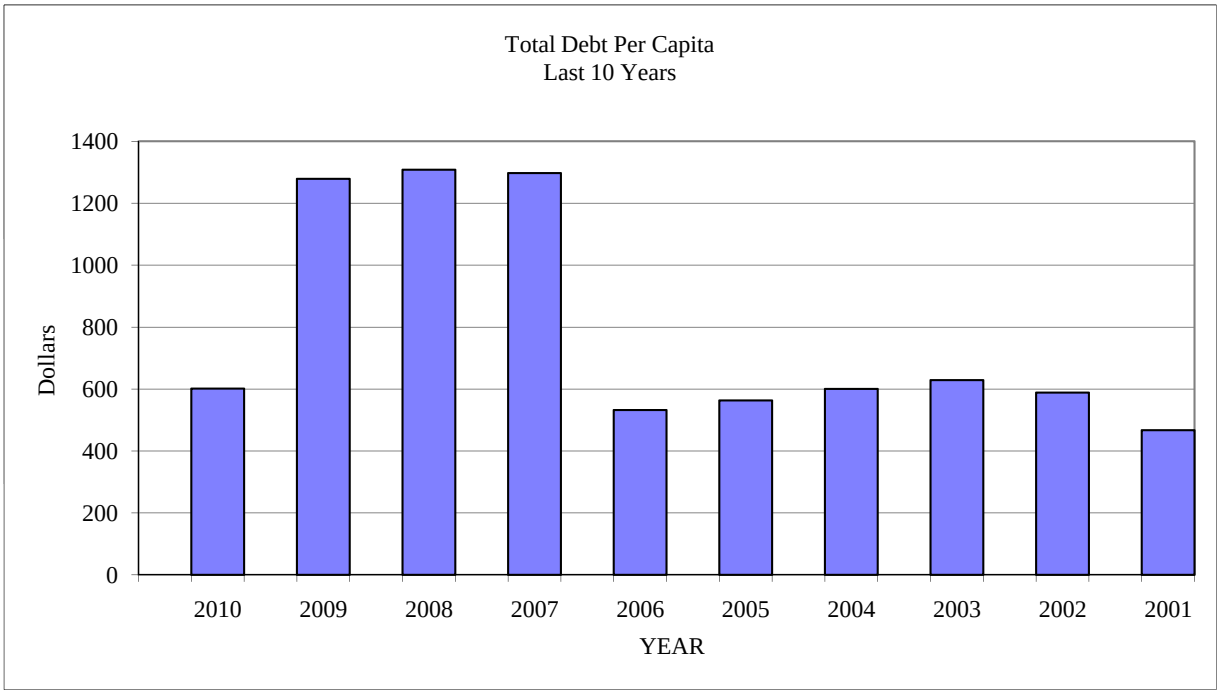
City of South Euclid, Ohio
Ratio of Outstanding Debt to
Total Personal Income and Debt Per Capita
Last Ten Years

Year	General Obligation Bonds	Special Assessment Bonds	OPWC Loans	OWDA Loans	Capital Leases	Police and Fire Pension	General Obligation Bond Anticipation Notes
2010	$6,083,267	$190,000	$2,235,704	$1,724,826	$217,631	$295,528	$2,001,739
2009	7,078,990	230,000	1,869,186	1,810,714	254,052	302,301	18,558,639
2008	7,973,354	270,000	1,935,257	1,893,877	406,035	308,796	18,010,000
2007	8,842,976	305,000	1,747,086	1,974,401	356,546	315,023	17,000,000
2006	9,711,038	340,000	1,856,693	0	291,856	320,994	0
2005	10,586,506	375,000	1,966,300	0	0	326,720	0
2004	11,174,994	405,000	2,216,053	0	0	332,209	0
2003	12,089,994	435,000	1,929,124	0	0	337,474	0
2002	3,005,000	460,000	1,146,332	0	0	342,520	8,900,000
2001	3,542,458	485,000	718,895	0	0	347,358	5,901,549

(1) The personal income and population can be found on S24.



Total Debt	Percentage of Personal Income (1)	Per Capita (1)
$12,748,695	2.35%	$601
30,103,882	6.06	1,279
30,797,319	6.19	1,308
30,541,032	6.14	1,298
12,520,581	2.38	532
13,254,526	2.52	563
14,128,256	2.68	600
14,791,592	2.81	628
13,853,852	2.63	589
10,995,260	2.09	467

City of South Euclid, Ohio

Ratio of General Obligation Bonded Debt to Estimated
True Values and Bonded Debt Per Capita
Last Ten Years

Year	Population (1)		Estimated True Values of Taxable Property (2)	Bonded Debt (3)	Ratio of Bonded Debt to Estimated True Values of Taxable Property	Bonded Debt Per Capita
2010	21,209	b	$1,258,638,251	$6,083,267	0.48 %	$286.82
2009	23,537	a	1,250,127,423	7,078,990	0.57	300.76
2008	23,537	a	1,411,689,760	7,973,354	0.56	338.76
2007	23,537	a	1,313,072,481	8,842,976	0.67	375.71
2006	23,537	a	1,336,234,226	9,711,038	0.73	412.59
2005	23,537	a	1,224,421,930	10,586,506	0.86	449.78
2004	23,537	a	1,221,430,277	11,174,994	0.91	474.78
2003	23,537	a	1,211,632,103	12,089,994	1.00	513.66
2002	23,537	a	1,114,318,570	3,005,000	0.27	127.67
2001	23,537	a	1,110,215,623	3,542,458	0.32	150.51

Sources:

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

(2) Cuyahoga County Auditor

(3) Includes all general obligation bonded debt

City of South Euclid, Ohio

Computation of Direct and Overlapping Governmental Activities Debt

December 31, 2010

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City of South Euclid
Direct - City of South Euclid			
General Obligation Bonds	$6,083,267	100.00%	$6,083,267
Special Assessment Bonds	190,000	100.00%	190,000
OPWC Loans	2,235,704	100.00%	2,235,704
OWDA Loans	1,724,826	100.00%	1,724,826
Capital Leases	217,631	100.00%	217,631
Police and Fire Pension	295,528	100.00%	295,528
Notes Payable	21,143,738	100.00%	21,143,738
Total Direct	31,890,694		31,890,694
Overlapping			
South Euclid-Lyndhurst City School District			
General Obligation Bonds	7,326,185	93.49%	6,849,250
Cleveland Heights School District			
General Obligation Bonds	9,390,000	6.51%	611,289
Energy Conservation Bonds	5,500,000	6.51%	358,050
Capital Lease Obligations	1,271,932	6.51%	82,803
Cuyahoga County (2)			
General Obligation Bonds	141,947,000	1.37%	1,944,674
Revenue Bonds	88,220,000	1.37%	1,208,614
Capital Lease Obligations	20,863,000	1.37%	285,823
Loans Payable	4,103,000	1.37%	56,211
Cleveland Heights University Heights Public Library			
Capital Lease Obligations	548,568	6.51%	35,712
Greater Cleveland Regional Transit Authority			
General Obligation Bonds	157,545,585	1.37%	2,158,375
Bond Anticipation Notes	8,000,000	1.37%	109,600
Capital Lease Obligations	20,869,675	1.37%	285,915
SIB Loan	2,459,509	1.37%	33,695
Total Overlapping Debt	468,044,454		14,020,011
Total	$499,935,148		$45,910,705

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

(2) The special taxing districts' debt (which includes the Cleveland Metropolitan Park District, Cuyahoga Community College and the Cleveland-Cuyahoga Port Authority) is included in the County total.

Source: Cuyahoga County Auditor

City of South Euclid, Ohio
Legal Debt Margin
Last Ten Years

	2010	2009	2008	2007
Population	21,209	23,537	23,537	23,537
Total Assessed Property Value	$408,512,770	$407,015,640	$458,340,285	$459,486,360
General Bonded Debt Outstanding:				
General Obligation Bonds	$5,611,408	$6,234,994	$7,299,994	$8,304,994
Special Assessment Bonds	190,000	230,000	270,000	305,000
Bond Anticipation Notes	21,070,000	20,358,639	19,810,000	18,800,000
OPWC Loans	2,235,704	1,869,186	1,935,257	1,747,086
OWDA Loans	1,724,826	1,810,714	1,893,877	1,974,401
Total Gross Indebtedness	30,831,938	30,503,533	31,209,128	31,131,481
Less:				
Special Assessment Bonds	(190,000)	(230,000)	(270,000)	(305,000)
OPWC Loans	(2,235,704)	(1,869,186)	(1,935,257)	(1,747,086)
OWDA Loans	(1,724,826)	(1,810,714)	(1,893,877)	(1,974,401)
General Obligation Bond Retirement Fund Balance	(642,371)	(708,103)	(640,146)	(631,492)
Total Net Debt Applicable to Debt Limit	26,039,037	25,885,530	26,469,848	26,473,502
Overall Legal Debt Limit				
(10 ½ % of Assessed Valuation)	42,893,841	42,736,642	48,125,730	48,246,068
Legal Debt Margin Within 10 ½ % Limitations	$16,854,804	$16,851,112	$21,655,882	$21,772,566
Legal Debt Margin as a Percentage of the Debt Limit	39.29%	39.43%	45.00%	45.13%
Unvoted Debt Limitation				
5 ½ % of Assessed Valuation	$22,468,202	$22,385,860	$25,208,716	$25,271,750
Total Gross Indebtedness	30,831,938	30,503,533	31,209,128	31,131,481
Less:				
Special Assessment Bonds	(190,000)	(230,000)	(270,000)	(305,000)
OPWC Loans	(2,235,704)	(1,869,186)	(1,935,257)	(1,747,086)
OWDA Loans	(1,724,826)	(1,810,714)	(1,893,877)	(1,974,401)
Voted General Obligation Bonds	(5,611,408)	(6,234,994)	(7,299,994)	(8,304,994)
General Obligation Bond Retirement Fund Balance	(642,371)	(708,103)	(640,146)	(631,492)
Net Debt Within 5 ½ % Limitations	20,427,629	19,650,536	19,169,854	18,168,508
Unvoted Legal Debt Margin Within 5 ½ % Limitations	$2,040,573	$2,735,324	$6,038,862	$7,103,242
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	9.08%	12.22%	23.96%	28.11%

Source: City Financial Records

2006	2005	2004	2003	2002	2001
23,537	23,537	23,537	23,537	23,537	23,537
$465,051,645	$428,196,500	$428,020,457	$424,956,568	$389,649,944	$388,535,868
$9,279,994	$10,239,994	$11,174,994	$12,089,994	$3,005,000	$3,542,458
340,000	375,000	405,000	435,000	460,000	485,000
1,800,000	0	0	0	8,900,000	5,901,549
1,856,693	1,966,300	2,216,053	1,929,124	1,146,332	718,895
0	0	0	0	0	0
13,276,687	12,581,294	13,796,047	14,454,118	13,511,332	10,647,902
(340,000)	(375,000)	(405,000)	(435,000)	(460,000)	(485,000)
(1,856,693)	(1,966,300)	(2,216,053)	(1,929,124)	(1,146,332)	(718,895)
0	0	0	0	0	0
(624,400)	(586,697)	(528,218)	(480,323)	(429,268)	(373,139)
10,455,594	9,653,297	10,646,776	11,609,671	11,475,732	9,070,868
48,830,423	44,960,633	44,942,148	44,620,440	40,913,244	40,796,266
$38,374,829	$35,307,336	$34,295,372	$33,010,769	$29,437,512	$31,725,398
78.59%	78.53%	76.31%	73.98%	71.95%	77.77%
$25,577,840	$23,550,808	$23,541,125	$23,372,611	$21,430,747	$21,369,473
13,276,687	12,581,294	13,796,047	14,454,118	13,511,332	10,647,902
(340,000)	(375,000)	(405,000)	(435,000)	(460,000)	(485,000)
(1,856,693)	(1,966,300)	(2,216,053)	(1,929,124)	(1,146,332)	(718,895)
0	0	0	0	0	0
(9,279,994)	(10,239,994)	(11,174,994)	(12,089,994)	(3,005,000)	(3,542,458)
(624,400)	(586,697)	(528,218)	(480,323)	(429,268)	(373,139)
1,175,600	0	0	0	8,470,732	5,528,410
$24,402,240	$23,550,808	$23,541,125	$23,372,611	$12,960,015	$15,841,063
95.40%	100.00%	100.00%	100.00%	60.47%	74.13%

City of South Euclid

Principal Employers

Current Year and Four Years Ago (1)

2010

Employer	Number of Employees
Notre Dame College	1,222
South Euclid-Lyndhurst Board of Education	436
University Hospitals Health System	410
City of South Euclid	296
AeroControlex Group Inc	218
Riser Foods Company	175
Rochling Glastic Composites LP	163
University Suburban Health Center	161
University Dermatologists Inc	46
Allergy Immunology Assoc. Inc.	23
Total	3,150
Total Employment within the City	n/a

2006

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

Source: Regional Income Tax Agency

(1) Information prior to 2006 not available.

n/a - Information not available

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City of South Euclid, Ohio

Demographic and Economic Statistics

Last Ten Years

Year	Population (1)		Total Personal Income (5)	Personal Income Per Capita	Median Household Income (1)	Median Age (1)
2010	21,209	b	$541,402,143	$25,527	$67,358	35
2009	23,537	a	526,828,671	22,383	48,346	38
2008	23,537	a	526,828,671	22,383	48,346	38
2007	23,537	a	526,828,671	22,383	48,346	38
2006	23,537	a	526,828,671	22,383	48,346	38
2005	23,537	a	526,828,671	22,383	48,346	38
2004	23,537	a	526,828,671	22,383	48,346	38
2003	23,537	a	526,828,671	22,383	48,346	38
2002	23,537	a	526,828,671	22,383	48,346	38
2001	23,537	a	526,828,671	22,383	48,346	38

(1) Source: U. S. Census

(a) Years 2001 through 2009 - 2000 Federal Census

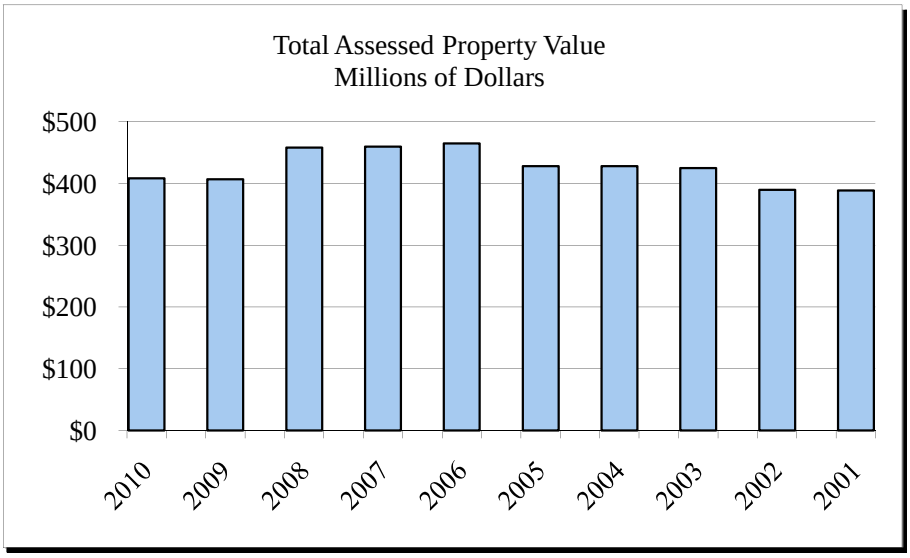
(b) Year 2010 - 2010 Federal Census

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

(3) Cuyahoga County Planning Commission

(4) Source: Cuyahoga County Auditor

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



Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Cuyahoga County Unemployment Rate (3)	Total Assessed Property Value (4)
67.0%	4,296	8.6%	$408,512,770
67.0	4,269	9.0	407,015,640
67.0	4,336	7.1	458,340,285
67.0	4,307	6.1	459,486,360
67.0	4,462	5.5	465,051,645
65.5	4,613	5.9	428,196,500
65.6	4,669	6.3	428,020,457
59.2	4,634	6.2	424,956,568
58.8	4,392	5.7	389,649,944
58.6	4,452	4.5	388,535,868

City of South Euclid, Ohio

City Government Employees by Function/Program

Last Nine Years (1)

Function/Program	2010	2009	2008	2007	2006
General Government:					
Legislative and Executive					
City Council	4.00	4.00	4.00	4.00	4.00
Mayors Office	2.00	2.00	2.00	2.00	2.00
Finance	4.00	4.00	4.00	5.00	5.00
Law	2.50	2.50	2.50	3.00	3.00
Civil Service	2.00	2.00	2.00	2.00	2.00
Municipal Complex	1.00	1.00	2.00	3.00	3.00
Engineering	1.00	1.00	1.00	1.00	1.00
Judicial System					
Municipal Court	12.00	12.00	12.00	10.00	10.00
Security of Persons and Property					
Police	58.00	58.00	58.00	59.00	58.00
Fire	38.00	38.00	38.00	37.00	36.00
Leisure Time Activities					
Recreation	1.00	1.00	2.00	3.00	3.00
Community Center	6.00	6.00	6.00	6.00	6.00
Community Development					
Boards and Commissions	9.00	9.00	9.00	10.00	10.00
Community Relations	1.50	1.50	1.50	1.00	2.00
Economic Development	1.00	0.50	1.00	1.00	0.00
Building Department	10.00	10.00	12.00	11.00	11.00
Transportation					
Service Department	21.00	21.00	22.00	23.00	23.00
Service Garage	2.00	2.00	2.00	2.00	2.00
Basic Utility Services					
Curbside Recycling	2.00	2.00	2.00	2.00	2.00
Swimming Pools	30.00	30.00	30.00	30.00	35.00
Totals:	208.00	207.50	213.00	215.00	218.00

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

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

(1) Information prior to 2002 is not available.

2005	2004	2003	2002
4.00	4.00	4.00	4.00
2.00	2.00	2.00	3.00
5.00	5.00	5.00	5.00
2.00	2.00	2.00	2.00
2.00	2.00	2.00	2.00
2.00	3.00	3.00	3.00
1.00	1.00	1.00	1.00
10.00	11.00	12.00	9.00
64.00	64.00	65.00	64.00
34.00	34.00	33.00	33.00
3.00	3.00	3.00	3.00
4.00	4.00	6.00	6.00
10.00	10.00	10.00	10.00
2.00	1.00	1.00	1.00
0.00	0.00	0.00	0.00
11.00	11.00	11.00	12.00
21.00	21.00	20.00	20.00
2.00	2.00	2.00	2.00
2.00	2.00	2.00	2.00
52.00	52.00	52.00	52.00
233.00	234.00	236.00	234.00

City of South Euclid, Ohio

Operating Indicators by Function/Program

Last Nine Years (1)

Function/Program	2010	2009	2008	2007
General Government				
City Council				
Ordinances Introduced	64	56	59	72
Resolutions Introduced	90	71	62	75
Municipal Court				
Revenues Distributed to City General Fund	619,696	622,913	592,391	515,782
Operating Expenses Paid from General Fund	540,075	609,914	502,549	473,410
Traffic Charges Filed	5,284	5,380	5,300	5,302
Parking Tickets Processed	3,661	4,038	4,648	4,318
Criminal Charges Filed	1,181	1,681	2,023	2,098
Housing Code Charges Filed	478	807	1,112	1,134
Civil Cases Filed	1,010	1,320	1,179	1,042
Marriages Performed	13	6	10	9
Security of Persons & Property				
Police				
Number of Stations	1	1	1	1
Policemen and Officers	39	40	41	42
Bike Patrol Fleet	4	4	4	4
S.W.A.T. Members	0	0	7	8
K-9 Units	2	2	2	2
School Guards	0	13	13	13
Hours of Training	2,976	1,695	3,336	2,792
Number of Persons Arrested	963	1,050	1,092	1,063
Number of Traffic Citations Issued	5,537	5,163	5,757	5,376
Number of Parking Violations/Arrests	3,654	4,034	4,641	4,316
Police Responses	17,754	17,380	19,558	18,541
9-1-1 Emergency Calls Received	N/A	N/A	7,303	5,807
Fire				
Number of Stations	1	1	1	1
Firemen and Officers	37	37	37	37
Paramedics	27	25	26	27
Hours of Training	5,135	7,520	6,290	5,641
Number of Incidents	3,063	3,200	3,139	2,929
EMS Responses	1,983	2,093	2,052	1,955
Total Fire Loss	$534,032	$317,000	$291,600	$231,000
Building Department				
Residential Building Permits Issued	1,850	889	784	827
Estimated Value of Residential Construction	$6,274,662	$4,203,729	$5,444,223	$5,288,766
Commercial Building Permits Issued	18	45	63	63
Estimated Value of Commercial Construction	$481,500	$1,575,011	$16,068,205	$14,281,819
Transportation				
Number of Trees Planted	116	15	170	311
Tons of Salt Purchased	3,622	3,300	7,417	9,500
Basic Utility Services				
Tons Paper Recycling Picked Up	381	480	521	580
Tons of Plastic Recycling Picked Up	317	317	316	330
Swimming Pools				
Number of Pools	2	2	2	2
Swimming Pool Receipts	$82,220	$86,512	$119,300	$114,041
Swimming Pool Expenditures	$264,402	$315,554	$328,423	$304,882

Source: City of South Euclid

(1) Information prior to 2002 is not available.

2006	2005	2004	2003	2002
88	78	94	103	80
44	66	58	41	49
520,000	454,176	466,201	480,000	430,000
447,133	422,141	427,404	441,679	365,917
4,602	4,304	4,239	4,708	4,446
6,036	N/A	N/A	N/A	N/A
1,613	1,294	1,018	1,141	552
886	480	386	399	78
1,028	943	906	932	811
9	9	6	15	18
1	1	1	1	1
41	41	41	41	41
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
2	1	1	1	1
13	16	18	17	17
1,967	1,655	2,300	2,600	2,400
947	997	990	965	872
4,787	4,467	4,239	4,838	4,447
5,709	4,756	4,115	4,299	5,272
16,874	17,984	15,196	N/A	14,412
5,545	5,576	N/A	N/A	N/A
1	1	1	1	1
35	34	33	32	32
23	22	21	20	20
5,703	3,485	3,296	3,994	4,131
2,926	2,938	2,894	3,056	2,882
2,022	2,065	2,065	2,091	1,685
$335,450	$225,200	$363,600	$363,050	$850,100
976	983	1,027	1,011	1,178
$5,725,155	$7,032,396	$5,608,679	$7,003,250	$6,861,206
36	39	38	45	70
$2,807,093	$995,007	$1,104,551	$3,557,985	$7,595,022
74	3	397	N/A	N/A
7,743	4,196	7,321	10,492	8,060
507	563	N/A	N/A	N/A
459	314	N/A	N/A	N/A
2	2	3	3	3
$121,334	$142,635	$132,913	$155,454	$162,770
$273,248	$270,526	$350,436	$456,467	$505,710

City of South Euclid, Ohio

Capital Assets Statistics by Function/Program

Last Nine Years (1)

Function/Program	2010	2009	2008	2007
General Government				
Total Square Footage (2)	54,002	54,002	54,002	54,002
Vehicles	1	1	1	1
Security of Persons and Property				
Police				
Number of Stations	1	1	1	1
Vehicles	24	24	25	35
Fire				
Number of Stations	1	1	1	1
Vehicles	10	10	10	11
Leisure Time Activities				
Number of Parks	3	3	3	3
Number of Playgrounds	2	2	2	2
Number of Swimming Pools	2	2	2	2
Number of Tennis Courts	4	4	4	4
Number of Community Centers	1	1	1	1
Square Footage of Community Center	10,582	10,582	10,582	10,582
Building Department				
Vehicles	9	9	9	10
Transportation				
Street Miles	67	67	67	67
Storm Sewer Miles	60	60	60	60
Sanitary Sewer Miles	64	64	64	64
Water Line Miles	70	70	70	70
Square Footage of Service Garage	13,897	13,897	13,897	13,897
Square Footage of Parking Garage	17,542	17,542	17,542	17,542
Vehicles	28	28	32	32
Basic Utility Services				
Vehicles	16	16	21	19

Source: City of South Euclid

(1) Information prior to 2002 is not available.

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

2006	2005	2004	2003	2002
54,002	54,002	54,002	54,002	54,002
1	1	1	1	1
1	1	1	1	1
30	28	28	28	28
1	1	1	1	1
10	10	9	9	9
3	3	3	3	3
2	2	2	2	2
2	2	3	3	3
4	4	4	4	8
1	1	1	1	1
10,582	10,582	10,582	10,582	10,582
8	8	8	8	8
67	61	61	61	61
60	N/A	N/A	N/A	56
64	N/A	N/A	N/A	56
70	N/A	N/A	N/A	61
13,897	13,897	13,897	13,897	13,897
17,542	17,542	17,542	17,542	17,542
32	29	29	27	27
19	19	19	19	19

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CITY OF SOUTH EUCLID, OHIO

COMPREHENSIVE

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2009

ISSUED BY THE DEPARTMENT OF FINANCE

Joseph G. Filippo, CPA

FINANCE DIRECTOR

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

FINANCE DEPARTMENT

Joseph G. Filippo, CPA
Director of Finance

April 30, 2010

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

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

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

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

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

Reporting Entity

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

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

1349 South Green Road • South Euclid, Ohio 44121-3985 • (216) 381-0400 • Fax (216) 291-4959

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

Form of Government

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

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

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

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

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

City Services

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

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

Economic Condition and Outlook

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

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

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

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

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

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

Long term financial planning

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

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

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

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

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

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

Relevant financial policies

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

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

Major Initiatives

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

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

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

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

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

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

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

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

Other Information

Awards

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

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

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

Acknowledgements

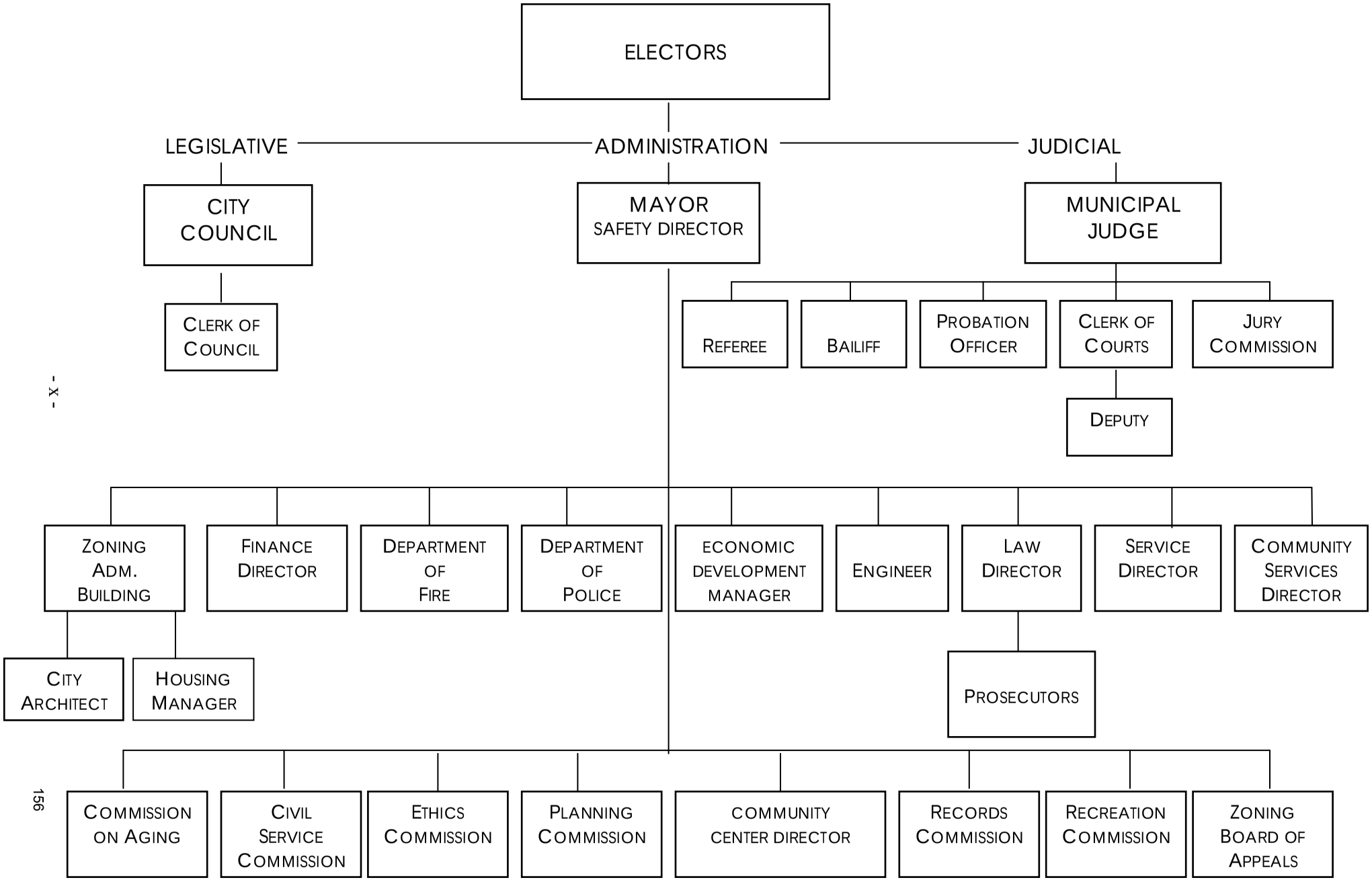
The preparation of this report would not be possible without the diligent and extra work by our Finance Department staff. I appreciate their efforts. Appreciation is also expressed to all City Hall Department Heads and Superintendents for their cooperation and assistance. In addition, my gratitude and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

Respectfully submitted,

Georgine Welo
Mayor

Joseph G. Filippo, CPA
Finance Director

City of South Euclid
Organization Chart



CITY OF SOUTH EUCLID

ELECTED AND APPOINTED CITY OFFICIALS

HONORABLE MAYOR GEORGINE WELO

CITY COUNCIL

Dr. David B. Miller, President, At Large

Modestino Romeo, Ward 2

Ruth Gray, Ward 1

Tony Caroscio, At Large

Sunny Simon, At Large

Edward A. Icove, Ward 3

Jane Goodman, Ward 4

MUNICIPAL JUDGE

Patricia A. Kleri

APPOINTED OFFICIALS

Joseph G. Filippo, Director of Finance

Michael Lograsso, Director of Law

James Anderson, Active Director of Service

Paul Kowalczyk, Building Commissioner

Kevin Nietert, Chief of Police

Thomas Cannell, Chief of Fire

Andrew K. Blackley, City Engineer

Edward J. Gallagher, Director of Economic Development

Meg Martines, Director of Community Center

Keith A. Benjamin, Director of Community Services

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of South Euclid
Ohio

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

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

President

Executive Director

JAMES G. ZUPKA, C.P.A., INC.
Certified Public Accountants
5240 East 98th Street
Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants (216) 475 - 6136 Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

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

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

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

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

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

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

James G. Zupka, CPA, Inc.

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

April 30, 2010

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

Financial Highlights

- The assets of the City of South Euclid exceeded its liabilities at December 31, 2009. Of this amount, the unrestricted net assets may be used to meet the City's ongoing obligations to citizens and vendors.

- Total assets decreased from 2008 to 2009. The current economy resulted in decreases in equity pooled in cash and cash equivalents, property taxes receivable, special assessments receivable and income tax receivable offset by increases to capital assets.

- Total liabilities decreased from 2008 to 2009 due to the City eliminating several large contracts payable and the continued pay down of outstanding debt obligations.

- Despite the slow economy, Cutter's Creek, the Planned Unit Residential Development, built a few units during 2009.

- The second-largest shopping area in the City is located at Cedar Road between Warrensville and Fenwick Roads. The 10+ acres of property the City purchased for a mixed-use residential, business and retail project is currently in the retail and residential development phase of the site plan development. The City has a developer's agreement with the Coral Company who is scheduled to purchase the property by the end of 2010.

Using this Annual Financial Report

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

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

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

Statement of Net Assets and the Statement of Activities

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

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

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

Reporting the City of South Euclid's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

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

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

Table 1
Net Assets

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

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

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

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

Table 2
Changes in Net Assets

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

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

Governmental Activities

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

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

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

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

The City's Funds

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

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

General Fund Budgeting Highlights

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

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

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

Capital Assets and Debt Administration

Capital Assets

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

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

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

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

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

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

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

Long-Term Obligations

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

Table 4
Outstanding Long-Term Obligations at Year End

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

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

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

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

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

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

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

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

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

Current Financial Related Activities

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

Contacting the City of South Euclid's Financial Management

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

Basic Financial Statements

City of South Euclid, Ohio
Statement of Net Assets
December 31, 2009

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

See accompanying notes to the basic financial statements

City of South Euclid, Ohio
Statement of Activities
For the Year Ended December 31, 2009

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services and Operating Assessments	Operating Grants	Capital Grants	Governmental Activities
Governmental Activities:					
General Government:					
Legislative and Executive	$2,653,976	$276,698	$0	$0	($2,377,278)
Judicial System	571,587	59,178	0	0	(512,409)
Security of Persons and Property:					
Police	5,566,689	607,784	120,073	0	(4,838,832)
Fire	4,389,709	436,945	18,736	0	(3,934,028)
Public Health Services	129,249	18,024	0	0	(111,225)
Leisure Time Activities	356,693	35,970	0	0	(320,723)
Community Development	244,319	25,565	0	0	(218,754)
Building Department	743,044	77,024	0	0	(666,020)
Transportation	3,318,990	140,916	844,257	75,419	(2,258,398)
Basic Utility Services	2,464,808	2,776,764	279,000	20,487	611,443
Swimming Pools	406,544	86,512	0	0	(320,032)
Interest and Fiscal Charges	1,185,865	0	0	0	(1,185,865)
Total Governmental Activities	$22,031,473	$4,541,380	$1,262,066	$95,906	(16,132,121)

General Revenues	
Property Taxes Levied for:	
General Purposes	4,295,069
Debt Service	520,995
Capital Projects	517,143
Other Purposes	242,234
Income Taxes Levied for General Purposes	8,332,487
Grants and Entitlements not Restricted to Specific Programs	2,143,984
Investment Earnings	155,891
Miscellaneous	500,572
Total General Revenues	16,708,375
Change in Net Assets	576,254
Net Assets Beginning of Year - Restated	45,318,934
Net Assets End of Year	$45,895,188

See accompanying notes to the basic financial statements

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

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

See accompanying notes to the basic financial statements

City of South Euclid, Ohio

Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities
December 31, 2009

Total Governmental Fund Balances		$25,926,754
Amounts reported for governmental activities in the statement of net assets are different because		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		43,337,342
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Property Taxes	418,586	
Income Taxes	3,708,413	
Special Assessments	3,404,135	
Intergovernmental	1,237,066	
Investment in Joint Venture	38,769	
Total		8,806,969
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		(644,361)
Vacation Benefits payable is not expected to be paid with expendable available financial resources and therefore are not reported in the funds.		(591,956)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
General Obligation Bonds	(7,078,990)	
Special Assessment Bonds	(230,000)	
OPWC Loans Payable	(1,869,186)	
Notes Payable	(18,550,000)	
Premium on Notes Payable	(8,639)	
OWDA Loans Payable	(1,810,714)	
Police and Fire Pension Loan	(302,301)	
Capital Leases Payable	(254,052)	
Compensated Absences	(835,678)	
Total		(30,939,560)
Net Assets of Governmental Activities		$45,895,188

See accompanying notes to the basic financial statements

City of South Euclid, Ohio

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended December 31, 2009

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

See accompanying notes to the basic financial statements

City of South Euclid, Ohio

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Year Ended December 31, 2009

Net Change in Fund Balances - Total Governmental Funds		($709,195)
Amounts reported for governmental activities in the statement of activities are different because		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.		
Capital Outlay	3,144,642	
Depreciation	(1,976,928)	
Total		1,167,714
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		(19,161)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property Taxes	41,365	
Income Taxes	21,214	
Intergovernmental	(243,301)	
Special Assessments	(178,709)	
Investment in Joint Venture	(75,081)	
Total		(434,512)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		19,466,247
Some expenses reported in the statement of activities do not require the the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Accrued Interest on Bonds	141,949	
Amortization of Premium	96,326	
Bond Accretion	(171,931)	
Total		66,344
Some expenses reported in the statement of activities do not require the use of curent financial resources and therefore are not reported as expenditures in governmental funds:		
Compensated Absences	327,978	
Vacation Benefits	(591,956)	
Total		(263,978)
Other financing sources in the governmental funds increase long-term liabilities in the statement of net assets.		
Proceeds of OWPC Loans	(43,535)	
Proceeds of Notes	(18,653,670)	
Total		(18,697,205)
Change in Net Assets of Governmental Activities		$576,254

See accompanying notes to the basic financial statements

City of South Euclid, Ohio

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

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

See accompanying notes to the basic financial statements

City of South Euclid, Ohio

Statement of Fiduciary Assets and Liabilities

Agency Fund

December 31, 2009

Assets	
Equity in Pooled Cash and Cash Equivalents	$1,172,399
Liabilities	
Deposits Held and Due to Others	$1,172,399

See accompanying notes to the basic financial statements

Note 1 – Description of the City and Reporting Entity

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

Reporting Entity

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

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

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

Note 2 – Summary of Significant Accounting Policies

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

Basis of Presentation

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

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

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

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

Fund Accounting

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

Governmental Funds

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

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

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

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

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

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

Measurement Focus

Government-wide Financial Statements

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

Fund Financial Statements

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

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

Basis of Accounting

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

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

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

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

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

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

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

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

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

Cash and Cash Equivalents

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

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

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

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

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

Prepaid Items

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

Inventory

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

Assets Held for Resale

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

Capital Assets

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

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

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:

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

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

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

Interfund Balances

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

Compensated Absences

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

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

Accrued Liabilities and Long-Term Obligations

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

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

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

Fund Balance Reserves and Designations

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

Net Assets

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

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

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

Internal Activity

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

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

Bond/Note Premiums

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

Extraordinary and Special Items

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

Estimates

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

Budgetary Process

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

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

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

Note 3 - Budgetary Basis of Accounting

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).

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

3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).

4. Investments reported at cost (budget) rather than fair value (GAAP).

5. Advances-In and Advances-Out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).

6. Unrecorded cash represents amounts received but not reported by the City on the operating statements (budget), but which is reported on the GAAP basis operating statements.

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

Net Change in Fund Balance

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

Note 4 – Accountability

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

	Deficit Fund Balance
Special Revenue Fund:	
FEMA Firefighters Grant Fund	$3,478

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

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

Restatement of Prior Year Balances

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

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

Changes in Accounting Principles

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

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

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

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

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

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

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

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

Note 6 - Deposits and Investments

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

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

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

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

3. Written repurchase agreements in securities listed above;

4. Bonds and other obligations of the State of Ohio;

5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations,

7. The State Treasurer's investment pool (STAROhio); and

8. Commercial paper and bankers acceptances if training requirements have been met.

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

Deposits

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

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

Investments

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

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

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

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

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

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

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

Note 7 - Receivables

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

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

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

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

Property Taxes

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

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

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

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

Tangible personal property tax revenue received during 2009 (other than public utility property tax) represents the collection of 2009 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. Tangible personal property taxes received from telephone companies in 2009 were levied after October 1, 2008, on the value as of December 31, 2008. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

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

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

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

Income Taxes

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

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

Intergovernmental Receivables

A summary of intergovernmental receivables follows:

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

Note 8 - Risk Management

Property and Liability

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

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

Worker's Compensation

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

Note 9 - Shared Risk Pool

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

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

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

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

Note 10 - Capital Assets

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

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

*Depreciation expense was charged to governmental activities as follows:

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

Note 11 – Assets Held for Resale

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

Note 12 - Note Debt

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

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

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

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

Note 13 - Long-Term Obligations

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

	Police and Fire Pension		OPWC Loans
	Principal	Interest	Principal
2010	$6,773	$12,778	$109,606
2011	7,065	12,486	109,607
2012	7,368	12,182	109,607
2013	7,685	11,865	109,607
2014	8,015	11,535	109,607
2015-2019	45,543	52,209	548,035
2020-2024	56,150	41,603	422,361
2025-2029	69,355	28,397	9,441
2030-2034	85,632	12,119	0
2035	8,715	187	0
Total	$302,301	$195,361	$1,527,871

Note 14 - Compensated Absences

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

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

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

Note 15 – Capital Lease

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

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

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

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

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

Note 16 - Contingencies

Litigation

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

Grants

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

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

Note 17 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

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

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

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

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

Ohio Police and Fire Pension Fund

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

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

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

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

Note 18 - Postemployment Benefits

Ohio Public Employees Retirement System

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

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

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

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

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

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

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

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

Ohio Police and Fire Pension Fund

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

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

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

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

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

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

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

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

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

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

Note 19 - Joint Ventures

Tri-City Consortium on Aging

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

South Euclid-Lyndhurst Recreation Commission

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

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

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

Note 20 - Jointly Governed Organizations

Northeast Ohio Public Energy Council

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

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

First Suburbs Consortium of Northeast Ohio Council of Governments

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

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

Heights Area Special Rescue Team

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

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

Note 21 - Interfund Transactions

Interfund Balances

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

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

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

Interfund Transfers

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

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

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

Note 22 – Subsequent Events

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

Combining and Individual

Fund Statements and Schedules

Combining Statements – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

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

(continued)

Nonmajor Special Revenue Funds (continued)

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

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

Nonmajor Debt Service Funds

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

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

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

Nonmajor Capital Projects Funds

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

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

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

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

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

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

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

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

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

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

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

City of South Euclid, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended December 31, 2009

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

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

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

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

(continued)

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

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

City of South Euclid, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2009

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

(continued)

City of South Euclid, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds (continued)

For the Year Ended December 31, 2009

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

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

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

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

City of South Euclid, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Debt Service Funds

For the Year Ended December 31, 2009

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

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

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

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

City of South Euclid, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Capital Projects Funds

For the Year Ended December 31, 2009

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

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

Combining Statement - Agency Fund

Agency Fund

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

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

City of South Euclid, Ohio

Statement of Changes in Assets and Liabilities

Agency Fund

For the Year Ended December 31, 2009

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

Individual Fund Schedules of Revenues, Expenditures

and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual

City of South Euclid, Ohio

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

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

(continued)

City of South Euclid, Ohio

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

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

(continued)

City of South Euclid, Ohio

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

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

(continued)

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

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

(continued)

City of South Euclid, Ohio

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

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

City of South Euclid, Ohio

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

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

City of South Euclid, Ohio

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

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

City of South Euclid, Ohio

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

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

City of South Euclid, Ohio

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

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

City of South Euclid, Ohio

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

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

City of South Euclid, Ohio

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

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

City of South Euclid, Ohio

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

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

City of South Euclid, Ohio

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

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

City of South Euclid, Ohio

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

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

City of South Euclid, Ohio

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

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

City of South Euclid, Ohio

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

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

City of South Euclid, Ohio

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

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

City of South Euclid, Ohio

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

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

City of South Euclid, Ohio

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

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

City of South Euclid, Ohio

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

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

City of South Euclid, Ohio

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

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

City of South Euclid, Ohio

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

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

City of South Euclid, Ohio

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

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

City of South Euclid, Ohio

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

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

City of South Euclid, Ohio

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

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

City of South Euclid, Ohio

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

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

City of South Euclid, Ohio

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

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

City of South Euclid, Ohio

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

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

City of South Euclid, Ohio

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

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

City of South Euclid, Ohio

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

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

City of South Euclid, Ohio

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

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

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Statistical Section

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

Contents **Pages(s)**

Financial Trends ..... ***S2 – S9***

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity ..... ***S10 – S13***

These schedules contain information to help the reader assess the City's most significant local revenue, the municipal income tax.

Debt Capacity ..... ***S14 – S19***

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.

Economic and Demographic Information ..... ***S20 – S23***

These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information ..... ***S24 – S30***

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

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

City of South Euclid, Ohio

Net Assets By Component

Last Ten Years

(Accrual Basis of Accounting)

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

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

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

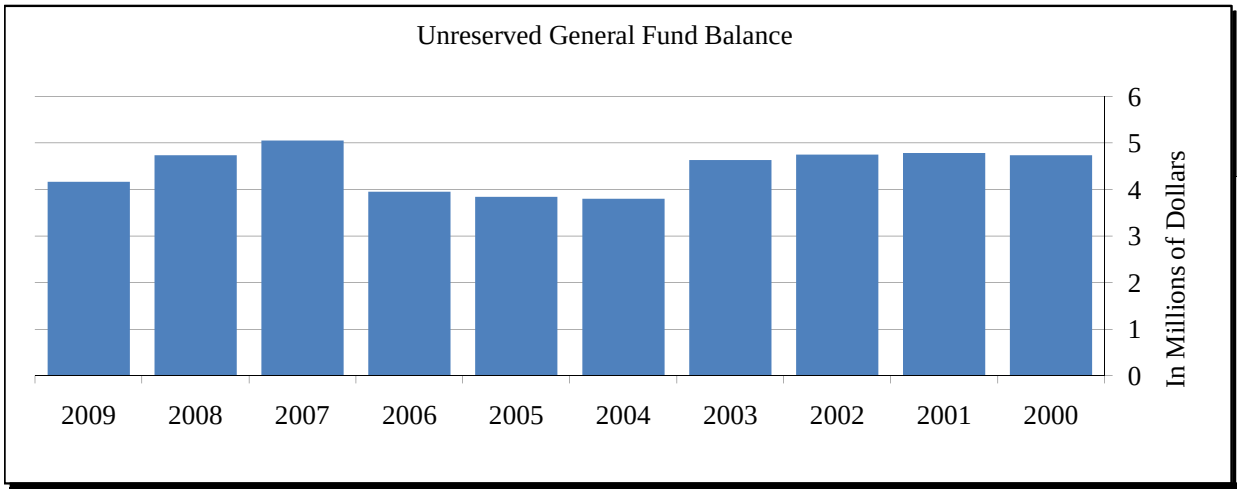
City of South Euclid, Ohio
Changes in Net Assets
Last Nine Years
(Accrual Basis of Accounting)

	2009	2008	2007	2006	2005
Program Revenues					
Governmental Activities:					
Charges for Services and Operating Assessments:					
General Government:					
Legislative and Executive	$276,698	$345,357	$317,840	$235,896	$214,236
Judicial System	59,178	57,596	62,730	44,503	42,818
Security of Persons and Property:					
Police	607,784	693,554	663,424	475,520	444,970
Fire	436,945	495,777	495,329	328,461	326,040
Public Health Services	18,024	16,474	18,029	12,693	12,796
Leisure Time Activities	35,970	49,565	53,397	35,031	74,440
Community Development	25,565	36,442	31,376	19,959	22,012
Building Department	77,024	93,325	94,543	62,304	57,307
Transportation	140,916	188,751	98,837	96,845	89,006
Basic Utility Services	2,776,764	2,953,380	3,200,213	2,952,317	2,934,578
Swimming Pools	86,512	119,300	114,041	121,333	142,634
Operating Grants, Contributions and Interest	1,262,066	1,107,332	910,810	1,032,575	928,712
Capital Grants, Contributions and Capital Assessments	95,906	245,873	693,176	86,335	24,468
Total Governmental Activities Program Revenues	5,899,352	6,402,726	6,753,745	5,503,772	5,314,017
Expenses					
Governmental Activities:					
General Government:					
Legislative and Executive	2,653,976	2,819,870	2,402,438	2,423,252	2,149,780
Judicial System	571,587	467,629	490,694	463,068	439,808
Security of Persons and Property:					
Police	5,566,689	5,477,289	5,282,303	5,202,341	4,600,120
Fire	4,389,709	4,228,508	3,934,595	3,583,897	3,552,050
Public Health Services	129,249	133,196	135,702	130,178	127,609
Leisure Time Activities	356,693	585,200	1,065,090	377,023	385,161
Community Development	244,319	294,638	236,405	204,704	219,507
Building Department	743,044	770,710	737,700	646,628	587,553
Transportation	3,318,990	3,579,503	3,322,800	3,138,160	2,732,270
Basic Utility Services	2,464,808	3,928,628	3,028,247	3,322,453	2,590,425
Swimming Pools	406,544	420,665	379,311	371,225	442,493
Interest and Fiscal Charges	1,185,865	1,418,744	1,497,241	496,930	491,110
Total Governmental Activities Expenses	22,031,473	24,124,580	22,512,526	20,359,859	18,317,886
Total Primary Government Net Expense	(16,132,121)	(17,721,854)	(15,758,781)	(14,856,087)	(13,003,869)
General Revenues and Other Changes in Net Assets					
Governmental Activities					
Taxes:					
Property Taxes Levied For:					
General Purposes	4,295,069	4,256,560	4,318,695	4,005,660	3,945,778
Debt Service	520,995	442,310	456,913	487,938	491,236
Capital Projects	517,143	511,338	546,189	549,010	558,422
Other Purposes	242,234	239,886	250,978	229,592	228,914
Municipal Income Taxes	8,332,487	9,085,439	8,997,144	7,309,426	5,889,209
Grants and Entitlements not Restricted to Specific Programs	2,143,984	2,351,687	2,292,053	2,186,857	2,132,798
Increase in Investment in Joint Venture	0	0	0	27,217	0
Investment Earnings	155,891	426,403	1,014,924	766,878	459,995
Gain on Sale of Capital Assets	0	0	0	42,525	0
Miscellaneous	500,572	521,451	220,916	152,374	79,832
Total Governmental Activities	16,708,375	17,835,074	18,097,812	15,757,477	13,786,184
Total Primary Government Change in Net Assets	$576,254	$113,220	$2,339,031	$901,390	$782,315

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

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

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



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

City of South Euclid, Ohio

Changes in Fund Balances, Governmental Funds

Last Ten Years

(Modified Accrual Basis of Accounting)

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

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

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

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

City of South Euclid, Ohio

Income Tax Revenue Base and Collections

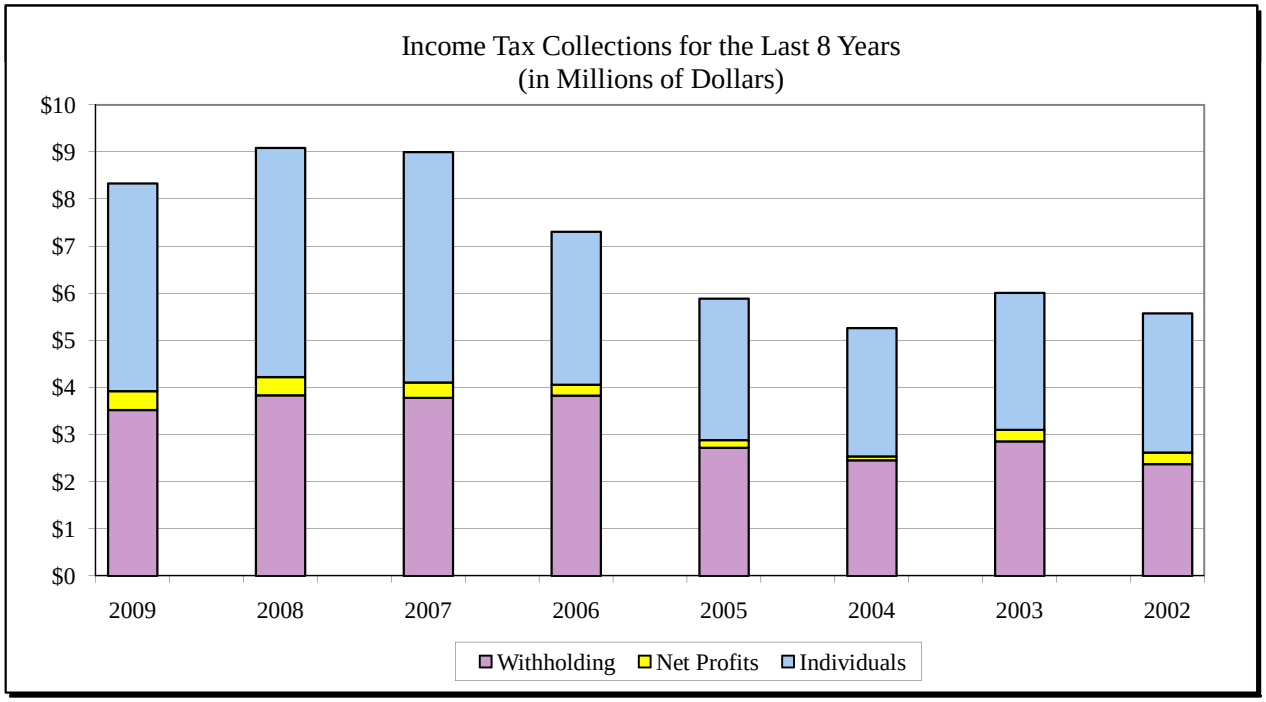
Last Eight Years (1)

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

(1) Information prior to 2002 is not available.

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

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



City of South Euclid, Ohio

Income Tax Statistics

One Year Ago and Eight Years Ago

2008 (1)

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

2001 (2)

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

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

(2) Information prior to 2001 is not available.

City of South Euclid, Ohio

Principal Income Taxpayers

Current Year and Six Years Ago (Cash Basis) (1)

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

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

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

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

(1) Information prior to 2003 is not available.

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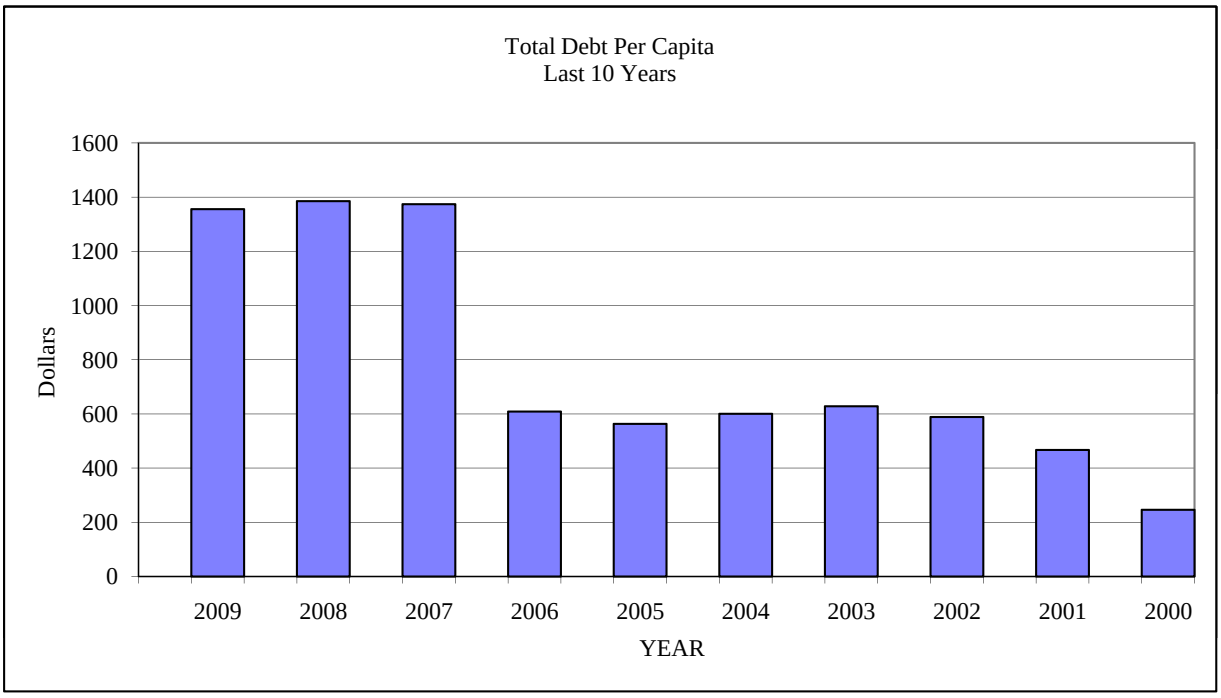
City of South Euclid, Ohio

Ratio of Outstanding Debt to
Total Personal Income and Debt Per Capita
Last Ten Years

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

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



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

City of South Euclid, Ohio

Ratio of General Obligation Bonded Debt to Estimated
True Values and Bonded Debt Per Capita
Last Ten Years

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

Sources:

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

(2) Cuyahoga County Auditor

(3) Includes all general obligation bonded debt.

City of South Euclid, Ohio

Computation of Direct and Overlapping Governmental Activities Debt

December 31, 2009

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

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

(2) The special taxing districts' debt (which includes the Cleveland Metropolitan Park District, Cuyahoga Community College and the Cleveland-Cuyahoga Port Authority) is included in the County total.

Source: Cuyahoga County Auditor

City of South Euclid, Ohio
Legal Debt Margin
Last Ten Years

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

Source: City Financial Records

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

City of South Euclid

Principal Employers

Current Year and Three Years Ago (1)

2009

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

2006

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

Source: Regional Income Tax Agency

(1) Information prior to 2006 not available.

n/a - Information not available

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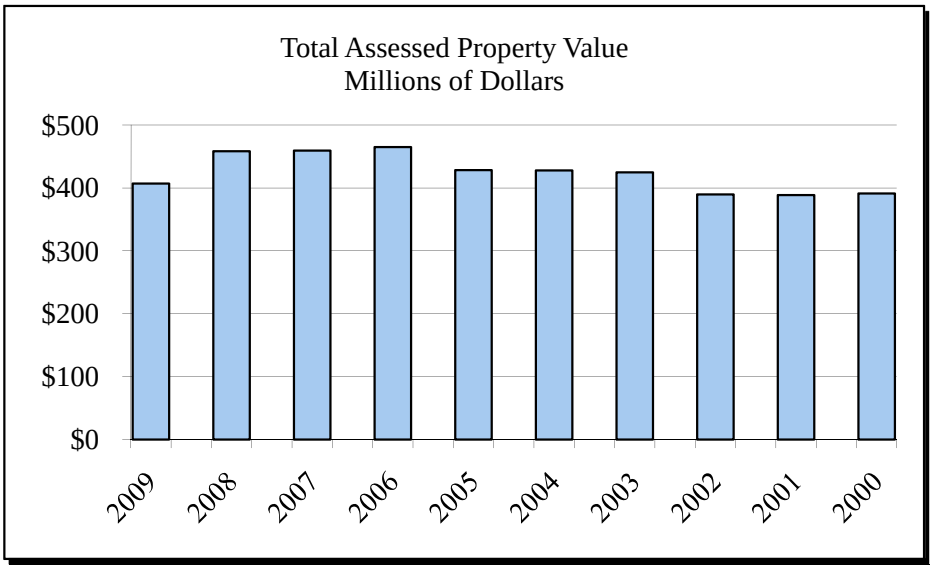
City of South Euclid, Ohio
Demographic and Economic Statistics
Last Ten Years

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

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



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

City of South Euclid, Ohio

City Government Employees by Function/Program

Last Eight Years (1)

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

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

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

(1) Information prior to 2002 is not available.

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

City of South Euclid, Ohio

Operating Indicators by Function/Program

Last Eight Years (1)

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

Source: City of South Euclid

(1) Information prior to 2002 is not available.

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

City of South Euclid, Ohio

Capital Assets Statistics by Function/Program

Last Eight Years (1)

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

Source: City of South Euclid

(1) Information prior to 2002 is not available.

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

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

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CITY OF SOUTH EUCLID, OHIO

COMPREHENSIVE

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2008

ISSUED BY THE DEPARTMENT OF FINANCE

Joseph G. Filippo, CPA

FINANCE DIRECTOR

City of South Euclid, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2008
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CITY OF SOUTH EUCLID

FINANCE DEPARTMENT
Joseph G. Filippo, CPA
Director of Finance

May 15, 2009

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

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

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

Under Ohio law, regular audits are required to be performed on all financial related operations of the City. These audits may be done by either the State Auditor's Office or, if the State Auditor permits, an independent public accounting firm. For the year 2008, the City of South Euclid was audited by James G. Zupka, CPA Inc. Their unqualified opinion is included in the financial section of this report.

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

Reporting Entity

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

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

The City is a member of the Northern Ohio Risk Management Association, a shared risk pool. In addition, the City participates in the Tri-City Consortium on Aging and the South Euclid-Lyndhurst Recreation Commission which have been determined to be joint ventures and the Northeast Ohio Public Energy Council, the First Suburbs Consortium of Northeast Ohio Council of Governments and the Heights Area Special Rescue Team which are jointly governed organizations. The shared risk pool, joint ventures and the jointly governed organizations are discussed in Notes 8, 18 and 19 to the basic financial statements.

Form of Government

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

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

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

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

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

City Services

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

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

Economic Condition and Outlook

The City is primarily a residential community with a preponderance of single family homes. A major medical facility, University Suburban Health Care, provides quality health care to South Euclid residents as well as to our neighboring communities. South Euclid is home to Notre Dame College, a private, four-year institution of higher learning. The following industries are also vital to the City's financial condition and contribute to the stable economic condition of the City: Aero Controlex, Division of Transdigm, Inc. is a Fortune 500 company which manufactures custom components for the aerospace industry; Glastic Corporation manufactures thermoset polymers used in appliances; Gent Machine Company manufactures automotive and aircraft components.

Several retail shopping districts, which are among the major tax contributors within the City, are available for the City's residents, including a 14,000 square foot shopping district at the intersection of Mayfield and Green Roads, anchored by CVS Pharmacy, and the Mayfield-Green Road shopping center, housing over 58 retail stores including Marc's discount store and Blockbuster Video. Another small shopping center is located in the northern section of the City known as Glendale Shopping Center and houses 13 retail stores. A smaller strip is located on Cedar and Green Roads. The redevelopment of the Cedar Center shopping area is progressing with the acquisition of the property. The City has successfully negotiated a Developer's Agreement with The Coral Company to redevelop the north side of Cedar Center into a mixed use development consisting of retail, office and residential uses. Early site plans show 120,000 square feet of retail use, 18,000 square feet of office use and 74 residential units. In addition there are plans for an interior civic space of 9,000 square feet and exterior green space plazas for events. The Coral Company has already developed the south side of Cedar Center, located in University Heights, which is anchored by Whole Foods and CVS. The City's development will be complimentary to the University Heights side and will again unify the Cedar Center area into a shopping and life style center.

Notre Dame College recently completed a project in order to meet the College's growing enrollment. Ongoing improvements include increased parking facilities, exterior walkways and the addition of new dormitory rooms, two new dormitories, and a wrestling room.

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

With an increase in foreclosed properties throughout our region, much of our efforts were focused on vacant and abandoned properties. Working with County grant funds, the Building Department was able to demolish a few condemned properties and fix violations on over 8 homes in the community. During the past year, residents have improved their homes by alterations and additions valued at $5,444,223. A total of 847 permits were issued in 2008, which included 63 commercial permits for additions or improvements totaling $16,068,205. The City is emphasizing enforcement of maintenance standards on its population of rental housing as well with a program goal of annual exterior inspections with interior inspections performed every three years.

Long term financial planning

The General Fund balance decreased from the previous year in 2008. The net change in fund balance for the General fund was ($359,291) which represents a 6.77 percent decrease. The General Fund balance was still a healthy $4,947,801.

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

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

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

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

Relevant financial policies

The City uses the City income tax to run its daily operations. All of the income tax goes into the General Fund. When needed the General Fund will subsidize other funds where revenue collected is not enough to cover their expenses. Funds that may receive an operating transfer include the Parking Lots and Meters and Swimming Pools special revenue funds, and the Safety Forces Vehicle, Sewer Rehabilitation, General Capital Improvements, Road Improvement and the Flood Control capital projects funds. All transfers are approved by City Council.

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

Major Initiatives

For the Year In 2008, the City of South Euclid continued its commitment to provide quality services and facilities to the City's residents. Emphasis continued to be placed on the maintenance and improvement of the City's infrastructure, specifically streets and sewers. The City also continued its traditional annual road resurfacing program. Through the combination of the Road Improvement Fund and the Flood Control Fund 9 streets were able to be reconstructed or resurfaced. $692,000 was spent from the Road Improvement Fund and over $5,100,000 was spent from the Flood Control Fund.

There were several major projects for 2008 starting with the replacement or renovation of various infrastructure assets within the City, including the completion of the Bluestone Area Infrastructure project, the East Antisdale/Grosvenor Infrastructure Project and the Brookline Road infrastructure project, consisting of sewers, bridges and culverts, at the end of the year. The bridge on Telhurst Road was replaced along with the beginning of replacing all the manholes throughout the City. This project will be completed in 2009. The Ramblewood Condominium Association had an old pump station replaced with a new sanitary sewer system.

A water splash park constructed by the City at the Quarry North Park opened in 2008. A $150,000 community-built "Playground of Possibilities" was constructed in the Fall of 2008.

Construction of new housing continues to be a priority in the City. One Planned Unit Residential Development (PURD), called Novicky Court reached completion last year, with 14 attached units constructed, and all have been sold. Construction has begun at the City's other major housing developments. Cutter's Creek's 46 attached dwelling units are nearing completion and have been selling well. Construction also continues at Francis Court Gables which will be a sixteen unit townhouse development.

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

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

The redevelopment of the Cedar Center area is progressing. January 2009 saw the start of the demolition of the buildings with completion sometime in the summer. The current plans call for the Coral Company to redevelop the property with approximately 120,000 square feet of retail space and various restaurant locations. There will also be 18,000 square feet of office space and residential units. The intersection of Warrensville Road and Cedar Road will become a revitalized shopping area vital to our community.

The City continues to analyze the four quadrants at Mayfield and Green Roads, to allow the area to reach its full potential. The City continues to attract interest in all of our commercial districts which demonstrates the City's success in winning over the development community. Some of the new and revitalized businesses include Dr. Sender's Pediatric Health Center, Dunkin Donuts/Baskin Robbins, Fifth Third Bank, and a new podiatrist's office building.

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

Other Information

Awards

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

The Government Finance Officers Association of the United States and Canada awards a Certificate of Achievement for Excellence in Financial Reporting to a governmental unit that publishes an informative and efficiently organized Comprehensive Annual Financial Report (CAFR) whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. The City of South Euclid received the Certificate of Achievement for its 2007 Comprehensive Annual Financial Report.

A Certificate of Achievement is valid for a period of one year only. We believe that this CAFR for 2008 continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the Government Finance Officers Association to determine its eligibility for another certificate.

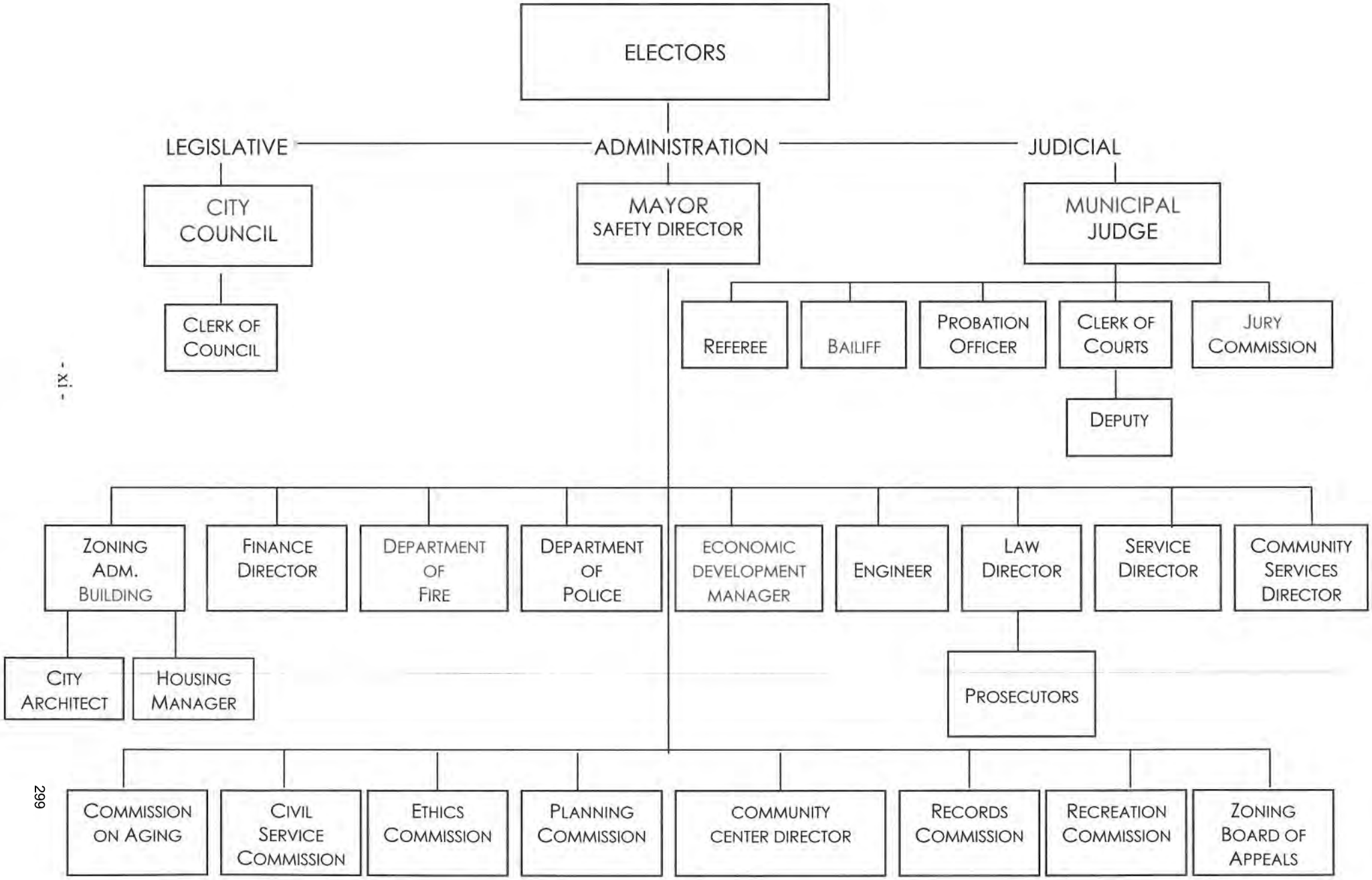
Acknowledgements

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

Respectfully submitted,

Joseph G. Filippo, CPA
Finance Director

City of South Euclid
Organization Chart



CITY OF SOUTH EUCLID

ELECTED AND APPOINTED CITY OFFICIALS

HONORABLE MAYOR GEORGINE WELO

CITY COUNCIL

Modestino Romeo, President, Ward 2

Ruth Gray, Ward 1

Dr. David B. Miller, At Large

Robert P. Hartigan, At Large

Sunny Simon, At Large

Edward A. Icove, Ward 3

Jane Goodman, Ward 4

MUNICIPAL JUDGE

Patricia A. Kleri

APPOINTED OFFICIALS

Joseph G. Filippo, Director of Finance

Michael Lograsso, Director of Law

Edward J. Gallagher, Director of Service

Paul Kowalczyk, Building Commissioner

Kevin Nietert, Chief of Police

Thomas Cannell, Chief of Fire

Andrew K. Blackley, City Engineer

A. Calisto Caminati, Jr., Director of Economic Development

Meg Martines, Director of Community Center

Keith A. Benjamin, Director of Community Services

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of South Euclid
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2007

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

President

Executive Director

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JAMES G. ZUPKA, C.P.A., INC.
Certified Public Accountants
5240 East 98th Street
Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants (216) 475 - 6136 Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the City Council
City of South Euclid, Ohio

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of South Euclid, Ohio, as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of South Euclid, Ohio's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of South Euclid, Ohio, as of December 31, 2008, and the respective changes in financial position, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 15, 2009, on our consideration of the City of South Euclid, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of South Euclid, Ohio's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken 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 express no opinion on them.

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

May 15, 2009

The discussion and analysis of the City of South Euclid's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2008. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers are encouraged to consider information presented here in conjunction with the additional information contained in the transmittal letter, as well as the basic financial statements and the notes to the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

- The assets of the City of South Euclid exceeded its liabilities at December 31, 2008 by $45,655,225. Of this amount, $5,754,886 may be used to meet the City's ongoing obligations to citizens and vendors.

- Total assets decreased by $816,761 which represents a decrease of 0.93 percent from 2007 to 2008. This was primarily due to a decrease in equity pooled in cash and cash equivalents of $2,796,504, offset by increases to capital assets of $647,100, special assessments receivable by $501,002 and income tax receivable by $626,058.

- Total liabilities decreased by $1,266,272 which represents a decrease of 2.94 percent from 2007 to 2008. This decrease was mainly due to a decrease in contracts payable of $1,165,860.

- In total, net assets in governmental activities increased $449,511 during 2008. This represents a 0.99 percent increase from 2007.

- The second-largest shopping area in the City is located at Cedar Road between Warrensville and Fenwick Roads. The City has purchased the 10+ acres of property and is currently planning for the center's conversion from a strip mall to a mixed-use residential, business and retail project. The City has a developer's agreement with the Coral Company who is scheduled to purchase the property by the end of 2009. Demolition of the existing buildings will be completed sometime in the summer followed by construction.

Using this Annual Financial Report

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

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

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

Statement of Net Assets and the Statement of Activities

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

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

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

Reporting the City of South Euclid's Most Significant Funds

Fund Financial Statements

The analysis of the City's major funds begins on page 7. Fund financial reports provide detailed information about the City's major funds. The City of South Euclid has established many funds that account for the multitude of services, facilities and infrastructure provided to our residents. However, these fund financial statements focus on the City's most significant funds. The City's major funds are the General Fund and the Flood Control and Land Acquisition Capital Projects Funds.

Governmental Funds

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

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

As noted earlier, the Statement of Net Assets looks at the City as a whole and can be used as an indicator of the City's financial position. Table 1 provides a summary of the City's net assets for 2008 compared to 2007.

	Governmental Activities		
	2008	2007	Change
Assets			
Current and Other Assets	$45,204,216	$46,668,077	($1,463,861)
Capital Assets, Net	42,188,789	41,541,689	647,100
Total Assets	87,393,005	88,209,766	(816,761)
Liabilities			
Current Liabilities	9,776,805	11,182,566	1,405,761
Long-Term Liabilities:			
Due Within One Year	1,504,216	1,491,773	(12,443)
Due in More Than One Year	30,456,759	30,329,713	(127,046)
Total Liabilities	41,737,780	43,004,052	1,266,272
Net Assets			
Invested in Capital Assets, Net of Related Debt	30,383,626	28,853,662	1,529,964
Restricted for:			
Capital Projects	6,357,363	5,732,147	625,216
Debt Service	1,176,701	1,205,795	(29,094)
Street Maintenance	437,529	618,196	(180,667)
Street Lighting	514,248	551,299	(37,051)
Sewer Maintenance	384,037	398,264	(14,227)
Other Purposes	646,835	304,415	342,420
Unrestricted	5,754,886	7,541,936	(1,787,050)
Total Net Assets	$45,655,225	$45,205,714	$449,511

Total assets decreased by $816,761 from 2007 to 2008. Equity pooled in cash and cash equivalents decreased $2,796,504 and this was offset by a $647,100 increase in capital assets, net of depreciation, $626,058 in income taxes receivable, $501,002 in special assessments receivable, and $248,658 increase in intergovernmental receivables. Income taxes receivable increased due to the voters passing an increase in August 2005 increasing the rate from 1.5 percent to 2.0 percent in January 2006, which is still having residual effects on the collection of income taxes. Special assessments receivable increased due to assessments for criminal, false alarm and cost of abatement nuisances, as well as home improvement special assessments.

Total liabilities decreased by $1,266,272 due mostly to a $1,165,860 reduction in contracts payable from a decrease in construction projects.

Table 2 shows the changes in net assets for the years ended December 31, 2008 and 2007 and corresponds to the Statement of Activities on page 13.

Table 2
Changes in Net Assets

	Governmental Activities		
	2008	2007	Change
Revenues			
Program Revenues			
Charges for Services and Operating Assessments	$5,385,812	$5,149,759	$236,053
Operating Grants	1,107,332	910,810	196,522
Capital Grants	245,873	693,176	(447,303)
Total Program Revenues	6,739,017	6,753,745	(14,728)
General Revenues			
Property Taxes	5,450,094	5,572,775	(122,681)
Income Taxes	9,085,439	8,997,144	88,295
Grants and Entitlements	2,351,687	2,292,053	59,634
Interest	426,403	1,014,924	(588,521)
Miscellaneous	521,451	220,916	300,535
Total General Revenues	17,835,074	18,097,812	(262,738)
Total Revenues	24,574,091	24,851,557	(277,466)
Program Expenses			
General Government:			
Legislative and Executive	2,819,870	2,402,438	(417,432)
Judicial System	467,629	490,694	23,065
Security of Persons and Property:			
Police	5,477,289	5,282,303	(194,986)
Fire	4,228,508	3,934,595	(293,913)
Public Health Services	133,196	135,702	2,506
Leisure Time Activities	585,200	1,065,090	479,890
Community Development	294,638	236,405	(58,233)
Building Department	770,710	737,700	(33,010)
Transportation	3,579,503	3,322,800	(256,703)
Basic Utility Services	3,928,628	3,028,247	(900,381)
Swimming Pools	420,665	379,311	(41,354)
Interest and Fiscal Charges	1,418,744	1,497,241	78,497
Total Program Expenses	24,124,580	22,512,526	(1,612,054)
Increase in Net Assets	449,511	2,339,031	(1,889,520)
Net Assets Beginning of Year	45,205,714	42,866,683	2,339,031
Net Assets End of Year	$45,655,225	$45,205,714	$449,511

Program revenues decreased by $14,728 in 2008. Capital grants accounted for $447,303 of this decrease. General revenues decreased by $262,738 from 2007. The decrease in interest income was due to lower rates of return on the City's investments and less cash available for investments. The decrease in property taxes was due to a decrease in the collection of property taxes**.**

Governmental Activities

Several revenue sources fund our governmental activities with the City income tax being the largest contributor. The City's income tax rate was 1.5 percent from 1984 through 2005. In August 2005 the voters of South Euclid passed an income tax rate increase to 2.00 percent. The new rate of 2.00 percent became effective January 1, 2006. Residents of the City who work in another community receive a 0.75 percent credit on income earned outside the City and paid to another municipality. In prior years, the City has experienced a decline in income tax collections. The City remains committed to collecting all taxes due to it and during 2008 worked in conjunction with the Regional Income Tax Agency to identify and assess individuals who were delinquent in filing their income tax returns. This effort will account for over $60,000 in additional collections in 2008. Property tax revenues decreased in 2008 and are the City's second largest source of revenues. Revenues from grants and entitlements represented 9.57 percent of total governmental revenues. These funds are received from the State of Ohio in the form of Local Government Assistance and Estate Taxes.

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

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

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

The City's Funds

Information about the City's major funds starts on page 14. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of $23,249,166, and expenditures of $43,235,251. The general fund had a fund balance at year end of $4,947,801 with annual expenditures of $16,851,155. The general fund balance decreased $359,291 in 2008, due to increases in police and fire salaries. During 2008, $1,240,000 was transferred from the general fund, enabling the City to fund capital improvements and acquisitions and providing operating funds for the swimming pools, parking lots and matching grant funds. Overall, the fund balances in the nonmajor funds increased by $89,414 due to decreased overall expenditures in these funds.

During 2008, the Flood Control capital projects fund balance decreased from $2,760,917 to $1,922,532. This decrease is the result of the City completing the Bluestone Area Infrastructure project, the East Antisdale/Grosvenor Infrastructure project, the Brookline Road Infrastructure project and the Ramblewood Sewer Improvement project. The projects include new sanitary sewers, storm sewers and water lines within the City. The City also replaced the Telhurst Road Bridge. During 2008, the Land Acquisition capital projects fund balance decreased $389,718 due to an increase in interest expenditures from the issuance of bond anticipation notes.

General Fund Budgeting Highlights

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

During the course of 2008, the City amended its general fund budget numerous times. The actual revenue amount was more than the final budget by $42,764. This variance is made up of higher than expected income tax and property tax collections. It also includes unanticipated nuisance abatement collections and court fees. Final appropriations exceeded actual expenditures by $1,004,690. This variance was due primarily to the conservative budgeting techniques of the City and a concerted effort to reduce spending at the end of the year.

The City's ending unobligated budgetary fund balance was $1,047,841 higher than the final budget amount.

Capital Assets and Debt Administration

Capital Assets

At the end of 2008, the City of South Euclid had $42,188,789 invested in land, construction in progress, buildings, equipment, vehicles and infrastructure. Table 3 shows 2008 balances of capital assets as compared to 2007.

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

	Governmental Activities	
	2008	2007
Land	$1,182,897	$1,182,897
Construction in Progress	2,036,998	8,172,545
Buildings and Improvements	3,228,226	3,383,022
Equipment	503,875	583,186
Vehicles	1,766,030	1,338,416
Infrastructure		
Streets	13,536,842	13,837,942
Bridges, Sewers and Culverts	17,989,199	11,057,701
Waterlines	1,899,638	1,939,941
Traffic Signals	45,084	46,039
Total Capital Assets	$42,188,789	$41,541,689

Capital assets increased by $647,100 in 2008. This was primarily due to the construction and renovation of various infrastructure assets within the City, including the Langerdale/Nine Mile project, the Brookline Flood project, and the Ramblewood Sewer, all of which consist of sewers, bridges and culverts. The City also constructed the Playground of Possibilities in 2008.

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

The City purchased five new vehicles and leased four new vehicles in 2008. Purchased vehicles included three 2008 Ford Crown Victoria police cars, one 2009 Harley Davidson police motorcycle, and one 2008 Ford E250 van for the service department. Leased vehicles included two Ford Super Duty trucks and one 2008 International 740 truck for the service department. The final lease was for a 2008 Ford Explorer for the fire chief, which replaced a totaled vehicle. The City's garage staff works to maintain the fleet of vehicles at a high level of repair to extend their longevity. When replacement is required, City vehicles continue to be purchased or leased from the General Capital Improvement and Repair Fund, which receives funding from the General Fund.

The City Engineer maintains a comprehensive listing of all the streets, sewer and water lines and bridges and culverts within the City. Each spring, this inventory is updated with current conditions and recommendations made for repair or replacement. As mentioned before, the City has been very aggressive in pursuing funding to assist in the financing of infrastructure projects. For more information about the City's capital assets, see Note 9 to the basic financial statements.

Long-Term Obligations

At December 31, 2008, the City of South Euclid had $31,960,975 in outstanding long-term obligations, of which $7,973,354 was in General Obligation Bonds. Table 4 summarizes the long-term obligations outstanding.

Table 4
Outstanding Long-Term Obligations at Year End

	Governmental Activities	
	2008	2007
General Obligation Bonds	$7,973,354	$8,842,976
Special Assessment Bonds	270,000	305,000
OPWC Loans	1,935,257	1,747,086
OWDA Loans	1,893,877	1,974,401
Notes	18,010,000	17,000,000
Police and Fire Pension Liability	308,796	315,023
Capital Lease	406,035	356,546
Compensated Absences	1,163,656	1,280,454
Total	$31,960,975	$31,821,486

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

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

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

The OPWC loans represent four, twenty-year zero-interest loans. The OPWC loan's repayment source is service assessments being collected in the Flood Control Fund. In fiscal year 2008, the City began the Nine Mile Creek Rehabilitation OPWC project, and as of December 31, 2008 the project was not finalized. Therefore, the repayment schedule is not included in the schedule of debt service payments.

The $18,010,000 Land Acquisition Bond Anticipation note issued January 28, 2008 at 4.50 percent and outstanding at December 31, 2008, will mature January 27, 2009.

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

The City of South Euclid's overall legal debt margin is $21,655,882 with an unvoted debt margin of $6,038,862 on December 31, 2008. For more information about the City's long-term obligations, see Notes 11 and 12 to the basic financial statements.

Current Financial Related Activities

The Administration provided strong fiscal management, holding general operating expenses in check while maintaining City services at a high level in 2008. But with decreasing revenues from Federal and State sources and increasing expenses, the City is going to see some tougher times in the coming years. In 2009, hospitalization has again increased along with the City's portion of the Ohio Public Employee's Retirement System contribution. The City will see flat or decreased income tax collections in 2009 due to the economic times and loss of jobs. Expenses can only be cut back so much without jeopardizing the safety, health and welfare of the residents. The Administration will continue to monitor the revenues and expenses and make appropriate adjustments as needed. The Administration continues toward its goal of keeping all residents and other interested parties fully informed as to the financial status of the City of South Euclid.

Contacting the City of South Euclid's Financial Management

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

Basic Financial Statements

City of South Euclid, Ohio

Statement of Net Assets

December 31, 2008

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	$11,089,971
Cash and Cash Equivalents	
In Segregated Accounts	67,187
Accounts Receivable	50,784
Accrued Interest Receivable	526
Intergovernmental Receivable	1,748,545
Prepaid Items	84,390
Materials and Supplies Inventory	118,807
Income Taxes Receivable	4,373,184
Property Taxes Receivable	5,343,964
Special Assessments Receivable	3,919,135
Investment in Joint Venture	113,850
Assets Held for Resale	18,293,873
Nondepreciable Capital Assets	3,219,895
Depreciable Capital Assets	38,968,894
Total Assets	87,393,005
Liabilities	
Accounts Payable	163,875
Accrued Wages	461,761
Contracts Payable	881,764
Intergovernmental Payable	639,541
Accrued Interest Payable	788,620
Matured Compensated Absences Payable	74,501
Deferred Revenue	4,966,743
Notes Payable	1,800,000
Long-Term Liabilities:	
Due Within One Year	1,504,216
Due In More Than One Year	30,456,759
Total Liabilities	41,737,780
Net Assets	
Invested in Capital Assets, Net of Related Debt	30,383,626
Restricted for:	
Capital Projects	6,357,363
Debt Service	1,176,701
Street Maintenance	437,529
Street Lighting	514,248
Sewer Maintenance	384,037
Other Purposes	646,835
Unrestricted	5,754,886
Total Net Assets	$45,655,225

See accompanying notes to the basic financial statements

City of South Euclid, Ohio
Statement of Activities
For the Year Ended December 31, 2008

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services and Operating Assessments	Operating Grants	Capital Grants	Governmental Activities
Governmental Activities:					
General Government:					
Legislative and Executive	$2,819,870	$345,357	$0	$0	($2,474,513)
Judicial System	467,629	57,596	0	0	(410,033)
Security of Persons and Property:					
Police	5,477,289	693,554	20,285	0	(4,763,450)
Fire	4,228,508	495,777	80,945	0	(3,651,786)
Public Health Services	133,196	16,474	0	0	(116,722)
Leisure Time Activities	585,200	49,565	0	62,224	(473,411)
Community Development	294,638	36,442	0	0	(258,196)
Building Department	770,710	93,325	0	0	(677,385)
Transportation	3,579,503	188,751	886,437	81,489	(2,422,826)
Basic Utility Services	3,928,628	3,289,671	119,665	102,160	(417,132)
Swimming Pools	420,665	119,300	0	0	(301,365)
Interest and Fiscal Charges	1,418,744	0	0	0	(1,418,744)
Total Governmental Activities	$24,124,580	$5,385,812	$1,107,332	$245,873	(17,385,563)

General Revenues	
Property Taxes Levied for:	
General Purposes	4,256,560
Debt Service	442,310
Capital Projects	511,338
Other Purposes	239,886
Income Taxes Levied for General Purposes	9,085,439
Grants and Entitlements not Restricted to Specific Programs	2,351,687
Investment Earnings	426,403
Miscellaneous	521,451
Total General Revenues	17,835,074
Change in Net Assets	449,511
Net Assets Beginning of Year	45,205,714
Net Assets End of Year	$45,655,225

See accompanying notes to the basic financial statements

City of South Euclid, Ohio
Balance Sheet
Governmental Funds
December 31, 2008

	General	Flood Control	Land Acquisition	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	$4,904,584	$2,804,296	$318,573	$3,062,518	$11,089,971
Cash and Cash Equivalents In Segregated Accounts	67,187	0	0	0	67,187
Materials and Supplies Inventory	30,506	0	0	88,301	118,807
Accrued Interest Receivable	526	0		0	526
Accounts Receivable	50,784	0	0	0	50,784
Interfund Receivable	68,000	0	0	0	68,000
Intergovernmental Receivable	1,160,795	0	0	587,750	1,748,545
Prepaid Items	84,390	0	0	0	84,390
Income Taxes Receivable	4,373,184	0	0	0	4,373,184
Property Taxes Receivable	4,060,202	0	0	1,283,762	5,343,964
Investment in Joint Venture	113,850	0	0	0	113,850
Assets Held for Resale	0	0	18,293,873	0	18,293,873
Special Assessments Receivable	94,309	2,522,980	0	1,301,846	3,919,135
Total Assets	$15,008,317	$5,327,276	$18,612,446	$6,324,177	$45,272,216
Liabilities					
Accounts Payable	$86,432	$0	$1,000	$76,443	$163,875
Accrued Wages	425,665	0	0	36,096	461,761
Contracts Payable	0	881,764	0	0	881,764
Intergovernmental Payable	553,861	0	0	85,680	639,541
Matured Compensated Absences Payable	74,501	0		0	74,501
Interfund Payable	0	0	0	68,000	68,000
Accrued Interest Payable	0	0	2,310	0	2,310
Deferred Revenue	8,920,057	2,522,980	0	3,101,478	14,544,515
Notes Payable	0	0	1,800,000	0	1,800,000
Total Liabilities	10,060,516	3,404,744	1,803,310	3,367,697	18,636,267
Fund Balances					
Reserved for Encumbrances	208,058	621,539	0	256,690	1,086,287
Reserved for Assets Held for Resale	0	0	18,293,873	0	18,293,873
Unreserved					
Designated for Compensated Absences	40,704	0	0	0	40,704
Undesignated, Reported in:					
General Fund	4,699,039	0	0	0	4,699,039
Special Revenue Funds	0	0	0	659,747	659,747
Debt Service Funds	0	0	0	736,311	736,311
Capital Projects Funds (Deficit)	0	1,300,993	(1,484,737)	1,303,732	1,119,988
Total Fund Balances	4,947,801	1,922,532	16,809,136	2,956,480	26,635,949
Total Liabilities and Fund Balances	$15,008,317	$5,327,276	$18,612,446	$6,324,177	$45,272,216

See accompanying notes to the basic financial statements

City of South Euclid, Ohio

Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities
December 31, 2008

Total Governmental Fund Balances		$26,635,949
Amounts reported for governmental activities in the statement of net assets are different because		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		42,188,789
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Property Taxes	377,221	
Income Taxes	3,687,199	
Special Assessments	3,919,135	
Intergovernmental	1,480,367	
Investment in Joint Venture	113,850	
Total		9,577,772
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		(786,310)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Compensated Absences	(1,163,656)	
General Obligation Bonds	(7,973,354)	
Notes Payable	(18,010,000)	
Special Assessment Bonds	(270,000)	
OPWC Loans Payable	(1,935,257)	
OWDA Loans Payable	(1,893,877)	
Capital Leases Payable	(406,035)	
Police and Fire Pension Loan	(308,796)	
Total		(31,960,975)
Net Assets of Governmental Activities		$45,655,225

See accompanying notes to the basic financial statements

City of South Euclid, Ohio

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended December 31, 2008

	General	Flood Control	Land Acquisition	Other Governmental Funds	Total Governmental Funds
Revenues					
Property Taxes	$4,263,726	$0	$0	$1,190,147	$5,453,873
Income Taxes	8,463,897	0	0	0	8,463,897
Special Assessments	0	2,013,505	0	711,652	2,725,157
Intergovernmental	2,091,655	102,160	0	1,250,860	3,444,675
Interest	426,403	0	0	0	426,403
Fees, Licenses and Permits	449,376	0	0	1,720	451,096
Fines and Forfeitures	615,955	0	0	27,715	643,670
Rentals	101,928	0	0	20,700	122,628
Charges for Services	851,420	0	0	144,896	996,316
Other	467,504	7,874	0	46,073	521,451
Total Revenues	17,731,864	2,123,539	0	3,393,763	23,249,166
Expenditures					
Current:					
General Government:					
Legislative and Executive	2,788,445	0	0	5,514	2,793,959
Judicial System	490,556	0	0	0	490,556
Security of Persons and Property:					
Police	5,295,982	0	0	97,396	5,393,378
Fire	4,000,687	0	0	129,801	4,130,488
Public Health Services	133,196	0	0	0	133,196
Leisure Time Activities	403,482	0	0	0	403,482
Community Development	294,638	0	0	0	294,638
Building Department	773,098	0	0	0	773,098
Transportation	1,114,059	0	0	1,133,439	2,247,498
Basic Utility Services	1,537,462	0	0	942,849	2,480,311
Swimming Pools	0	0	0	330,541	330,541
Capital Outlay	0	2,544,325	402,725	1,056,962	4,004,012
Debt Service:					
Principal Retirement	6,227	510,133	17,000,000	845,413	18,361,773
Interest and Fiscal Charges	13,323	205,246	996,993	182,759	1,398,321
Total Expenditures	16,851,155	3,259,704	18,399,718	4,724,674	43,235,251
Excess of Revenues Over (Under) Expenditures	880,709	(1,136,165)	(18,399,718)	(1,330,911)	(19,986,085)
Other Financing Sources (Uses)					
Sale of Capital Assets	0	0	0	5,423	5,423
Inception of Capital Lease	0	0	0	174,902	174,902
Bond Anticipation Notes Issued	0	0	18,010,000	0	18,010,000
OPWC Loan Proceeds	0	297,780	0	0	297,780
Transfers In	0	0	0	1,257,232	1,257,232
Transfers Out	(1,240,000)	0	0	(17,232)	(1,257,232)
Total Other Financing Sources (Uses)	(1,240,000)	297,780	18,010,000	1,420,325	18,488,105
Net Change in Fund Balances	(359,291)	(838,385)	(389,718)	89,414	(1,497,980)
Fund Balances Beginning of Year	5,307,092	2,760,917	17,198,854	2,867,066	28,133,929
Fund Balances End of Year	$4,947,801	$1,922,532	$16,809,136	$2,956,480	$26,635,949

See accompanying notes to the basic financial statements

City of South Euclid, Ohio

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Year Ended December 31, 2008

Net Change in Fund Balances - Total Governmental Funds		($1,497,980)
Amounts reported for governmental activities in the statement of activities are different because		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.		
Capital Outlay	2,461,146	
Depreciation	(1,801,591)	
Total		659,555
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities of activities, a gain or loss is reported for each disposal.		(12,455)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property Taxes	(3,779)	
Income Taxes	621,542	
Intergovernmental	260,217	
Special Assessments	501,002	
Investment in Joint Venture	(54,057)	
Total		1,324,925
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		18,361,773
Some expenses reported in the statement of activities do not require the the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Accrued Interest on Bonds	114,955	
Amortization of Premium	1,295	
Bond Accretion	(136,673)	
Total		(20,423)
Some expenses, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		116,798
Inception of a capital lease is an other financing source in the governmental funds, but increases liabilities in governmental activities.		(174,902)
Other financing sources in the governmental funds increase long-term liabilities in the statement of net assets.		
Proceeds of OWPC Loans	(297,780)	
Proceeds of Notes	(18,010,000)	
Total		(18,307,780)
Change in Net Assets of Governmental Activities		$449,511

See accompanying notes to the basic financial statements

City of South Euclid, Ohio

Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	$3,912,894	$4,253,424	$4,263,726	$10,302
Income Taxes	7,763,319	8,438,942	8,459,381	20,439
Intergovernmental	1,855,012	2,016,449	2,021,333	4,884
Interest	406,781	442,182	443,253	1,071
Fees, Licenses and Permits	441,754	480,199	481,362	1,163
Fines and Forfeitures	559,168	607,831	609,303	1,472
Rentals	93,655	101,806	102,053	247
Charges for Services	782,256	850,334	852,394	2,060
Other	428,210	465,474	466,600	1,126
Total Revenues	16,243,049	17,656,641	17,699,405	42,764
Expenditures				
Current:				
General Government:				
Legislative and Executive	3,202,549	3,202,549	2,908,260	294,289
Judicial System	551,910	551,910	502,587	49,323
Security of Persons and Property:				
Police	5,636,515	5,636,515	5,306,773	329,742
Fire	4,021,239	4,021,239	3,955,438	65,801
Public Health Services	147,834	147,834	143,088	4,746
Leisure Time Activities	467,371	467,371	412,701	54,670
Community Development	390,024	390,024	346,543	43,481
Building Department	893,756	893,756	818,078	75,678
Transportation	1,202,754	1,202,754	1,143,581	59,173
Basic Utility Services	1,573,347	1,573,347	1,545,560	27,787
Total Expenditures	18,087,299	18,087,299	17,082,609	1,004,690
Excess of Revenues Over (Under) Expenditures	(1,844,250)	(430,658)	616,796	1,047,454
Other Financing Sources (Uses)				
Advances In	100,949	109,734	110,000	266
Advances Out	(53,000)	(53,000)	(53,000)	0
Transfers Out	(1,244,114)	(1,240,121)	(1,240,000)	121
Total Other Financing Sources (Uses)	(1,196,165)	(1,183,387)	(1,183,000)	387
Net Change in Fund Balance	(3,040,415)	(1,614,045)	(566,204)	1,047,841
Fund Balance Beginning of Year	4,775,650	4,775,650	4,775,650	0
Prior Year Encumbrances Appropriated	334,963	334,963	334,963	0
Fund Balance End of Year	$2,070,198	$3,496,568	$4,544,409	$1,047,841

See accompanying notes to the basic financial statements

City of South Euclid, Ohio

Statement of Fiduciary Assets and Liabilities

Agency Fund

December 31, 2008

Assets	
Equity in Pooled Cash and Cash Equivalents	$1,440,291
Liabilities	
Deposits Held and Due to Others	$1,440,291

See accompanying notes to the basic financial statements

Note 1 – Description of the City and Reporting Entity

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

Reporting Entity

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

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

The City is associated with six organizations: one shared risk pool, two joint ventures and three defined as jointly governed organizations. The Northern Ohio Risk Management Association is a shared risk pool. The joint ventures are the Tri-City Consortium on Aging and the South Euclid-Lyndhurst Recreation Commission. The Northeast Ohio Public Energy Council, the First Suburbs Consortium of Northeast Ohio Council of Governments and the Heights Area Special Rescue Team are jointly governed organizations. These organizations are presented in Notes 8, 18 and 19 to the basic financial statements.

Note 2 – Summary of Significant Accounting Policies

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

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.

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

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

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

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. The City's funds are classified as either governmental or fiduciary.

Governmental Funds

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

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

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

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

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

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

C. Measurement Focus

Government-wide Financial Statements

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

Fund Financial Statements

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

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

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 and the statement for the fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue and in the presentation of expenses versus expenditures.

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the year in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 6). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

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

Property taxes for which there is an enforceable legal claim as of December 31, 2008, but which were levied to finance year 2009 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.

E. Cash and Cash Equivalents

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

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

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

Following the Charter and Codified Ordinances of the City as well as Ohio statutes, the City has, by resolution, specified the funds to receive an allocation of interest earnings. Interest is distributed to the general fund. Interest revenue credited to the general fund during 2008 amounted to $426,403, which includes $237,825 assigned from other City funds.

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

F. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2008, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of purchase and reflecting the expenditure/expense in the year in which the services are consumed.

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 held for consumption.

H. Assets Held for Resale

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

I. Capital Assets

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

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

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:

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

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

J. Interfund Balances

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

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 with more than one year of service.

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

L. Accrued Liabilities and Long-Term Obligations

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

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

M. Fund Balance Reserves and Designations

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

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 enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

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

O. Internal Activity

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

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

P. Bond Premiums

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

Q. 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.

R. 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.

S. Budgetary Process

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

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

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

Note 3 - Budgetary Basis of Accounting

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).

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

3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).

4. Investments reported at cost (budget) rather than fair value (GAAP).

5. Advances-In and Advances-Out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).

6. Unrecorded cash represents amounts received but not reported by the City on the operating statements (budget), but which is reported on the GAAP basis operating statements.

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

Net Change in Fund Balance

	General
GAAP Basis	($359,291)
Net Adjustment for Revenue Accruals	(49,835)
Advances In	110,000
Beginning Fair Value Adjustment for Investments	127,744
Ending Fair Value Adjustment for Investments	(110,368)
Net Adjustment for Expenditure Accruals	18,353
Advances Out	(53,000)
Encumbrances	(249,807)
Budget Basis	($566,204)

Note 4 – Change in Accounting Principles

For 2008, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 49, "Accounting and Financial Reporting for Pollution Remediation Obligations". GASB Statement No. 49 addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effect of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. The implementation of this Statement did not result in any change to the City's financial statements.

Note 5 - Deposits and Investments

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

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

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

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

3. Written repurchase agreements in securities listed above;

4. Bonds and other obligations of the State of Ohio;

5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations,

7. The State Treasurer's investment pool (STAROhio); and

8. Commercial paper and bankers acceptances if training requirements have been met.

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

Deposits

Custodial Credit Risk Custodial credit risk for deposits is the risk that, in the event of the failure of the counterparty, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, $1,734,851 of the City's bank balance of $2,630,971 was uninsured and uncollateralized. Although the securities were held by the pledging financial institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

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

Investments

As of December 31, 2008, the City had the following investments:

	Maturity		
	Less Than Six months	More Than One Year But Less Than Three Years	Total
Federal Home Loan Mortgage Corporation Notes	$0	$2,040,550	$2,040,550
Federal Home Loan Bank Bonds	1,005,700	2,601,495	3,607,195
Federal National Mortgage Association Notes	0	1,704,289	1,704,289
Repurchase Agreements	2,729,103	0	2,729,103
Total Portfolio	$3,734,803	$6,346,334	$10,081,137

Interest Rate Risk As a means of limiting its exposure to fair value losses caused by rising interest rates, the City's investment policy requires that operating funds be invested primarily in short-term investments maturing within two years from the date of purchase if they have a variable interest rate and five years for investments that have a fixed rate and that the City's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity. Repurchase agreements are limited to 30 days and the market value of the securities must exceed the principal value of the agreement by at least 2 percent and be marked to market daily.

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

Concentration of Credit Risk. The City places no limit on the amount it may invest in any one issuer. The following is the City's allocation as of December 31, 2008:

Investment	Percentage of Investments
Federal Home Loan Mortgage Corporation Notes	16.91 %
Federal Home Loan Bank Bonds	35.78
Federal National Mortgage Association Notes	20.24
Repurchase Agreements	27.07

Note 6 - Receivables

Receivables at December 31, 2008, consisted primarily of municipal income taxes, property and other taxes, intergovernmental receivables arising from entitlements and shared revenues, special assessments, and accounts (billings for utility service).

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

Special assessments expected to be collected in more than one year amount to $230,000 in the Special Assessment Bond Retirement Fund. At December 31, 2008 the total amount of delinquent special assessments was $419,032.

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

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 2008 for real and public utility property taxes represents collections of the 2007 taxes. Property tax payments received during 2008 for tangible personal property (other than public utility property) is for 2008 taxes.

2008 real property taxes are levied after October 1, 2008, on the assessed value as of January 1, 2008, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2008 real property taxes are collected in and intended to finance 2009.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2008 public utility property taxes which became a lien December 31, 2007, are levied after October 1, 2008, and are collected in 2009 with real property taxes.

2008 tangible personal property taxes are levied after October 1, 2007, on the value as of December 31, 2007. Collections are made in 2008. Tangible personal property assessments are being phased out - the assessment percentage for all property including inventory for 2008 is 6.25 percent. This will be reduced to zero for 2009. 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 at September 20.

The full tax rate for all City operations for the year ended December 31, 2008, was $14.90 per $1,000 of assessed value. The assessed values of real and tangible personal property upon which 2008 property tax receipts were based are as follows:

Category	Assessed Value
Real Estate	
Residential/Agricultural	$398,510,910
Other Real Estate	52,057,390
Tangible Personal Property	
Public Utility	6,012,100
General	1,759,885
Total Assessed Values	$458,340,285

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City of South Euclid. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and tangible personal property taxes and public utility taxes which are measurable as of December 31, 2008 and for which there is an enforceable legal claim. In the general fund, the general obligation bond retirement fund, the road improvement capital projects fund and the police and fire pension special revenue funds, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2008 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 Taxes

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

C. Intergovernmental Receivables

A summary of intergovernmental receivables follows:

Governmental Activities	Amount
Local Government	$711,007
Homestead and Rollback	404,897
Gasoline and Excise Tax	214,408
Estate Tax	137,389
State and Local Highway Tax	94,973
Permissive Motor Vehicle License Tax	63,149
OPWC Grant	62,224
Motor Vehicle License Fees	59,922
Cuyahoga County Auditor	576
Total	$1,748,545

Note 7 - Risk Management

A. Property and Liability

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

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

B. Worker's Compensation

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

Note 8 - Shared Risk Pool

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

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

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

In 2008, the City of South Euclid paid $93,229 in premiums from the general fund, which represents 9.81 percent of total premiums. Financial information can be obtained by contacting the fiscal agent, the Finance Director at the City of Bedford Heights, 5661 Perkins Road, Bedford Heights, Ohio, 44146.

Note 9 - Capital Assets

Capital asset activity for the year ended December 31, 2008, was as follows:

Governmental Activities	Balance 12/31/2007	Additions	Deductions	Balance 12/31/2008
Capital Assets not being Depreciated:				
Land	$1,182,897	$0	$0	$1,182,897
Construction in Progress	8,172,545	1,328,319	(7,463,866)	2,036,998
Total Capital Assets not being Depreciated	9,355,442	1,328,319	(7,463,866)	3,219,895
Capital Assets being Depreciated:				
Buildings and Improvements	10,613,026	263,872	0	10,876,898
Equipment	2,169,649	76,986	0	2,246,635
Vehicles	4,058,467	719,475	(41,414)	4,736,528
Infrastructure:				
Streets	20,317,387	381,979	0	20,699,366
Bridges, Sewers and Culverts	12,568,100	7,154,381	0	19,722,481
Waterlines	2,413,372	0	0	2,413,372
Traffic Signals	47,732	0	0	47,732
Total Capital Assets being Depreciated	52,187,733	8,596,693	(41,414)	60,743,012
Less Accumulated Depreciation:				
Buildings and Improvements	(7,230,004)	(418,668)	0	(7,648,672)
Equipment	(1,586,463)	(156,297)	0	(1,742,760)
Vehicles	(2,720,051)	(279,406)	28,959	(2,970,498)
Infrastructure:				
Streets	(6,479,445)	(683,079)	0	(7,162,524)
Bridges, Sewers and Culverts	(1,510,399)	(222,883)	0	(1,733,282)
Waterlines	(473,431)	(40,303)	0	(513,734)
Traffic Signals	(1,693)	(955)	0	(2,648)
Total Accumulated Depreciation	(20,001,486)	(1,801,591) *	28,959	(21,774,118)
Total Capital Assets being Depreciated, Net	32,186,247	6,795,102	(12,455)	38,968,894
Governmental Activities Capital Assets, Net	$41,541,689	$8,123,421	($7,476,321)	$42,188,789

*Depreciation expense was charged to governmental activities as follows:

General Government:	
Legislative and Executive	$1,967
Judicial System	6,178
Security of Persons and Property:	
Police	40,937
Fire	32,097
Leisure Time Activities	13,250
Building Department	7,100
Transportation	1,144,226
Basic Utility Services	465,712
Swimming Pools	90,124
Total Depreciation Expense	$1,801,591

Note 10 – Assets Held for Resale

Assets held for resale represents ten plus acres of land on Cedar Road purchased by the City which will be sold for development purposes. The City has a developer's agreement with the Coral Company who is scheduled to purchase the property by the end of 2009.

Note 11 - Note Debt

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

	Balance 12/31/2007	Additions	Reductions	Balance 12/31/2008
3.30% Land Acquisition Fund	$0	$1,800,000	$0	$1,800,000
3.60% Land Acquisition Fund	1,800,000	0	1,800,000	0
Total	$1,800,000	$1,800,000	$1,800,000	$1,800,000

In 2008, the City issued $1,800,000 in Housing Development bond anticipation notes for acquiring real property and improving the site to assist in providing housing. These notes mature on December 17, 2009. The Housing Development bond anticipation notes that were issued in 2007 for $1,800,000 matured on December 18, 2008.

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

Note 12 - Long-Term Obligations

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

Debt Issue	Interest Rate	Original Issue	Year of Maturity
1998 Recreational Facilities			
Improvement Refunding Bonds:			
Current Interest Serial Bonds	4.0% to 4.4%	$4,685,000	2003 to 2009
Capital Appreciation Bonds	4.75% to 4.85%	59,994	2010 to 2011
2003 Various Purpose General Obligation Bond	3.0% to 3.7%	9,400,000	2004 to 2018
2002 Parking Lot Improvement Special Assessment Bond	4.0% to 6.7%	630,000	1994 to 2014
OPWC Liberty Road Bridge Replacement	0%	755,891	2002 to 2022
OPWC Whitehall Road Bridge Replacement	0%	188,822	2006 to 2025
OPWC Bexley Infrastructure	0%	1,247,424	2005 to 2024
OPWC Nine Mile Creek Rehabiliation	0%	297,780	N/A
Land Acquisition Bond Anticipation Note	4.50%	18,010,000	2009
OWDA Stormwater Improvement	N/A	2,052,371	N/A
Police and Fire Pension	4.25%	391,010	1973 to 2035

A schedule of changes in bonds and other long-term obligations of the City during 2008 follows:

	Amount Outstanding 12/31/2007	Additions	Deletions	Amount Outstanding 12/31/2008	Amounts Due In One Year
Governmental Activities (Cont'd)					
General Obligation Bonds					
1998 Recreational Facilities Improvement Refunding Bonds					
Current Interest Serial Bonds	$950,000	$0	($450,000)	$500,000	$500,000
Capital Appreciation Bonds	59,994	0	0	59,994	0
Accretion on Capital Appreciation Bonds	523,736	136,673	0	660,409	0
Total 1998 Recreational Facilities Bonds	1,533,730	136,673	(450,000)	1,220,403	500,000
2003 Various Purpose General Obligation Bonds	7,295,000	0	(555,000)	6,740,000	565,000
Premium on Various Purpose Bonds	14,246	0	(1,295)	12,951	0
Total 2003 Various Purpose General Obligation Bonds	7,309,246	0	(556,295)	6,752,951	565,000
Total General Obligation Bonds	8,842,976	136,673	(1,006,295)	7,973,354	1,065,000
Special Assessment Bonds with Governmental Commitment					
2002 Parking Lot Improvement	305,000	0	(35,000)	270,000	40,000
OPWC Loans:					
Liberty Road Bridge Replacement	548,020	0	(37,795)	510,225	37,793
Whitehall Road Bridge Replacement	169,940	0	(62,373)	107,567	62,371
Bexley Infrastructure	1,029,126	0	(9,441)	1,019,685	9,442
Nine Mile Creek Rehabiliation	0	297,780	0	297,780	0
Total OPWC Loans	1,747,086	297,780	(109,609)	1,935,257	109,606
Notes Payable	17,000,000	18,010,000	(17,000,000)	18,010,000	0
OWDA Stormwater Improvement	1,974,401	0	(80,524)	1,893,877	0
Police and Fire Pension	315,023	0	(6,227)	308,796	6,495
Capital Lease	356,546	174,902	(125,413)	406,035	151,983
Compensated Absences	1,280,454	640,227	(757,025)	1,163,656	131,132
Total Governmental Activities	$31,821,486	$19,259,582	($19,120,093)	$31,960,975	$1,504,216

In 1998, the City defeased a 1991 recreational facilities improvement bond issue in order to take advantage of lower interest rates. The proceeds of the new bonds were placed in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. On December 31, 2008, $500,000 of the defeased bonds are still outstanding.

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

The serial and capital appreciation bonds remained outstanding at December 31, 2008. The capital appreciation bonds were originally sold at a discount of $1,085,006, which is being accreted annually until the point of maturity of the capital appreciation bonds, which is December 1, 2011.

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

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

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

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

The $18,010,000 Land Acquisition Bond Anticipation note issued January 28, 2008 at 4.50 percent and outstanding at December 31, 2008, will mature January 27, 2009. The note will be paid from the land acquisition capital projects fund.

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

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

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

As of December 31, 2008, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was $21,655,882 and the unvoted legal debt margin was $6,038,862.

Principal and interest requirements to retire the City’s long-term obligations outstanding at December 31, 2008 are as follows:

	General Obligation Bonds				Special Assessment Bonds	
	Serial		Capital Appreciation			
	Principal	Interest	Principal	Accretion	Principal	Interest
2009	$1,065,000	$246,304	$0	$0	$40,000	$18,090
2010	590,000	207,354	33,586	541,414	40,000	15,410
2011	610,000	189,654	26,408	543,592	45,000	12,730
2012	630,000	171,048	0	0	45,000	9,715
2013	655,000	150,888	0	0	50,000	6,700
2014-2018	3,690,000	405,888	0	0	50,000	3,350
Total	$7,240,000	$1,371,136	$59,994	$1,085,006	$270,000	$65,995

	Police and Fire Pension		OPWC Loans
	Principal	Interest	Principal
2009	$6,495	$13,055	$109,606
2010	6,773	12,778	109,607
2011	7,065	12,486	109,607
2012	7,368	12,182	109,607
2013	7,685	11,865	109,607
2014-2018	43,668	54,084	548,035
2019-2023	53,835	43,917	491,338
2024-2028	66,498	31,254	50,070
2029-2033	82,058	15,693	0
2034-2035	27,351	1,102	0
Total	$308,796	$208,416	$1,637,477

Note 13 - Compensated Absences

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

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

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

Note 14 – Capital Lease

In 2008, the City entered into capitalized lease obligations for five Ford vehicles. In prior years, the City had entered into a capitalized lease obligation for eleven new Ford vehicles and a master leaf collection unit. The leases meet the criteria for a capital lease as defined by the Statement of Financial Accounting Standards No. 13 "Accounting for Lease" and have been recorded on the government-wide statements. The original amounts capitalized for the capital leases and the book values as of December 31, 2008 are as follows:

	Amounts
Vehicles	$769,465
Less: Accumulated Depreciation	(191,640)
Current Book Value	$577,825

The following is a schedule of the future minimum leases payments required under the capital lease and the present value of the minimum lease payments as of December 31, 2008.

	Amounts
2009	$170,346
2010	156,266
2011	39,198
2012	39,198
2013	39,198
Total Minimum Lease Payments	444,206
Less: Amount representing interest	(38,171)
Present Value of Minimum Lease Payments	$406,035

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

Note 15 - Contingencies

A. Litigation

The City is party to legal proceedings. The City management is of the opinion that the ultimate disposition of these claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

B. Grants

The City received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed

claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2008.

Note 16 - Defined Benefit Pension Plans

A. Ohio Public Employees Retirement System

Plan Description – The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member-directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan. Under the combined plan, OPERS invests employer contributions to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the member-directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the traditional pension and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2008, members in state and local classifications contributed 10 percent of covered payroll and public safety and law enforcement members contributed 10.1 percent.

The City's contribution rate for 2008 was 14 percent, except for those plan members in law enforcement or public safety, for whom the City's contribution was 17.4 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The City's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2008, 2007, and 2006 were $290,787, $301,464, and $323,402 respectively; 89.28 percent has been contributed for 2008 and 100 percent for 2007 and 2006. Contributions to the member-directed plan for 2008 were $2,416 made by the City and $1,726 made by the plan members.

B. Ohio Police and Fire Pension Fund

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to the OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations. The City's contribution was 19.5 percent for police officers and 24 percent for firefighters. Contribution rates are established by State statute. For 2008, a portion of the City's contributions equal to 6.75 percent of covered payroll was allocated to fund the post-employment health care plan. The City's contributions to OP&F for police and firefighters were $373,253 and $455,223 for the year ended December 31, 2008, $327,665 and $388,910 for the year ended December 31, 2007, and $323,843 and $369,349 for the year ended December 31, 2006. 65.59 percent has been contributed for police and 64.32 percent has been contributed for firefighters for 2008. The full amount has been contributed for 2007 and 2006.

In addition to current contributions, the City pays installments on the accrued liability incurred when the State of Ohio established the statewide pension system for police and fire fighters in 1967. As of December 31, 2008, the unfunded liability of the City was $308,796 payable in semi-annual payments through the year of 2035. This is an accounting liability of the City which will not vary.

Note 17 - Postemployment Benefits

A. Ohio Public Employees Retirement System

Plan Description – OPERS maintains a cost-sharing multiple-employer defined benefit post-employment health care plan for qualifying members of both the traditional and combined pension plans. Members of the member-directed plan do not qualify for ancillary benefits, including post-employment health care. The plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement.

To qualify for post-employment health care coverage, age-and-service retirees under the traditional and combined plans must have ten or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not require, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy – The post-employment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401 (h). State statute requires that public employers fund post-employment health care through their contributions to OPERS. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of post-employment health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2008, state and local government employers contributed at a rate of 14 percent of covered payroll (17.4 percent for public safety and law enforcement). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding post-employment health care benefits. For 2008, the amount of the employer contributions which was allocated to fund post-employment health care was 7 percent of covered payroll.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2008, 2007, and 2006 were $290,787, $198,569 and $158,186 respectively; 89.28 percent has been contributed for 2008 and 100 percent for 2007 and 2006.

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.

B. Ohio Police and Fire Pension Fund

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing multiple-employer defined post-employment healthcare plan administered by OP&F. OP&F provides healthcare benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium reimbursement and long term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-retirement healthcare coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person.

The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&B Board of Trustees to provide healthcare coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding policy – OP&F's post-employment healthcare plan was established and is administered as an Internal Revenue Code 401(h) account 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 sets the contribution rates for participating employers and for plan members to the OP&F. 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 percent of covered payroll for police and fire employers, respectively.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made to the pension plan to the 401(h) account as the employer contribution for retiree healthcare benefits. For the year ended December 31, 2008, the employer contribution allocated to the healthcare plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the healthcare plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and also is limited by the provisions of Section 401(h).

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the healthcare plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were $246,188 and $217,107 for the year ended December 31, 2008, $216,120 and $185,480 for the year ended December 31, 2007, and $213,598 and $176,151 for the year ended December 31, 2006. The full amount has been contributed for 2007 and 2006. 65.59 percent has been contributed for police and 64.32 percent has been contributed for firefighters for 2008.

Note 18 - Joint Ventures

A. Tri-City Consortium on Aging

The Tri-City Consortium on Aging (Consortium) is a joint venture among the Cities of South Euclid, Lyndhurst and Highland Heights, formed for the purpose of coordinating among the cities all matters related to assistance and programs for the aged. Consortium revenues consist of contributions from the member cities and federal grants. The Consortium is controlled by the Council composed of the Mayors of the Cities of South Euclid, Lyndhurst, and Highland Heights, with the advice of a nine member commission. Continued existence of the Consortium is dependent on the City's continued participation; however the City of South Euclid has no explicit and measurable equity interest in the Consortium. The Consortium is not accumulating financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the City. In 2008, the City contributed $267,125, paid from the general fund, which represented 50.2 percent of Consortium revenues. To obtain a copy of the Consortium's financial statements, write to the Tri-City Consortium on Aging, 1370 Victory Drive, South Euclid, Ohio, 44121.

B. South Euclid-Lyndhurst Recreation Commission

The South Euclid-Lyndhurst Recreation Commission (SELREC) is a joint venture that is jointly owned and operated by the Cities of South Euclid and Lyndhurst, and the South Euclid-Lyndhurst City School District for the purpose of operating the Cities' and School District's playgrounds, play fields and indoor recreation centers. Each of these governments supports SELREC through funds that are appropriated in their budgets and each shares in the equity of SELREC.

The operation of SELREC is controlled by a nine member board consisting of the following: one member appointed by the Mayor of the City of South Euclid and one member appointed by the Mayor of the City of Lyndhurst, three members that are residents of the City of South Euclid, three members that are residents of the City of Lyndhurst, and one member that is a resident of the South Euclid-Lyndhurst City School District and that lives in either the City of South Euclid or the City of Lyndhurst (jointly appointed by the Mayors of the Cities of South Euclid and Lyndhurst). The continued existence of the joint venture depends on the City's continued participation. SELREC is not accumulating significant financial resources or experiencing fiscal stress which would cause additional benefit or burden on the City. In 2008, the City contributed $37,424. The City also has a measurable equity interest in SELREC because the joint venture agreement stipulates that the participants have a claim to assets and sets forth the method of distribution upon dissolution of the joint venture. SELREC has no capital assets. SELREC is audited on a two-year basis; the latest reported is for the fiscal year ended June 30, 2008. Financial statements can be obtained by contacting the fiscal agent, South Euclid-Lyndhurst City School District, 6044 Mayfield Road, Lyndhurst, Ohio 44124.

Note 19 - Jointly Governed Organizations

A. Northeast Ohio Public Energy Council

The City is a member of The Northeast Ohio Public Energy Council (NOPEC). NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of electricity and natural gas. NOPEC is currently comprised of 126 communities who have been authorized by ballot to purchase electricity and natural gas on behalf of their citizens. The intent of NOPEC is to provide electricity and natural gas at the lowest possible rates while at the same time insuring stability in prices by entering into long-term contracts with suppliers to provide electricity and natural gas to the citizens of its member communities.

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the eight-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. The City of South Euclid did not contribute to NOPEC during 2008. Financial information can be obtained by contacting Joseph Migliorini, Board Chairman, at 175 South Main Street, Akron, Ohio 44308 or at their website at www.nopecinfo.org.

B. First Suburbs Consortium of Northeast Ohio Council of Governments

The City is a member of the First Suburbs Consortium of Northeast Ohio Council of Governments (Council). The Council is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. The Council is currently comprised of 12 communities. The Council was formed to foster cooperation between municipalities in matters of mutual concern, including but not limited to initiation and support of policies and practices which protect, maintain, and redevelop mature communities and other matters which affect health, safety, welfare, education, economic conditions and regional development.

The Council is governed by an Assembly made up of one representative from each member community. The representatives then elect the Governing Board made up of a Chair, Vice Chair and other members elected in annual elections. The Board oversees and manages the council. The degree of control exercised by any participating government is limited to its representation in the Assembly and on the Board. During 2008, the City of South Euclid contributed $3,000 to the Council. Financial information can be obtained by contacting First Suburbs Consortium of Northeast Ohio Council of Governments, 40 Severance Circle, Cleveland Heights, Ohio 44118.

C. Heights Area Special Rescue Team

The City is a member of the Heights Area Special Rescue Team (HASRT). HASRT is a council of governments formed under Ohio Revised Code Chapter 167. The governing body of HASRT is comprised of the five Fire Chiefs of the member cities. HASRT was established to provide mutual aid for the provision of emergency fire protection and rescue squad services and to organize, train and equip a special rescue team to conduct rescue activities requiring unusual training and/or equipment in participating communities. Annual member receipts are based on an agreed formula based on the member cities population. During 2008, the City of South Euclid contributed $4,905 to HASRT. Financial information can be obtained by contacting Heights Area Special Rescue Team, 3400 Lee Road, Shaker Heights, Ohio, 44120.

Note 20 - Interfund Transactions

A. Interfund Balances

Interfund balances at December 31, 2008 consist of an interfund receivable in the general fund for $68,000 and interfund payables in the operation home improvement and FEMA firefighters grant special revenue funds for $15,000 and $53,000 respectively. The interfund payables are advances for grant monies that the fund will receive at a later date. They are expected to be paid within one year.

B. Interfund Transfers

Interfund transfers for the year ended December 31, 2008, consisted of the following:

	Transfers From		
Transfers To	General	Recreation Improvement	Total
Other Governmental Funds:			
Parking Lots and Meters	$70,000	$0	$70,000
Swimming Pools	220,000	0	220,000
Sewer Rental	50,000	0	50,000
General Capital Improvements	300,000	17,232	317,232
Safety Forces Vehicle	200,000	0	200,000
Road Improvement	400,000	0	400,000
Total	$1,240,000	$17,232	$1,257,232

The transfers from the general fund to the parking lots and meters, swimming pools and sewer rental special revenue funds were to cover general operating expenditures. The general capital improvements capital projects fund received a transfer from the general fund to help cover general operating expenditures. The safety forces vehicle capital projects fund received transfers from the general fund to fund future capital purchases. Capital purchases in the safety forces vehicle fund will benefit the police and fire departments. A transfer from the general fund to the road improvement capital projects fund was made as a supplement to tax levy proceeds to cover costs. The transfer from the recreation improvement fund to the general capital improvement fund was made to help cover costs associated with building Splash Park.

Note 21 – Subsequent Events

On January 26, 2009, the City issued $11,550,000 in general obligation urban development notes and $7,000,000 in general obligation real estate acquisition notes in anticipation of the issuance of bonds. The urban development and real estate acquisition notes were issued at the rates of 3.8 and 2.5 percent, respectively. These notes will mature on January 25, 2010.

Combining Fund Statements and

Individual Schedules

Combining Statements – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

To account for the proceeds of specific revenue sources (other than major capital projects) that are restricted by law and administrative action to expenditures for specified purposes.

Operation Home Improvement Fund The Operation Home Improvement Fund is designed to provide financial assistance to home owners with financial need through a non-refundable grant of up to $5,000 to qualified home owners to make necessary repairs to the exterior of their home. Monies are received from the Federal Government under the Community Development Block Grant Program.

COPS Grant Fund The Cops Grant Fund accounts for monies from the State and Federal governments to be used to establish or expand policing programs.

Street Construction, Maintenance and Repair Fund The Street Construction, Maintenance and Repair Fund accounts for ninety-two and one half percent of the State gasoline tax and motor vehicle registration fees designated for street maintenance and repair.

State Highway Fund The State Highway Fund accounts for seven and one half percent of the State gasoline tax and motor vehicle registration fees designated for maintenance and repair of state highways within the City.

Parking Lots and Meters Fund The Parking Lots and Meters Fund accounts for the operations of the parking lots within the City.

Swimming Pools Fund The Swimming Pools Fund accounts for the operations of the City's three pools.

Permissive Motor Vehicle License Fund The Permissive Motor Vehicle License Fund accounts for additional motor vehicle registration fees designated for maintenance and repair of streets within the City.

Police Range Fund The Police Range Fund accounts for charges for services for the operation of the police department's firing range.

Law Enforcement Fund The Law Enforcement Fund accounts for confiscated monies from criminals that are designated, by State statute, for expenditures that would enhance the police department.

FEMA Firefighters Grant Fund The FEMA Firefighters Grant Fund accounts for monies received from the Federal Emergency Management Agency to be expended on personal protective equipment for use by the fire department.

Street Lighting Fund The Street Lighting Fund accounts for the service assessment revenue to provide street lighting within the City.

Sewer Rental Fund The Sewer Rental Fund accounts for service assessment revenue that is expended for the maintenance of the sewer system within the City.

(continued)

Nonmajor Special Revenue Funds (continued)

Police Pension Fund The Police Pension Fund accounts for the accumulation of property taxes levied for the payment of current employer's pension contributions and the long-term accounting liability.

Fire Pension Fund The Fire Pension Fund accounts for the accumulation of property taxes levied for the payment of current employer's pension contributions and the long-term accounting liability.

Nonmajor Debt Service Funds

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term and special assessment principal, interest and related costs.

General Obligation Bond Retirement Fund The General Obligation Bond Retirement Fund accounts for property tax collections which are used to pay the voted general obligation refunding bonds principal, interest, and related costs.

Special Assessment Bond Retirement Fund The Special Assessment Bond Retirement Fund accounts for the retirement of debt issued to finance public improvements deemed to benefit the properties against which special assessments are levied.

Nonmajor Capital Projects Funds

Capital Projects Funds are established to account for financial resources to be used for the construction or acquisition of major capital facilities.

General Capital Improvements Fund The General Capital Improvements Fund accounts for expenditures designated for capital construction and the acquisition of capital assets.

Safety Forces Vehicle Fund The Safety Forces Vehicle Fund accounts for a portion general fund emergency medical transport fees which are used for the acquisition of police and fire vehicles.

Recreation Improvement Fund The Recreation Improvement Fund accounts for resources set aside for the improvement of City parks.

Road Improvement Fund The Road Improvement Fund accounts for a special property tax levy collected for the improvement of streets and curbs within the City.

Sidewalk Improvement Fund The Sidewalk Improvement Fund accounts for resources set aside for the inspection and improvement of City sidewalks.

Stanhope Parking Lot Fund The Stanhope Parking Lot Fund accounts for resources set aside for improving the Stanhope Parking Lot by repaving, striping and making other improvements. This fund was not budgeted since no activity was anticipated and none occurred.

Issue II Fund The Issue II Fund accounts for grant and loan monies received from the Ohio Public Works Commission plus matching funds from the City. Expenditures are restricted to specific projects within in the City.

Sewer Rehabilitation Fund The Sewer Rehabilitation Fund accounts for service assessments that are expended for improvements to the sanitary sewer system within the City which are required by the Environmental Protection Agency.

City of South Euclid, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2008

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	$798,565	$736,311	$1,527,642	$3,062,518
Materials and Supplies Inventory	88,301	0	0	88,301
Intergovernmental Receivable	451,162	36,801	99,787	587,750
Property Taxes Receivable	243,612	527,827	512,323	1,283,762
Special Assessments Receivable	900,532	401,314	0	1,301,846
Total Assets	$2,482,172	$1,702,253	$2,139,752	$6,324,177
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	$40,824	$0	$35,619	$76,443
Accrued Wages	36,096	0	0	36,096
Intergovernmental Payable	85,680	0	0	85,680
Interfund Payable	68,000	0	0	68,000
Deferred Revenue	1,523,426	965,942	612,110	3,101,478
Total Liabilities	1,754,026	965,942	647,729	3,367,697
Fund Balances				
Reserved for Encumbrances	68,399	0	188,291	256,690
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	659,747	0	0	659,747
Debt Service Funds	0	736,311	0	736,311
Capital Projects Funds	0	0	1,303,732	1,303,732
Total Fund Balances	728,146	736,311	1,492,023	2,956,480
Total Liabilities and Fund Balances	$2,482,172	$1,702,253	$2,139,752	$6,324,177

City of South Euclid, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended December 31, 2008

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property Taxes	$240,316	$437,367	$512,464	$1,190,147
Special Assessments	705,430	6,222	0	711,652
Intergovernmental	1,107,132	68,601	75,127	1,250,860
Fees, Licenses and Permits	1,720	0	0	1,720
Fines and Forfeitures	27,715	0	0	27,715
Rentals	20,700	0	0	20,700
Charges for Services	144,896	0	0	144,896
Other	27,223	0	18,850	46,073
Total Revenues	2,275,132	512,190	606,441	3,393,763
Expenditures				
Current:				
General Government:				
Legislative and Executive	0	5,514	0	5,514
Security of Persons and Property:				
Police	97,396	0	0	97,396
Fire	129,801	0	0	129,801
Transportation	1,133,439	0	0	1,133,439
Basic Utility Services	942,849	0	0	942,849
Swimming Pools	330,541	0	0	330,541
Capital Outlay	0	0	1,056,962	1,056,962
Debt Service:				
Principal Retirement	0	485,000	360,413	845,413
Interest and Fiscal Charges	0	62,297	120,462	182,759
Total Expenditures	2,634,026	552,811	1,537,837	4,724,674
Excess of Revenues Under Expenditures	(358,894)	(40,621)	(931,396)	(1,330,911)
Other Financing Sources (Uses)				
Sale of Capital Assets	0	0	5,423	5,423
Inception of Capital Lease	0	0	174,902	174,902
Transfers In	340,000	0	917,232	1,257,232
Transfers Out	0	0	(17,232)	(17,232)
Total Other Financing Sources (Uses)	340,000	0	1,080,325	1,420,325
Net Change in Fund Balances	(18,894)	(40,621)	148,929	89,414
Fund Balances Beginning of Year	747,040	776,932	1,343,094	2,867,066
Fund Balances End of Year	$728,146	$736,311	$1,492,023	$2,956,480

City of South Euclid, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2008

	Operation Home Improvement	COPS Grant	Street Construction, Maintenance and Repair	State Highway
Assets				
Equity in Pooled Cash and Cash Equivalents	$50,150	$1,451	$74,762	$7,161
Materials and Supplies Inventory	0	0	88,301	0
Intergovernmental Receivable	0	0	341,605	27,698
Property Taxes Receivable	0	0	0	0
Special Assessments Receivable	121,337	0	0	0
Total Assets	$171,487	$1,451	$504,668	$34,859
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	$0	$0	$3,171	$0
Accrued Wages	0	0	23,344	2,125
Intergovernmental Payable	0	0	17,101	1,549
Interfund Payable	15,000	0	0	0
Deferred Revenue	121,337	0	285,095	23,116
Total Liabilities	136,337	0	328,711	26,790
Fund Balances				
Reserved for Encumbrances	0	290	4,607	0
Unreserved, Undesignated (Deficit)	35,150	1,161	171,350	8,069
Total Fund Balances	35,150	1,451	175,957	8,069
Total Liabilities and Fund Balances	$171,487	$1,451	$504,668	$34,859

Parking Lots and Meters	Swimming Pools	Permissive Motor Vehicle License	Police Range	Law Enforcement	FEMA Firefighters Grant	Street Lighting
$17,967	$48,877	$16,750	$37,819	$146,735	$111,338	$142,012
0	0	0	0	0	0	0
0	0	63,149	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	405,837
$17,967	$48,877	$79,899	$37,819	$146,735	$111,338	$547,849
$0	$3,075	$0	$0	$800	$0	$33,601
676	0	0	0	0	0	0
0	284	0	0	0	0	0
0	0	0	0	0	53,000	0
0	0	52,361	0	0	0	405,837
676	3,359	52,361	0	800	53,000	439,438
17	0	0	0	0	63,112	0
17,274	45,518	27,538	37,819	145,935	(4,774)	108,411
17,291	45,518	27,538	37,819	145,935	58,338	108,411
$17,967	$48,877	$79,899	$37,819	$146,735	$111,338	$547,849

(continued)

City of South Euclid, Ohio

Combining Balance Sheet

Nonmajor Special Revenue Funds (continued)

December 31, 2008

	Sewer Rental	Police Pension	Fire Pension	Total Nonmajor Special Revenue Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	$43,868	$69,838	$29,837	$798,565
Materials and Supplies Inventory	0	0	0	88,301
Intergovernmental Receivable	0	9,355	9,355	451,162
Property Taxes Receivable	0	121,806	121,806	243,612
Special Assessments Receivable	373,358	0	0	900,532
Total Assets	$417,226	$200,999	$160,998	$2,482,172
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	$177	$0	$0	$40,824
Accrued Wages	9,951	0	0	36,096
Intergovernmental Payable	6,746	35,000	25,000	85,680
Interfund Payable	0	0	0	68,000
Deferred Revenue	373,358	131,161	131,161	1,523,426
Total Liabilities	390,232	166,161	156,161	1,754,026
Fund Balances				
Reserved for Encumbrances	373	0	0	68,399
Unreserved, Undesignated (Deficit)	26,621	34,838	4,837	659,747
Total Fund Balances	26,994	34,838	4,837	728,146
Total Liabilities and Fund Balances	$417,226	$200,999	$160,998	$2,482,172

City of South Euclid, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2008

	Operation Home Improvement	COPS Grant	Street Construction, Maintenance and Repair	State Highway
Revenues				
Property Taxes	$0	$0	$0	$0
Special Assessments	0	0	0	0
Intergovernmental	119,665	0	704,414	57,115
Fees, Licenses and Permits	0	0	0	0
Fines and Forfeitures	0	0	0	0
Rentals	0	0	0	0
Charges for Services	0	0	0	0
Other	0	0	27,223	0
Total Revenues	119,665	0	731,637	57,115
Expenditures				
Current:				
Security of Persons and Property:				
Police	0	0	0	0
Fire	0	0	0	0
Transportation	0	0	921,590	73,920
Basic Utility Services	43,071	0	0	0
Swimming Pools	0	0	0	0
Total Expenditures	43,071	0	921,590	73,920
Excess of Revenues Over (Under) Expenditures	76,594	0	(189,953)	(16,805)
Other Financing Sources				
Transfers In	0	0	0	0
Net Change in Fund Balances	76,594	0	(189,953)	(16,805)
Fund Balances (Deficit) Beginning of Year	(41,444)	1,451	365,910	24,874
Fund Balances End of Year	$35,150	$1,451	$175,957	$8,069

(continued)

City of South Euclid, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds (continued)

For the Year Ended December 31, 2008

	Parking Lots and Meters	Swimming Pools	Permissive Motor Vehicle License	Police Range
Revenues				
Property Taxes	$0	$0	$0	$0
Special Assessments	0	0	0	0
Intergovernmental	0	0	127,860	0
Fees, Licenses and Permits	1,720	0	0	0
Fines and Forfeitures	0	0	0	6,572
Rentals	0	0	0	20,700
Charges for Services	2,616	119,300	0	0
Other	0	0	0	0
Total Revenues	4,336	119,300	127,860	27,272
Expenditures				
Current:				
Security of Persons and Property:				
Police	0	0	0	0
Fire	0	0	0	0
Transportation	0	0	137,929	0
Basic Utility Services	70,123	0	0	0
Swimming Pools	0	330,541	0	0
Total Expenditures	70,123	330,541	137,929	0
Excess of Revenues Over (Under) Expenditures	(65,787)	(211,241)	(10,069)	27,272
Other Financing Sources				
Transfers In	70,000	220,000	0	0
Net Change in Fund Balances	4,213	8,759	(10,069)	27,272
Fund Balances (Deficit) Beginning of Year	13,078	36,759	37,607	10,547
Fund Balances End of Year	$17,291	$45,518	$27,538	$37,819

Law Enforcement	FEMA Firefighters Grant	Street Lighting	Sewer Rental	Police Pension	Fire Pension	Total Nonmajor Special Revenue Funds
$0	$0	$0	$0	$120,158	$120,158	$240,316
0	0	369,846	335,584	0	0	705,430
0	60,660	0	0	18,709	18,709	1,107,132
0	0	0	0	0	0	1,720
21,143	0	0	0	0	0	27,715
0	0	0	0	0	0	20,700
0	0	0	22,980	0	0	144,896
0	0	0	0	0	0	27,223
21,143	60,660	369,846	358,564	138,867	138,867	2,275,132
12,246	0	0	0	85,150	0	97,396
0	14,651	0	0	0	115,150	129,801
0	0	0	0	0	0	1,133,439
0	0	407,967	421,688	0	0	942,849
0	0	0	0	0	0	330,541
12,246	14,651	407,967	421,688	85,150	115,150	2,634,026
8,897	46,009	(38,121)	(63,124)	53,717	23,717	(358,894)
0	0	0	50,000	0	0	340,000
8,897	46,009	(38,121)	(13,124)	53,717	23,717	(18,894)
137,038	12,329	146,532	40,118	(18,879)	(18,880)	747,040
$145,935	$58,338	$108,411	$26,994	$34,838	$4,837	$728,146

City of South Euclid, Ohio
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2008

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	$640,146	$96,165	$736,311
Intergovernmental Receivable	36,801	0	36,801
Property Taxes Receivable	527,827	0	527,827
Special Assessments Receivable	0	401,314	401,314
Total Assets	$1,204,774	$497,479	$1,702,253
Liabilities and Fund Balances			
Liabilities			
Deferred Revenue	$564,628	$401,314	$965,942
Fund Balances			
Unreserved, Undesignated	640,146	96,165	736,311
Total Liabilities and Fund Balances	$1,204,774	$497,479	$1,702,253

City of South Euclid, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Debt Service Funds

For the Year Ended December 31, 2008

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
Revenues			
Property Taxes	$437,367	$0	$437,367
Special Assessments	0	6,222	6,222
Intergovernmental	68,601	0	68,601
Total Revenues	505,968	6,222	512,190
Expenditures			
General Government:			
Legislative and Executive	5,514	0	5,514
Debt Service:			
Principal Retirement	450,000	35,000	485,000
Interest and Fiscal Charges	41,800	20,497	62,297
Total Expenditures	497,314	55,497	552,811
Net Change in Fund Balances	8,654	(49,275)	(40,621)
Fund Balances Beginning of Year	631,492	145,440	776,932
Fund Balances End of Year	$640,146	$96,165	$736,311

City of South Euclid, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2008

	General Capital Improvements	Safety Forces Vehicle	Recreation Improvement	Road Improvement
Assets				
Equity in Pooled Cash and Cash Equivalents	$95,553	$594,590	$5,000	$363,737
Intergovernmental Receivable	62,224	0	0	37,563
Property Taxes Receivable	0	0	0	512,323
Total Assets	$157,777	$594,590	$5,000	$913,623
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	$35,619	$0	$0	$0
Deferred Revenue	62,224	0	0	549,886
Total Liabilities	97,843	0	0	549,886
Fund Balances				
Reserved for Encumbrances	6,133	22,634	0	159,524
Unreserved, Undesignated	53,801	571,956	5,000	204,213
Total Fund Balances	59,934	594,590	5,000	363,737
Total Liabilities and Fund Balances	$157,777	$594,590	$5,000	$913,623

Sidewalk Improvement	Stanhope Parking Lot	Issue II	Sewer Rehabilitation	Total Nonmajor Capital Projects Funds
$7	$2,853	$464,651	$1,251	$1,527,642
0	0	0	0	99,787
0	0	0	0	512,323
$7	$2,853	$464,651	$1,251	$2,139,752
$0	$0	$0	$0	$35,619
0	0	0	0	612,110
0	0	0	0	647,729
0	0	0	0	188,291
7	2,853	464,651	1,251	1,303,732
7	2,853	464,651	1,251	1,492,023
$7	$2,853	$464,651	$1,251	$2,139,752

City of South Euclid, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Capital Projects Funds

For the Year Ended December 31, 2008

	General Capital Improvements	Safety Forces Vehicle	Recreation Improvement	Road Improvement
Revenues				
Property Taxes	$0	$0	$0	$512,464
Intergovernmental	0	0	0	75,127
Other	14,073	4,777	0	0
Total Revenues	14,073	4,777	0	587,591
Expenditures				
Capital Outlay	613,874	7,469	0	435,619
Debt Service:				
Principal Retirement	125,413	0	0	235,000
Interest and Fiscal Charges	17,902	0	0	102,560
Total Expenditures	757,189	7,469	0	773,179
Excess of Revenues Under Expenditures	(743,116)	(2,692)	0	(185,588)
Other Financing Sources (Uses)				
Sale of Capital Assets	0	5,423	0	0
Inception of Capital Lease	174,902	0	0	0
Transfers In	317,232	200,000	0	400,000
Transfers Out	0	0	(17,232)	0
Total Other Financing Sources (Uses)	492,134	205,423	(17,232)	400,000
Net Change in Fund Balances	(250,982)	202,731	(17,232)	214,412
Fund Balances Beginning of Year	310,916	391,859	22,232	149,325
Fund Balances End of Year	$59,934	$594,590	$5,000	$363,737

Sidewalk Improvement	Stanhope Parking Lot	Issue II	Sewer Rehabilitation	Total Nonmajor Capital Projects Funds
$0	$0	$0	$0	$512,464
0	0	0	0	75,127
0	0	0	0	18,850
0	0	0	0	606,441
0	0	0	0	1,056,962
0	0	0	0	360,413
0	0	0	0	120,462
0	0	0	0	1,537,837
0	0	0	0	(931,396)
0	0	0	0	5,423
0	0	0	0	174,902
0	0	0	0	917,232
0	0	0	0	(17,232)
0	0	0	0	1,080,325
0	0	0	0	148,929
7	2,853	464,651	1,251	1,343,094
$7	$2,853	$464,651	$1,251	$1,492,023

Combining Statement - Agency Fund

Agency Fund

To account for assets held by the City as an agent for individuals, private organizations, other governmental units, and/or other funds.

Deposits Fund The Deposits Fund accounts for deposits from contractors, held by the City, to ensure compliance with various City ordinances regarding development within the City.

City of South Euclid, Ohio

Statement of Changes in Assets and Liabilities

Agency Fund

For the Year Ended December 31, 2008

	Beginning Balance 12/31/07	Additions	Deductions	Ending Balance 12/31/08
Deposits Fund				
Assets				
Equity in Pooled Cash and Cash Equivalents	$1,188,673	$664,646	$413,028	$1,440,291
Liabilities				
Deposits Held and Due to Others	$1,188,673	$664,646	$413,028	$1,440,291

Individual Fund Schedules of Revenues, Expenditures

and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual

City of South Euclid, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2008

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Property Taxes	$3,912,894	$4,253,424	$4,263,726	$10,302
Income Taxes	7,763,319	8,438,942	8,459,381	20,439
Intergovernmental	1,855,012	2,016,449	2,021,333	4,884
Interest	406,781	442,182	443,253	1,071
Fees, Licenses and Permits	441,754	480,199	481,362	1,163
Fines and Forfeitures	559,168	607,831	609,303	1,472
Rentals	93,655	101,806	102,053	247
Charges for Services	782,256	850,334	852,394	2,060
Other	428,210	465,474	466,600	1,126
Total Revenues	16,243,049	17,656,641	17,699,405	42,764
Expenditures				
Current:				
General Government:				
Legislative and Executive:				
Council				
Personal Services	85,180	85,180	82,260	2,920
Materials and Supplies	9,000	9,000	3,508	5,492
Other	9,100	9,100	6,616	2,484
Total Council	103,280	103,280	92,384	10,896
Mayor				
Personal Services	160,052	160,052	156,135	3,917
Contractual Services	3,368	3,368	3,025	343
Materials and Supplies	3,973	3,973	3,672	301
Other	11,990	11,990	11,021	969
Total Mayor	179,383	179,383	173,853	5,530
Finance Department				
Personal Services	286,690	286,690	265,227	21,463
Contractual Services	22,192	22,192	21,233	959
Materials and Supplies	8,635	8,635	6,516	2,119
Other	5,950	5,950	3,048	2,902
Total Finance Department	323,467	323,467	296,024	27,443
Law Director				
Personal Services	152,050	152,050	145,638	6,412
Contractual Services	204,288	204,288	198,792	5,496
Materials and Supplies	16,559	16,559	16,342	217
Other	15,200	15,200	14,650	550
Total Law Director	388,097	388,097	375,422	12,675
Civil Service				
Personal Services	8,300	8,300	7,757	543
Contractual Services	50,000	50,000	19,240	30,760
Materials and Supplies	100	100	3	97
Other	5,125	5,125	1,878	3,247
Total Civil Service	$63,525	$63,525	$28,878	$34,647

(continued)

City of South Euclid, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2008

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Municipal Complex				
Personal Services	$94,863	$94,863	$86,294	$8,569
Contractual Services	483,637	483,637	372,635	111,002
Materials and Supplies	64,700	64,700	28,195	36,505
Other	46,651	46,651	36,109	10,542
Total Municipal Complex	689,851	689,851	523,233	166,618
Engineer				
Personal Services	19,290	19,290	18,848	442
Contractual Services	27,289	27,289	19,230	8,059
Materials and Supplies	250	250	240	10
Total Engineer	46,829	46,829	38,318	8,511
Mandated				
Contractual Services	525,619	525,619	503,766	21,853
General Services				
Personal Services	34,251	34,251	30,864	3,387
Contractual Services	396,282	396,282	396,102	180
Other	451,965	451,965	449,416	2,549
Total General Services	882,498	882,498	876,382	6,116
Total Legislative and Executive	3,202,549	3,202,549	2,908,260	294,289
Judicial System:				
Municipal Court				
Personal Services	502,505	502,505	458,375	44,130
Contractual Services	7,587	7,587	6,966	621
Materials and Supplies	31,668	31,668	31,057	611
Other	10,150	10,150	6,189	3,961
Total Judicial System	551,910	551,910	502,587	49,323
Total General Government	3,754,459	3,754,459	3,410,847	343,612
Security of Persons and Property:				
Police:				
Police Department				
Personal Services	4,715,130	4,715,130	4,509,554	205,576
Contractual Services	100,751	100,751	94,148	6,603
Materials and Supplies	129,581	129,581	127,366	2,215
Other	126,813	126,813	114,790	12,023
Total Police	5,072,275	5,072,275	4,845,858	226,417
Dispatchers				
Personal Services	559,240	559,240	456,191	103,049
Other	5,000	5,000	4,724	276
Total Dispatchers	564,240	564,240	460,915	103,325
Total Police	$5,636,515	$5,636,515	$5,306,773	$329,742

(continued)

City of South Euclid, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Fire:				
Fire Department				
Personal Services	$3,740,175	$3,740,175	$3,711,258	$28,917
Contractual Services	134,865	134,865	125,471	9,394
Materials and Supplies	60,853	60,853	49,601	11,252
Other	53,346	53,346	45,633	7,713
Total Fire Department	3,989,239	3,989,239	3,931,963	57,276
Fire Hydrants				
Contractual Services	24,000	24,000	22,891	1,109
Materials and Supplies	8,000	8,000	584	7,416
Total Fire Hydrants	32,000	32,000	23,475	8,525
Total Fire	4,021,239	4,021,239	3,955,438	65,801
Total Security of Persons and Property	9,657,754	9,657,754	9,262,211	395,543
Public Health Services:				
Health and Human Services				
Contractual Services	147,834	147,834	143,088	4,746
Leisure Time Activities:				
Recreation Department				
Personal Services	108,179	108,179	97,431	10,748
Contractual Services	54,824	54,824	45,662	9,162
Materials and Supplies	3,000	3,000	1,106	1,894
Other	14,650	14,650	8,197	6,453
Total Recreation Department	180,653	180,653	152,396	28,257
Community Center				
Personal Services	129,705	129,705	124,143	5,562
Contractual Services	45,738	45,738	40,006	5,732
Materials and Supplies	21,165	21,165	12,067	9,098
Other	90,110	90,110	84,089	6,021
Total Community Center	286,718	286,718	260,305	26,413
Total Leisure Time Activities	467,371	467,371	412,701	54,670
Community Development:				
Boards and Commissions				
Personal Services	34,420	34,420	32,914	1,506
Contractual Services	850	850	750	100
Other	30	30	0	30
Total Boards and Commissions	35,300	35,300	33,664	1,636
Community Relations				
Personal Services	79,411	79,411	73,609	5,802
Contractual Services	1,200	1,200	1,110	90
Materials and Supplies	8,279	8,279	2,388	5,891
Other	29,400	29,400	27,330	2,070
Total Community Relations	$118,290	$118,290	$104,437	$13,853

(continued)

City of South Euclid, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2008

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Economic Development Department:				
Economic Development Department				
Personal Services	$101,875	$101,875	$91,025	$10,850
Contractual Services	114,159	114,159	103,000	11,159
Materials and Supplies	1,700	1,700	645	1,055
Other	18,700	18,700	13,772	4,928
Total Economic Development Department	236,434	236,434	208,442	27,992
Total Community Development	390,024	390,024	346,543	43,481
Building Department:				
Building Department				
Personal Services	708,050	708,050	664,895	43,155
Contractual Services	27,088	27,088	24,057	3,031
Materials and Supplies	23,300	23,300	21,871	1,429
Other	135,318	135,318	107,255	28,063
Total Building Department	893,756	893,756	818,078	75,678
Transportation:				
Service Department				
Personal Services	635,079	635,079	613,151	21,928
Contractual Services	151,402	151,402	148,199	3,203
Materials and Supplies	57,925	57,925	47,476	10,449
Other	8,473	8,473	8,127	346
Total Service Department	852,879	852,879	816,953	35,926
Service Garage				
Personal Services	146,901	146,901	130,301	16,600
Contractual Services	68,218	68,218	64,963	3,255
Materials and Supplies	123,486	123,486	120,594	2,892
Other	11,270	11,270	10,770	500
Total Service Garage	349,875	349,875	326,628	23,247
Total Transportation	1,202,754	1,202,754	1,143,581	59,173
Basic Utility Services:				
Refuse Collection and Disposal				
Contractual Services	1,380,000	1,380,000	1,366,065	13,935
Curbside Recycling				
Personal Services	157,347	157,347	144,346	13,001
Contractual Services	35,000	35,000	34,285	715
Other	1,000	1,000	864	136
Total Curbside Recycling	193,347	193,347	179,495	13,852
Total Basic Utility Services	1,573,347	1,573,347	1,545,560	27,787
Total Expenditures	18,087,299	18,087,299	17,082,609	1,004,690
Excess of Revenues Over (Under) Expenditures	($1,844,250)	($430,658)	$616,796	$1,047,454

(continued)

City of South Euclid, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Other Financing Sources (Uses)				
Advances In	$100,949	$109,734	$110,000	$266
Advances Out	(53,000)	(53,000)	(53,000)	0
Transfers Out	(1,244,114)	(1,240,121)	(1,240,000)	121
Total Other Financing Sources (Uses)	(1,196,165)	(1,183,387)	(1,183,000)	387
Net Change in Fund Balance	(3,040,415)	(1,614,045)	(566,204)	1,047,841
Fund Balance Beginning of Year	4,775,650	4,775,650	4,775,650	0
Prior Year Encumbrances Appropriated	334,963	334,963	334,963	0
Fund Balance End of Year	$2,070,198	$3,496,568	$4,544,409	$1,047,841

City of South Euclid, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Flood Control Fund
For the Year Ended December 31, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Special Assessments	$1,610,294	$1,925,325	$2,013,505	$88,180
Intergovernmental	145,260	173,679	181,633	7,954
Other	6,297	7,529	7,874	345
Total Revenues	1,761,851	2,106,533	2,203,012	96,479
Expenditures				
Capital Outlay:				
Contractual Services	5,547,881	5,547,881	5,114,719	433,162
Other	2,536	2,536	1,932	604
Total Capital Outlay	5,550,417	5,550,417	5,116,651	433,766
Debt Service:				
Principal Retirement	669,540	669,540	510,133	159,407
Interest and Fiscal Charges	269,381	269,381	205,246	64,135
Total Debt Service	938,921	938,921	715,379	223,542
Total Expenditures	6,489,338	6,489,338	5,832,030	657,308
Excess of Revenues Under Expenditures	(4,727,487)	(4,382,805)	(3,629,018)	753,787
Other Financing Sources				
OPWC Loan Proceeds	238,149	284,739	297,780	13,041
Net Change in Fund Balance	(4,489,338)	(4,098,066)	(3,331,238)	766,828
Fund Balance Beginning of Year	3,824,264	3,824,264	3,824,264	0
Prior Year Encumbrances Appropriated	807,967	807,967	807,967	0
Fund Balance End of Year	$142,893	$534,165	$1,300,993	$766,828

City of South Euclid, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Land Acquistion Fund
For the Year Ended December 31, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues	$0	$0	$0	$0
Expenditures				
Capital Outlay:				
Contractual Services	268,558	268,558	240,297	28,261
Capital Outlay	107,074	107,074	97,408	9,666
Other	177,447	177,447	162,428	15,019
Total Capital Outlay	553,079	553,079	500,133	52,946
Debt Service:				
Principal Retirement	20,665,575	20,665,575	18,800,000	1,865,575
Interest and Fiscal Charges	1,095,762	1,095,762	996,843	98,919
Total Debt Service	21,761,337	21,761,337	19,796,843	1,964,494
Total Expenditures	22,314,416	22,314,416	20,296,976	2,017,440
Excess of Revenues Under Expenditures	(22,314,416)	(22,314,416)	(20,296,976)	2,017,440
Other Financing Sources				
Bond Anticipation Notes Issued	21,610,000	21,610,000	19,810,000	(1,800,000)
Net Change in Fund Balance	(704,416)	(704,416)	(486,976)	217,440
Fund Balance Beginning of Year	800,133	800,133	800,133	0
Prior Year Encumbrances Appropriated	4,416	4,416	4,416	0
Fund Balance End of Year	$100,133	$100,133	$317,573	$217,440

City of South Euclid, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Operation Home Improvement Fund
For the Year Ended December 31, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	$100,000	$119,665	$119,665	$0
Expenditures				
Current:				
Basic Utility Services:				
Refuse Collection and Disposal:				
Other	86,472	86,472	60,221	26,251
Excess of Revenues Over Expenditures	13,528	33,193	59,444	26,251
Other Financing Uses				
Advances Out	(110,000)	(110,000)	(110,000)	0
Net Change in Fund Balance	(96,472)	(76,807)	(50,556)	26,251
Fund Balance Beginning of Year	99,234	99,234	99,234	0
Prior Year Encumbrances Appropriated	1,472	1,472	1,472	0
Fund Balance End of Year	$4,234	$23,899	$50,150	$26,251

City of South Euclid, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
COPS Grant Fund
For the Year Ended December 31, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues	$0	$0	$0	$0
Expenditures				
Current:				
Security of Persons and Property:				
Police Department:				
Other	1,450	1,450	290	1,160
Net Change in Fund Balance	(1,450)	(1,450)	(290)	1,160
Fund Balance Beginning of Year	1,451	1,451	1,451	0
Fund Balance End of Year	$1	$1	$1,161	$1,160

City of South Euclid, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Construction, Maintenance and Repair Fund
For the Year Ended December 31, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	$715,000	$707,119	$707,119	$0
Other	0	27,223	27,223	0
Total Revenues	715,000	734,342	734,342	0
Expenditures				
Current:				
Transportation:				
Street Maintenance:				
Personal Services	643,501	643,501	632,342	11,159
Contractual Services	240,703	240,703	235,514	5,189
Materials and Supplies	45,692	45,692	38,168	7,524
Other	8,917	8,917	8,683	234
Total Expenditures	938,813	938,813	914,707	24,106
Net Change in Fund Balance	(223,813)	(204,471)	(180,365)	24,106
Fund Balance Beginning of Year	233,178	233,178	233,178	0
Prior Year Encumbrances Appropriated	15,457	15,457	15,457	0
Fund Balance End of Year	$24,822	$44,164	$68,270	$24,106

City of South Euclid, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
State Highway Fund
For the Year Ended December 31, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	$55,000	$57,334	$57,334	$0
Expenditures				
Current:				
Transportation:				
Street Maintenance:				
Personal Services	63,450	63,450	61,662	1,788
Materials and Supplies	12,000	12,000	12,000	0
Total Expenditures	75,450	75,450	73,662	1,788
Net Change in Fund Balance	(20,450)	(18,116)	(16,328)	1,788
Fund Balance Beginning of Year	23,489	23,489	23,489	0
Fund Balance End of Year	$3,039	$5,373	$7,161	$1,788

City of South Euclid, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Parking Lots and Meters Fund
For the Year Ended December 31, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Fees, Licenses and Permits	$2,788	$2,410	$2,410	$0
Charges for Services	2,570	2,615	2,616	1
Total Revenues	5,358	5,025	5,026	1
Expenditures				
Current:				
Basic Utility Services:				
Parking Lots and Meters:				
Personal Services	3,062	3,062	2,246	816
Contractual Services	68,445	68,445	57,436	11,009
Materials and Supplies	4,969	4,969	4,170	799
Other	7,434	7,434	6,238	1,196
Total Expenditures	83,910	83,910	70,090	13,820
Excess of Revenues Under Expenditures	(78,552)	(78,885)	(65,064)	13,821
Other Financing Sources				
Transfers In	74,642	70,000	70,000	0
Net Change in Fund Balance	(3,910)	(8,885)	4,936	13,821
Fund Balance Beginning of Year	12,582	12,582	12,582	0
Prior Year Encumbrances Appropriated	420	420	420	0
Fund Balance End of Year	$9,092	$4,117	$17,938	$13,821

City of South Euclid, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Swimming Pools Fund
For the Year Ended December 31, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for Services	$112,514	$119,300	$119,300	$0
Expenditures				
Current:				
Swimming Pools:				
Personal Services	221,544	221,544	208,930	12,614
Contractual Services	91,557	91,557	86,344	5,213
Materials and Supplies	27,758	27,758	26,004	1,754
Other	8,500	8,500	7,144	1,356
Total Expenditures	349,359	349,359	328,422	20,937
Excess of Revenues Under Expenditures	(236,845)	(230,059)	(209,122)	20,937
Other Financing Sources				
Transfers In	207,486	220,000	220,000	0
Net Change in Fund Balance	(29,359)	(10,059)	10,878	20,937
Fund Balance Beginning of Year	36,890	36,890	36,890	0
Prior Year Encumbrances Appropriated	1,109	1,109	1,109	0
Fund Balance End of Year	$8,640	$27,940	$48,877	$20,937

City of South Euclid, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Permissive Motor Vehicle License Fund
For the Year Ended December 31, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	$125,000	$127,344	$127,344	$0
Expenditures				
Current:				
Transportation:				
Materials and Supplies	141,215	141,215	137,929	3,286
Net Change in Fund Balance	(16,215)	(13,871)	(10,585)	3,286
Fund Balance Beginning of Year	26,120	26,120	26,120	0
Prior Year Encumbrances Appropriated	1,215	1,215	1,215	0
Fund Balance End of Year	$11,120	$13,464	$16,750	$3,286

City of South Euclid, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Range Fund
For the Year Ended December 31, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Fines and Forfeitures	$9,639	$6,572	$6,572	$0
Rentals	30,361	20,700	20,700	0
Total Revenues	40,000	27,272	27,272	0
Expenditures				
Current:				
Security of Persons and Property:				
Police Department:				
Contractual Services	15,000	15,000	0	15,000
Materials and Supplies	20,000	20,000	0	20,000
Total Expenditures	35,000	35,000	0	35,000
Net Change in Fund Balance	5,000	(7,728)	27,272	35,000
Fund Balance Beginning of Year	10,547	10,547	10,547	0
Fund Balance End of Year	$15,547	$2,819	$37,819	$35,000

City of South Euclid, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Law Enforcement Fund
For the Year Ended December 31, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Fines and Forfeitures	$25,000	$50,977	$21,143	($29,834)
Expenditures				
Current:				
Security of Persons and Property:				
Police Department:				
Other	125,507	125,507	12,246	113,261
Net Change in Fund Balance	(100,507)	(74,530)	8,897	83,427
Fund Balance Beginning of Year	136,531	136,531	136,531	0
Prior Year Encumbrances Appropriated	507	507	507	0
Fund Balance End of Year	$36,531	$62,508	$145,935	$83,427

City of South Euclid, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
FEMA Firefighters Grant Fund
For the Year Ended December 31, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	$35,971	$35,449	$60,660	$25,211
Expenditures				
Current:				
Security of Persons and Property:				
Fire Department:				
Other	78,000	78,000	77,763	237
Excess of Revenues Under Expenditures	(42,029)	(42,551)	(17,103)	25,448
Other Financing Sources				
Advances In	31,429	30,972	53,000	22,028
Net Change in Fund Balance	(10,600)	(11,579)	35,897	47,476
Fund Balance Beginning of Year	12,329	12,329	12,329	0
Fund Balance End of Year	$1,729	$750	$48,226	$47,476

City of South Euclid, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Lighting Fund
For the Year Ended December 31, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Special Assessments	$350,000	$369,846	$369,846	$0
Expenditures				
Current:				
Basic Utility Services:				
Street Maintenance:				
Contractual Services	429,000	429,000	407,178	21,822
Net Change in Fund Balance	(79,000)	(59,154)	(37,332)	21,822
Fund Balance Beginning of Year	179,344	179,344	179,344	0
Fund Balance End of Year	$100,344	$120,190	$142,012	$21,822

City of South Euclid, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Sewer Rental Fund
For the Year Ended December 31, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Special Assessments	$340,870	$335,584	$335,584	$0
Charges for Services	23,342	22,980	22,980	0
Total Revenues	364,212	358,564	358,564	0
Expenditures				
Current:				
Basic Utility Services:				
Sewer Maintenance:				
Personal Services	293,244	293,244	282,218	11,026
Contractual Services	140,783	140,783	127,132	13,651
Materials and Supplies	13,564	13,564	12,943	621
Other	2,155	2,155	2,137	18
Total Expenditures	449,746	449,746	424,430	25,316
Excess of Revenues Under Expenditures	(85,534)	(91,182)	(65,866)	25,316
Other Financing Sources				
Transfers In	50,788	50,000	50,000	0
Net Change in Fund Balance	(34,746)	(41,182)	(15,866)	25,316
Fund Balance Beginning of Year	50,010	50,010	50,010	0
Prior Year Encumbrances Appropriated	9,174	9,174	9,174	0
Fund Balance End of Year	$24,438	$18,002	$43,318	$25,316

City of South Euclid, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Pension Fund
For the Year Ended December 31, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	$113,251	$120,158	$120,158	$0
Intergovernmental	17,634	18,709	18,709	0
Total Revenues	130,885	138,867	138,867	0
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Contractual Services	125,100	125,100	80,150	44,950
Net Change in Fund Balance	5,785	13,767	58,717	44,950
Fund Balance Beginning of Year	11,121	11,121	11,121	0
Fund Balance End of Year	$16,906	$24,888	$69,838	$44,950

City of South Euclid, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Pension Fund
For the Year Ended December 31, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	$113,251	$120,158	$120,158	$0
Intergovernmental	17,634	18,709	18,709	0
Total Revenues	130,885	138,867	138,867	0
Expenditures				
Current:				
Security of Persons and Property:				
Fire:				
Contractual Services	125,100	125,100	120,150	4,950
Net Change in Fund Balance	5,785	13,767	18,717	4,950
Fund Balance Beginning of Year	11,120	11,120	11,120	0
Fund Balance End of Year	$16,905	$24,887	$29,837	$4,950

City of South Euclid, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Obligation Bond Retirement Fund
For the Year Ended December 31, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	$414,843	$437,367	$437,367	$0
Intergovernmental	65,068	68,601	68,601	0
Total Revenues	479,911	505,968	505,968	0
Expenditures				
Current:				
General Government:				
Legislative and Executive:				
Contractual Services	586	586	539	47
Other	5,413	5,413	4,975	438
Total General Government	5,999	5,999	5,514	485
Debt Service:				
Principal Retirement	489,626	489,626	450,000	39,626
Interest and Fiscal Charges	45,481	45,481	41,800	3,681
Total Debt Service	535,107	535,107	491,800	43,307
Total Expenditures	541,106	541,106	497,314	43,792
Net Change in Fund Balance	(61,195)	(35,138)	8,654	43,792
Fund Balance Beginning of Year	631,492	631,492	631,492	0
Fund Balance End of Year	$570,297	$596,354	$640,146	$43,792

City of South Euclid, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Special Assessment Bond Retirement Fund
For the Year Ended December 31, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Special Assessments	$6,222	$6,222	$6,222	$0
Expenditures				
Debt Service:				
Principal Retirement	39,101	39,101	35,000	4,101
Interest and Fiscal Charges	22,899	22,899	20,497	2,402
Total Expenditures	62,000	62,000	55,497	6,503
Net Change in Fund Balance	(55,778)	(55,778)	(49,275)	6,503
Fund Balance Beginning of Year	145,440	145,440	145,440	0
Fund Balance End of Year	$89,662	$89,662	$96,165	$6,503

City of South Euclid, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Capital Improvements Fund
For the Year Ended December 31, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Other	$16,269	$14,073	$14,073	$0
Expenditures				
Capital Outlay:				
Capital Outlay	728,899	728,899	662,690	66,209
Excess of Revenues Under Expenditures	(712,630)	(714,826)	(648,617)	66,209
Other Financing Sources				
Transfers In	366,731	317,232	317,232	0
Net Change in Fund Balance	(345,899)	(397,594)	(331,385)	66,209
Fund Balance Beginning of Year	286,506	286,506	286,506	0
Prior Year Encumbrances Appropriated	120,385	120,385	120,385	0
Fund Balance End of Year	$60,992	$9,297	$75,506	$66,209

City of South Euclid, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Safety Forces Vehicle Fund
For the Year Ended December 31, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Other	$4,282	$4,777	$4,777	$0
Expenditures				
Capital Outlay:				
Capital Outlay	144,137	144,137	54,303	89,834
Other	3,061	3,061	1,000	2,061
Total Expenditures	147,198	147,198	55,303	91,895
Excess of Revenues Under Expenditures	(142,916)	(142,421)	(50,526)	91,895
Other Financing Sources				
Sale of Capital Assets	5,423	5,423	5,423	0
Transfers In	190,295	200,000	200,000	0
Total Other Financing Sources	195,718	205,423	205,423	0
Net Change in Fund Balance	52,802	63,002	154,897	91,895
Fund Balance Beginning of Year	369,861	369,861	369,861	0
Prior Year Encumbrances Appropriated	47,198	47,198	47,198	0
Fund Balance End of Year	$469,861	$480,061	$571,956	$91,895

City of South Euclid, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Recreation Improvement Fund
For the Year Ended December 31, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues	$0	$0	$0	$0
Expenditures	0	0	0	0
Excess of Revenues Over Expenditures	0	0	0	0
Other Financing Uses				
Transfers Out	(22,232)	(22,232)	(17,232)	5,000
Net Change in Fund Balance	(22,232)	(22,232)	(17,232)	5,000
Fund Balance Beginning of Year	22,232	22,232	22,232	0
Fund Balance End of Year	$0	$0	$5,000	$5,000

City of South Euclid, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Road Improvement Fund
For the Year Ended December 31, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	$493,142	$512,464	$512,464	$0
Intergovernmental	72,293	75,126	75,127	1
Total Revenues	565,435	587,590	587,591	1
Expenditures				
Capital Outlay:				
Contractual Services	691,980	691,980	691,980	0
Debt Service:				
Principal Retirement	252,502	252,502	235,000	17,502
Interest and Fiscal Charges	120,837	120,837	102,560	18,277
Total Debt Service	373,339	373,339	337,560	35,779
Total Expenditures	1,065,319	1,065,319	1,029,540	35,779
Excess of Revenues Under Expenditures	(499,884)	(477,729)	(441,949)	35,780
Other Financing Sources				
Transfers In	384,918	400,000	400,000	0
Net Change in Fund Balance	(114,966)	(77,729)	(41,949)	35,780
Fund Balance Beginning of Year	205,903	205,903	205,903	0
Prior Year Encumbrances Appropriated	40,259	40,259	40,259	0
Fund Balance End of Year	$131,196	$168,433	$204,213	$35,780

City of South Euclid, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Sidewalk Improvement Fund
For the Year Ended December 31, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues	$0	$0	$0	$0
Expenditures				
Capital Outlay:				
Contractual Services	7	7	0	7
Net Change in Fund Balance	(7)	(7)	0	7
Fund Balance Beginning of Year	7	7	7	0
Fund Balance End of Year	$0	$0	$7	$7

City of South Euclid, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Stanhope Parking Lot Fund
For the Year Ended December 31, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues	$0	$0	$0	$0
Expenditures	0	0	0	0
Net Change in Fund Balance	0	0	0	0
Fund Balance Beginning of Year	2,853	2,853	2,853	0
Fund Balance End of Year	$2,853	$2,853	$2,853	$0

City of South Euclid, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Issue II Fund
For the Year Ended December 31, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues	$0	$0	$0	$0
Expenditures				
Capital Outlay:				
Contractual Services	464,649	464,649	0	464,649
Net Change in Fund Balance	(464,649)	(464,649)	0	464,649
Fund Balance Beginning of Year	158,743	158,743	158,743	0
Prior Year Encumbrances Appropriated	305,908	305,908	305,908	0
Fund Balance End of Year	$2	$2	$464,651	$464,649

City of South Euclid, Ohio

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Sewer Rehabilitation Fund
For the Year Ended December 31, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues	$0	$0	$0	$0
Expenses				
Capital Outlay:				
Contractual Services	1,251	1,251	0	1,251
Net Change in Fund Balance	(1,251)	(1,251)	0	1,251
Fund Balance Beginning of Year	1,251	1,251	1,251	0
Fund Balance End of Year	$0	$0	$1,251	$1,251

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Statistical Section

This part of the City of South Euclid, Ohio's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City's overall financial health.

Contents **Pages(s)**

Financial Trends ..... ***S2 – S9***

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity ..... ***S10 – S13***

These schedules contain information to help the reader assess the City's most significant local revenue, the municipal income tax.

Debt Capacity ..... ***S14 – S19***

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.

Economic and Demographic Information ..... ***S20 – S23***

These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information ..... ***S24 – S28***

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The City implemented GASB Statement No. 34 in 2001; schedules presenting government-wide information include information beginning in that year.

City of South Euclid, Ohio

Net Asssets By Component

Last Nine Years

(Accrual Basis of Accounting)

	2008	2007	2006	2005
Governmental Activities				
Invested in Capital Assets,				
Net of Related Debt	$30,383,626	$28,853,662	$22,453,546	$20,848,365
Restricted:				
Capital Projects	6,357,363	5,732,147	10,817,930	12,072,013
Debt Service	1,176,701	1,205,795	1,228,773	1,230,674
Street Maintenance	437,529	618,196	868,767	767,151
Street Lighting	514,248	551,299	564,263	581,334
Sewer Maintenance	384,037	398,264	361,298	398,185
Other Purposes (1)	646,835	304,415	338,842	295,348
Unrestricted	5,754,886	7,541,936	6,233,264	5,772,223
Total Governmental Activities Net Assets	$45,655,225	$45,205,714	$42,866,683	$41,965,293

(1) Net Assets Restricted for Other Purposes were shown in total for years 2000, 2001 and 2002.

2004	2003	2002	2001	2000
$18,556,099	$17,806,555	$14,677,992	$16,110,371	$15,005,341
13,586,656	9,536,999	12,337,811	10,221,386	7,091,825
1,209,362	4,689,143	4,624,328	564,075	657,985
745,178	619,840	0	0	0
616,735	638,139	0	0	0
374,740	386,731	0	0	0
404,799	449,460	2,340,095	2,507,471	2,581,842
5,689,409	6,886,696	6,541,579	6,937,209	6,740,644
$41,182,978	$41,013,563	$40,521,805	$36,340,512	$32,077,637

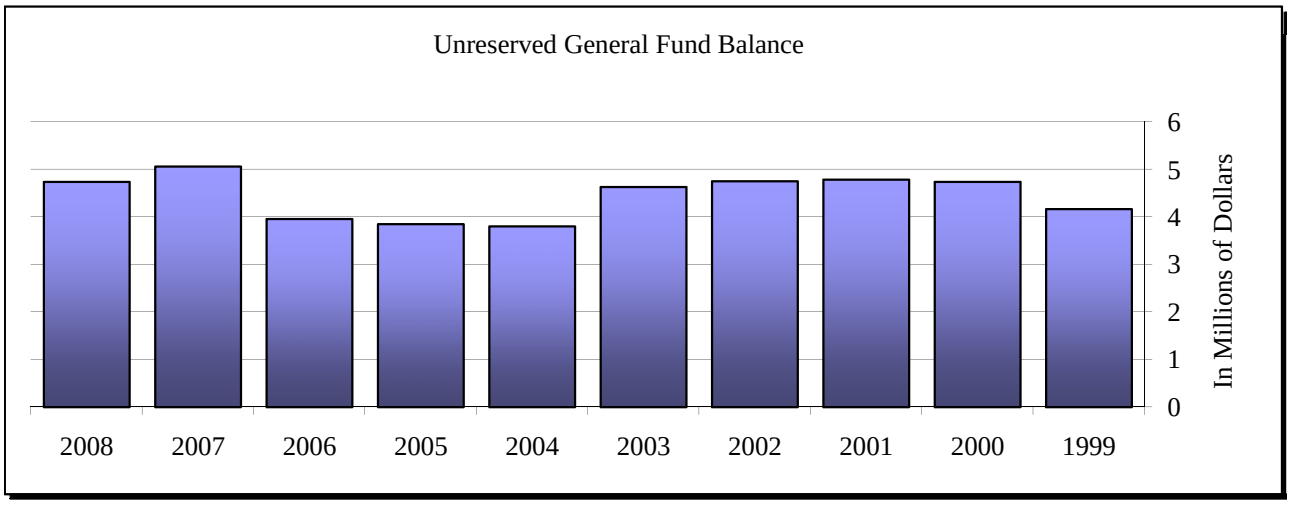
City of South Euclid, Ohio
Changes in Net Assets
Last Eight Years
(Accrual Basis of Accounting)

	2008	2007	2006	2005
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government:				
Legislative and Executive	$345,357	$317,840	$235,896	$214,236
Judicial System	57,596	62,730	44,503	42,818
Security of Persons and Property:				
Police	693,554	663,424	475,520	444,970
Fire	495,777	495,329	328,461	326,040
Public Health Services	16,474	18,029	12,693	12,796
Leisure Time Activities	49,565	53,397	35,031	74,440
Community Development	36,442	31,376	19,959	22,012
Building Department	93,325	94,543	62,304	57,307
Transportation	188,751	98,837	96,845	89,006
Basic Utility Services	3,289,671	3,200,213	2,952,317	2,934,578
Swimming Pools	119,300	114,041	121,333	142,634
Operating Grants, Contributions and Interest	1,107,332	910,810	1,032,575	928,712
Capital Grants, Contributions and Capital Assessments	245,873	693,176	86,335	24,468
Total Governmental Activities Program Revenues	6,739,017	6,753,745	5,503,772	5,314,017
Expenses				
Governmental Activities:				
General Government:				
Legislative and Executive	2,819,870	2,402,438	2,423,252	2,149,780
Judicial System	467,629	490,694	463,068	439,808
Security of Persons and Property:				
Police	5,477,289	5,282,303	5,202,341	4,600,120
Fire	4,228,508	3,934,595	3,583,897	3,552,050
Public Health Services	133,196	135,702	130,178	127,609
Leisure Time Activities	585,200	1,065,090	377,023	385,161
Community Development	294,638	236,405	204,704	219,507
Building Department	770,710	737,700	646,628	587,553
Transportation	3,579,503	3,322,800	3,138,160	2,732,270
Basic Utility Services	3,928,628	3,028,247	3,322,453	2,590,425
Swimming Pools	420,665	379,311	371,225	442,493
Interest and Fiscal Charges	1,418,744	1,497,241	496,930	491,110
Total Governmental Activities Expenses	24,124,580	22,512,526	20,359,859	18,317,886
Total Primary Government Net Expense	(17,385,563)	(15,758,781)	(14,856,087)	(13,003,869)
General Revenues and Other Changes in Net Assets				
Governmental Activities				
Taxes:				
Property Taxes Levied For:				
General Purposes	4,256,560	4,318,695	4,005,660	3,945,778
Debt Service	442,310	456,913	487,938	491,236
Capital Projects	511,338	546,189	549,010	558,422
Other Purposes	239,886	250,978	229,592	228,914
Municipal Income Taxes	9,085,439	8,997,144	7,309,426	5,889,209
Grants and Entitlements not Restricted to Specific Programs	2,351,687	2,292,053	2,186,857	2,132,798
Increase in Investment in Joint Venture	0	0	27,217	0
Investment Earnings	426,403	1,014,924	766,878	459,995
Gain on Sale of Capital Assets	0	0	42,525	0
Miscellaneous	521,451	220,916	152,374	79,832
Total Governmental Activities	17,835,074	18,097,812	15,757,477	13,786,184
Total Primary Government Change in Net Assets	$449,511	$2,339,031	$901,390	$782,315

2004	2003	2002	2001
$212,514	$81,257	$64,126	$117,227
42,712	480,593	448,288	436,864
438,192	63,961	26,077	49,710
327,875	331,904	268,318	1,621
100,210	0	0	0
13,590	37,390	36,367	38,942
107,106	109,337	98,144	70,682
140,534	357,593	304,627	147,740
55,040	9,202	5,943	13,074
2,951,856	2,938,776	2,735,584	37,958
132,144	156,078	162,915	166,060
968,392	926,987	797,868	3,740,595
262,868	653,384	2,690,808	672,508
5,753,033	6,146,462	7,639,065	5,492,981
2,142,448	1,978,940	1,953,365	1,895,080
453,624	460,425	373,524	371,504
4,501,705	4,342,704	4,085,718	3,853,772
3,314,684	3,139,703	2,854,567	2,665,347
136,516	168,765	132,411	157,173
525,902	522,564	387,883	415,552
182,993	207,347	307,024	243,728
619,424	734,635	657,134	563,338
2,587,269	3,382,764	2,167,781	1,928,058
2,656,146	3,098,100	2,368,217	2,019,669
702,414	769,297	773,327	746,909
495,871	308,094	445,494	364,455
18,318,996	19,113,338	16,506,445	15,224,585
(12,565,963)	(12,966,876)	(8,867,380)	(9,731,604)
3,935,438	3,597,642	3,683,343	3,553,391
525,600	480,622	490,604	481,170
559,713	549,291	557,055	549,581
228,606	208,170	207,014	207,006
5,258,353	6,005,698	5,573,741	5,897,127
2,032,457	2,271,565	1,921,190	2,324,610
0	64,400	103,518	163,469
163,416	264,118	472,003	635,777
0	0	9,800	149,725
31,795	17,128	30,405	32,623
12,735,378	13,458,634	13,048,673	13,994,479
$169,415	$491,758	$4,181,293	$4,262,875

City of South Euclid, Ohio
Fund Balances, Governmental Funds
Last Ten Years
(Modified Accrual Basis of Accounting)

	2008	2007	2006	2005
General Fund				
Reserved	$208,058	$246,721	$98,956	$99,302
Unreserved	4,739,743	5,060,371	3,957,818	3,848,239
Total General Fund	4,947,801	5,307,092	4,056,774	3,947,541
All Other Governmental Funds				
Reserved	19,172,102	19,430,616	1,772,610	1,868,745
Unreserved, Undesignated, Reported in:				
Special Revenue funds	659,747	718,116	946,986	851,780
Debt Service funds	736,311	776,932	772,589	735,471
Capital Projects funds	1,119,988	1,901,173	6,952,753	7,962,465
Total All Other Governmental Funds	21,688,148	22,826,837	10,444,938	11,418,461
Total Governmental Funds	$26,635,949	$28,133,929	$14,501,712	$15,366,002



2004	2003	2002	2001	2000	1999
$151,359	$161,318	$145,434	$204,815	$336,574	$595,558
3,801,648	4,634,250	4,751,166	4,789,106	4,741,657	4,164,477
3,953,007	4,795,568	4,896,600	4,993,921	5,078,231	4,760,035
932,454	1,012,722	247,085	1,355,357	422,301	1,328,236
943,201	1,117,585	1,456,501	1,041,451	1,323,116	1,042,397
678,299	631,875	576,357	522,235	491,534	487,305
10,286,763	10,268,190	14,016,454	12,057,860	4,977,999	3,957,710
12,840,717	13,030,372	16,296,397	14,976,903	7,214,950	6,815,648
$16,793,724	$17,825,940	$21,192,997	$19,970,824	$12,293,181	$11,575,683

City of South Euclid, Ohio

Changes in Fund Balances, Governmental Funds

Last Ten Years

(Modified Accrual Basis of Accounting)

	2008	2007	2006	2005	2004
Revenues					
Property Taxes	$5,453,873	$5,501,086	$5,268,129	$5,279,878	$5,265,227
Income Taxes	8,463,897	8,674,233	6,741,479	5,594,529	5,349,183
Special Assessments	2,725,157	3,019,836	2,841,329	2,891,889	2,879,471
Intergovernmental	3,444,675	3,965,660	3,311,300	3,205,613	3,026,880
Interest	426,403	1,014,924	766,878	459,995	163,416
Fees, Licenses and Permits	451,096	416,655	606,335	638,644	534,101
Fines and Forfeitures	643,670	547,248	578,346	472,986	521,519
Rentals	122,628	620,707	158,687	184,116	166,792
Charges for Services	996,316	587,344	306,598	257,754	346,546
Other	521,451	220,916	152,374	79,832	31,795
Total Revenues	23,249,166	24,568,609	20,731,455	19,065,236	18,284,930
Expenditures					
Current:					
General Government (1)					
General Government:					
Legislative and Executive	2,793,959	2,383,974	2,424,399	2,140,190	2,171,553
Judicial System	490,556	472,870	453,396	426,959	437,166
Security of Persons and Property (2)					
Security of Persons and Property:					
Police	5,393,378	5,116,404	4,842,681	4,522,458	4,376,502
Fire	4,130,488	3,867,768	3,484,989	3,400,649	3,279,987
Public Health Services	133,196	135,702	130,178	127,609	136,516
Leisure Time Activities	403,482	400,970	370,605	341,400	393,217
Community Development	294,638	236,405	204,704	219,507	185,669
Building Department	773,098	714,860	643,659	569,766	572,410
Transportation	2,247,498	2,237,033	1,748,928	1,940,539	1,779,840
Basic Utility Services	2,480,311	2,280,720	2,135,250	1,840,926	1,930,402
Swimming Pools	330,541	298,761	274,413	266,658	351,821
Capital Outlay	4,004,012	10,014,436	3,821,801	3,208,757	2,583,885
Debt Service:					
Principal Retirement	18,361,773	1,315,524	1,175,441	1,070,655	1,019,245
Interest and Fiscal Charges	1,398,321	520,804	415,518	427,297	460,865
Total Expenditures	43,235,251	29,996,231	22,125,962	20,503,370	19,679,078
Excess of Revenues Over (Under) Expenditures	(19,986,085)	(5,427,622)	(1,394,507)	(1,438,134)	(1,394,148)
Other Financing Sources (Uses)					
Sale of Capital Assets	5,423	7,468	173,253	10,412	6,023
Bond Anticipation Notes Issued	18,010,000	17,000,000	0	0	0
OWDA Loan Proceeds	0	2,052,371	0	0	0
General Obligation Bonds Issued	0	0	0	0	0
Premium on General Obligation Bonds	0	0	0	0	0
General Obligation Notes Issued	0	0	0	0	0
Premium on General Obligation Notes	0	0	0	0	0
OPWC Loans Issued	297,780	0	0	0	355,909
Inception of Capital Lease	174,902	0	356,964	0	0
Transfers In	1,257,232	1,650,547	945,000	732,917	407,500
Transfers Out	(1,257,232)	(1,650,547)	(945,000)	(732,917)	(407,500)
Total Other Financing Sources (Uses)	18,488,105	19,059,839	530,217	10,412	361,932
Net Change in Fund Balances	($1,497,980)	$13,632,217	($864,290)	($1,427,722)	($1,032,216)
Debt Service as a Percentage of Noncapital Expenditures	48.5%	8.8%	9.5%	9.5%	9.5%

(1) General Government was shown in total for years 1999 and 2000.

(2) Security of Persons and Property was shown in total for years 1999 and 2000.

2003	2002	2001	2000	1999
$4,767,851	$4,942,050	$4,733,663	$4,552,516	$4,475,041
5,739,236	5,729,709	5,480,272	5,385,924	5,404,307
2,731,482	2,810,566	2,838,353	1,855,655	1,973,302
3,733,712	5,664,588	3,917,807	3,617,495	3,527,776
264,118	472,003	679,836	703,591	570,978
748,651	604,012	169,739	171,630	138,903
489,830	450,711	467,915	360,976	414,642
105,893	42,530	97,359	94,913	94,104
303,336	276,359	284,989	351,706	456,990
17,128	71,598	48,570	166,704	178,860
18,901,237	21,064,126	18,718,503	17,261,110	17,234,903
			2,301,392	2,703,982
1,955,867	1,954,740	1,914,256		
444,559	365,555	370,071		
			6,746,905	6,613,379
4,178,466	3,887,106	3,853,690		
2,978,482	2,777,117	2,569,171		
168,765	111,483	102,938	91,338	98,340
467,343	360,608	334,721	815,416	756,215
207,345	139,688	130,464	556,553	501,068
719,646	630,633	544,835	0	0
1,675,861	1,547,080	1,480,690	1,540,384	1,757,927
1,968,487	1,918,152	1,930,490	1,520,283	1,437,963
461,665	498,134	493,966	2,399,172	2,314,488
7,510,874	8,339,672	2,443,991	0	0
9,342,841	6,318,734	1,394,639	1,369,448	1,354,265
431,485	385,878	260,248	256,126	285,656
32,511,686	29,234,580	17,824,170	17,597,017	17,823,283
(13,610,449)	(8,170,454)	894,333	(335,907)	(588,380)
2,731	32,677	211,625	0	0
0	0	0	0	0
0	0	0	0	0
9,400,000	0	0	0	0
20,074	0	0	0	0
0	8,900,000	5,900,000	1,000,000	1,000,000
0	13,617	6,195	0	0
820,587	446,333	665,490	53,405	0
0	0	0	0	0
348,103	1,403,833	1,802,751	871,300	825,000
(348,103)	(1,403,833)	(1,802,751)	(871,300)	(825,000)
10,243,392	9,392,627	6,783,310	1,053,405	1,000,000
($3,367,057)	$1,222,173	$7,677,643	$717,498	$411,620
64.2%	47.2%	12.1%	10.2%	10.1%

City of South Euclid, Ohio

Income Tax Revenue Base and Collections

Last Seven Years (1)

Tax Year (2)	Tax Rate (3)	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes From Individuals	Percentage of Taxes from Individuals
2008	2.00 %	$9,085,439	$3,835,277	42.21%	$387,804	4.27%	$4,862,358	53.52%
2007	2.00	8,997,144	3,777,901	41.99	327,496	3.64	4,891,747	54.37
2006	2.00	7,309,426	3,830,126	52.40	229,265	3.14	3,250,035	44.46
2005	1.50	5,889,209	2,720,121	46.19	164,850	2.80	3,004,238	51.01
2004	1.50	5,258,353	2,458,664	46.76	80,510	1.53	2,719,179	51.71
2003	1.50	6,005,698	2,854,627	47.53	249,266	4.15	2,901,805	48.32
2002	1.50	5,573,741	2,373,168	42.58	247,983	4.45	2,952,590	52.97

(1) Information prior to 2002 is not available.

(2) 2002 through 2008 are on an Accrual Basis.

(3) The City's income tax rate was increased by a majority vote of residents in August 2005 and became effective January 1, 2006.

City of South Euclid, Ohio

Income Tax Statistics

One Year Ago and Seven Years Ago

2007 (1)

Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
$0 - $24,999	2,319	32.73%	$24,523,837	7.13%
$25,000 - $49,999	1,901	26.83	70,924,423	20.62
$50,000 - $74,999	1,395	19.69	85,828,263	24.95
$75,000 - $99,999	778	10.98	67,199,590	19.53
Over $100,000	692	9.77	95,562,020	27.77
Total	7,085	100.00%	$344,038,133	100.00%

2001 (2)

Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
$0 - $24,999	2,605	34.54%	$26,735,621	8.03%
$25,000 - $49,999	2,206	29.25	82,287,624	24.70
$50,000 - $74,999	1,502	19.90	92,021,417	27.62
$75,000 - $99,999	706	9.36	60,447,804	18.14
Over $100,000	524	6.95	71,646,224	21.51
Total	7,543	100.00%	$333,138,690	100.00%

(1) Information for 2007 is the most current available.

(2) Information prior to 2001 is not available.

City of South Euclid, Ohio

Principal Income Taxpayers

Current Year and Five Years Ago (Cash Basis) (1)

The following are the principal income taxpayers in the City; ranked in order of payroll withholding.

2008 Taxpayers	Ranking
South Euclid-Lyndhurst Board of Education	1
University Hospitals Health System	2
City of South Euclid	3
Notre Dame College	4
Cuyahoga County	5
University Surburban Health Center	6
Rochling Glastic Composites	7
Riser Foods	8
Aerocontrolex Group Inc.	9
Allergy Immunology Association Inc.	10

2003 Taxpayers	Ranking
South Euclid-Lyndhurst Board of Education	1
Transdigm Inc.	2
City of South Euclid	3
Glastic Corporation	4
University Surburban Health Center	5
Allergy Immunology Association Inc.	6
Cleveland Physicians	7
Riser Foods	8
Notre Dame College	9
Cuyahoga County	10

Due to legal restrictions and confidentially requirements, the City cannot disclose the amount of withholding.

(1) Information prior to 2003 is not available.

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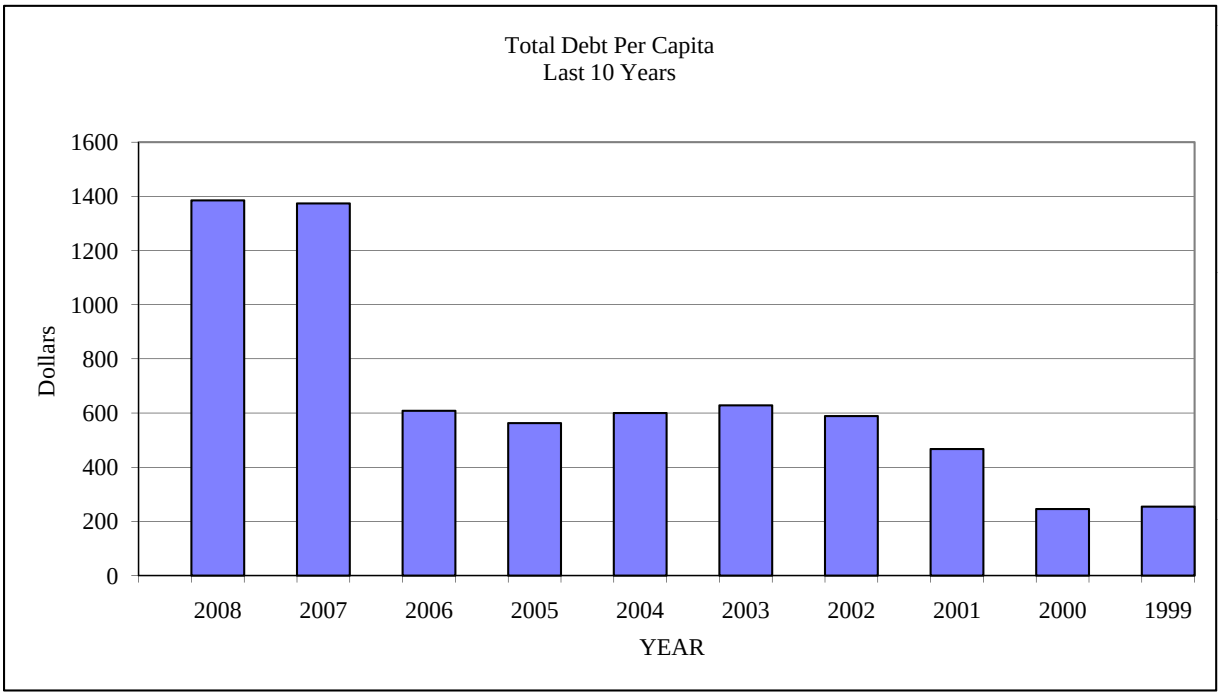
City of South Euclid, Ohio
Ratio of Outstanding Debt to
Total Personal Income and Debt Per Capita
Last Ten Years

	Governmental Activities						
Year	General Obligation Bonds	Special Assessment Bonds	OPWC Loans	OWDA Loans	Capital Leases	Police and Fire Pension	General Obligation Bond Anticipation Notes
2008	$7,973,354	$270,000	$1,935,257	$1,893,877	$406,035	$308,796	$19,810,000
2007	8,842,976	305,000	1,747,086	1,974,401	356,546	315,023	18,800,000
2006	9,711,038	340,000	1,856,693	0	291,856	320,994	1,800,000
2005	10,586,506	375,000	1,966,300	0	0	326,720	0
2004	11,174,994	405,000	2,216,053	0	0	332,209	0
2003	12,089,994	435,000	1,929,124	0	0	337,474	0
2002	3,005,000	460,000	1,146,332	0	0	342,520	8,900,000
2001	3,542,458	485,000	718,895	0	0	347,358	5,901,549
2000	3,873,533	510,000	53,405	0	0	351,997	1,000,000
1999	4,181,108	535,000	0	0	0	356,445	1,000,000

(1) The personal income and population can be found on S22.



Total Debt	Percentage of Personal Income (1)	Per Capita (1)
$32,597,319	6.19%	$1,385
32,341,032	6.14	1,374
14,320,581	2.72	608
13,254,526	2.52	563
14,128,256	2.68	600
14,791,592	2.81	628
13,853,852	2.63	589
10,995,260	2.09	467
5,788,935	1.10	246
6,072,553	1.58	254

City of South Euclid, Ohio

Ratio of General Obligation Bonded Debt to Estimated
True Values and Bonded Debt Per Capita
Last Ten Years

Year	Population (1)		Estimated True Values of Taxable Property (2)	Bonded Debt (3)	Ratio of Bonded Debt to Estimated True Values of Taxable Property	Bonded Debt Per Capita
2008	23,537	b	$1,411,689,760	$7,973,354	0.56 %	$338.76
2007	23,537	b	1,313,072,481	8,842,976	0.67	375.71
2006	23,537	b	1,336,234,226	9,711,038	0.73	412.59
2005	23,537	b	1,224,421,930	10,586,506	0.86	449.78
2004	23,537	b	1,221,430,277	11,174,994	0.91	474.78
2003	23,537	b	1,211,632,103	12,089,994	1.00	513.66
2002	23,537	b	1,114,318,570	3,005,000	0.27	127.67
2001	23,537	b	1,110,215,623	3,542,458	0.32	150.51
2000	23,537	b	1,113,072,820	3,873,533	0.35	164.57
1999	23,866	a	1,016,244,347	4,181,108	0.41	175.19

Sources:

(1) U. S. Bureau of Census, Census of Population.
(a) 1990 Federal Census
(b) 2000 Federal Census

(2) Cuyahoga County Auditor

(3) Includes all general obligation bonded debt.

City of South Euclid, Ohio

Computation of Direct and Overlapping Governmental Activities Debt

December 31, 2008

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City of South Euclid
Direct - City of South Euclid			
General Obligation Bonds	$7,973,354	100.00%	$7,973,354
Special Assessment Bonds	270,000	100.00%	270,000
OPWC Loans	1,935,257	100.00%	1,935,257
OWDA Loans	1,893,877	100.00%	1,893,877
Capital Leases	406,035	100.00%	406,035
Police and Fire Pension	308,796	100.00%	308,796
Notes Payable	19,810,000	100.00%	19,810,000
Total Direct	32,597,319		32,597,319
Overlapping			
South Euclid-Lyndhurst City School District			
General Obligation Bonds	8,545,000	93.49%	7,988,721
Cleveland Heights School District			
General Obligation Bonds	13,720,000	6.51%	893,172
Energy Conservation Bonds	3,790,000	6.51%	246,729
Capital Lease Obligations	751,000	6.51%	48,890
Cuyahoga County (2)			
General Obligation Bonds	173,500,000	1.40%	2,429,000
Capital Lease Obligations	2,269,000	1.40%	31,766
Loans Payable	6,551,000	1.40%	91,714
Cleveland Heights University Heights Public Library			
Capital Lease Obligations	581,291	6.51%	37,842
Greater Cleveland Regional Transit Authority			
General Obligation Bonds	140,763,731	1.40%	1,970,692
Capital Lease Obligations	23,684,005	1.40%	331,576
SIB Loan	3,575,318	1.40%	50,054
Total Overlapping Debt	377,730,345		14,120,156
Total	$410,327,664		$46,717,475

(1) The percentage of gross indebtedness of the City's overlapping political subdivisions was determined by dividing each overlapping subdivision's assessed valuation within the City by its total assessed valuation.

(2) The special taxing districts' debt (which includes the Cleveland Metropolitan Park District, Cuyahoga Community College and the Cleveland-Cuyahoga Port Authority) is included in the County total.

Source: Cuyahoga County Auditor

City of South Euclid, Ohio
Legal Debt Margin
Last Ten Years

	2008	2007	2006	2005
Population	23,537	23,537	23,537	23,537
Total Assessed Property Value	$458,340,285	$459,486,360	$465,051,645	$428,196,500
General Bonded Debt Outstanding:				
General Obligation Bonds	$7,299,994	$8,304,994	$9,279,994	$10,239,994
Special Assessment Bonds	270,000	305,000	340,000	375,000
Bond Anticipation Notes	19,810,000	18,800,000	1,800,000	0
OPWC Loans	1,935,257	1,747,086	1,856,693	1,966,300
OWDA Loans	1,893,877	1,974,401	0	0
Total Gross Indebtedness	31,209,128	31,131,481	13,276,687	12,581,294
Less:				
Special Assessment Bonds	(270,000)	(305,000)	(340,000)	(375,000)
OPWC Loans	(1,935,257)	(1,747,086)	(1,856,693)	(1,966,300)
OWDA Loans	(1,893,877)	(1,974,401)	0	0
General Obligation Bond Retirement Fund Balance	(640,146)	(631,492)	(624,400)	(586,697)
Total Net Debt Applicable to Debt Limit	26,469,848	26,473,502	10,455,594	9,653,297
Overall Legal Debt Limit				
(10 ½ % of Assessed Valuation)	48,125,730	48,246,068	48,830,423	44,960,633
Legal Debt Margin Within 10 ½ % Limitations	$21,655,882	$21,772,566	$38,374,829	$35,307,336
Legal Debt Margin as a Percentage of the Debt Limit	45.00%	45.13%	78.59%	78.53%
Unvoted Debt Limitation				
5 ½ % of Assessed Valuation	$25,208,716	$25,271,750	$25,577,840	$23,550,808
Total Gross Indebtedness	31,209,128	31,131,481	13,276,687	12,581,294
Less:				
Special Assessment Bonds	(270,000)	(305,000)	(340,000)	(375,000)
OPWC Loans	(1,935,257)	(1,747,086)	(1,856,693)	(1,966,300)
OWDA Loans	(1,893,877)	(1,974,401)	0	0
Voted General Obligation Bonds	(7,299,994)	(8,304,994)	(9,279,994)	(10,239,994)
General Obligation Bond Retirement Fund Balance	(640,146)	(631,492)	(624,400)	(586,697)
Net Debt Within 5 ½ % Limitations	19,169,854	18,168,508	1,175,600	0
Unvoted Legal Debt Margin Within 5 ½ % Limitations	$6,038,862	$7,103,242	$24,402,240	$23,550,808
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	23.96%	28.11%	95.40%	100.00%

Source: City Financial Records

2004	2003	2002	2001	2000	1999
23,537	23,537	23,537	23,537	23,537	23,866
$428,020,457	$424,956,568	$389,649,944	$388,535,868	$391,349,144	$357,742,347
$11,174,994	$12,089,994	$3,005,000	$3,542,458	$3,873,533	$4,181,108
405,000	435,000	460,000	485,000	510,000	535,000
0	0	8,900,000	5,901,549	1,000,000	1,000,000
2,216,053	1,929,124	1,146,332	718,895	53,405	0
0	0	0	0	0	0
13,796,047	14,454,118	13,511,332	10,647,902	5,436,938	5,716,108
(405,000)	(435,000)	(460,000)	(485,000)	(510,000)	(535,000)
(2,216,053)	(1,929,124)	(1,146,332)	(718,895)	(53,405)	0
0	0	0	0	0	0
(528,218)	(480,323)	(429,268)	(373,139)	(360,815)	(370,046)
10,646,776	11,609,671	11,475,732	9,070,868	4,512,718	4,811,062
44,942,148	44,620,440	40,913,244	40,796,266	41,091,660	37,562,946
$34,295,372	$33,010,769	$29,437,512	$31,725,398	$36,578,942	$32,751,884
76.31%	73.98%	71.95%	77.77%	89.02%	87.19%
$23,541,125	$23,372,611	$21,430,747	$21,369,473	$21,524,203	$19,675,829
13,796,047	14,454,118	13,511,332	10,647,902	5,436,938	5,716,108
(405,000)	(435,000)	(460,000)	(485,000)	(510,000)	(535,000)
(2,216,053)	(1,929,124)	(1,146,332)	(718,895)	(53,405)	0
0	0	0	0	0	0
(11,174,994)	(12,089,994)	(3,005,000)	(3,542,458)	(3,873,533)	(4,181,108)
(528,218)	(480,323)	(429,268)	(373,139)	(360,815)	(370,046)
0	0	8,470,732	5,528,410	639,185	629,954
$23,541,125	$23,372,611	$12,960,015	$15,841,063	$20,885,018	$19,045,875
100.00%	100.00%	60.47%	74.13%	97.03%	96.80%

City of South Euclid

Principal Employers

Current Year and Two Years Ago (1)

2008

Employer	Number of Employees
South Euclid-Lyndhurst Board of Education	441
Notre Dame College	427
Marc Glassman Inc.	351
University Hospitals Health System	280
Cuyahoga County Auditor	259
Ohio Bell	200
City of South Euclid	296
Glastic Corporation	175
University Surburban Health Center	150
Riser Foods Company	226
Total	2,805
Total Employment within the City	n/a

2006

Employer	Number of Employees
Notre Dame College	566
South Euclid-Lyndhurst Board of Education	440
Marc Glassman Inc.	337
Cuyahoga County Auditor	267
City of South Euclid	199
University Surburban Health Center	192
Glastic Corporation	175
Riser Foods Company	156
Walgreen Company	135
Transdigm	74
Total	2,541
Total Employment within the City	n/a

Source: Regional Income Tax Agency

(1) Information prior to 2006 not available.

n/a - Information not available

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City of South Euclid, Ohio

Demographic and Economic Statistics

Last Ten Years

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita	Median Household Income (1)	Median Age (1)
2008	23,537	$526,828,671	$22,383	$48,346	38
2007	23,537	526,828,671	22,383	48,346	38
2006	23,537	526,828,671	22,383	48,346	38
2005	23,537	526,828,671	22,383	48,346	38
2004	23,537	526,828,671	22,383	48,346	38
2003	23,537	526,828,671	22,383	48,346	38
2002	23,537	526,828,671	22,383	48,346	38
2001	23,537	526,828,671	22,383	48,346	38
2000	23,537	526,828,671	22,383	48,346	38
1999	23,866	384,576,724	16,114	36,119	37

(1) Source: U. S. Census

(a) Years 2000 through 2008 - 2000 Federal Census

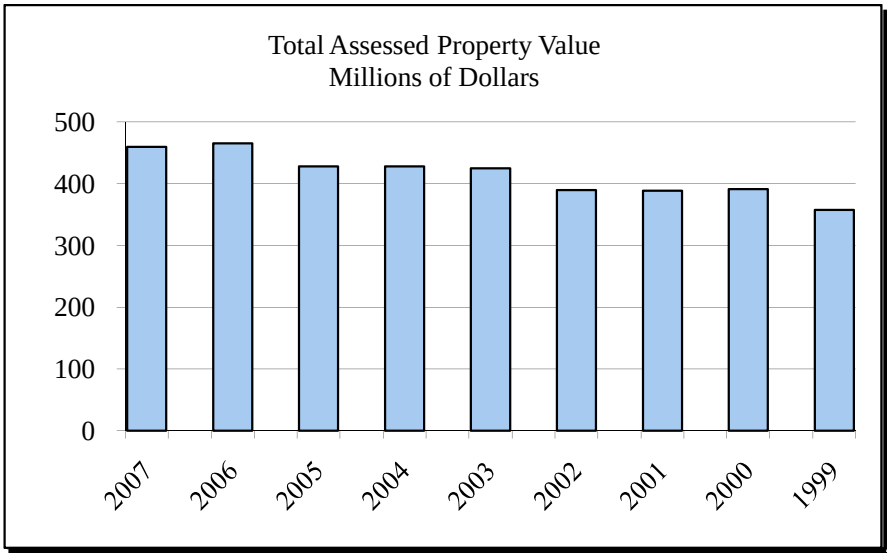
(b) Years 1998 through 1999 - 1990 Federal Census

(2) Source: Ohio Department of Education Website: "**http://www.ode.state.oh.us/data/**"

(3) Cuyahoga County Planning Commission

(4) Source: Cuyahoga County Auditor

(5) Computation of per capita personal income multiplied by population



Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Cuyahoga County Unemployment Rate (3)	Total Assessed Property Value (4)
67.0%	4,336	6.8%	$458,340,285
67.0	4,307	6.1	459,486,360
67.0	4,462	5.5	465,051,645
65.5	4,613	5.9	428,196,500
65.6	4,669	6.3	428,020,457
59.2	4,634	6.2	424,956,568
58.8	4,392	5.7	389,649,944
58.6	4,452	4.5	388,535,868
54.8	4,482	4.1	391,349,144
55.0	4,429	4.4	357,742,347

City of South Euclid, Ohio

City Government Employees by Function/Program

Last Seven Years (1)

Function/Program	2008	2007	2006	2005	2004	2003	2002
General Government:							
Legislative and Executive							
City Council	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Mayors Office	2.00	2.00	2.00	2.00	2.00	2.00	3.00
Finance	4.00	5.00	5.00	5.00	5.00	5.00	5.00
Law	2.50	3.00	3.00	2.00	2.00	2.00	2.00
Civil Service	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Municipal Complex	2.00	3.00	3.00	2.00	3.00	3.00	3.00
Engineering	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Judicial System							
Municipal Court	12.00	10.00	10.00	10.00	11.00	12.00	9.00
Security of Persons and Property							
Police	58.00	59.00	58.00	64.00	64.00	65.00	64.00
Fire	38.00	37.00	36.00	34.00	34.00	33.00	33.00
Leisure Time Activities							
Recreation	2.00	3.00	3.00	3.00	3.00	3.00	3.00
Community Center	6.00	6.00	6.00	4.00	4.00	6.00	6.00
Community Development							
Boards and Commissions	9.00	10.00	10.00	10.00	10.00	10.00	10.00
Community Relations	1.50	1.00	2.00	2.00	1.00	1.00	1.00
Economic Development	1.00	1.00	0.00	0.00	0.00	0.00	0.00
Building Department	12.00	11.00	11.00	11.00	11.00	11.00	12.00
Transportation							
Service Department	22.00	23.00	23.00	21.00	21.00	20.00	20.00
Service Garage	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Basic Utility Services							
Curbside Recycling	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Swimming Pools	30.00	30.00	35.00	52.00	52.00	52.00	52.00
Totals:	213.00	215.00	218.00	233.00	234.00	236.00	234.00

Source: City of South Euclid, Annual budget approved by March of each year.

Method: Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee at year end.

(1) Information prior to 2002 is not available.

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City of South Euclid, Ohio

Operating Indicators by Function/Program

Last Seven Years (1)

Function/Program	2008	2007	2006
General Government			
City Council			
Ordinances Introduced	59	72	88
Resolutions Introduced	62	75	44
Municipal Court			
Revenues Distributed to City General Fund	592,391	515,782	520,000
Operating Expenses Paid from General Fund	502,549	473,410	447,133
Traffic Charges Filed	5,300	5,302	4,602
Parking Tickets Processed	4,648	4,318	6,036
Criminal Charges Filed	2,023	2,098	1,613
Housing Code Charges Filed	1,112	1,134	886
Civil Cases Filed	1,179	1,042	1,028
Marriages Performed	10	9	9
Security of Persons & Property			
Police			
Number of Stations	1	1	1
Policemen and Officers	41	42	41
Bike Patrol Fleet	4	4	N/A
S.W.A.T. Members	7	8	N/A
K-9 Units	2	2	2
School Guards	13	13	13
Hours of Training	3,336	2,792	1,967
Number of Persons Arrested	1,092	1,063	947
Number of Traffic Citations Issued	5,757	5,376	4,787
Number of Parking Violations/Arrests	4,641	4,316	5,709
Police Responses	19,558	18,541	16,874
9-1-1 Emergency Calls Received	7,303	5,807	5,545
Fire			
Number of Stations	1	1	1
Firemen and Officers	37	37	35
Paramedics	26	27	23
Hours of Training	6,290	5,641	5,703
Number of Incidents	3,139	2,929	2,926
EMS Responses	2,052	1,955	2,022
Total Fire Loss	$291,600	$231,000	$335,450
Building Department			
Residential Building Permits Issued	784	827	976
Estimated Value of Residential Construction	$5,444,223	$5,288,766	$5,725,155
Commercial Building Permits Issued	63	63	36
Estimated Value of Commerical Construction	$16,068,205	$14,281,819	$2,807,093
Transportation			
Number of Trees Planted	170	311	74
Tons of Salt Purchased	7,417	9,500	7,743
Basic Utility Services			
Tons Paper Recycling Picked Up	521	580	507
Tons of Plastic Recycling Picked Up	316	330	459
Swimming Pools			
Number of Pools	2	2	2
Swimming Pool Receipts	$119,300	$114,041	$121,334
Swimming Pool Expenditures	$328,423	$304,882	$273,248

(1) Information prior to 2002 is not available.

2005	2004	2003	2002
78	94	103	80
66	58	41	49
454,176	466,201	480,000	430,000
422,141	427,404	441,679	365,917
4,304	4,239	4,708	4,446
N/A	N/A	N/A	N/A
1,294	1,018	1,141	552
480	386	399	78
943	906	932	811
9	6	15	18
1	1	1	1
41	41	41	41
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
1	1	1	1
16	18	17	17
1,655	2,300	2,600	2,400
997	990	965	872
4,467	4,239	4,838	4,447
4,756	4,115	4,299	5,272
17,984	15,196	N/A	14,412
5,576	N/A	N/A	N/A
1	1	1	1
34	33	32	32
22	21	20	20
3,485	3,296	3,994	4,131
2,938	2,894	3,056	2,882
2,065	2,065	2,091	1,685
$225,200	$363,600	$363,050	$850,100
983	1,027	1,011	1,178
$7,032,396	$5,608,679	$7,003,250	$6,861,206
39	38	45	70
$995,007	$1,104,551	$3,557,985	$7,595,022
3	397	N/A	N/A
4,196	7,321	10,492	8,060
563	N/A	N/A	N/A
314	N/A	N/A	N/A
2	3	3	3
$142,635	$132,913	$155,454	$162,770
$270,526	$350,436	$456,467	$505,710

City of South Euclid, Ohio

Capital Assets Statistics by Function/Program

Last Seven Years (1)

Function/Program	2008	2007	2006	2005
General Government				
Total Square Footage (2)	54,002	54,002	54,002	54,002
Vehicles	1	1	1	1
Security of Persons and Property				
Police				
Number of Stations	1	1	1	1
Vehicles	25	35	30	28
Fire				
Number of Stations	1	1	1	1
Vehicles	10	11	10	10
Leisure Time Activities				
Number of Parks	3	3	3	3
Number of Playgrounds	2	2	2	2
Number of Swimming Pools	2	2	2	2
Number of Tennis Courts	4	4	4	4
Number of Community Centers	1	1	1	1
Square Footage of Community Center	10,582	10,582	10,582	10,582
Building Department				
Vehicles	9	10	8	8
Transportation				
Street Miles	67	67	67	61
Storm Sewer Miles	60	60	60	N/A
Sanitary Sewer Miles	64	64	64	N/A
Water Line Miles	70	70	70	N/A
Square Footage of Service Garage	13,897	13,897	13,897	13,897
Square Footage of Parking Garage	17,542	17,542	17,542	17,542
Vehicles	32	32	32	29
Basic Utility Services				
Vehicles	21	19	19	19

(1) Information prior to 2002 is not available.

(2) Total Square Footage includes square footage of the police and fire stations.

2004	2003	2002
54,002	54,002	54,002
1	1	1
1	1	1
28	28	28
1	1	1
9	9	9
3	3	3
2	2	2
3	3	3
4	4	8
1	1	1
10,582	10,582	10,582
8	8	8
61	61	61
N/A	N/A	56
N/A	N/A	56
N/A	N/A	61
13,897	13,897	13,897
17,542	17,542	17,542
29	27	27
19	19	19

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The City of Beachwood, Ohio

Monthly Financial Report

For Month Ended December 31, 2011

Prepared by the Finance Department

CITY OF BEACHWOOD
UNAUDITED FINANCIAL REPORT

FINANCIAL REPORTS ARE PREPARED BY : **Robert Forester, Accounting Supervisor**

FINANCIAL REPORTS ARE REVIEWED BY : **David Pfaff, Finance Director**

DEPARTMENT OF AUDIT

The following Financial Statements are unaudited, and as such no opinion is issued upon them. However, I have reviewed them to form and content.

FINANCIAL REPORTS ARE APPROVED BY : **Harvey Rose, Audit Director**

CITY OF
Beachwood

25325 FAIRMOUNT BLVD • BEACHWOOD • OHIO 44122

MAYOR
MERLE S. GORDEN

January 25, 2012

Members of Beachwood City Council and
Mayor Merle S. Gorden

Total General Fund revenue through December 31st is $36,498,917 which is an increase of $9,027,135 or 32.9% from prior year-to-date revenue and total expenditures are $30,126,027 (excluding transfers of $1,841,363 to the Debt Service Fund and advances of $100,710 and $32,845 to the NOPEC Grand Fund and MEP Grant Fund respectively) which is an increase of $975,111 or 3.4%. Below is an analysis of revenues and expenditures.

Revenues

The increase in revenues is due to a significant increase in income tax receipts, estate taxes and permits and licenses. Income taxes increased by $6,724,112 or 38.8% over prior year-to-date receipts (due to the ½% increase in income taxes). Estate taxes increased by $1,631,483 or 88.0%. Permits and licenses increased $1,101,459 or 168.4%. The increase in permits and licenses is due to the Eaton, Nordstrom, and Beachwood City School construction/renovation projects. Other local taxes increased by $154,578 or 14.0%. This is largely due to Lifetime Fitness who did not start filing admission taxes until April of 2010. Miscellaneous intergovernmental revenue increased by $21,554 which is due to the receipt of grant monies this year. Other intergovernmental revenue is down $14,555 or 39.3% which is due to due to a decrease in liquor permit fees. Miscellaneous revenue is down $175,916 or 40.4% due to a decrease in interest income. Sale of assets increased by $17,197 or 189.2% due to the recycling program.

Expenditures

Economic Development – Expenditures are down $231,977 or 43.3% due to the restructuring of the department.

Law – Expenditures are down $192,522 or 22.3%. This is due to a decrease in legal expenditures.

FINANCE DEPARTMENT
DAVID A. PFAFF, CPA, FINANCE DIRECTOR
PHONE (216) 292-1913 • FAX (216) 595-5463

Service Administration – Expenditures increased $87,458 or 14.1%. The increase is largely due to a change in where workers compensation expenses are charged. Last year we charged each Service Department with a portion of the workers compensation costs. This year we charged all Service Department related workers compensation costs to Service Administration.

Streets, Sidewalks, & Sewers – Expenditures increased $416,648 or18.5%. The increase is largely due to the filling of one of the new salt domes and the purchase of an excavator and a salt truck.

Sanitation – Expenditures increased $379,958 or 45.9%. This is due to the purchase of a recycling truck and cans.

Recreation Camps – Expenditures are up $54,985 or 14.3%. This is largely due to the increase in transportation costs for camps. Due to the renovation at the high school, our camps are now held at various other school buildings causing an increase in transportation costs.

Summary

Based on the above analysis of revenues and expenditures, we have a General Fund surplus of $6,372,890 (excluding transfers and advances) as of December 31, 2011. By comparison, at this time last year we had a deficit of $1,679,134 (excluding transfers).

All Other Funds

Total revenue for all other funds through December 31st $10,817,170 which is a decrease of $11,288,340 or 51.1% from prior year-to-date revenue and total expenditures are $17,561,708 which is a decrease of $2,156,708 or 10.9% from prior year-to-date expenditures. The decrease in revenue is due to bonds that were issued in December of 2010. The decrease in expenditures is due to a decrease in debt service payments and in capital project expenditures.

Summary

Total expenditures exceeded total revenue by $371,648. Additionally, the General Fund unencumbered balance is $16,243,020, the Capital Improvement unencumbered balance is $8,753,697, and the unencumbered balance for all funds is $28,321,993. The unencumbered balance for all funds less general obligation debt is $11,191,993 at December 31, 2011 versus $8,895,739 at December 31, 2010. This represents an increase of $2,296,254.

Budgetary

Revenue

General Fund revenues for the year were $36,498,917, which exceeded the amount originally estimated at the beginning of the year by $2,015,836. This excess was mainly due to higher than expected collections of estate taxes and permits and licenses.

Expenditures

Since appropriations control the city's legal authority to spend funds, the financial statements reflect all amendments to appropriations made throughout the year.

On a budgetary basis (Section 3) the General fund expenditures for the year were $30,513,295 (including transfers and advances) and outstanding encumbrances were $2,763,688. These amounts represent approximately 92% of the General fund appropriations, meaning expenditures and encumbrances were approximately 8% less than appropriations.

All Other Funds expenditures and encumbrances were also less than the amount appropriated.

Summary

Based on past history, the City spends approximately 65% of the amount encumbered at year-end in the succeeding year. Based on this, I would anticipate that General fund expenditures on a budgetary basis would be approximately $32,309,692 (including transfers and advances) and $30,334,774 (excluding transfers and advances). Therefore, on a budgetary basis, I would project revenue will exceed expenditures by $4,189,225 including transfers and advances, or $6,164,143 excluding transfers and advances.

Respectfully submitted,

David A. Pfaff, CPA
Finance Director

CITY OF BEACHWOOD
FUND CASH STATEMENT
FOR THE PERIOD ENDED DECEMBER 31, 2011

		Beginning Year Balance	Month-to-Date Actual Receipts	Year-to-Date Actual Receipts	Month-to-Date Expenditures/ Expenses	Year-to-Date Expenditures/ Expenses	Outstanding Encumbrances	Unencumbered Balance
101	General	14,656,647.96	2,418,489.25	36,498,916.58	2,934,068.93	32,100,944.39	2,811,600.53	16,243,019.62
211	Street Construction/Maintenance	408,583.00	42,774.76	625,736.49	0.00	224,744.50	483,996.80	325,578.19
212	State Highway Improvement	79,880.45	3,455.65	42,467.68	0.00	110,000.00	0.00	12,348.13
231	Mayor's Court Improvement	12,979.05	752.00	10,537.00	76.43	2,555.22	2,000.00	18,960.83
241	Federal Equitable Sharing	158,120.42	41.76	18,849.61	0.00	0.00	0.00	176,970.03
243	Law Enforce Trust	15,590.93	2,494.10	3,199.40	0.00	0.00	0.00	18,790.33
261	Street Lights Blossom Drive	1,934.97	0.00	3,316.69	103.67	1,252.22	20.64	3,978.80
262	Street Lights George Zeiger Drive	102,289.65	0.00	27,934.73	1,007.12	12,203.56	214.56	117,806.26
271	Paramedic Trust Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00
281	Federal Emergency (FEMA)	0.00	0.00	193,021.00	0.00	193,021.00	0.00	0.00
282	NOPEC Grant Fund	0.00	100,710.00	134,280.00	134,280.00	134,280.00	0.00	0.00
283	MEP Grant Fund	0.00	32,844.50	32,844.50	0.00	32,844.50	0.00	0.00
291	Eaton TIF Fund	0.00	0.00	342,690.42	238,194.59	238,194.59	0.00	104,495.83
331	General Bond Retirement	619,112.95	0.00	8,342,215.03	1,924,316.88	8,377,903.26	0.00	583,424.72
441	Capital Improvement	15,373,115.71	0.00	1,270,544.55	1,261,418.60	6,312,124.35	1,577,838.43	8,753,697.48
501	Workers' Comp Self Insurance	1,500,000.00	47,533.57	47,533.57	5,042.10	47,533.57	0.00	1,500,000.00
771	Leo Weiss Trust	1,146.30	0.27	7.17	0.00	0.00	0.00	1,153.47
781	Hospitalization Reimburse	0.00	0.00	0.00	0.00	0.00	0.00	0.00
782	Commercial Permit Tax	443.46	1,963.86	45,803.55	1,314.40	44,283.15	0.00	1,963.86
783	Deposits	544,752.10	51,366.84	285,968.70	39,117.68	383,557.88	8,077.89	439,085.03
784	Police Pension	112,113.60	0.00	201,524.83	133,281.57	288,333.61	13,812.68	11,492.14
785	Zone Income Taxes	0.00	134,528.63	1,157,116.19	134,528.63	1,157,116.19	0.00	0.00
786	Unclaimed Monies	4,492.16	6,496.80	6,496.80	1,760.61	1,760.61	0.00	9,228.35
800	General Fixed Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
900	General Long-Term Debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	ALL FUNDS	33,591,202.71	2,843,451.99	49,291,004.49	6,808,511.21	49,662,652.60	4,897,561.53	28,321,993.07

CITY OF BEACHWOOD
STATEMENT OF EXPENSES
CURRENT YEAR BUDGET SUMMARY
FOR THE PERIOD ENDED DECEMBER 31, 2011

	Current Budget	Current YTD Expense	Current Encumbrance	Current Unencumbered	% Remn
GENERAL FUND					
Council	183,400.00	157,414.33	1,049.94	24,935.73	13.60%
Mayor's Office	613,800.00	497,235.26	54,024.79	62,539.95	10.19%
Economic Development	400,000.00	275,340.03	17,383.03	107,276.94	26.82%
Finance Department	5,011,763.00	4,505,587.52	103,632.80	402,542.68	8.03%
Law Department	1,031,000.00	584,289.13	84,541.75	362,169.12	35.13%
Police Department	8,165,200.00	7,333,515.76	386,333.09	445,351.15	5.45%
Fire Department	7,295,700.00	5,627,500.39	1,242,466.89	425,732.72	5.84%
Service Administrati	754,700.00	699,811.88	22,461.59	32,426.53	4.30%
Building and Grounds	2,261,000.00	1,956,480.02	233,509.19	71,010.79	3.14%
Fleet Maintenance	1,544,800.00	1,286,715.12	100,784.20	157,300.68	10.18%
Streets, Sidewalks &	3,035,500.00	2,549,610.06	331,903.74	153,986.20	5.07%
Sanitation	1,336,300.00	1,189,278.27	51,040.31	95,981.42	7.18%
Engineering Departme	204,800.00	143,111.37	8,056.93	53,631.70	26.19%
Human Services	701,800.00	559,310.08	21,744.03	120,745.89	17.21%
Recreation Administr	1,029,900.00	956,467.90	32,838.51	40,593.59	3.94%
Recreation Camps	463,300.00	439,350.55	2,376.94	21,572.51	4.66%
Recreation Sport Pro	171,900.00	107,249.11	1,892.25	62,758.64	36.51%
Recreation Other Pro	236,100.00	185,265.11	13,397.04	37,437.85	15.86%
Swimming Pools/Parks	633,400.00	498,397.43	12,159.29	122,843.28	19.39%
Building Department	1,106,100.00	961,365.52	42,091.36	102,643.12	9.28%
TOTAL GENERAL FUND	36,180,463.00	30,513,294.84	2,763,687.67	2,903,480.49	8.02%
SPECIAL REVENUE FUNDS					
STREET CONSTRUCTION/	650,000.00	88,092.00	471,921.00	89,987.00	13.84%
STATE HIGHWAY IMPROV	110,000.00	110,000.00	-	-	0.00%
MAYOR'S COURT IMPROV	20,000.00	2,335.47	-	17,664.53	88.32%
FEDERAL EQUITABLE SH	175,000.00	-	-	175,000.00	100.00%
LAW ENFORCE TRUST FU	15,000.00	-	-	15,000.00	100.00%
STREET LIGHTS BLOSSO	1,300.00	1,252.22	20.64	27.14	2.09%
STREET LIGHTS GEO. Z	12,500.00	12,203.56	214.56	81.88	0.66%
PARAMEDIC TRUST FUND	-	-	-	-	0.00%
FEDERAL EMERGENCY	193,021.00	193,021.00	-	-	0.00%
NOPEC GRANT FUND	134,280.00	134,280.00	-	-	0.00%
MEP GRANT FUND	32,845.00	32,844.50	-	0.50	0.00%
EATON TIF FUND	250,000.00	238,194.59	-	11,805.41	4.72%
TOTAL SPECIAL REVENUE FUNDS	1,593,946.00	812,223.34	472,156.20	309,566.46	19.42%
GENERAL BOND RETIREM	8,500,000.00	8,377,903.26	-	122,096.74	1.44%
CAPITAL IMPROVEMENT	4,750,000.00	3,763,612.22	709,972.44	276,415.34	5.82%
WORKERS' COMP SELF	250,000.00	47,533.57	-	202,466.43	80.99%
TRUST AND AGENCY FUNDS					
LEO WEISS TRUST FUND	100.00	-	-	100.00	100.00%
COMMERCIAL PERMIT TA	49,000.00	44,283.15	-	4,716.85	9.63%
DEPOSITS	509,000.00	377,232.76	8,077.89	123,689.35	24.30%
POLICE PENSION FUND	200,000.00	186,060.46	13,812.68	126.86	0.06%
ZONE INCOME TAXES	1,287,900.00	1,157,116.19	-	130,783.81	10.15%
UNCLAIMED MONIES FUN	4,000.00	1,760.61	-	2,239.39	55.98%
TOTAL TRUST AND AGENCY FUNDS	2,050,000.00	1,766,453.17	21,890.57	261,656.26	12.76%
TOTAL ALL FUNDS	53,324,409.00	45,281,020.40	3,967,706.88	4,075,681.72	7.64%

CITY OF BEACHWOOD
STATEMENT OF EXPENSES
CURRENT YEAR BUDGET DETAIL
FOR THE PERIOD ENDED DECEMBER 31, 2011

	Current Budget	Current YTD Expense	Current Encumbrance	Current Unencumbered	% Remn
GENERAL FUND					
Council					
Salaries and Wages	87,100.00	87,000.42	-	99.58	0.11%
Employee Benefits	17,100.00	13,905.24	889.94	2,304.82	13.48%
Professional Service	10,000.00	-	-	10,000.00	100.00%
Contractual Services	2,500.00	-	-	2,500.00	100.00%
Other Services and E	63,400.00	55,261.00	-	8,139.00	12.84%
Materials and Suppli	1,900.00	1,247.67	160.00	492.33	25.91%
Property and Equipme	1,400.00	-	-	1,400.00	100.00%
Total Council	183,400.00	157,414.33	1,049.94	24,935.73	13.60%
Mayor's Office					
Salaries and Wages	357,225.00	356,017.68	-	1,207.32	0.34%
Employee Benefits	123,175.00	106,146.81	8,597.30	8,430.89	6.84%
Professional Service	11,400.00	9,600.00	1,100.00	700.00	6.14%
Contractual Services	7,100.00	1,985.13	714.87	4,400.00	61.97%
Other Services and E	28,400.00	14,278.94	357.26	13,763.80	48.46%
Materials and Suppli	19,500.00	9,206.70	649.74	9,643.56	49.45%
Property and Equipme	67,000.00	-	42,605.62	24,394.38	36.41%
Total Mayor's Office	613,800.00	497,235.26	54,024.79	62,539.95	10.19%
Economic Development					
Salaries and Wages	37,800.00	31,980.75	-	5,819.25	15.39%
Employee Benefits	24,400.00	14,109.55	1,339.38	8,951.07	36.68%
Professional Service	260,500.00	199,835.29	13,599.85	47,064.86	18.07%
Contractual Services	37,700.00	23,799.75	2,100.00	11,800.25	31.30%
Other Services and E	28,500.00	4,677.96	343.80	23,478.24	82.38%
Materials and Suppli	7,600.00	936.73	-	6,663.27	87.67%
Property and Equipme	3,500.00	-	-	3,500.00	100.00%
Total Economic Development	400,000.00	275,340.03	17,383.03	107,276.94	26.82%
Finance Department					
Salaries and Wages	909,900.00	895,378.54	-	14,521.46	1.60%
Employee Benefits	352,500.00	313,707.95	27,073.80	11,718.25	3.32%
Professional Service	807,000.00	764,598.21	17,210.75	25,191.04	3.12%
Contractual Services	65,500.00	52,972.97	3,276.13	9,250.90	14.12%
Other Services and E	433,500.00	383,352.82	39,176.56	10,970.62	2.53%
Materials and Suppli	33,900.00	22,975.32	2,096.56	8,828.12	26.04%
Property and Equipme	133,100.00	97,684.21	14,799.00	20,616.79	15.49%
Non-governmental Cha	2,276,363.00	1,974,917.50	-	301,445.50	13.24%
Total Finance Department	5,011,763.00	4,505,587.52	103,632.80	402,542.68	8.03%
Law Department					
Salaries and Wages	185,900.00	179,225.86	-	6,674.14	3.59%
Employee Benefits	75,200.00	62,853.88	4,951.66	7,394.46	9.83%
Professional Service	725,000.00	315,281.04	76,494.70	333,224.26	45.96%
Contractual Services	5,000.00	1,268.90	1,231.10	2,500.00	50.00%
Other Services and E	24,700.00	19,928.81	1,129.69	3,641.50	14.74%
Materials and Suppli	11,200.00	5,730.64	734.60	4,734.76	42.27%
Property and Equipme	4,000.00	-	-	4,000.00	100.00%
Total Law Department	1,031,000.00	584,289.13	84,541.75	362,169.12	35.13%

CITY OF BEACHWOOD
STATEMENT OF EXPENSES
CURRENT YEAR BUDGET DETAIL
FOR THE PERIOD ENDED DECEMBER 31, 2011

	Current Budget	Current YTD Expense	Current Encumbrance	Current Unencumbered	% Remn
Police Department					
Salaries and Wages	5,266,700.00	5,085,698.83	-	181,001.17	3.44%
Employee Benefits	1,987,800.00	1,579,220.72	250,340.19	158,239.09	7.96%
Professional Service	76,100.00	41,386.63	31,947.52	2,765.85	3.63%
Contractual Services	371,000.00	317,286.52	26,972.53	26,740.95	7.21%
Other Services and E	94,900.00	74,201.69	17,368.70	3,329.61	3.51%
Materials and Suppli	91,700.00	73,467.55	12,100.57	6,131.88	6.69%
Property and Equipme	277,000.00	162,253.82	47,603.58	67,142.60	24.24%
Total Police Department	8,165,200.00	7,333,515.76	386,333.09	445,351.15	5.45%
Fire Department					
Salaries and Wages	3,995,700.00	3,967,544.50	-	28,155.50	0.70%
Employee Benefits	1,876,000.00	1,558,307.10	286,056.52	31,636.38	1.69%
Professional Service	95,000.00	62,125.82	8,444.18	24,430.00	25.72%
Contractual Services	192,000.00	128,130.51	12,374.48	51,495.01	26.82%
Other Services and E	42,500.00	34,966.35	3,065.66	4,467.99	10.51%
Materials and Suppli	97,000.00	52,471.83	15,467.05	29,061.12	29.96%
Property and Equipme	997,500.00	(176,045.72)	917,059.00	256,486.72	25.71%
Total Fire Department	7,295,700.00	5,627,500.39	1,242,466.89	425,732.72	5.84%
Service Administrati					
Salaries and Wages	418,500.00	411,742.79	-	6,757.21	1.61%
Employee Benefits	267,000.00	235,813.23	12,102.62	19,084.15	7.15%
Professional Service	500.00	-	-	500.00	100.00%
Contractual Services	2,500.00	827.02	388.35	1,284.63	51.39%
Other Services and E	20,400.00	14,102.68	6,185.33	111.99	0.55%
Materials and Suppli	40,800.00	33,826.16	3,785.29	3,188.55	7.82%
Property and Equipme	5,000.00	3,500.00	-	1,500.00	30.00%
Total Service Administrati	754,700.00	699,811.88	22,461.59	32,426.53	4.30%
Building and Grounds					
Salaries and Wages	763,600.00	746,731.95	-	16,868.05	2.21%
Employee Benefits	309,900.00	282,268.50	24,340.13	3,291.37	1.06%
Professional Service	32,000.00	11,850.00	14,650.00	5,500.00	17.19%
Contractual Services	869,000.00	686,130.60	148,534.42	34,334.98	3.95%
Other Services and E	7,500.00	2,833.50	1,026.25	3,640.25	48.54%
Materials and Suppli	237,000.00	201,432.52	32,879.39	2,688.09	1.13%
Property and Equipme	42,000.00	25,232.95	12,079.00	4,688.05	11.16%
Total Building and Grounds	2,261,000.00	1,956,480.02	233,509.19	71,010.79	3.14%
Fleet Maintenance					
Salaries and Wages	421,200.00	410,617.73	-	10,582.27	2.51%
Employee Benefits	167,700.00	152,037.33	13,751.36	1,911.31	1.14%
Contractual Services	150,000.00	80,224.85	25,000.02	44,775.13	29.85%
Other Services and E	4,200.00	664.00	-	3,536.00	84.19%
Materials and Suppli	786,700.00	643,171.21	62,032.82	81,495.97	10.36%
Property and Equipme	15,000.00	-	-	15,000.00	100.00%
Total Fleet Maintenance	1,544,800.00	1,286,715.12	100,784.20	157,300.68	10.18%
Streets, Sidewalks &					
Salaries and Wages	1,070,300.00	1,034,535.79	-	35,764.21	3.34%
Employee Benefits	476,900.00	430,351.77	32,510.16	14,038.07	2.94%
Professional Service	17,000.00	7,982.50	5,201.50	3,816.00	22.45%
Contractual Services	204,000.00	104,801.31	96,841.94	2,356.75	1.16%
Other Services and E	5,000.00	1,534.50	-	3,465.50	69.31%
Materials and Suppli	855,300.00	731,693.19	46,492.14	77,114.67	9.02%
Property and Equipme	407,000.00	238,711.00	150,858.00	17,431.00	4.28%
Total Streets, Sidewalks &	3,035,500.00	2,549,610.06	331,903.74	153,986.20	5.07%

CITY OF BEACHWOOD
STATEMENT OF EXPENSES
CURRENT YEAR BUDGET DETAIL
FOR THE PERIOD ENDED DECEMBER 31, 2011

	Current Budget	Current YTD Expense	Current Encumbrance	Current Unencumbered	% Remn
Sanitation					
Salaries and Wages	470,700.00	456,058.50	-	14,641.50	3.11%
Employee Benefits	209,600.00	182,512.48	25,500.59	1,586.93	0.76%
Contractual Services	188,000.00	152,956.82	25,434.72	9,608.46	5.11%
Other Services and E	1,000.00	214.00	-	786.00	78.60%
Materials and Suppli	214,000.00	145,913.47	105.00	67,981.53	31.77%
Property and Equipme	253,000.00	251,623.00	-	1,377.00	0.54%
Total Sanitation	1,336,300.00	1,189,278.27	51,040.31	95,981.42	7.18%
Engineering Departme					
Salaries and Wages	95,000.00	93,868.84	-	1,131.16	1.19%
Employee Benefits	46,000.00	30,467.38	2,321.26	13,211.36	28.72%
Professional Service	32,000.00	16,993.13	5,372.08	9,634.79	30.11%
Contractual Services	500.00	-	-	500.00	100.00%
Other Services and E	4,900.00	1,725.70	363.59	2,810.71	57.36%
Materials and Suppli	4,400.00	56.32	-	4,343.68	98.72%
Property and Equipme	22,000.00	-	-	22,000.00	100.00%
Total Engineering Departme	204,800.00	143,111.37	8,056.93	53,631.70	26.19%
Human Services					
Salaries and Wages	268,600.00	246,205.87	-	22,394.13	8.34%
Employee Benefits	127,100.00	103,061.35	8,569.10	15,469.55	12.17%
Professional Service	7,200.00	-	-	7,200.00	100.00%
Contractual Services	172,000.00	135,452.75	8,206.95	28,340.30	16.48%
Other Services and E	37,900.00	21,389.85	1,310.07	15,200.08	40.11%
Materials and Suppli	62,500.00	38,187.21	3,657.91	20,654.88	33.05%
Property and Equipme	26,500.00	15,013.05	-	11,486.95	43.35%
Total Human Services	701,800.00	559,310.08	21,744.03	120,745.89	17.21%
Recreation Administr					
Salaries and Wages	422,000.00	411,071.46	-	10,928.54	2.59%
Employee Benefits	205,000.00	171,905.85	13,343.96	19,750.19	9.63%
Professional Service	25,900.00	20,425.89	3,209.51	2,264.60	8.74%
Contractual Services	313,600.00	307,086.92	3,531.37	2,981.71	0.95%
Other Services and E	21,900.00	14,334.88	3,407.27	4,157.85	18.99%
Materials and Suppli	41,500.00	31,642.90	9,346.40	510.70	1.23%
Property and Equipme	-	-	-	-	0.00%
Total Recreation Administr	1,029,900.00	956,467.90	32,838.51	40,593.59	3.94%
Recreation Camps					
Salaries and Wages	262,700.00	251,439.25	-	11,260.75	4.29%
Employee Benefits	41,100.00	39,798.71	641.94	659.35	1.60%
Professional Service	100.00	-	-	100.00	100.00%
Contractual Services	132,800.00	125,350.79	734.00	6,715.21	5.06%
Other Services and E	3,200.00	1,432.85	993.00	774.15	24.19%
Materials and Suppli	23,400.00	21,328.95	8.00	2,063.05	8.82%
Total Recreation Camps	463,300.00	439,350.55	2,376.94	21,572.51	4.66%
Recreation Sport Pro					
Salaries and Wages	33,000.00	18,723.26	-	14,276.74	43.26%
Employee Benefits	5,100.00	2,890.08	-	2,209.92	43.33%
Contractual Services	102,500.00	64,507.90	-	37,992.10	37.07%
Other Services and E	2,500.00	2,101.00	-	399.00	15.96%
Materials and Suppli	26,800.00	17,546.83	1,892.25	7,360.92	27.47%
Property and Equipme	2,000.00	1,480.04	-	519.96	26.00%
Total Recreation Sport Pro	171,900.00	107,249.11	1,892.25	62,758.64	36.51%

CITY OF BEACHWOOD
STATEMENT OF EXPENSES
CURRENT YEAR BUDGET DETAIL
FOR THE PERIOD ENDED DECEMBER 31, 2011

	Current Budget	Current YTD Expense	Current Encumbrance	Current Unencumbered	% Remn
Recreation Other Pro					
Salaries and Wages	98,100.00	87,233.85	-	10,866.15	11.08%
Employee Benefits	34,700.00	30,158.33	2,707.04	1,834.63	5.29%
Professional Service	500.00	-	-	500.00	100.00%
Contractual Services	86,000.00	56,613.34	10,563.00	18,823.66	21.89%
Other Services and E	7,100.00	4,022.00	-	3,078.00	43.35%
Materials and Suppli	9,700.00	7,237.59	127.00	2,335.41	24.08%
Total Recreation Other Pro	236,100.00	185,265.11	13,397.04	37,437.85	15.86%
Swimming Pools/Parks					
Salaries and Wages	270,000.00	236,576.62	-	33,423.38	12.38%
Employee Benefits	42,700.00	37,068.01	-	5,631.99	13.19%
Professional Service	10,000.00	-	-	10,000.00	100.00%
Contractual Services	236,000.00	160,797.08	11,960.08	63,242.84	26.80%
Other Services and E	3,600.00	1,929.79	199.21	1,471.00	40.86%
Materials and Suppli	66,100.00	62,025.93	-	4,074.07	6.16%
Property and Equipme	5,000.00	-	-	5,000.00	100.00%
Total Swimming Pools/Parks	633,400.00	498,397.43	12,159.29	122,843.28	19.39%
Building Department					
Salaries and Wages	704,000.00	667,528.43	-	36,471.57	5.18%
Employee Benefits	304,600.00	235,421.47	31,365.50	37,813.03	12.41%
Professional Service	34,000.00	24,592.50	6,407.50	3,000.00	8.82%
Contractual Services	12,400.00	2,992.40	1,859.60	7,548.00	60.87%
Other Services and E	21,300.00	12,512.93	1,718.93	7,068.14	33.18%
Materials and Suppli	19,800.00	9,269.79	739.83	9,790.38	49.45%
Property and Equipme	10,000.00	9,048.00	-	952.00	9.52%
Total Building Department	1,106,100.00	961,365.52	42,091.36	102,643.12	9.28%
TOTAL GENERAL FUND	**36,180,463.00**	**30,513,294.84**	**2,763,687.67**	**2,903,480.49**	**8.02%**
SPECIAL REVENUE FUNDS					
STREET CONSTRUCTION/					
Professional Service	40,000.00	23,542.00	4,585.00	11,873.00	29.68%
Contractual Services	75,000.00	64,550.00	-	10,450.00	13.93%
Property and Equipme	535,000.00	-	467,336.00	67,664.00	12.65%
TOTAL STREET CONSTRUCTION/	650,000.00	88,092.00	471,921.00	89,987.00	13.84%
STATE HIGHWAY IMPROV					
Professional Service	-	-	-	-	0.00%
Materials and Suppli	-	-	-	-	0.00%
Property and Equipme	110,000.00	110,000.00	-	-	0.00%
TOTAL STATE HIGHWAY IMPROV	110,000.00	110,000.00	-	-	0.00%
MAYOR'S COURT IMPROV					
Professional Service	1,000.00	118.75	-	881.25	88.13%
Materials and Suppli	2,000.00	351.72	-	1,648.28	82.41%
Property and Equipme	17,000.00	1,865.00	-	15,135.00	89.03%
TOTAL MAYOR'S COURT IMPROV	20,000.00	2,335.47	-	17,664.53	88.32%
FEDERAL EQUITABLE SH					
Property and Equipme	175,000.00	-	-	175,000.00	100.00%
TOTAL FEDERAL EQUITABLE SH	175,000.00	-	-	175,000.00	100.00%

CITY OF BEACHWOOD
STATEMENT OF EXPENSES
CURRENT YEAR BUDGET DETAIL
FOR THE PERIOD ENDED DECEMBER 31, 2011

	Current Budget	Current YTD Expense	Current Encumbrance	Current Unencumbered	% Remn
LAW ENFORCE TRUST FU					
Other Services and E	1,000.00	-	-	1,000.00	100.00%
Materials and Suppli	1,000.00	-	-	1,000.00	100.00%
Property and Equipme	13,000.00	-	-	13,000.00	100.00%
TOTAL LAW ENFORCE TRUST FU	15,000.00	-	-	15,000.00	100.00%
STREET LIGHTS BLOSSO					
Contractual Services	1,280.00	1,244.04	20.64	15.32	1.20%
Other Services and E	20.00	8.18	-	11.82	59.10%
TOTAL STREET LIGHTS BLOSSO	1,300.00	1,252.22	20.64	27.14	2.09%
STREET LIGHTS GEO. Z					
Contractual Services	12,350.00	12,085.44	214.56	50.00	0.40%
Other Services and E	150.00	118.12	-	31.88	21.25%
TOTAL STREET LIGHTS GEO. Z	12,500.00	12,203.56	214.56	81.88	0.66%
PARAMEDIC TRUST FUND					
Property and Equipme	-	-	-	-	0.00%
TOTAL PARAMEDIC TRUST FUND	-	-	-	-	0.00%
FEDERAL EMERGENCY					
Property and Equipme	193,021.00	193,021.00	-	-	0.00%
TOTAL FEDERAL EMERGENCY FU	193,021.00	193,021.00	-	-	0.00%
NOPEC GRANT FUND					
Professional Service	134,280.00	-	-	134,280.00	100.00%
Property and Equipme	-	134,280.00	-	(134,280.00)	N/A
TOTAL NOPEC GRANT FUND	134,280.00	134,280.00	-	-	0.00%
MEP GRANT FUND					
Professional Service	32,845.00	32,844.50	-	0.50	0.00%
TOTAL MEP GRANT FUND	32,845.00	32,844.50	-	0.50	0.00%
EATON TIF FUND					
Contractual Services	-	-	-	-	0.00%
Other Expenses	250,000.00	238,194.59	-	11,805.41	4.72%
TOTAL EATON TIF FUND	250,000.00	238,194.59	-	11,805.41	4.72%
TOTAL SPECIAL REVENUE FUNDS	**1,593,946.00**	**812,223.34**	**472,156.20**	**309,566.46**	**19.42%**
GENERAL BOND RETIREM					
Other Services and E	10,000.00	4,269.50	-	5,730.50	57.31%
Other Expenses	8,490,000.00	8,373,633.76	-	116,366.24	1.37%
TOTAL GENERAL BOND RETIREM	**8,500,000.00**	**8,377,903.26**	**-**	**122,096.74**	**1.44%**
CAPITAL IMPROVEMENT					
Professional Service	255,500.00	157,012.50	42,330.50	56,157.00	21.98%
Other Services and E	500.00	206.29	-	293.71	58.74%
Property and Equipme	4,494,000.00	3,606,393.43	667,641.94	219,964.63	4.89%
TOTAL CAPITAL IMPROVEMENT	**4,750,000.00**	**3,763,612.22**	**709,972.44**	**276,415.34**	**5.82%**
WORKERS' COMP SELF					
Professional Service	250,000.00	47,533.57	-	202,466.43	80.99%
TOTAL WORKERS' COMP SELF	**250,000.00**	**47,533.57**	**-**	**202,466.43**	**80.99%**

CITY OF BEACHWOOD
STATEMENT OF EXPENSES
CURRENT YEAR BUDGET DETAIL
FOR THE PERIOD ENDED DECEMBER 31, 2011

	Current Budget	Current YTD Expense	Current Encumbrance	Current Unencumbered	% Remn
TRUST AND AGENCY FUNDS					
LEO WEISS TRUST FUND					
Materials and Suppli	100.00	-	-	100.00	100.00%
TOTAL LEO WEISS TRUST FUND	100.00	-	-	100.00	100.00%
COMMERCIAL PERMIT TA					
Non-governmental Cha	49,000.00	44,283.15	-	4,716.85	9.63%
TOTAL COMMERCIAL PERMIT TA	49,000.00	44,283.15	-	4,716.85	9.63%
DEPOSITS					
Professional Service	186,000.00	157,959.63	8,077.89	19,962.48	10.73%
Other Services and E	100.00	39.90	-	60.10	60.10%
Non-governmental Cha	322,900.00	219,233.23	-	103,666.77	32.10%
TOTAL DEPOSITS	509,000.00	377,232.76	8,077.89	123,689.35	24.30%
POLICE PENSION FUND					
Employee Benefits	199,800.00	185,987.32	13,812.68	-	0.00%
Other Services and E	200.00	73.14	-	126.86	63.43%
TOTAL POLICE PENSION FUND	200,000.00	186,060.46	13,812.68	126.86	0.06%
ZONE INCOME TAXES					
Professional Service	28,500.00	25,208.79	-	3,291.21	11.55%
Non-governmental Cha	1,259,400.00	1,131,907.40	-	127,492.60	10.12%
TOTAL ZONE INCOME TAXES	1,287,900.00	1,157,116.19	-	130,783.81	10.15%
UNCLAIMED MONIES FUN					
Non-governmental Cha	4,000.00	1,760.61	-	2,239.39	55.98%
TOTAL UNCLAIMED MONIES FUN	4,000.00	1,760.61	-	2,239.39	55.98%
TOTAL TRUST AND AGENCY FUND	**2,050,000.00**	**1,766,453.17**	**21,890.57**	**261,656.26**	**12.76%**
TOTAL ALL FUNDS	**53,324,409.00**	**45,281,020.40**	**3,967,706.88**	**4,075,681.72**	**7.64%**

CITY OF BEACHWOOD
STATEMENT OF EXPENSES
PRIOR AND CURRENT YEAR EXPENSES
FOR THE PERIOD ENDED DECEMBER 31, 2011

	Combined Year-to-Date Expenses
GENERAL FUND	
Council	
Salaries and Wages	87,000.42
Employee Benefits	14,715.47
Professional Services	-
Contractual Services	-
Other Services and Expenses	55,261.00
Materials and Supplies	1,247.67
Property and Equipment	-
TOTAL Council	158,224.56
Mayor's Office	
Salaries and Wages	356,017.68
Employee Benefits	111,770.33
Professional Services	10,000.00
Contractual Services	1,985.13
Other Services and Expenses	14,587.09
Materials and Supplies	9,596.20
Property and Equipment	-
TOTAL Mayor's Office	503,956.43
Economic Development	
Salaries and Wages	31,980.75
Employee Benefits	15,478.74
Professional Services	227,372.79
Contractual Services	23,799.75
Other Services and Expenses	4,695.96
Materials and Supplies	1,004.02
Property and Equipment	-
TOTAL Economic Development	304,332.01
Finance Department	
Salaries and Wages	895,378.54
Employee Benefits	324,970.54
Professional Services	764,695.21
Contractual Services	54,976.97
Other Services and Expenses	404,944.93
Materials and Supplies	24,046.93
Property and Equipment	97,684.21
Non-governmental Charges	1,974,917.50
TOTAL Finance Department	4,541,614.83

CITY OF BEACHWOOD
STATEMENT OF EXPENSES
PRIOR AND CURRENT YEAR EXPENSES
FOR THE PERIOD ENDED DECEMBER 31, 2011

	Combined Year-to-Date Expenses
Law Department	
Salaries and Wages	179,225.86
Employee Benefits	64,745.92
Professional Services	398,385.86
Contractual Services	1,268.90
Other Services and Expenses	20,446.45
Materials and Supplies	6,289.61
Property and Equipment	-
TOTAL Law Department	670,362.60
Police Department	
Salaries and Wages	5,085,698.83
Employee Benefits	1,659,163.78
Professional Services	43,043.63
Contractual Services	319,169.22
Other Services and Expenses	76,052.42
Materials and Supplies	83,892.05
Property and Equipment	196,633.51
TOTAL Police Department	7,463,653.44
Fire Department	
Salaries and Wages	3,967,544.50
Employee Benefits	1,760,639.84
Professional Services	62,125.82
Contractual Services	129,167.92
Other Services and Expenses	35,165.35
Materials and Supplies	56,633.59
Property and Equipment	645,954.38
TOTAL Fire Department	6,657,231.40
Service Administration	
Salaries and Wages	411,742.79
Employee Benefits	241,518.77
Professional Services	-
Contractual Services	1,247.02
Other Services and Expenses	14,166.68
Materials and Supplies	34,361.16
Property and Equipment	3,500.00
TOTAL Service Administration	706,536.42
Building and Grounds	
Salaries and Wages	746,731.95
Employee Benefits	291,331.97
Professional Services	11,850.00
Contractual Services	724,012.78
Other Services and Expenses	2,878.25
Materials and Supplies	206,241.55
Property and Equipment	25,232.95
TOTAL Building and Grounds	2,008,279.45

CITY OF BEACHWOOD
STATEMENT OF EXPENSES
PRIOR AND CURRENT YEAR EXPENSES
FOR THE PERIOD ENDED DECEMBER 31, 2011

		Combined Year-to-Date Expenses
	Fleet Maintenance	
	Salaries and Wages	410,617.73
	Employee Benefits	156,761.28
	Contractual Services	90,597.54
	Other Services and Expenses	664.00
	Materials and Supplies	657,631.27
	Property and Equipment	-
TOTAL	**Fleet Maintenance**	1,316,271.82
	Streets, Sidewalks & Sewers	
	Salaries and Wages	1,034,535.79
	Employee Benefits	447,601.19
	Professional Services	11,232.50
	Contractual Services	125,398.39
	Other Services and Expenses	1,534.50
	Materials and Supplies	806,040.55
	Property and Equipment	238,711.00
TOTAL	**Streets, Sidewalks & Sewers**	2,665,053.92
	Sanitation	
	Salaries and Wages	456,058.50
	Employee Benefits	188,526.60
	Contractual Services	164,900.79
	Other Services and Expenses	214.00
	Materials and Supplies	145,913.47
	Property and Equipment	251,623.00
TOTAL	**Sanitation**	1,207,236.36
	Engineering Department	
	Salaries and Wages	93,868.84
	Employee Benefits	32,301.14
	Professional Services	17,035.13
	Contractual Services	-
	Other Services and Expenses	1,725.70
	Materials and Supplies	56.32
	Property and Equipment	-
TOTAL	**Engineering Department**	144,987.13
	Human Services	
	Salaries and Wages	246,205.87
	Employee Benefits	106,949.14
	Professional Services	-
	Contractual Services	138,257.75
	Other Services and Expenses	21,389.85
	Materials and Supplies	41,484.53
	Property and Equipment	15,013.05
TOTAL	**Human Services**	569,300.19

CITY OF BEACHWOOD
STATEMENT OF EXPENSES
PRIOR AND CURRENT YEAR EXPENSES
FOR THE PERIOD ENDED DECEMBER 31, 2011

		Combined Year-to-Date Expenses
	Recreation Administration	
	Salaries and Wages	411,071.46
	Employee Benefits	177,988.52
	Professional Services	21,712.14
	Contractual Services	309,059.60
	Other Services and Expenses	14,504.88
	Materials and Supplies	32,103.41
	Property and Equipment	960.00
TOTAL	**Recreation Administration**	967,400.01
	Recreation Camps	
	Salaries and Wages	251,439.25
	Employee Benefits	39,798.71
	Professional Services	-
	Contractual Services	125,350.79
	Other Services and Expenses	1,432.85
	Materials and Supplies	21,328.95
TOTAL	**Recreation Camps**	439,350.55
	Recreation Sport Programs	
	Salaries and Wages	18,723.26
	Employee Benefits	2,890.08
	Contractual Services	69,187.90
	Other Services and Expenses	2,101.00
	Materials and Supplies	19,713.43
	Property and Equipment	1,480.04
TOTAL	**Recreation Sport Programs**	114,095.71
	Recreation Other Programs	
	Salaries and Wages	87,233.85
	Employee Benefits	31,197.63
	Professional Services	-
	Contractual Services	65,055.34
	Other Services and Expenses	4,022.00
	Materials and Supplies	7,847.59
TOTAL	**Recreation Other Programs**	195,356.41
	Swimming Pools/Parks	
	Salaries and Wages	236,576.62
	Employee Benefits	37,068.01
	Professional Services	-
	Contractual Services	160,947.65
	Other Services and Expenses	1,929.79
	Materials and Supplies	62,702.93
	Property and Equipment	-
TOTAL	**Swimming Pools/Parks**	499,225.00

CITY OF BEACHWOOD
STATEMENT OF EXPENSES
PRIOR AND CURRENT YEAR EXPENSES
FOR THE PERIOD ENDED DECEMBER 31, 2011

	Combined Year-to-Date Expenses
Building Department	
Salaries and Wages	667,528.43
Employee Benefits	241,512.20
Professional Services	25,442.50
Contractual Services	3,016.40
Other Services and Expenses	12,512.93
Materials and Supplies	9,415.69
Property and Equipment	9,048.00
TOTAL Building Department	968,476.15
TOTAL GENERAL FUND	**32,100,944.39**
SPECIAL REVENUE FUNDS	
STREET CONSTRUCTION/MAINTENANC	
Professional Services	26,782.00
Contractual Services	64,550.00
Property and Equipment	133,412.50
TOTAL STREET CONSTRUCTION/MAINTENANC	224,744.50
STATE HIGHWAY IMPROVEMENT FUND	
Professional Services	-
Materials and Supplies	-
Property and Equipment	110,000.00
TOTAL STATE HIGHWAY IMPROVEMENT FUND	110,000.00
MAYOR'S COURT IMPROVEMENT FUND	
Professional Services	118.75
Materials and Supplies	571.47
Property and Equipment	1,865.00
TOTAL MAYOR'S COURT IMPROVEMENT FUND	2,555.22
FEDERAL EQUITABLE SHARING FUND	
Property and Equipment	-
TOTAL FEDERAL EQUITABLE SHARING FUND	-
LAW ENFORCE TRUST FUND	
Other Services and Expenses	-
Materials and Supplies	-
Property and Equipment	-
TOTAL LAW ENFORCE TRUST FUND	-
STREET LIGHTS BLOSSOM DRIVE	
Contractual Services	1,244.04
Other Services and Expenses	8.18
TOTAL STREET LIGHTS BLOSSOM DRIVE	1,252.22

CITY OF BEACHWOOD
STATEMENT OF EXPENSES
PRIOR AND CURRENT YEAR EXPENSES
FOR THE PERIOD ENDED DECEMBER 31, 2011

	Combined Year-to-Date Expenses
STREET LIGHTS GEO. ZEIGER DR.	
Contractual Services	12,085.44
Other Services and Expenses	118.12
TOTAL STREET LIGHTS GEO. ZEIGER DR.	12,203.56
PARAMEDIC TRUST FUND	
Property and Equipment	-
TOTAL PARAMEDIC TRUST FUND	-
FEDERAL EMERGENCY (FEMA)	
Property and Equipment	193,021.00
TOTAL FEDERAL EMERGENCY (FEMA)	193,021.00
NOPEC GRANT FUND	
Property and Equipment	134,280.00
TOTAL NOPEC GRANT FUND	134,280.00
MEP GRANT FUND	
Professional Services	32,844.50
TOTAL MEP GRANT FUND	32,844.50
EATON TIF FUND	
Contractual Services	-
Other Expenses	238,194.59
TOTAL EATON TIF FUND	238,194.59
TOTAL SPECIAL REVENUE FUNDS	**949,095.59**
GENERAL BOND RETIREMENT FUND	
Other Services and Expenses	4,269.50
Other Expenses	8,373,633.76
TOTAL GENERAL BOND RETIREMENT FUND	**8,377,903.26**
CAPITAL IMPROVEMENT FUND	
Professional Services	284,656.58
Other Services and Expenses	206.29
Property and Equipment	6,027,261.48
Other Expenses	-
TOTAL CAPITAL IMPROVEMENT FUND	**6,312,124.35**
WORKERS' COMP SELF INSURANCE	
Professional Services	47,533.57
TOTAL WORKERS' COMP SELF INSURANCE	**47,533.57**

CITY OF BEACHWOOD
STATEMENT OF EXPENSES
PRIOR AND CURRENT YEAR EXPENSES
FOR THE PERIOD ENDED DECEMBER 31, 2011

	Combined Year-to-Date Expenses
TRUST AND AGENCY FUNDS	
LEO WEISS TRUST FUND	
Materials and Supplies	-
TOTAL LEO WEISS TRUST FUND	-
COMMERCIAL PERMIT TAX FUND	
Non-governmental Charges	44,283.15
TOTAL COMMERCIAL PERMIT TAX FUND	44,283.15
DEPOSITS	
Professional Services	164,284.75
Other Services and Expenses	39.90
Non-governmental Charges	219,233.23
TOTAL DEPOSITS	383,557.88
POLICE PENSION FUND	
Employee Benefits	288,260.47
Other Services and Expenses	73.14
TOTAL POLICE PENSION FUND	288,333.61
ZONE INCOME TAXES	
Professional Services	25,208.79
Non-governmental Charges	1,131,907.40
TOTAL ZONE INCOME TAXES	1,157,116.19
UNCLAIMED MONIES FUND	
Non-governmental Charges	1,760.61
TOTAL UNCLAIMED MONIES FUND	1,760.61
TOTAL TRUST AND AGENCY FUNDS	**1,875,051.44**
TOTAL ALL FUNDS	**49,662,652.60**

CITY OF BEACHWOOD
GENERAL FUND YEAR TO DATE BUDGET -V- ACTUAL
AS OF DECEMBER 31, 2011

	YTD Actual Revenue	Original Budget	Variance
General Fund			
Local Taxes			
Property Taxes	2,285,025.65	2,520,997.00	(235,971.35)
Municipal Income Tax	24,056,637.85	23,899,437.00	157,200.85
Other Local Taxes	1,256,082.90	1,123,535.00	132,547.90
Intergovernmental Revenues			
Local Government Fund	436,352.32	443,696.00	(7,343.68)
Estate/Inheritance Tax	3,486,337.68	2,000,000.00	1,486,337.68
Other Intergovernmental Revenue	23,818.15	31,617.00	(7,798.85)
Rollbacks/Homestead	185,431.22	170,000.00	15,431.22
Miscellaneous*	24,244.24	200,678.00	(176,433.76)
Charges For Services			
General Government	1,293,357.37	1,317,216.00	(23,858.63)
Recreation Programs	1,034,151.84	1,024,700.00	9,451.84
Miscellaneous	10,648.00	6,100.00	4,548.00
Fines, Permits, and Licenses			
Fines and Forfeitures	227,508.10	244,953.00	(17,444.90)
Permits and Licenses	1,755,441.63	1,076,000.00	679,441.63
Miscellaneous Revenue			
Miscellaneous Revenue	259,339.15	266,000.00	(6,660.85)
Sale of Assets			
Sale of Assets	26,286.30	9,362.00	16,924.30
Non-Revenue Receipts			
Reimbursements	99,815.83	148,790.00	(48,974.17)
Refunds	38,438.35	0.00	38,438.35
Other Non-Revenue Receipts	0.00	0.00	0.00
Total General Fund	**36,498,916.58**	**34,483,081.00**	**2,015,835.58**

Note: Above figures are net of advances and transfers.
*Original budgeted amount was based on receiving approx. $193,000 Federal Grant, which was originally reported in Feb. under "Other Intergovernmental", per State Auditor this amount needs to be recorded in a Special Revenue Fund (FEMA), correction was made in September.

CITY OF BEACHWOOD
REVENUE REPORT
FOR THE MONTH ENDING DECEMBER 31, 2011

	ESTIMATED REVENUE	M-T-D REVENUE	Y-T-D REVENUE	PERCENT COLLECTED
GENERAL FUND				
REAL PROPERTY TAXES	2,370,997.00	-	2,250,506.73	94.92%
TANGIBLE PERSONAL PROP	10,000.00	-	8,216.74	82.17%
CAT TAX REIMBURSEMENT	140,000.00	9,603.91	26,302.18	18.79%
WITHHOLDING COLLECTION	19,713,436.00	1,793,470.46	20,309,202.81	103.02%
WITHHOLDING REFUNDS	(200,000.00)	(57.45)	(164,489.64)	82.24%
WITHHOLDING DEFERRED R	(140,000.00)	(15,308.26)	(172,357.49)	123.11%
WITHHOLDING RETAINER R	220,000.00	-	172,145.40	78.25%
NET PROFIT COLLECTIONS	2,700,000.00	87,320.29	2,728,790.78	101.07%
NET PROFIT REFUNDS	(300,000.00)	2,990.29	(268,141.26)	89.38%
NET PROFIT DEFERRED RE	(20,000.00)	(850.46)	(23,186.72)	115.93%
NET PROFIT RETAINER R	35,000.00	-	18,227.16	52.08%
INDIVIDUAL COLLECTIONS	2,000,000.00	103,015.53	1,542,871.18	77.14%
INDIVIDUAL REFUNDS	(130,000.00)	(44.07)	(85,776.43)	65.98%
INDIVIDUAL DEFERRED RE	(12,000.00)	(850.46)	(12,799.38)	106.66%
INDIVIDUAL RETAINER RE	33,000.00	-	12,151.44	36.82%
ADMISSIONS TAX	325,535.00	32,257.98	413,221.91	126.94%
LODGINGS TAX	690,000.00	55,932.06	724,765.08	105.04%
FRANCHISE TAX	108,000.00	21,488.93	118,095.91	109.35%
Local Taxes	27,543,968.00	2,088,968.75	27,597,746.40	100.20%
LOCAL GOVERNMENT SALES	213,696.00	12,952.36	206,995.99	96.86%
LOCAL GOVERNMENT STATE	230,000.00	13,831.01	229,356.33	99.72%
ESTATE/INHERITANCE TAX	2,000,000.00	23,753.27	3,486,337.68	174.32%
LIQUOR PERMIT FEES	31,417.00	-	22,452.15	71.46%
CIGARETTE TAX	200.00	-	-	0.00%
HOMESTEAD	26,000.00	-	32,785.68	126.10%
2.5% REAL ESTATE ROLLB	26,000.00	-	27,885.90	107.25%
10% REIMBURSEMENT	118,000.00	-	124,759.64	105.73%
OTHER FEDERAL GRANTS	196,500.00	-	1,366.00	0.70%
OTHER STATE / COUNTY G	4,178.00	-	24,244.24	580.28%
Intergovernmental Revenues	2,845,991.00	50,536.64	4,156,183.61	146.04%
FINANCE DEPARTMENT	155,116.00	6.00	2,981.78	1.92%
FIRE DEPARTMENT	5,300.00	1,905.00	9,234.50	174.24%
LAW DEPARTMENT	1,200.00	-	135.90	11.33%
SERVICE DEPARTMENT	500.00	-	604.50	120.90%
POLICE DEPARTMENT	20,000.00	24,719.10	52,391.45	261.96%
EMS CHARGES	822,000.00	72,035.91	866,722.73	105.44%
MAYOR'S OFFICE	600.00	-	750.00	125.00%
AIR RIGHTS EASEMENTS	2,500.00	-	2,500.00	100.00%
BUSINESS DEVELOPMENT R	60,000.00	-	11,900.55	19.83%
COMMERCE PARK RENTS	250,000.00	28,236.33	346,135.96	138.45%
OUTDOOR POOL	183,000.00	-	179,427.52	98.05%
REFUNDS	(500.00)	(95.00)	(652.25)	130.45%
CHILD CARE	35,000.00	-	32,148.00	91.85%
CAMPS	438,000.00	4,425.00	458,223.86	104.62%
SPORTS PROGRAMS	135,000.00	6,885.00	105,312.20	78.01%
SENIOR TRIPS	170,000.00	6,758.00	172,900.00	101.71%
REFUNDS	(40,000.00)	(733.00)	(21,753.35)	54.38%
TICKET SALES	15,000.00	-	5,561.00	37.07%
CONCESSION SALES	800.00	-	1,070.00	133.75%
SPONSORS	3,000.00	-	-	0.00%
COMMUNITY SERVICE ROOM	5,000.00	370.00	9,152.50	183.05%
OTHER RECREATION	90,400.00	10,170.60	103,554.26	114.55%
REFUNDS	(10,000.00)	(307.00)	(5,056.90)	50.57%

CITY OF BEACHWOOD
REVENUE REPORT
FOR THE MONTH ENDING DECEMBER 31, 2011

	ESTIMATED REVENUE	M-T-D REVENUE	Y-T-D REVENUE	PERCENT COLLECTED
REGULAR (BROWN BAGS)	4,000.00	172.50	3,184.00	79.60%
RECYCLING (BLUE BAGS)	2,100.00	56.00	1,729.00	82.33%
Charges for Services	2,348,016.00	154,604.44	2,338,157.21	99.58%
SHAKER COURT FINES	66,053.00	4,760.60	57,925.02	87.69%
PARKING FINES	14,000.00	690.00	5,415.00	38.68%
MAYOR'S COURT FINES	131,200.00	10,654.00	138,512.08	105.57%
COURT COSTS	26,000.00	2,046.00	24,241.00	93.23%
BOND RETENTION & FORFE	400.00	10.00	635.00	158.75%
COMMUNITY DEVELOPMENT	300.00	-	-	0.00%
OTHER FINES & FORFEITU	7,000.00	100.00	1,200.00	17.14%
OCCUPANCY	10,000.00	500.00	10,325.00	103.25%
SIGN	12,000.00	120.00	10,394.70	86.62%
MASONRY	14,000.00	-	12,242.00	87.44%
BUILDING	655,400.00	56,759.40	1,282,745.68	195.72%
HVAC	63,000.00	2,231.00	71,062.00	112.80%
PLUMBING	75,000.00	3,389.85	81,045.50	108.06%
ELECTRIC	100,000.00	7,163.00	143,362.75	143.36%
FENCE	1,000.00	70.00	1,620.00	162.00%
MISCELLANEOUS	13,000.00	647.00	19,774.00	152.11%
HVAC	5,000.00	1,500.00	5,400.00	108.00%
PLUMBING	6,000.00	1,500.00	5,650.00	94.17%
POOL	900.00	-	1,475.00	163.89%
GENERAL CONTRACTOR	35,000.00	4,500.00	39,600.00	113.14%
MASONRY	36,000.00	150.00	2,745.00	7.63%
ELECTRIC	7,000.00	1,450.00	8,450.00	120.71%
RENTAL OCCUPANCY	32,000.00	7,500.00	47,050.00	147.03%
ARCHITECTURAL REVIEW B	3,500.00	280.00	6,015.00	171.86%
BOARD OF ZONING APPEAL	1,000.00	-	910.00	91.00%
PLAN REVIEW FEE	4,000.00	210.00	3,840.00	96.00%
OTHER FEES	1,000.00	-	505.00	50.50%
STREET OPENING PERMITS	1,200.00	-	900.00	75.00%
PERMITS AND LICENSES R	-	-	(90.00)	N/A
Fines, Permits, & Licenses	1,320,953.00	106,230.85	1,982,949.73	150.12%
INTEREST INCOME RECEIV	246,000.00	8,395.46	210,353.30	85.51%
ACCRUED INTEREST PAID	(5,000.00)	(315.63)	2,615.43	-52.31%
CONSTRUCTION ASSESSMEN	2,000.00	-	1,164.72	58.24%
NATURAL GAS ROYALTIES	-	293.14	5,062.48	N/A
OTHER MISCELLANEOUS RE	23,000.00	3,000.00	40,143.22	174.54%
Miscellaneous Revenue	266,000.00	11,372.97	259,339.15	97.50%
SALE OF GENERAL FIXED	6,162.00	-	-	0.00%
SALE OF OTHER ASSETS	1,200.00	2,521.74	26,286.30	2190.53%
INSURANCE PROCEEDS (TO	2,000.00	-	-	0.00%
Sale of Assets	9,362.00	2,521.74	26,286.30	280.78%
Notes and Bonds	-	-	-	0.00%
RECEIVED FROM OTHERS	15,000.00	325.80	6,785.35	45.24%
INSURANCE SETTLEMENTS	50,000.00	1,758.69	21,715.16	43.43%
OTHER REIMBURSEMENTS	83,790.00	408.76	71,315.32	85.11%
REFUNDS	-	1,760.61	38,438.35	N/A
Non-Revenue Receipts	148,790.00	4,253.86	138,254.18	92.92%
TOTAL GENERAL FUND	**34,483,080.00**	**2,418,489.25**	**36,498,916.58**	**105.85%**

CITY OF BEACHWOOD
REVENUE REPORT
FOR THE MONTH ENDING DECEMBER 31, 2011

	ESTIMATED REVENUE	M-T-D REVENUE	Y-T-D REVENUE	PERCENT COLLECTED
SPECIAL REVENUE FUNDS				
STREET CONSTRUCTION/MAINTENANC				
MUNICIPAL-CENTS PER GA	120,000.00	10,758.18	122,133.44	101.78%
GASOLINE EXCISE TAX	240,000.00	20,024.20	242,811.05	101.17%
AUTO REGISTRATION	106,000.00	9,974.84	129,871.59	122.52%
PERMISSIVE TAX	25,000.00	1,831.50	24,554.73	98.22%
Intergovernmental Revenues	491,000.00	42,588.72	519,370.81	105.78%
INTEREST INCOME RECEIV	9,000.00	186.04	3,461.02	38.46%
Miscellaneous Revenue	9,000.00	186.04	3,461.02	38.46%
OTHER REIMBURSEMENTS	-	-	102,904.66	N/A
Reimbursements	-	-	102,904.66	N/A
TOTAL STREET CONSTRUCTION/MAINTENANC	**500,000.00**	**42,774.76**	**625,736.49**	**125.15%**
STATE HIGHWAY IMPROVEMENT FUND				
MUNICIPAL-CENTS PER GA	10,000.00	872.29	9,902.72	99.03%
GASOLINE EXCISE TAX	19,300.00	1,623.58	19,687.36	102.01%
AUTO REGISTRATION	8,200.00	808.77	10,530.13	128.42%
PERMISSIVE TAX	2,000.00	148.50	1,990.91	99.55%
Intergovernmental Revenues	39,500.00	3,453.14	42,111.12	106.61%
INTEREST INCOME RECEIV	500.00	2.51	356.56	71.31%
Miscellaneous Revenue	500.00	2.51	356.56	71.31%
TOTAL STATE HIGHWAY IMPROVEMENT FUND	**40,000.00**	**3,455.65**	**42,467.68**	**106.17%**
MAYOR'S COURT IMPROVEMENT FUND				
MAYOR'S COURT COMPUTER	10,000.00	752.00	10,537.00	105.37%
Fines, Permits, & Licenses	10,000.00	752.00	10,537.00	105.37%
TOTAL MAYOR'S COURT IMPROVEMENT FUND	**10,000.00**	**752.00**	**10,537.00**	**105.37%**
FEDERAL EQUITABLE SHARING FUND				
CONFISCATIONS/FORFEITU	16,500.00	-	17,812.80	107.96%
Intergovernmental Revenues	16,500.00	-	17,812.80	107.96%
INTEREST INCOME RECEIV	1,000.00	41.76	1,036.81	103.68%
Miscellaneous Revenue	1,000.00	41.76	1,036.81	103.68%
TOTAL FEDERAL EQUITABLE SHARING FUND	**17,500.00**	**41.76**	**18,849.61**	**107.71%**
LAW ENFORCE TRUST FUND				
CONFISCATIONS/FORFEITU	700.00	2,494.10	3,039.10	434.16%
OTHER GRANTS STATE OF	-	-	-	N/A
Intergovernmental Revenues	700.00	2,494.10	3,039.10	434.16%
OTHER FINES & FORFEITU	-	-	160.30	N/A
Fines and Forfeitures	-	-	160.30	N/A
TOTAL LAW ENFORCE TRUST FUND	**700.00**	**2,494.10**	**3,199.40**	**457.06%**

CITY OF BEACHWOOD
REVENUE REPORT
FOR THE MONTH ENDING DECEMBER 31, 2011

	ESTIMATED REVENUE	M-T-D REVENUE	Y-T-D REVENUE	PERCENT COLLECTED
STREET LIGHTS BLOSSOM DRIVE				
STREET LIGHTING ASSESS	900.00	-	3,316.69	368.52%
Miscellaneous Revenue	**900.00**	**-**	**3,316.69**	**368.52%**
TOTAL STREET LIGHTS BLOSSOM DRIVE	**900.00**	**-**	**3,316.69**	**368.52%**
STREET LIGHTS GEO. ZEIGER DR.				
STREET LIGHTING ASSESS	11,000.00	-	27,934.73	253.95%
Miscellaneous Revenue	11,000.00	-	27,934.73	253.95%
TOTAL STREET LIGHTS GEO. ZEIGER DR.	**11,000.00**	**-**	**27,934.73**	**253.95%**
TOTAL PARAMEDIC TRUST FUND	**-**	**-**	**-**	**N/A**
FEDERAL EMERGENCY (FEMA)				
OTHER FEDERAL GRANTS	193,021.00	-	193,021.00	100.00%
Local Government Fund	193,021.00	-	193,021.00	100.00%
TOTAL FEDERAL EMERGENCY (FEMA)	**193,021.00**	**-**	**193,021.00**	**100.00%**
NOPEC GRANT FUND				
OTHER GRANTS STATE OR	134,280.00	-	33,570.00	25.00%
Local Government Fund	134,280.00	-	33,570.00	25.00%
ADVANCES-IN	-	100,710.00	100,710.00	N/A
Reimbursements	-	100,710.00	100,710.00	N/A
TOTAL NOPEC GRANT FUND	**134,280.00**	**100,710.00**	**134,280.00**	**100.00%**
MEP GRANT FUND				
OTHER GRANTS STATE AND	32,845.00	-	-	0.00%
Local Government Fund	32,845.00	-	-	0.00%
ADVANCES-IN	-	32,844.50	32,844.50	N/A
Reimbursements	-	32,844.50	32,844.50	N/A
TOTAL MEP GRANT FUND	**32,845.00**	**32,844.50**	**32,844.50**	**100.00%**
EATON TIF FUND				
PAYMENT IN LIEU OF PRO	-	-	342,690.42	N/A
Property Taxes	-	-	342,690.42	N/A
TRUST RECEIPTS	342,000.00	-	-	0.00%
Non-Revenue Receipts	342,000.00	-	-	0.00%
TOTAL EATON TIF FUND	**342,000.00**	**-**	**342,690.42**	**100.20%**
TOTAL SPECIAL REVENUE FUNDS	**1,282,246.00**	**183,072.77**	**1,434,877.52**	**111.90%**

CITY OF BEACHWOOD
REVENUE REPORT
FOR THE MONTH ENDING DECEMBER 31, 2011

	ESTIMATED REVENUE	M-T-D REVENUE	Y-T-D REVENUE	PERCENT COLLECTED
GENERAL BOND RETIREMENT FUND				
CONSTRUCTION ASSESSMEN	900,000.00	-	436,232.03	48.47%
Miscellaneous Revenue	900,000.00	-	436,232.03	48.47%
GENERAL OBLIGTION NOTE	5,458,637.00	-	-	0.00%
SPECIAL ASSESSMENT NOT	-	-	6,000,000.00	N/A
PREMIUM ON SALE	-	-	64,620.00	N/A
Notes and Bonds	5,458,637.00	-	6,064,620.00	111.10%
TRANSFERS - IN	1,841,363.00	-	1,841,363.00	100.00%
Non-Revenue Receipts	1,841,363.00	-	1,841,363.00	100.00%
TOTAL GENERAL BOND RETIREMENT FUND	**8,200,000.00**	**-**	**8,342,215.03**	**101.73%**
CAPITAL IMPROVEMENT FUND				
OTHER GRANTS STATE OR COUNTY	1,200,000.00	-	1,250,000.00	N/A
Intergovernmental Revenues	1,200,000.00	-	1,250,000.00	N/A
CONSTRUCTION ASSESSMEN	-	-	20,544.55	N/A
Miscellaneous Revenue	-	-	20,544.55	N/A
SPECIAL ASSESSMENT NOT	-	-	-	N/A
GENERAL OBLIGATION BON	-	-	-	N/A
SPECIAL ASSESSMENT BON	-	-	-	N/A
Notes and Bonds	-	-	-	N/A
TRANSFERS - IN	-	-	-	N/A
Non-Revenue Receipts	-	-	-	N/A
TOTAL CAPITAL IMPROVEMENT FUND	**1,200,000.00**	**-**	**1,270,544.55**	**105.88%**
WORKERS' COMP SELF INSURANCE				
OTHER CHARGES	40,000.00	47,533.57	47,533.57	118.83%
Charges for Services	40,000.00	47,533.57	47,533.57	118.83%
TRANSFERS-IN	-	-	-	N/A
Miscellaneous Revenue	-	-	-	N/A
TOTAL WORKERS' COMP SELF INSURANCE	**40,000.00**	**47,533.57**	**47,533.57**	**118.83%**
TRUST AND AGENCY FUNDS				
LEO WEISS TRUST FUND				
INTEREST INCOME RECEIV	50.00	0.27	7.17	14.34%
Miscellaneous Revenue	50.00	0.27	7.17	14.34%
TOTAL LEO WEISS TRUST FUND	**50.00**	**0.27**	**7.17**	**14.34%**
COMMERCIAL PERMIT TAX FUND				
COMMERCIAL PERMIT TAX	14,000.00	1,963.86	45,803.55	327.17%
Non-Revenue Receipts	14,000.00	1,963.86	45,803.55	327.17%
TOTAL COMMERCIAL PERMIT TAX FUND	**14,000.00**	**1,963.86**	**45,803.55**	**327.17%**

CITY OF BEACHWOOD
REVENUE REPORT
FOR THE MONTH ENDING DECEMBER 31, 2011

	ESTIMATED REVENUE	M-T-D REVENUE	Y-T-D REVENUE	PERCENT COLLECTED
DEPOSITS				
CONSTRUCTION ASSESSMEN	-	-	4,029.90	N/A
Miscellaneous Revenue	-	-	4,029.90	N/A
ENGINEERING SERVICES	1,000.00	-	7,643.17	764.32%
OTHER REIMBURSEMENTS	2,000.00	23,007.20	26,457.20	1322.86%
PLANNING & ZONING	10,000.00	-	14,900.00	149.00%
PLAN REVIEW	162,000.00	28,359.64	197,538.43	121.94%
OTHER DEPOSITS	25,000.00	-	35,400.00	141.60%
Non-Revenue Receipts	200,000.00	51,366.84	281,938.80	140.97%
TOTAL DEPOSITS	**200,000.00**	**51,366.84**	**285,968.70**	**142.98%**
POLICE PENSION FUND				
REAL PROPERTY TAXES	186,424.00	-	186,411.92	99.99%
TANGIBLE PERSONAL PROP	100.00	-	77.94	77.94%
EXEMPT PERSONAL PROPER	-	-	-	N/A
Local Taxes	186,524.00	-	186,489.86	99.98%
HOMESTEAD	2,000.00	-	2,658.30	132.92%
2.5% REAL ESTATE ROLLB	2,000.00	-	2,261.02	113.05%
10% REIMBURSEMENT	11,000.00	-	10,115.65	91.96%
Intergovernmental Revenues	15,000.00	-	15,034.97	100.23%
TOTAL POLICE PENSION FUND	**201,524.00**	**-**	**201,524.83**	**100.00%**
ZONE INCOME TAXES				
COLLECTIONS	1,136,950.00	135,791.55	1,162,161.41	102.22%
REFUNDS	(2,000.00)	(41.00)	(7,323.39)	366.17%
DEFERRED REVENUE - RET	(7,000.00)	(1,221.92)	(10,803.83)	154.34%
RETAINER REFUND	8,000.00	-	13,082.00	163.53%
Local Taxes	1,135,950.00	134,528.63	1,157,116.19	101.86%
TOTAL ZONE INCOME TAXES	**1,135,950.00**	**134,528.63**	**1,157,116.19**	**101.86%**
UNCLAIMED MONIES FUND				
TRUST RECEIPTS	-	6,496.80	6,496.80	N/A
Non-Revenue Receipts	-	6,496.80	6,496.80	N/A
				N/A
TOTAL UNCLAIMED MONIES FUND	-	6,496.80	6,496.80	**N/A**
TOTAL TRUST AND AGENCY FUNDS	**1,551,524.00**	**194,356.40**	**1,696,917.24**	**109.37%**
TOTAL ALL FUNDS	**46,756,850.00**	**2,843,451.99**	**49,291,004.49**	**105.42%**

CITY OF BEACHWOOD
PRIOR YEAR -v- CURRENT YEAR RECEIPTS
FOR THE MONTH ENDING DECEMBER 31, 2011

	Month-to-Date 2010	Month-to-Date 2011	% Change	Year-to-Date 2010	Year-to-Date 2011	% Change
General Fund						
Local Taxes						
Property Taxes	$ -	$ 9,603.91	n/a	$ 2,572,960.88	$ 2,285,025.65	-11.191%
Municipal Income Tax	$ 1,483,439.92	$ 1,969,685.87	32.778%	$ 17,332,525.54	$ 24,056,637.85	38.795%
Other Local Taxes	$ 89,250.90	$ 109,678.97	22.888%	$ 1,101,505.02	$ 1,256,082.90	14.033%
Intergovernmental Revenues						
Local Government Fund	$ 37,769.91	$ 26,783.37	-29.088%	$ 443,696.59	$ 436,352.32	-1.655%
Estate/Inheritance Tax	$ 91,037.84	$ 23,753.27	-73.908%	$ 1,854,854.32	$ 3,486,337.68	87.957%
Other Intergovernmental Revenue	$ -	$ -	0.000%	$ 37,006.97	$ 22,452.15	-39.330%
Rollbacks/Homestead	$ -	$ -	0.000%	$ 185,989.09	$ 185,431.22	-0.300%
Miscellaneous	$ -	$ -	0.000%	$ 4,056.30	$ 25,610.24	531.369%
Charges For Services						
General Government	$ 82,396.88	$ 126,902.34	54.014%	$ 1,428,704.02	$ 1,293,357.37	-9.473%
Recreation Programs	$ 38,320.50	$ 27,473.60	-28.306%	$ 994,826.06	$ 1,039,886.84	4.530%
Miscellaneous	$ 429.50	$ 228.50	-46.799%	$ 6,157.00	$ 4,913.00	-20.205%
Fines, Permits, and Licenses						
Fines and Forfeitures	$ 22,494.70	$ 18,160.60	-19.267%	$ 237,718.48	$ 227,508.10	-4.295%
Permits and Licenses	$ 35,734.45	$ 88,070.25	146.458%	$ 653,983.22	$ 1,755,441.63	168.423%
Miscellaneous Revenue						
Miscellaneous Revenue	$ 39,348.96	$ 11,372.97	-71.097%	$ 435,255.48	$ 259,339.15	-40.417%
Sale of Assets						
Sale of Assets	$ 2,055.00	$ 2,521.74	22.712%	$ 9,089.18	$ 26,286.30	189.204%
Non-Revenue Receipts						
Reimbursements	$ 27,994.16	$ 2,493.25	-91.094%	$ 144,456.84	$ 99,815.83	-30.903%
Refunds	$ 773.54	$ 1,760.61	127.604%	$ 28,997.01	$ 38,438.35	32.560%
Other Non-Revenue Receipts	$ -	$ -	0.000%	$ -	$ -	0.000%
Total General Fund	**$ 1,951,046.26**	**$ 2,418,489.25**	**23.959%**	**$ 27,471,782.00**	**$ 36,498,916.58**	**32.860%**
Special Revenue Funds						
Street Construction	$ 12,408.87	$ 42,774.76	244.711%	$ 695,936.51	$ 625,736.49	-10.087%
State Highway	$ 3,044.55	$ 3,455.65	13.503%	$ 44,386.81	$ 42,467.68	-4.324%
Mayor's Court Improvement	$ 855.00	$ 752.00	-12.047%	$ 11,155.00	$ 10,537.00	-5.540%
Federal Equitable Sharing	$ 135.80	$ 41.76	-69.249%	$ 119,679.03	$ 18,849.61	-84.250%
Law Enforcement Trust	$ -	$ 2,494.10	n/a	$ 2,324.97	$ 3,199.40	37.610%
Blossom Street Lights	$ -	$ -	0.000%	$ 1,006.91	$ 3,316.69	229.393%
Zeiger Street Lights	$ -	$ -	0.000%	$ 11,928.64	$ 27,934.73	134.182%
Paramedic Trust Fund	$ -	$ -	0.000%	$ -	$ -	0.000%
Federal Emergency (FEMA)	$ -	$ -	0.000%	$ -	$ 193,021.00	n/a
NOPEC Grant Fund	$ -	$ -	0.000%	$ -	$ 33,570.00	n/a
MEP Grant Fund	$ -	$ -	0.000%	$ -	$ -	0.000%
Eaton TIF Fund	$ -	$ -	0.000%	$ -	$ 342,690.42	n/a
Total Special Revenue	**$ 16,444.22**	**$ 49,518.27**	**201.129%**	**$ 886,417.87**	**$ 1,301,323.02**	**46.807%**
Debt Service Fund						
General Bond Retirement	$ 8,009,496.53	$ -	0.000%	$ 8,942,019.55	$ 6,500,852.03	-27.300%
Total Dept Service	**$ 8,009,496.53**	**$ -**	**0.000%**	**$ 8,942,019.55**	**$ 6,500,852.03**	**-27.300%**
Capital Projects Fund						
Capital Improvement Fund	$ 5,026,615.22	$ -	0.000%	$ 11,045,679.59	$ 1,270,544.55	-88.497%
Total Capital Projects	**$ 5,026,615.22**	**$ -**	**0.000%**	**$ 11,045,679.59**	**$ 1,270,544.55**	**-88.497%**
Workers' Comp Self Insurance						
Workers' Comp Self Insuarnce	$ 4,802.10	$ 47,533.57	889.850%	$ 4,802.10	$ 47,533.57	889.850%
Total Workers' Comp Self Ins.	**$ 4,802.10**	**$ 47,533.57**	**889.850%**	**$ 4,802.10**	**$ 47,533.57**	**889.850%**
Trust and Agency Funds						
Leo Weiss Trust	$ 0.98	$ 0.27	-72.449%	$ 13.17	$ 7.17	-45.558%
Commercial Permit Tax	$ 443.46	$ 1,963.86	342.849%	$ 13,849.79	$ 45,803.55	230.717%
Deposits	$ 14,263.17	$ 51,366.84	260.136%	$ 224,009.21	$ 285,968.70	27.659%
Police Pension Fund	$ -	$ -	0.000%	$ 205,438.15	$ 201,524.83	-1.905%
Zone Income Taxes	$ 61,547.57	$ 134,528.63	118.577%	$ 781,526.03	$ 1,157,116.19	48.059%
Unclaimed Monies Fund	$ 214.00	$ 6,496.80	2935.888%	$ 1,754.70	$ 6,496.80	270.251%
Total Trust & Agency	**$ 76,469.18**	**$ 194,356.40**	**154.163%**	**$ 1,226,591.05**	**$ 1,696,917.24**	**38.344%**
Total All Funds	**$ 15,084,873.51**	**$ 2,709,897.49**	**-82.036%**	**$ 49,577,292.16**	**$ 47,316,086.99**	**-4.561%**

Note: Above figures are net of advances and transfers.

CITY OF BEACHWOOD
PRIOR YEAR -v- CURRENT YEAR EXPENDITURES
FOR THE MONTH ENDING DECEMBER 31, 2011

	Month-to-Date 2010	Month-to-Date 2011	% Change	Year-to-Date 2010	Year-to-Date 2011	% Change
General Fund						
Council	$ 12,233.85	$ 16,381.15	33.900%	$ 151,445.33	$ 158,224.56	4.476%
Mayor	$ 59,215.08	$ 59,847.81	1.069%	$ 488,785.94	$ 503,956.43	3.104%
Economic Development	$ 50,635.44	$ 24,754.78	-51.112%	$ 536,309.47	$ 304,332.01	-43.254%
Finance Department	$ 337,517.94	$ 379,021.75	12.297%	$ 2,414,584.21	$ 2,566,697.33	6.300%
Law Department	$ 86,974.68	$ 64,998.17	-25.268%	$ 862,884.67	$ 670,362.60	-22.311%
Police Department	$ 710,049.73	$ 639,242.91	-9.972%	$ 7,686,151.36	$ 7,463,653.44	-2.895%
Fire Department	$ 565,687.21	$ 730,574.93	29.148%	$ 6,137,799.88	$ 6,657,231.40	8.463%
Service Administration	$ 73,711.49	$ 76,508.10	3.794%	$ 619,077.88	$ 706,536.42	14.127%
Building & Grounds	$ 238,388.84	$ 170,015.90	-28.681%	$ 2,003,623.95	$ 2,008,279.45	0.232%
Fleet Maintenance	$ 140,607.44	$ 119,937.86	-14.700%	$ 1,246,708.79	$ 1,316,271.82	5.580%
Streets, Sidewalk, & Sewers	$ 276,031.69	$ 223,580.20	-19.002%	$ 2,248,405.80	$ 2,665,053.92	18.531%
Sanitation	$ 79,110.97	$ 52,112.08	-34.128%	$ 827,278.09	$ 1,207,236.36	45.929%
Engineering Department	$ 20,250.68	$ 14,760.00	-27.114%	$ 139,511.84	$ 144,987.13	3.925%
Human Services	$ 54,845.43	$ 50,766.06	-7.438%	$ 589,710.48	$ 569,300.19	-3.461%
Recreation Administration	$ 105,305.45	$ 75,855.18	-27.967%	$ 1,048,216.62	$ 967,400.01	-7.710%
Recreation Camps	$ 199.71	$ 200.00	0.145%	$ 384,365.62	$ 439,350.55	14.305%
Recreation Sports Programs	$ 9,475.14	$ 7,478.38	-21.074%	$ 126,734.99	$ 114,095.71	-9.973%
Recreation Other Programs	$ 20,083.73	$ 17,577.86	-12.477%	$ 183,312.01	$ 195,356.41	6.570%
Pool, Parks	$ 8,670.75	$ 5,654.63	-34.785%	$ 537,724.19	$ 499,225.00	-7.160%
Building Department	$ 75,687.35	$ 71,246.68	-5.867%	$ 918,285.19	$ 968,476.15	5.466%
Total General Fund	**$ 2,924,682.60**	**$ 2,800,514.43**	**-4.246%**	**$ 29,150,916.31**	**$ 30,126,026.89**	**3.345%**
Special Revenue Funds						
Street Construction	$ 166,333.22	$ -	-100.000%	$ 1,054,373.14	$ 224,744.50	-78.685%
State Highway	$ -	$ -	0.000%	$ -	$ 110,000.00	n/a
Mayor's Court Improvement	$ -	$ 76.43	n/a	$ 24,330.19	$ 2,555.22	-89.498%
Federal Equitable Sharing	$ -	$ -	0.000%	$ -	$ -	0.000%
Law Enforcement Trust	$ -	$ -	0.000%	$ 1,054.73	$ -	-100.000%
Blossom Street Lights	$ 103.67	$ 103.67	0.000%	$ 1,253.94	$ 1,252.22	-0.137%
Zeiger Street Lights	$ 1,007.12	$ 1,007.12	0.000%	$ 12,203.56	$ 12,203.56	0.000%
Paramedic Trust Fund	$ -	$ -	0.000%	$ 6,729.53	$ -	-100.000%
Federal Emergency (FEMA)	$ -	$ -	0.000%	$ -	$ 193,021.00	n/a
NOPEC Grant Fund	$ -	$ 134,280.00	n/a	$ -	$ 134,280.00	n/a
MEP Grant Fund	$ -	$ -	0.000%	$ -	$ 32,844.50	n/a
Eaton TIF Fund	$ -	$ 238,194.59	n/a	$ -	$ 238,194.59	n/a
Total Special Revenue	**$ 167,444.01**	**$ 373,661.81**	**123.156%**	**$ 1,099,945.09**	**$ 949,095.59**	**-13.714%**
Debt Service Fund						
General Bond Retirement	$ 9,540,309.13	$ 1,924,316.88	-79.830%	$ 9,882,296.97	$ 8,377,903.26	-15.223%
Total Dept Service	**$ 9,540,309.13**	**$ 1,924,316.88**	**-79.830%**	**$ 9,882,296.97**	**$ 8,377,903.26**	**-15.223%**
Capital Projects Fund						
Capital Improvement Fund	$ 216,388.84	$ 1,261,418.60	482.941%	$ 7,569,897.23	$ 6,312,124.35	-16.615%
Total Capital Projects	**$ 216,388.84**	**$ 1,261,418.60**	**482.941%**	**$ 7,569,897.23**	**$ 6,312,124.35**	**-16.615%**
Workers' Comp Self Ins.						
Workers' Comp Self Insuarnce	$ 86.76	$ 5,042.10	5711.549%	$ 4,802.10	$ 47,533.57	889.850%
Total Workers' Comp Self Ins.	**$ 86.76**	**$ 5,042.10**	**5711.549%**	**$ 4,802.10**	**$ 47,533.57**	**889.850%**
Trust and Agency Funds						
Leo Weiss Trust	$ -	$ -	0.000%	$ -	$ -	0.000%
Commercial Permit Tax	$ 468.07	$ 1,314.40	180.813%	$ 15,958.35	$ 44,283.15	177.492%
Deposits	$ 19,958.04	$ 39,117.68	96.000%	$ 210,032.30	$ 383,557.88	82.619%
Police Pension Fund	$ -	$ 133,281.57	n/a	$ 143,191.54	$ 288,333.61	101.362%
Zone Income Taxes	$ 61,547.57	$ 134,528.63	118.577%	$ 781,526.03	$ 1,157,116.19	48.059%
Unclaimed Monies Fund	$ 546.50	$ 1,760.61	222.161%	$ 10,766.52	$ 1,760.61	-83.647%
Total Trust & Agency	**$ 82,520.18**	**$ 310,002.89**	**275.669%**	**$ 1,161,474.74**	**$ 1,875,051.44**	**61.437%**
Total All Funds	**$ 12,931,431.52**	**$ 6,674,956.71**	**-48.382%**	**$ 48,869,332.44**	**$ 47,687,735.10**	**-2.418%**

Note: Above figures are net of advances and transfers.

CITY OF BEACHWOOD
STATEMENT OF EXPENSES
CURRENT YEAR vs PRIOR YEAR
FOR THE PERIOD ENDED DECEMBER 31, 2011

	2011 YTD EXP	2010 YTD EXP	VARIANCE	% CHANGE
GENERAL FUND				
Council				
Wages & Benefits	101,715.89	101,684.47	31.42	0.03%
Operating	56,508.67	48,475.86	8,032.81	16.57%
Equipment	-	1,285.00	(1,285.00)	-100.00%
TOTAL Council	158,224.56	151,445.33	6,779.23	4.48%
Mayor's Office				
Wages & Benefits	467,788.01	455,603.52	12,184.49	2.67%
Operating	36,168.42	33,182.42	2,986.00	9.00%
Equipment	-	-	-	0.00%
TOTAL Mayor's Office	503,956.43	488,785.94	15,170.49	3.10%
Economic Development				
Wages & Benefits	47,459.49	268,985.45	(221,525.96)	-82.36%
Operating	256,872.52	262,475.76	(5,603.24)	-2.13%
Equipment	-	4,848.26	(4,848.26)	-100.00%
TOTAL Economic Development	304,332.01	536,309.47	(231,977.46)	-43.25%
Finance Department				
Wages & Benefits	1,220,349.08	1,228,305.46	(7,956.38)	-0.65%
Operating	1,248,664.04	1,128,335.15	120,328.89	10.66%
Equipment	97,684.21	57,943.60	39,740.61	68.58%
TOTAL Finance Department	2,566,697.33	2,414,584.21	152,113.12	6.30%
Law Department				
Wages & Benefits	243,971.78	246,701.60	(2,729.82)	-1.11%
Operating	426,390.82	616,183.07	(189,792.25)	-30.80%
Equipment	-	-	-	0.00%
TOTAL Law Department	670,362.60	862,884.67	(192,522.07)	-22.31%
Police Department				
Wages & Benefits	6,744,862.61	7,062,585.26	(317,722.65)	-4.50%
Operating	522,157.32	468,722.02	53,435.30	11.40%
Equipment	196,633.51	154,844.08	41,789.43	26.99%
TOTAL Police Department	7,463,653.44	7,686,151.36	(222,497.92)	-2.89%
Fire Department				
Wages & Benefits	5,728,184.34	5,618,794.16	109,390.18	1.95%
Operating	283,092.68	285,704.45	(2,611.77)	-0.91%
Equipment	645,954.38	233,301.27	412,653.11	176.88%
TOTAL Fire Department	6,657,231.40	6,137,799.88	519,431.52	8.46%
Service Administration				
Wages & Benefits	653,261.56	575,629.15	77,632.41	13.49%
Operating	49,774.86	43,448.73	6,326.13	14.56%
Equipment	3,500.00	-	3,500.00	N/A
TOTAL Service Administration	706,536.42	619,077.88	87,458.54	14.13%

CITY OF BEACHWOOD
STATEMENT OF EXPENSES
CURRENT YEAR vs PRIOR YEAR
FOR THE PERIOD ENDED DECEMBER 31, 2011

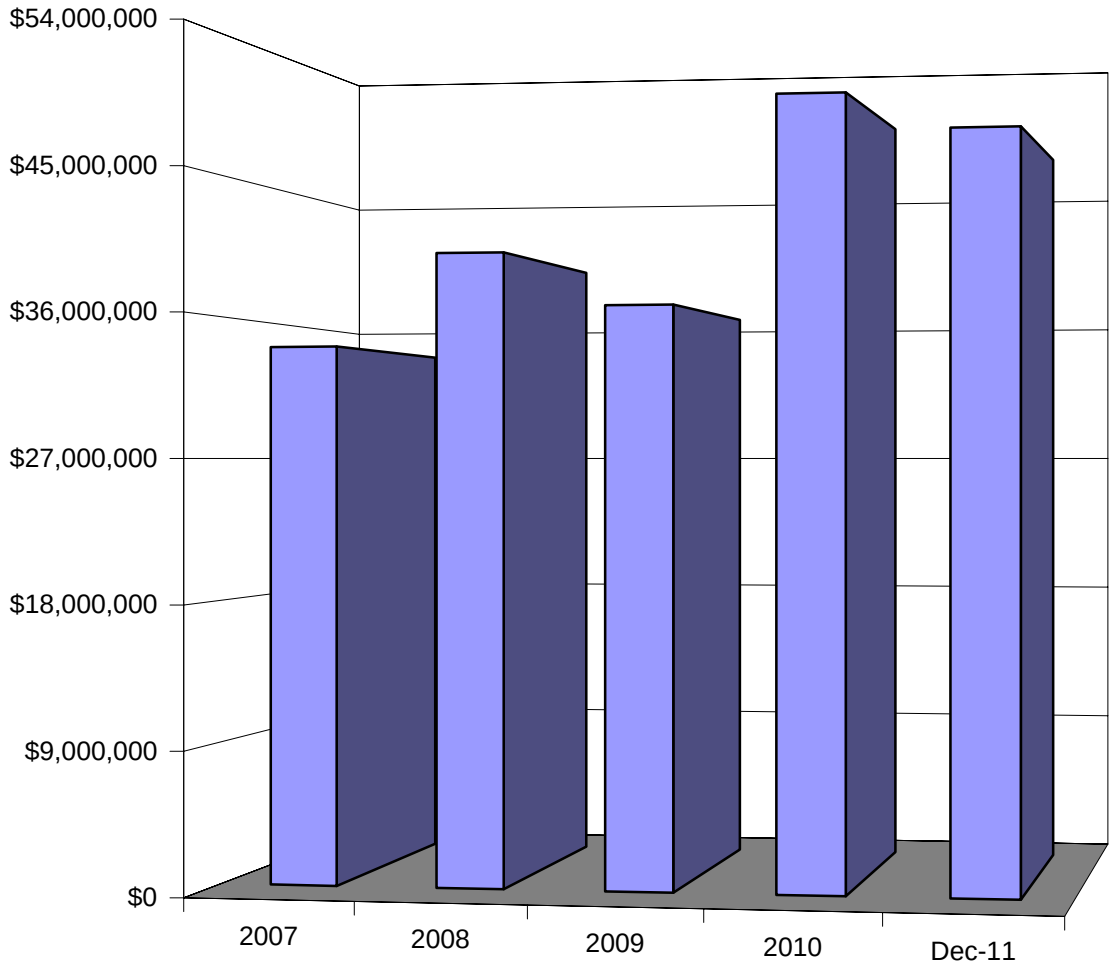
	2011 YTD EXP	2010 YTD EXP	VARIANCE	% CHANGE
Building and Grounds				
Wages & Benefits	1,038,063.92	1,008,266.94	29,796.98	2.96%
Operating	944,982.58	972,893.91	(27,911.33)	-2.87%
Equipment	25,232.95	22,463.10	2,769.85	12.33%
TOTAL Building and Grounds	2,008,279.45	2,003,623.95	4,655.50	0.23%
Fleet Maintenance				
Wages & Benefits	567,379.01	562,653.37	4,725.64	0.84%
Operating	748,892.81	676,940.53	71,952.28	10.63%
Equipment	-	7,114.89	(7,114.89)	-100.00%
TOTAL Fleet Maintenance	1,316,271.82	1,246,708.79	69,563.03	5.58%
Streets, Sidewalks & Sewers				
Wages & Benefits	1,482,136.98	1,464,471.79	17,665.19	1.21%
Operating	944,205.94	781,061.01	163,144.93	20.89%
Equipment	238,711.00	2,873.00	235,838.00	8208.77%
TOTAL Streets, Sidewalks & Sewers	2,665,053.92	2,248,405.80	416,648.12	18.53%
Sanitation				
Wages & Benefits	644,585.10	669,051.18	(24,466.08)	-3.66%
Operating	311,028.26	158,226.91	152,801.35	96.57%
Equipment	251,623.00	-	251,623.00	N/A
TOTAL Sanitation	1,207,236.36	827,278.09	379,958.27	45.93%
Engineering Department				
Wages & Benefits	126,169.98	128,093.29	(1,923.31)	-1.50%
Operating	18,817.15	11,418.55	7,398.60	64.79%
Equipment	-	-	-	0.00%
TOTAL Engineering Department	144,987.13	139,511.84	5,475.29	3.92%
Human Services				
Wages & Benefits	353,155.01	392,847.93	(39,692.92)	-10.10%
Operating	201,132.13	196,862.55	4,269.58	2.17%
Equipment	15,013.05	-	15,013.05	N/A
TOTAL Human Services	569,300.19	589,710.48	(20,410.29)	-3.46%
Recreation Administration				
Wages & Benefits	589,059.98	657,036.00	(67,976.02)	-10.35%
Operating	377,380.03	389,945.62	(12,565.59)	-3.22%
Equipment	960.00	1,235.00	(275.00)	-22.27%
TOTAL Recreation Administration	967,400.01	1,048,216.62	(80,816.61)	-7.71%
Recreation Camps				
Wages & Benefits	291,237.96	276,499.94	14,738.02	5.33%
Operating	148,112.59	107,865.68	40,246.91	37.31%
Equipment	-	-	-	0.00%
TOTAL Recreation Camps	439,350.55	384,365.62	54,984.93	14.31%

CITY OF BEACHWOOD
STATEMENT OF EXPENSES
CURRENT YEAR vs PRIOR YEAR
FOR THE PERIOD ENDED DECEMBER 31, 2011

	2011 YTD EXP	2010 YTD EXP	VARIANCE	% CHANGE
Recreation Sport Programs				
Wages & Benefits	21,613.34	25,724.05	(4,110.71)	-15.98%
Operating	91,002.33	101,010.94	(10,008.61)	-9.91%
Equipment	1,480.04	-	1,480.04	N/A
TOTAL Recreation Sport Programs	114,095.71	126,734.99	(12,639.28)	-9.97%
Recreation Other Programs				
Wages & Benefits	118,431.48	114,188.85	4,242.63	3.72%
Operating	76,924.93	69,123.16	7,801.77	11.29%
Equipment	-	-	-	0.00%
TOTAL Recreation Other Programs	195,356.41	183,312.01	12,044.40	6.57%
Swimming Pools/Parks				
Wages & Benefits	273,644.63	299,321.81	(25,677.18)	-8.58%
Operating	225,580.37	224,784.83	795.54	0.35%
Equipment	-	13,617.55	(13,617.55)	-100.00%
TOTAL Swimming Pools/Parks	499,225.00	537,724.19	(38,499.19)	-7.16%
Building Department				
Wages & Benefits	909,040.63	874,468.67	34,571.96	3.95%
Operating	50,387.52	43,816.52	6,571.00	15.00%
Equipment	9,048.00	-	9,048.00	N/A
TOTAL Building Department	968,476.15	918,285.19	50,190.96	5.47%
TOTAL GENERAL FUND	30,126,026.89	29,150,916.31	975,110.58	3.35%

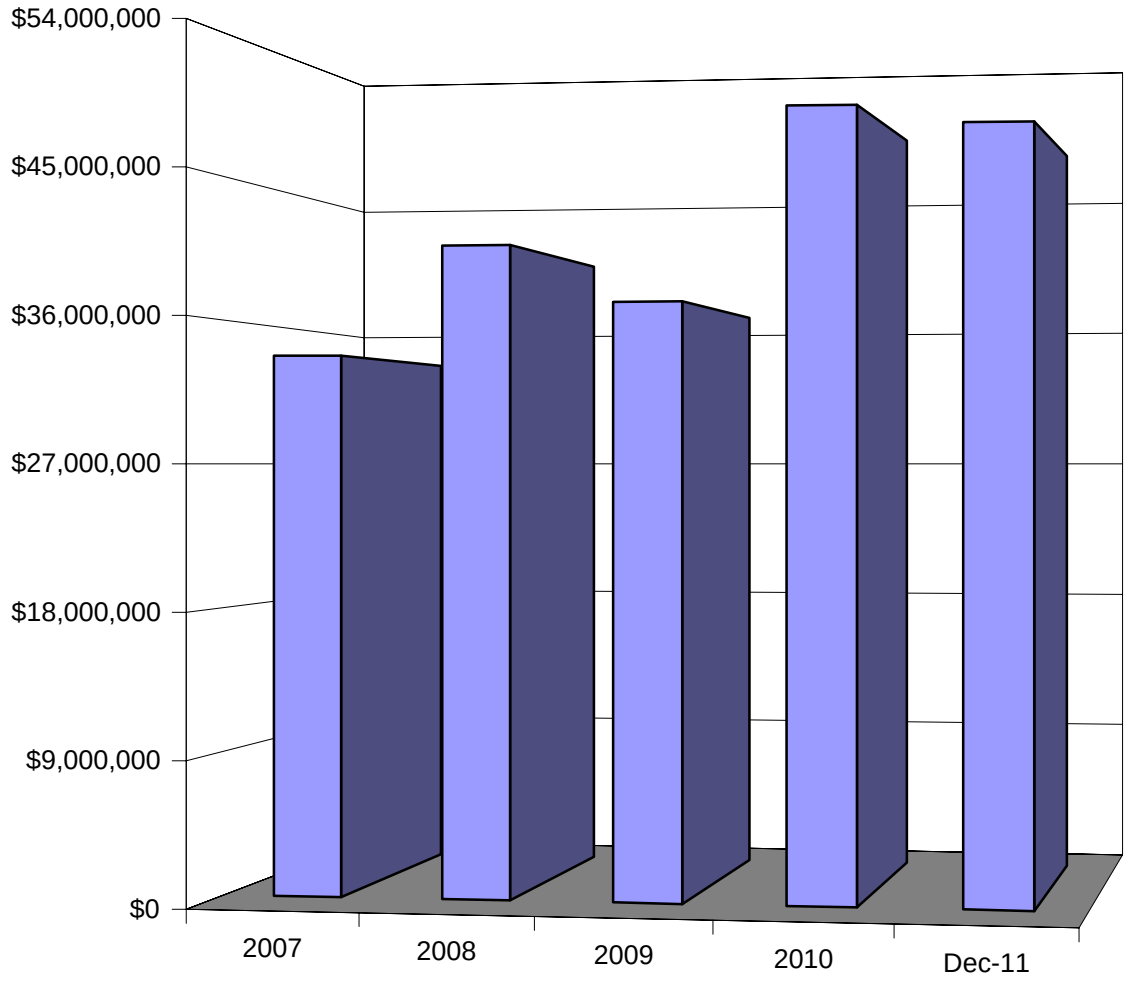
Note: Above figures are net of advances and transfers.

City of Beachwood
Cash Receipts For The Period Ending December 31, 2011
All Funds
Net of Advances and Transfers



YR	$Amount
($000 omitted)	
07	34,067
08	39,919
09	36,564
10	49,577
11	47,316

City of Beachwood
Cash Disbursements For The Period Ending December 31, 2011
All Funds
Net of Advances and Transfers



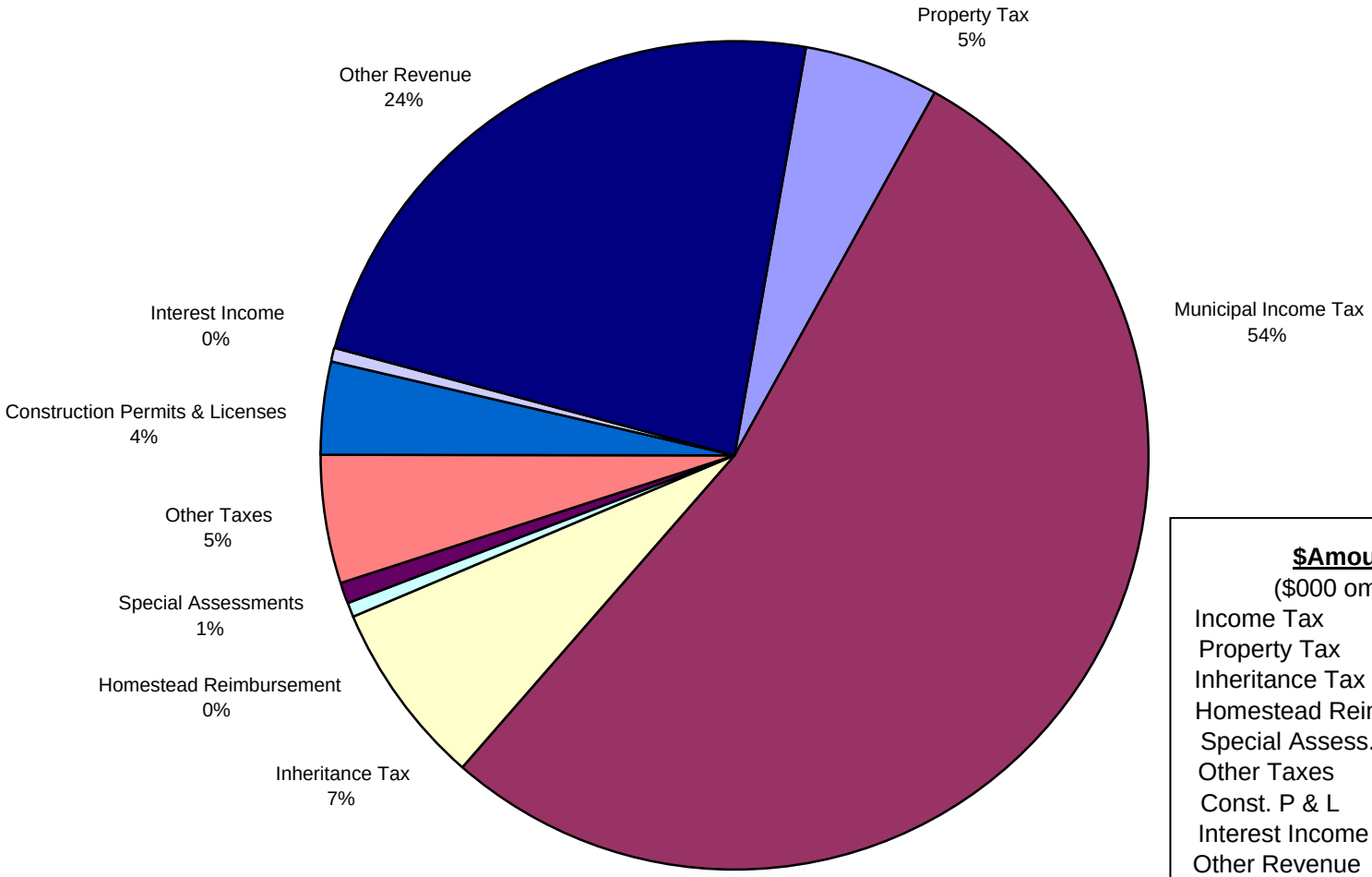
YR	$Amount
($000 omitted)	
07	33,763
08	40,524
09	36,957
10	48,869
11	47,688

City of Beachwood

Cash Receipts Detail by All Fund Types

Year to Date - December 2011

Net of Advances and Transfers

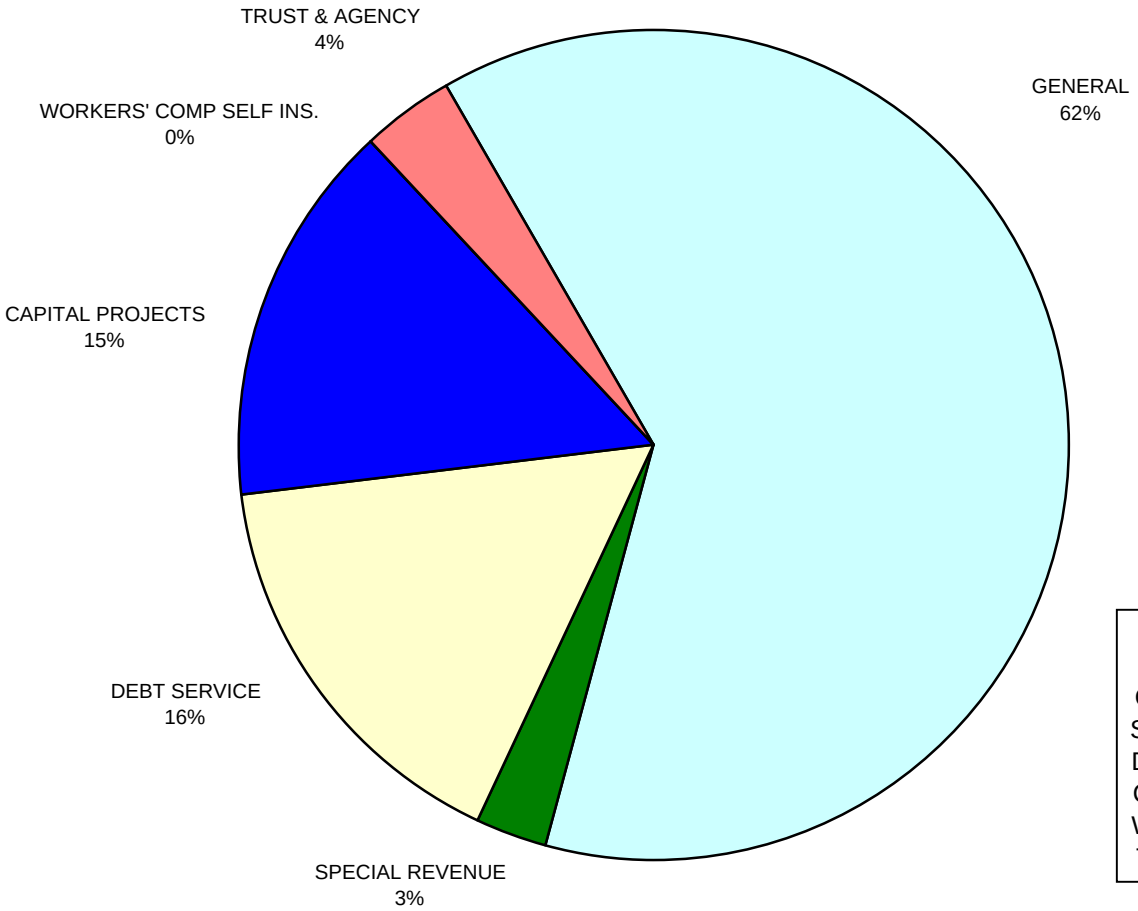


$Amounts

($000 omitted)

Income Tax	$ 25,214
Property Tax	2,472
Inheritance Tax	3,486
Homestead Reimb.	200
Special Assess.	493
Other Taxes	2,276
Const. P & L	1,743
Interest Income	218
Other Revenue	11,214

City of Beachwood
Total Expenditures/Encumbrances by Funds
Year to Date - December 2011
Net of Advances and Transfers



Commitments by Fund
($000 omitted)

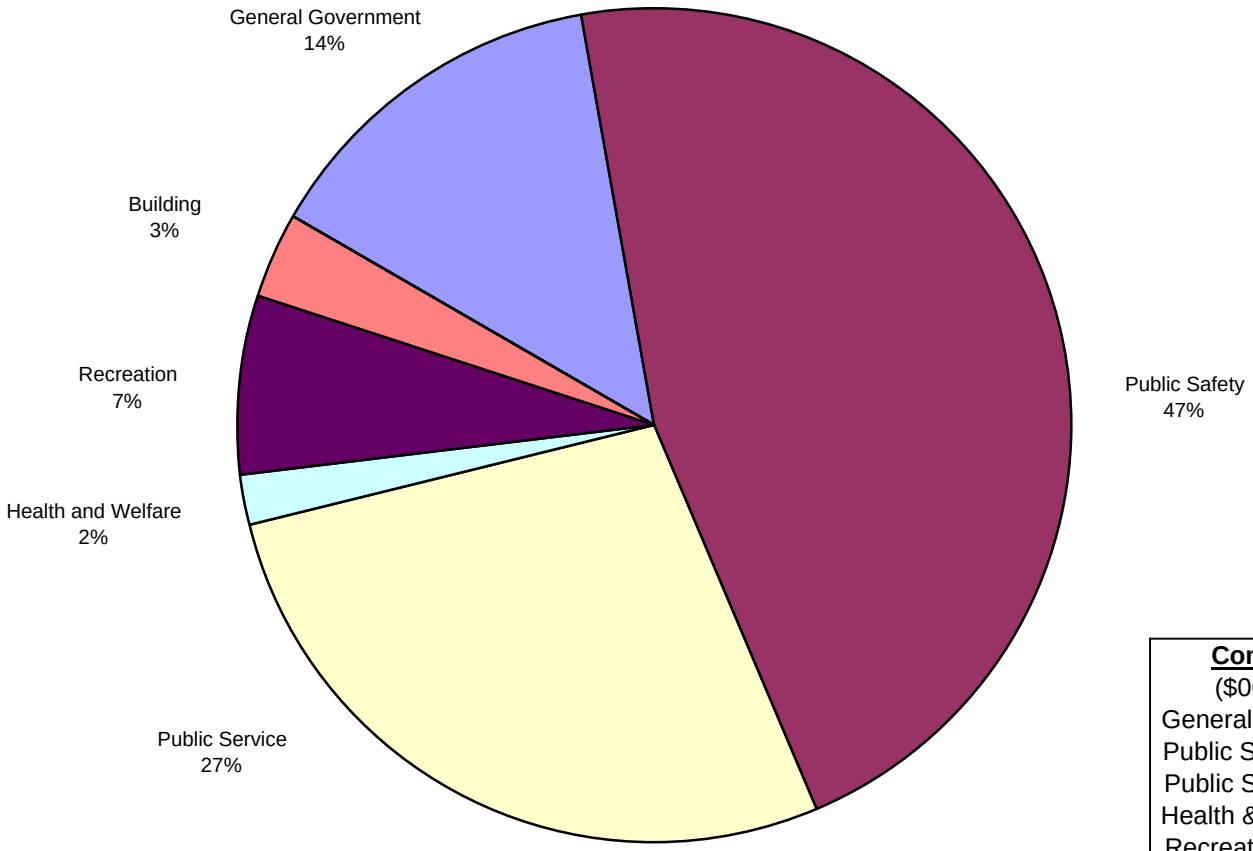
General	$ 32,938
Special Revenue	1,435
Debt Service	8,378
Capital Projects	7,890
Workers' Comp Ins.	47
Trust & Agency	1,897

City of Beachwood

General Fund Current Year Expenditures/Encumbrances by Classifications

Year to Date - December 2011

Net of Advances and Transfers



Commitments	
($000 omitted)	
General Gov.	$ 4,306
Public Safety	14,590
Public Service	8,573
Health & Welfare	581
Recreation	2,249
Building	1,003

CITY OF BEACHWOOD
PAYMENTS FOR December 2011

Check Number	DATE		AMOUNT
		KEYBANK	
108478	12/9/2011	A.D. STARR	501.15
108479	12/9/2011	ABEL TRUCK PARTS INC.	70.64
108480	12/9/2011	AIR RITE SERVICE SUPPLY	2,346.88
108481	12/9/2011	AIRGAS GREAT LAKES	1,947.00
108482	12/9/2011	ALCO-CHEM	80.56
108483	12/9/2011	ALLIED CORPORATION, INC.	783.46
108484	12/9/2011	APEX PEST CONTROL, INC.	325.00
108485	12/9/2011	ARAMARK REFRESHMENT SERVI	221.25
108486	12/9/2011	AT&T	1,275.72
108487	12/9/2011	AUTOMATIC DATA PROCESSING	656.25
108488	12/9/2011	B & B APPLIANCE	89.90
108489	12/9/2011	B & C COMMUNICATIONS	2,845.97
108490	12/9/2011	BATTERIES PLUS-139	74.88
108491	12/9/2011	BEACHWOOD BUZZ	4,225.00
108492	12/9/2011	BECON TRUCK SERVICE, INC.	260.00
108493	12/9/2011	BILL CONTI	2,245.00
108494	12/9/2011	BOB BARKER CO., INC.	590.13
108495	12/9/2011	BOUND TREE MEDICAL, LLC	148.17
108496	12/9/2011	BRADLEY SELLERS	3,904.42
108497	12/9/2011	BUY RITE OFFICE PRODUCTS	276.97
108498	12/9/2011	CARNEGIE FEDERAL BODY, LL	269.70
108499	12/9/2011	CASTLE ROCK ELECTRIC LLC	870.00
108500	12/9/2011	CCI NORTH COAST	818.02
108501	12/9/2011	CDW GOVERNMENT, INC.	1,088.67
108502	12/9/2011	CINTAS CORPORATION #259	922.28
108503	12/9/2011	CITY OF CLEVELAND	36,201.56
108504	12/9/2011	CITY OF WARRENSVILLE HEIG	28,632.69
108505	12/9/2011	CLEVELAND CLINIC	73.69
108506	12/9/2011	CLEVELAND LUMBER CO.	1,846.72
108507	12/9/2011	CLEVELAND MAGAZINE	29.90
108508	12/9/2011	CONSOLIDATED FLEET SERVIC	378.00
108509	12/9/2011	CONTINENTAL FIRE & SECURI	457.00
108510	12/9/2011	CRAIN'S CLEVELAND BUSINES	70.00
108511	12/9/2011	CUSTIS INSURANCE SERVICE,	375.00
108512	12/9/2011	CUSTOM FABRICATORS, INC.	2,400.00
108513	12/9/2011	DUNN INDUSTRIAL SUPPLY	1,666.69
108514	12/9/2011	ELIFEGUARD, INC.	859.74
108515	12/9/2011	FASTENAL COMPANY	716.54
108516	12/9/2011	GANLEY FORD WEST, INC.	1,823.01
108517	12/9/2011	GARY SIKON	768.00
108518	12/9/2011	GORDON FOOD SERVICE	480.75
108519	12/9/2011	GPD ASSOCIATES/ACLA	7,415.00
108520	12/9/2011	GRAINGER	1,859.58
108521	12/9/2011	GREAT LAKES BILLING ASSOC	6,110.20
108522	12/9/2011	GREEN BUILDERS SUPPLY	55.08
108523	12/9/2011	GUNTER SCHWEGLER	300.00
108524	12/9/2011	HALL PUBLIC SAFETY CO.(HP	899.99
108525	12/9/2011	HANS' FREIGHTLINER OF	8.01

CITY OF BEACHWOOD
PAYMENTS FOR December 2011

Check Number	DATE		AMOUNT
108526	12/9/2011	HUKILL CHEMICAL CORPORATI	509.61
108527	12/9/2011	IGUIDERS, INC.	1,000.00
108528	12/9/2011	INTELLIGENT PRODUCTS INC.	900.53
108529	12/9/2011	INTERSTATE BATTERY SYSTEM	461.75
108530	12/9/2011	IRON MOUNTAIN RECORDS	160.12
108531	12/9/2011	JACK H. DAVIDSON	30.00
108532	12/9/2011	JOSEPH A. GAGLIANO JR.	625.00
108533	12/9/2011	KEVIN GRISAFO	112.00
108534	12/9/2011	KEVIN M. PRESTON CO., LPA	400.00
108535	12/9/2011	KIMBALL MIDWEST	719.07
108536	12/9/2011	KWIK KLEEN	83.50
108537	12/9/2011	LADD INDUSTRIES, LLC	168.96
108538	12/9/2011	LAMARCA'S MASTER PIZZA LT	86.00
108539	12/9/2011	LANPHEAR SUPPLY	193.00
108540	12/9/2011	LAW ENFORCEMENT TARGETS,	551.11
108541	12/9/2011	MANNIK & SMITH GROUP, INC	3,000.00
108542	12/9/2011	MARK FRIEDLANDER	300.00
108543	12/9/2011	MARS ELECTRIC COMPANY	888.00
108544	12/9/2011	MAX PACK	156.51
108545	12/9/2011	MGT NETWORK SERVICES	367.85
108546	12/9/2011	MILL SUPPLY INC.	522.60
108547	12/9/2011	MOORE COUNSELING & MEDIAT	435.00
108548	12/9/2011	NAPA AUTO PARTS MAYFIELD	14.99
108549	12/9/2011	NATIONAL FIRE SPRINKLER A	75.00
108550	12/9/2011	NETWORK LASER ART	634.18
108551	12/9/2011	NEXTEL COMMUNICATIONS	167.14
108552	12/9/2011	NORTH COAST TECH	180.73
108553	12/9/2011	NORTHEAST LUBRICANTS	679.26
108554	12/9/2011	NOWAK TOUR & TRAVEL	830.00
108555	12/9/2011	OCE IMAGISTICS INC.	527.11
108556	12/9/2011	OHIO CAT	398.84
108557	12/9/2011	OHIO MAGAZINE	15.00
108558	12/9/2011	OHIO POLICE & FIRE PENSIO	417,429.28
108559	12/9/2011	OHIO VALLEY SUPPLY	1,316.95
108560	12/9/2011	OLD DOMINION BRUSH COMPAN	1,053.99
108561	12/9/2011	OXBOW ENGINEERING, INC.	750.00
108562	12/9/2011	RICH'S TOWING AND	187.50
108563	12/9/2011	RICHARD BARNES	80.00
108564	12/9/2011	SAM'S CLUB DIRECT	541.30
108565	12/9/2011	SCHOTTENSTEIN, ZOX & DUNN	18,697.70
108566	12/9/2011	SHAMROCK GEAR & REPAIR	484.93
108567	12/9/2011	SHUTTLER'S INC.	1,358.00
108568	12/9/2011	SIGNAL SERVICE CO	3,193.62
108569	12/9/2011	SNYDERBURN CONSTRUCTION,	3,400.00
108570	12/9/2011	SOFTWARE SOLUTIONS, INC.	416.00
108571	12/9/2011	SOUTHEASTERN EQUIPMENT	184.08
108572	12/9/2011	SPORT SUPPLY GROUP, INC	452.10
108573	12/9/2011	STAPLES BUSINESS ADVANTAG	798.93
108574	12/9/2011	SUMMA CENTER FOR CORPORAT	94.00
108575	12/9/2011	TAC COMPUTER	3,232.00

CITY OF BEACHWOOD
PAYMENTS FOR December 2011

Check Number	DATE		AMOUNT
108576	12/9/2011	TERRENCE KORENSEK	350.00
108577	12/9/2011	THE CHAS E. PHIPPS COMPAN	334.20
108578	12/9/2011	THE ILLUMINATING CO.	1,347.69
108579	12/9/2011	TIME WARNER CABLE	5,153.00
108580	12/9/2011	TRUCK SERVICE INC.	64.96
108581	12/9/2011	TRUCKPRO, INC.	2,454.01
108582	12/9/2011	UH GEAUGA MEDICAL CENTER	224.00
108583	12/9/2011	UNIVERSAL OIL	203.70
108584	12/9/2011	WEST PAYMENT CENTER	139.00
108585	12/9/2011	WHELEN ENGINEERING CO., I	1,790.25
108586	12/9/2011	WILLO TRANSPORTATION	479.00
108587	12/9/2011	WOODHILL SUPPLY, INC	96.24
108588	12/9/2011	ZEP MANUFACTURING COMPANY	306.04
108589	12/14/2011	ACE TRUCK EQUIPMENT INC.	333.58
108590	12/14/2011	ADVANCE DOOR CO	6,468.48
108591	12/14/2011	AMERICAN ARBITRATION ASSO	75.00
108592	12/14/2011	ANDREW S. WOLFE	675.00
108593	12/14/2011	AP TECHNOLOGY	795.00
108594	12/14/2011	APA	75.00
108595	12/14/2011	ARAMARK REFRESHMENT SERVI	164.04
108596	12/14/2011	ARNOLD J. FELTOON, MD, IN	500.00
108597	12/14/2011	ASPHALT SERVICES CONSTRUC	1,350.50
108598	12/14/2011	AT&T	3,609.82
108599	12/14/2011	AUTOMATIC DATA PROCESSING	162.34
108600	12/14/2011	AUTOMATION MAILING	495.00
108601	12/14/2011	BATTERIES PLUS-139	68.88
108602	12/14/2011	BEACHWOOD BUICK GMC	168.00
108603	12/14/2011	BETH PARNIN	1,319.20
108604	12/14/2011	BILL CONTI	2,445.00
108605	12/14/2011	CARGILL, INC.-SALT DIVISI	98,311.55
108606	12/14/2011	CATEROLOGY	1,471.00
108607	12/14/2011	CDW GOVERNMENT, INC.	70.00
108608	12/14/2011	CHABAD HOUSE OF CLEVELAND	8,000.00
108609	12/14/2011	CINTAS CORPORATION #259	725.30
108610	12/14/2011	CLASSROOM ANTICS, INC	1,680.00
108611	12/14/2011	CLEVELAND IGN CO INC	82.78
108612	12/14/2011	CLIFFORD WAYNE HABIAN	125.00
108613	12/14/2011	COMMISSION ON ACCREDITATI	150.00
108614	12/14/2011	COMPENSATION ANALYSIS, IN	2,500.00
108615	12/14/2011	CRAIN'S CLEVELAND BUSINES	264.00
108616	12/14/2011	CREME DE LA CREME	2,376.46
108617	12/14/2011	CUSTOM CLUTCH & JOINT	2,147.81
108618	12/14/2011	DAUGHERTY CONSTRUCTION IN	1,241.98
108619	12/14/2011	DEAN SUPPLY CO.	522.28
108620	12/14/2011	DELL MARKETING L.P.	518.94
108621	12/14/2011	DIGEST MEDIA, LLC	3,317.00
108622	12/14/2011	DUNN INDUSTRIAL SUPPLY	28.71
108623	12/14/2011	EMPACO EQUIPMENT CORPORAT	293.21
108624	12/14/2011	ENTERPRISEID, INC.	45.61
108625	12/14/2011	FASTENAL COMPANY	17.81

CITY OF BEACHWOOD
PAYMENTS FOR December 2011

Check Number	DATE		AMOUNT
108626	12/14/2011	FINLEY FIRE EQUIPMENT	58.15
108627	12/14/2011	FOODGAZI	17.00
108628	12/14/2011	FOREST CITY RESIDENTIAL M	1,279.90
108629	12/14/2011	GANLEY FORD WEST, INC.	15,013.05
108630	12/14/2011	GARY SIKON	486.00
108631	12/14/2011	GC MEDICAL EQUIPMENT, INC	12.00
108632	12/14/2011	GINO'S AWARDS INC.	70.25
108633	12/14/2011	GLEDHILL ROAD MACHINERY	257.62
108634	12/14/2011	GORDON FOOD SERVICE	388.94
108635	12/14/2011	GREAT LAKES PETROLEUM COM	22,502.92
108636	12/14/2011	GREG MILLER	510.00
108637	12/14/2011	GUA, INC.	144,625.60
108638	12/14/2011	HANNAH ELECTRIC, LLC	316.56
108639	12/14/2011	HASTINGS WATER WORKS, INC	406.50
108640	12/14/2011	HELEN BERMAN	80.00
108641	12/14/2011	HERSCHMAN ARCHITECTS	263.99
108642	12/14/2011	INTERSTATE BATTERY SYSTEM	607.80
108643	12/14/2011	KEVIN M. PRESTON CO., LPA	400.00
108644	12/14/2011	KIMBLE TRANSFER AND RECYC	9,878.71
108645	12/14/2011	LAURA HALPERT	200.00
108646	12/14/2011	LAW ENFORCEMENT FOUNDATIO	75.00
108647	12/14/2011	M.H. CORBIN, INC.	572.50
108648	12/14/2011	MARS ELECTRIC COMPANY	218.27
108649	12/14/2011	MARTINI CONSTRUCTION GROU	156.48
108650	12/14/2011	NAPA AUTO PARTS MAYFIELD	431.01
108651	12/14/2011	NGN ELECTRIC	220.99
108652	12/14/2011	NORTH COAST TECH	156.10
108653	12/14/2011	NORTHEAST OHIO MARKETING	71.50
108654	12/14/2011	OHIO DEPT OF JOB & FAMILY	387.00
108655	12/14/2011	OHIO MATERIALS HANDLING	54.57
108656	12/14/2011	OHIO MUNICIPAL LEAGUE	1,716.00
108657	12/14/2011	OHIO VALLEY SUPPLY	176.86
108658	12/14/2011	OLD DOMINION BRUSH COMPAN	3,264.51
108659	12/14/2011	PETER ORAVECZ	44.75
108660	12/14/2011	PITTS FIRE EXTINGUISHER I	350.00
108661	12/14/2011	ROBECK FLUID POWER CO.	1,062.70
108662	12/14/2011	SCHOTTENSTEIN, ZOX & DUNN	18,075.30
108663	12/14/2011	SHANA BAGLEY	200.00
108664	12/14/2011	SHI	5,845.52
108665	12/14/2011	SIGNAL SERVICE CO	2,107.94
108666	12/14/2011	SPIC-N-SPAN WINDOW CLEANI	490.00
108667	12/14/2011	SPORT SUPPLY GROUP, INC	1,480.04
108668	12/14/2011	STAPLES BUSINESS ADVANTAG	397.64
108669	12/14/2011	SUNRISE SPRINGS WATER COM	70.60
108670	12/14/2011	TERMINAL SUPPLY CO.	80.93
108671	12/14/2011	THE CHAS E. PHIPPS COMPAN	715.00
108672	12/14/2011	THE ILLUMINATING CO.	18,309.28
108673	12/14/2011	THE KING GROUP	1,130.02
108674	12/14/2011	THE STRUCTURE GROUP	377.49
108675	12/14/2011	TIME WARNER CABLE	50.03

CITY OF BEACHWOOD
PAYMENTS FOR December 2011

Check Number	DATE		AMOUNT
108676	12/14/2011	TRANS UNION LLC	88.90
108677	12/14/2011	TREASURER, STATE OF OHIO	919.00
108678	12/14/2011	TREASURER, STATE OF OHIO	525.00
108679	12/14/2011	TREASURER, STATE OF OHIO/	1,479.72
108680	12/14/2011	TREMCO	822.25
108681	12/14/2011	TRUCKPRO, INC.	921.49
108682	12/14/2011	TURNEY AUTO PARTS	97.44
108683	12/14/2011	U.S. POSTAL SERVICE	1,838.00
108684	12/14/2011	UNIQUE PAVING MATERIALS C	166.00
108685	12/14/2011	UNIVERSITY HOSPITALS	63.00
108686	12/14/2011	VERIZON WIRELESS	2,923.06
108687	12/14/2011	VILLAGE GREEN MANAGEMENT	8,000.00
108688	12/14/2011	W.F. HANN & SONS CO.	1,487.00
108689	12/14/2011	WARREN ROOFING	177.99
108690	12/14/2011	WEST PAYMENT CENTER	344.50
108691	12/14/2011	WEYN SOCCER GROUP, LLC	1,495.00
108692	12/14/2011	WILLO TRANSPORTATION	248.00
108693	12/14/2011	WILLOUGHBY COAL & GARDEN	205.00
108694	12/14/2011	WINGFOOT COMMERCIAL TIRE	1,261.96
108695	12/14/2011	WOODHILL SUPPLY, INC	51.52
108696	12/15/2011	-HEIDI KAMINS SHUPP	60.00
108697	12/15/2011	-JOSEPHINE JOELSON	148.00
108698	12/15/2011	-JULIA RUBENSTEIN	43.00
108699	12/15/2011	-KAMESHA DUNCAN	70.00
108700	12/15/2011	-LESLIE BRUDER	5.00
108701	12/15/2011	-LOHN TATE	54.00
108702	12/15/2011	-RIVA BERGSMAN	68.00
108703	12/15/2011	-SELMA DANIELS TATE	30.00
108704	12/15/2011	-SHULAN PENG	62.00
108705	12/15/2011	-SUSAN NAMEN	40.00
108706	12/22/2011	3M COGENT, INC.	193.80
108707	12/22/2011	AIRGAS GREAT LAKES	662.02
108708	12/22/2011	AL PAUL'S AUTO WASH	24.00
108709	12/22/2011	APEX PEST CONTROL, INC.	325.00
108710	12/22/2011	ARAMARK REFRESHMENT SERVI	167.20
108711	12/22/2011	AT&T	1,092.33
108712	12/22/2011	AUTOMATIC DATA PROCESSING	1,337.49
108713	12/22/2011	AUTOMATION MAILING	239.95
108714	12/22/2011	BAKER VEHICLE SYSTEMS	64.44
108715	12/22/2011	BILL CONTI	962.00
108716	12/22/2011	BLUM'S PAPER GOODS	180.48
108717	12/22/2011	BOYAS EXCAVATING INC.	35.00
108718	12/22/2011	BP	25.88
108719	12/22/2011	BRADLEY SELLERS	3,963.82
108720	12/22/2011	BUY RITE OFFICE PRODUCTS	1,144.44
108721	12/22/2011	CASTLE ROCK ELECTRIC LLC	1,743.00
108722	12/22/2011	CATEROLOGY	1,232.00
108723	12/22/2011	CCI NORTH COAST	964.60
108724	12/22/2011	CDW GOVERNMENT, INC.	76.43
108725	12/22/2011	CHILD ART LLC	886.00

CITY OF BEACHWOOD
PAYMENTS FOR December 2011

Check Number	DATE		AMOUNT
108726	12/22/2011	CINTAS CORPORATION #259	418.32
108727	12/22/2011	CITY OF CLEVELAND	791.44
108728	12/22/2011	CITY OF WARRENSVILLE HEIG	213.03
108729	12/22/2011	CLARK & ASSOCIATES	290.95
108730	12/22/2011	CLASSIC CHEVROLET	199.88
108731	12/22/2011	CLEVELAND IGN CO INC	134.78
108732	12/22/2011	COMDOC, INC	221.09
108733	12/22/2011	COMPSOURCE, INC.	725.00
108734	12/22/2011	CUSTOM ELECTRIC	250.00
108735	12/22/2011	CUYAHOGA CNTY MAYORS &	1,834.77
108736	12/22/2011	CUYAHOGA COMMUNITY COLLEG	55.00
108737	12/22/2011	CUYAHOGA COUNTY TREASURER	29,716.33
108738	12/22/2011	CUYAHOGA COUNTY TREASURER	19,945.64
108739	12/22/2011	DAWNCHEM, INC	698.00
108740	12/22/2011	DELL MARKETING L.P.	68,706.75
108741	12/22/2011	DIANE LINICK	348.00
108742	12/22/2011	DOMINION EAST OHIO	576.66
108743	12/22/2011	DUNN INDUSTRIAL SUPPLY	236.77
108744	12/22/2011	EMPACO EQUIPMENT CORPORAT	167.40
108745	12/22/2011	FASTENAL COMPANY	141.06
108746	12/22/2011	G. GIFFORD DYER	4,049.75
108747	12/22/2011	GANLEY FORD WEST, INC.	1,309.04
108748	12/22/2011	GARY SIKON	474.00
108749	12/22/2011	GC MEDICAL EQUIPMENT, INC	93.50
108750	12/22/2011	GLOBAL FURNISHINGS, INC	4,716.00
108751	12/22/2011	GOLF DOME	126.00
108752	12/22/2011	GPD ASSOCIATES/ACLA	13,713.00
108753	12/22/2011	GRAINGER	2,340.88
108754	12/22/2011	GREAT LAKES PETROLEUM COM	15,992.12
108755	12/22/2011	GREEN PAPER PRODUCTS, LLC	199.38
108756	12/22/2011	HARRIS BATTERY CO., INC	258.93
108757	12/22/2011	HGR INDUSTRIAL SURPLUS	480.00
108758	12/22/2011	INTERNATIONAL CODE COUNCI	125.00
108759	12/22/2011	JUMP START SPORTS	205.00
108760	12/22/2011	KEVIN M. PRESTON CO., LPA	400.00
108761	12/22/2011	KIMBALL MIDWEST	493.78
108762	12/22/2011	KIMBLE TRANSFER AND RECYC	11,522.39
108763	12/22/2011	LAMARCA'S MASTER PIZZA LT	95.00
108764	12/22/2011	LESIC & CAMPER COMMUNICAT	5,000.00
108765	12/22/2011	LYNN PEAVEY COMPANY	155.15
108766	12/22/2011	MANNIK & SMITH GROUP, INC	434.00
108767	12/22/2011	MARC D. COLES, ADV.	3,000.00
108768	12/22/2011	MARS ELECTRIC COMPANY	1,342.35
108769	12/22/2011	MAX PACK	44.59
108770	12/22/2011	MURMAN & ASSOCIATES	2,543.75
108771	12/22/2011	NEXTEL COMMUNICATIONS	59.96
108772	12/22/2011	NORTH WATER PARTNERS	2,850.00
108773	12/22/2011	NORTHEAST LUBRICANTS	490.30
108774	12/22/2011	OHIO VALLEY SUPPLY	1,380.98
108775	12/22/2011	OLD DOMINION BRUSH COMPAN	2,537.17

CITY OF BEACHWOOD
PAYMENTS FOR December 2011

Check Number	DATE		AMOUNT
108776	12/22/2011	ORANGE VILLAGE	93.44
108777	12/22/2011	OXBOW ENGINEERING, INC.	1,250.00
108778	12/22/2011	RADIO SHACK	539.94
108779	12/22/2011	S.A.W. INC.	445.36
108780	12/22/2011	SCHOTTENSTEIN, ZOX & DUNN	8,380.50
108781	12/22/2011	SENSIT TECHNOLOGIES	224.95
108782	12/22/2011	SHUTTLER'S INC.	51.00
108783	12/22/2011	SIEMENS INDUSTRY, INC.	1,699.90
108784	12/22/2011	SNAP-ON TOOLS	494.45
108785	12/22/2011	SOUTH EAST GOLF CART CO	51.60
108786	12/22/2011	SOUTH SHORE CABLE CONSTRU	30,000.00
108787	12/22/2011	STAPLES BUSINESS ADVANTAG	790.01
108788	12/22/2011	STARK STATE COLLEGE	1,260.00
108789	12/22/2011	SUN NEWS	36.85
108790	12/22/2011	SUNRISE SPRINGS WATER COM	35.75
108791	12/22/2011	SUPPLIES ON DEMAND, LLC	812.00
108792	12/22/2011	SUSAN CADY	405.00
108793	12/22/2011	THE ILLUMINATING CO.	11,467.20
108794	12/22/2011	TIME WARNER CABLE	24.67
108795	12/22/2011	TREASURER, STATE OF OHIO	22.00
108796	12/22/2011	TRI COUNTY CONCRETE CO.	250.00
108797	12/22/2011	TRUCKPRO, INC.	811.96
108798	12/22/2011	TURNEY AUTO PARTS	474.22
108799	12/22/2011	U.S. POSTAL SERVICE	190.00
108800	12/22/2011	U.S. POSTMASTER	1,677.29
108801	12/22/2011	URS CORPORATION	231.85
108802	12/22/2011	VERIZON WIRELESS	1,121.68
108803	12/22/2011	WEST PAYMENT CENTER	344.50
108804	12/22/2011	WHELEN ENGINEERING CO., I	343.79
108805	12/22/2011	WILLIAM C. NADEAU	1,461.25
108806	12/22/2011	WILLIAM WOLF & CO.	424.40
108807	12/22/2011	WILLO TRANSPORTATION	474.00
108808	12/22/2011	WINGFOOT COMMERCIAL TIRE	175.00
108809	12/22/2011	ZEP MANUFACTURING COMPANY	348.75
108810	12/29/2011	ADVANCE DOOR CO	848.25
108811	12/29/2011	ANDERSON DOOR CO.	984.72
108812	12/29/2011	APEX PEST CONTROL, INC.	325.00
108813	12/29/2011	ARGUS GROWTH CONSULTANTS	3,125.00
108814	12/29/2011	AT&T	61.64
108815	12/29/2011	AT&T LONG DISTANCE	124.32
108816	12/29/2011	AUTOMATIC DATA PROCESSING	7.00
108817	12/29/2011	BAKER VEHICLE SYSTEMS	901.34
108818	12/29/2011	BEACHWOOD BOARD OF EDUCAT	24,226.83
108819	12/29/2011	BEACHWOOD BUZZ	4,225.00
108820	12/29/2011	BEACHWOOD CHAMBER OF COMM	250.00
108821	12/29/2011	BILL CONTI	545.00
108822	12/29/2011	BOCONEO	400.00
108823	12/29/2011	BUSINESS CARD	4,996.09
108824	12/29/2011	C.A. WOODWORKING	270.00
108825	12/29/2011	CCI NORTH COAST	3,407.26

CITY OF BEACHWOOD
PAYMENTS FOR December 2011

Check Number	DATE		AMOUNT
108826	12/29/2011	CHAGRIN SAFETY	576.21
108827	12/29/2011	CINTAS CORPORATION #259	479.08
108828	12/29/2011	CLEVELAND LUMBER CO.	240.82
108829	12/29/2011	DALENE M. PRIDE	15.75
108830	12/29/2011	DIANE LINICK	36.00
108831	12/29/2011	DIGEST MEDIA, LLC	2,310.00
108832	12/29/2011	DOMINION EAST OHIO	7,229.85
108833	12/29/2011	DUNN INDUSTRIAL SUPPLY	984.98
108834	12/29/2011	ELIFEGUARD, INC.	138.06
108835	12/29/2011	EMPACO EQUIPMENT CORPORAT	479.98
108836	12/29/2011	ENTERPRISEID, INC.	39.30
108837	12/29/2011	FEDERAL EXPRESS	78.71
108838	12/29/2011	FINLEY FIRE EQUIPMENT	518.98
108839	12/29/2011	GANLEY FORD WEST, INC.	744.55
108840	12/29/2011	GINO'S AWARDS INC.	89.00
108841	12/29/2011	GRAINGER	723.78
108842	12/29/2011	GREAT LAKES BILLING ASSOC	3,494.24
108843	12/29/2011	GREAT LAKES PETROLEUM COM	4,279.34
108844	12/29/2011	HESS CORPORATION	3,521.80
108845	12/29/2011	ILEETA	45.00
108846	12/29/2011	INTERNATIONAL ASSOCIATION	102.00
108847	12/29/2011	J & L WORK APPAREL INC.	477.81
108848	12/29/2011	JASON PECJAK	350.00
108849	12/29/2011	KENCO ELECTRIC	8,900.00
108850	12/29/2011	LESIC & CAMPER COMMUNICAT	5,000.00
108851	12/29/2011	MARS ELECTRIC COMPANY	919.84
108852	12/29/2011	MIDLAND HARDWARE	43.04
108853	12/29/2011	MOORE COUNSELING & MEDIAT	415.00
108854	12/29/2011	MYERS EQUIPMENT CORPORATI	95.78
108855	12/29/2011	NORTHEAST LUBRICANTS	564.74
108856	12/29/2011	OHIO CAT	1,788.67
108857	12/29/2011	OSBORNE CONCRETE & STONE	703.79
108858	12/29/2011	S.A. COMUNALE CO., INC.	1,480.00
108859	12/29/2011	SHAKER HEIGHTS MUNICIPAL	255.00
108860	12/29/2011	SIEMENS INDUSTRY, INC.	1,840.00
108861	12/29/2011	SIGNAL SERVICE CO	5,426.46
108862	12/29/2011	SMART SOLUTIONS, INC.	154.00
108863	12/29/2011	SNAP-ON TOOLS	27.70
108864	12/29/2011	SPIC-N-SPAN WINDOW CLEANI	490.00
108865	12/29/2011	STAPLES BUSINESS ADVANTAG	565.90
108866	12/29/2011	SUNRISE SPRINGS WATER COM	35.75
108867	12/29/2011	THE CHAS E. PHIPPS COMPAN	661.32
108868	12/29/2011	THE ILLUMINATING CO.	1,572.80
108869	12/29/2011	TIME WARNER CABLE	5,153.00
108870	12/29/2011	TINKERS CREEK WATERSHED	500.00
108871	12/29/2011	TRUCKPRO, INC.	1,158.36
108872	12/29/2011	UH GEAUGA MEDICAL CENTER	56.00
108873	12/29/2011	WEST PAYMENT CENTER	2,059.00
108874	12/29/2011	WEYN SOCCER GROUP, LLC	876.00
108875	12/29/2011	WILLIAM WOLF & CO.	119.93

CITY OF BEACHWOOD
PAYMENTS FOR December 2011

Check Number	DATE		AMOUNT
108876	12/29/2011	ZEP MANUFACTURING COMPANY	520.00
108877	12/29/2011	-SUSAN GARLAND	68.00
ME20111201	12/01/2011	R.I.T.A.	34,547.35
ME20111202	12/01/2011	R.I.T.A.	2,479.91
ME20111203	12/01/2011	R.I.T.A.	327.73
ME20111204	12/09/2011	KEY BANK	584.22
ME20111205	12/12/2011	FIFTH THIRD	387.77
ME20111206	12/12/2011	FIFTH THIRD	10.00
ME20111207	12/12/2011	FIFTH THIRD	348.67
ME20111208	12/12/2011	FIFTH THIRD	5.00
ME20111209	12/08/2011	PAYROLL (KEY TRANSFER)	579,825.38
ME20111210	12/08/2011	MEDICARE & SOCIAL SECURIT	7,931.42
ME20111211	12/08/2011	MEDICARE & SOCIAL SECURIT	28.62
ME20111212	12/14/2011	R.I.T.A.	5,870.33
ME20111213	12/14/2011	R.I.T.A.	18.45
ME20111214	12/14/2011	R.I.T.A.	25.04
ME20111215	12/22/2011	PAYROLL (KEY TRANSFER)	893,428.27
ME20111216	12/22/2011	MEDICARE & SOCIAL SECURIT	11,866.23
ME20111217	12/22/2011	MEDICARE & SOCIAL SECURIT	28.62
ME20111230	12/08/2011	OHIO PUBLIC EMPLOYEES	81,038.69
ME20111240	12/08/2011	SELF INSURANCE WC/KEY	2,688.69
ME20111241	12/22/2011	SELF INSURANCE WC/KEY	2,753.41
ME20111242	12/22/2011	SELF INSURANCE WC/KEY	(400.00)
ME20111243	12/30/2011	NORTHSTAR TITLE SERVICES	1,352,969.25
		Total Key Bank	4,397,723.53
		FIFTH THIRD BANK	
ME20121220	12/14/2011	FIFTH THIRD	23.75
		Total Fifth Third Bank	23.75
		HUNTINGTON	
ME20111221	12/15/2011	HUNTINGTON NATIONAL BANK	213.00
ME20111250	12/1/2011	HUNTINGTON NATIONAL BANK	1,924,316.88
ME20111251	12/1/2011	HUNTINGTON NATIONAL BANK	238,194.59
		Total Huntington Bank	2,162,724.47

CITY OF BEACHWOOD
PRIOR YEAR -v- CURRENT YEAR PURCHASES
FOR DATE ENDING DECEMBER 31, 2011

Vendor Name	2011 YTD thru Current Month	2010 YTD Full Year
1ST AYD CORP	23.98	0.00
24755 CHAGRIN LLC	30.00	0.00
3M COGENT, INC.	193.80	400.00
3M COMPANY	5,517.16	2,748.50
6062 HOLDINGS, LLC	2,000.00	0.00
A & A HYDRAULIC REPAIR CO.	817.36	0.00
A & M BUILDERS INC.	230.00	0.00
A BETTER TRUCK CAP & HITCH IV	109.00	375.00
A SIGN ABOVE INC	300.00	0.00
A.D. STARR	1,292.50	1,143.48
A.M. LEONARD, INC.	967.50	0.00
AAA FLEXIBLE PIPE CLEANING CORPORATION	24,986.50	20,497.00
ABC FIRE INC.	3,714.20	5,563.10
ABC PIPING CO.	12,900.00	13,800.00
ABCO FIRE PROTECTION INC.	225.00	659.00
ABEL TRUCK PARTS INC.	70.64	9.77
ABSOLUTE ROOFING &	1,885.00	0.00
ACE TRUCK EQUIPMENT INC.	333.58	440.80
ACME/LASTING IMPRESSION EVENT	100.00	0.00
ACS GOVERNMENT SYSTEMS	5,190.00	2,765.00
ADAM WALDBAUM	1,626.00	1,742.50
ADAMS, STEPNER, WOLTERMANN	570.00	0.00
ADVANCE DOOR CO	16,625.98	6,708.73
ADVANTECH SERVICE AND PARTS LLC	5,155.55	0.00
AGILE SIGN & LIGHTING MAINTENANCE INC	30.00	0.00
AIM SUPPLY/ACE TOOL	695.35	0.00
AIR CONTROL PRODUCTS INC.	350.00	425.00
AIR RITE SERVICE SUPPLY	2,669.05	953.36
AIRGAS GREAT LAKES	6,606.57	10,361.14
AL BAMBIC	150.00	275.00
AL IOSUE	200.00	100.00
AL PAUL'S AUTO WASH	208.00	240.00
ALAN HIGBEE	600.00	630.00
ALCO-CHEM	3,638.52	2,630.22
ALERT-ALL CORP	680.40	0.00
ALEXANDER N. VIROSTKO	195.00	135.00
ALFIERI BROTHERS MATERIAL SUPPLY	2,000.00	0.00
ALFRED EDWARDS, JR.	45.00	45.00
ALICE J. GULICK	50.00	0.00
ALL LIFT SERVICE CO. INC.	26.33	160.00
ALLIED CORPORATION, INC.	783.46	584.83
ALLIED DEALERS SUPPLY CO.	480.04	0.00
ALLIED LIGHTING SERVICES	165.00	0.00
ALPHAGRAPHICS	560.68	1,005.80
ALPINE VALLEY SKI AREA	124.00	0.00
ALWYN CHAO	200.00	0.00
AMERICAN ARBITRATION ASSOC.	75.00	0.00
AMERICAN FRIENDS OF MAGEN DAVID ADOM	360.00	0.00
AMERICAN JAIL ASSOCIATION	48.00	48.00
AMERICAN RED CROSS	760.00	685.00
AMIT JUNEJA	200.00	0.00
ANAT & SAUL NURKO	75.00	0.00
ANCHOR INDUSTRIES INC	677.00	0.00
ANDERSON DOOR CO.	5,562.54	86.22
ANDREW S. WOLFE	3,075.00	5,300.00
ANDREW SMITH	175.00	0.00
ANEGADA, LLC	2,700.00	4,036.35

Vendor Name	2011 YTD thru Current Month	2010 YTD Full Year
ANGELA RICE	200.00	0.00
ANIXTER INC	2,559.72	3,299.07
ANNETTE KEYS	75.00	0.00
ANTENNA PLUS LLC	392.00	459.24
ANTHONY STRAZZO	412.28	521.83
ANTHONY TRIBUZZO	44.75	0.00
AP TECHNOLOGY	1,065.00	915.00
APA	75.00	0.00
APCO INTERNATIONAL, INC.	618.00	0.00
APEX PEST CONTROL, INC.	7,085.85	1,675.00
APPETITE	292.06	781.17
APPLEBROOK DESIGN	360.00	0.00
APT US&C	175.00	170.00
ARAMARK CATERING	1,337.93	1,003.45
ARAMARK REFRESHMENT SERVICES	5,352.91	3,195.35
ARBOR DAY FOUNDATION	15.00	0.00
ARC-OHIO	318.07	0.00
ARGUS GROWTH CONSULTANTS	9,375.00	0.00
ARIS COMPANY	661.34	338.94
ARNOLD J. FELTOON, MD, INC.	6,000.00	6,000.00
ASCAP	305.00	308.21
ASCE	235.00	235.00
ASHE LAKE ERIE SECTION	35.00	25.00
ASPHALT SERVICES CONSTRUCTION	1,350.50	0.00
ASSETWORKS	1,365.00	1,365.00
ASSOC. CERTIFIED FRAUD EXAMIN.	175.00	150.00
ASSOCIATES IN ORTHOPAEDICS, INC	322.02	0.00
AT&T	81,824.10	76,560.57
AT&T GLOBAL SERVICES, INC.	11,083.44	11,083.44
AT&T LONG DISTANCE	2,121.77	1,950.13
AT&T SERVICES, INC.	50.00	50.00
ATTACHMENTS DIRECT INC.	14,587.30	0.00
ATWELL'S	9,948.40	6,150.25
AUSTIN PARTS & SERVICE	36.00	0.00
AUTOMATIC DATA PROCESSING	36,245.51	36,902.27
AUTOMATION MAILING	1,582.15	1,551.91
B & B APPLIANCE	824.70	953.55
B & C COMMUNICATIONS	67,114.70	30,804.03
B & W EQUIPMENT CO. INC.	2,114.02	3,558.94
BAKER VEHICLE SYSTEMS	16,941.33	11,217.62
BARBARA IRR	125.00	0.00
BASS SECURITY SERVICES INC.	8.85	0.00
BATTERIES PLUS-139	1,362.39	1,991.03
BAUDVILLE, INC.	84.75	28.40
BAYLESS PATHMARK SOUTH POINTE	28.85	0.00
BEACHWOOD BOARD OF EDUCATION	280,718.45	277,651.17
BEACHWOOD BUICK GMC	623.68	0.00
BEACHWOOD BUZZ	54,925.00	47,104.00
BEACHWOOD CHAMBER OF COMMERCE	3,119.00	98,175.06
BEACHWOOD CHILD DEVELOPMENT CENTER	300.00	0.00
BEACHWOOD COMMUNITY PTO	70.00	295.00
BEACHWOOD JUNIOR ACHIEVEMENT	800.00	265.80
BEACHWOOD KEHILLA	78.00	0.00
BEACHWOOD SCHOOLS FOUNDATION	875.00	0.00
BEACON ATHLETICS	400.00	0.00
BEACON FINANCIAL PARTNERS	200.00	0.00
BECK CENTER FOR THE ARTS	400.00	0.00
BECON TRUCK SERVICE, INC.	260.00	4,163.95
BELL EQUIPMENT CO.	149,106.26	662.76
BELLAMY PRODUCTIONS, LTD.	50.00	0.00
BENJAMIN & LINDA ZIGDON	30.00	0.00

Vendor Name	2011 YTD thru Current Month	2010 YTD Full Year
BENJAMIN SINGER	920.00	0.00
BERNS CUSTOM HOMES INC	693.86	0.00
BERNS, OCKNER, & GREENBERGER, LLC	570.00	0.00
BEST EQUIPMENT CO. INC	715.02	7,013.76
BETH PARNIN	13,424.80	15,178.60
BETH SONNHALTER	250.00	0.00
BEVERLY JACOBS-KISS	250.00	0.00
BFI GLENWILLOW TRANSFER	131,090.83	126,284.93
BIG BROTHERS BIG SISTERS OF	375.00	375.00
BILL CLARK	135.00	180.00
BILL CONTI	17,533.00	4,454.00
BILL KREMPASKY	350.00	700.00
BILL NEWMAN	75.00	75.00
BILL SUGLIA EXCAVATING, LLC	8,594.68	0.00
BIO CLEAN SERVICES	600.00	1,500.00
BJD ENTERPRISES LLC	126.00	274.00
BJRP, LLC	300.00	0.00
BLACK RIFLE WORKS LTD.	440.00	0.00
BLAZIN BILLS	3,441.38	0.00
BLUM'S PAPER GOODS	1,919.95	1,743.78
BOARDWALK PARTNERS, LLC	572.99	0.00
BOB BARKER CO., INC.	590.13	410.34
BOB LUBECK	480.00	325.00
BOCONEO	960.00	0.00
BODY SCULPTING INC.	352.00	420.00
BONNIE SPEED DELIVERY INC.	301.57	86.58
BOUND TREE MEDICAL, LLC	6,516.92	7,629.47
BOYAS EXCAVATING INC.	430.00	0.00
BOYER SIGNS & GRAPHICS, INC	183.00	0.00
BP	564.56	663.80
BPI INFORMATION SYSTEMS	69,502.22	59,215.88
BRADLEY CONSTRUCTION CO.	3,079.50	0.00
BRADLEY SELLERS	58,934.09	0.00
BRANDMUSCLE	210.00	0.00
BRAUN & STEIDL ARCHITECTS	70.00	0.00
BREATHING AIR SYSTEMS DIVISION	838.75	1,218.55
BREMEC GREENHOUSE & NURSERY	348.00	0.00
BRIAN M. GRZYBOWSKI	90.00	0.00
BRILLIANT ELECTRIC SIGN CO., LTD	990.00	0.00
BROCK	122.50	0.00
BRUCE BASOM	199.96	0.00
BRUCE EGLIN	679.70	0.00
BRUCE HOF	330.20	114.00
BUCKEYE CLEANING CENTERS	173.34	0.00
BUFFALO-BEACHWOOD, LLC	1,914.00	0.00
BUILDING TECHNICIANS CORP	2,655.98	0.00
BUSHWOOD, LLC	689.47	0.00
BUSINESS CARD	56,532.95	53,352.72
BUY BELOW RETAIL	200.00	0.00
BUY RITE OFFICE PRODUCTS	8,575.97	10,684.25
BWC STATE INSURANCE FUND	328,792.74	452,666.72
C & T DESIGN AND EQUIPMENT CO.	1,870.63	0.00
C. DIANE CARMICHAEL	400.00	220.00
C.A. WOODWORKING	270.00	0.00
CAD ZONE, INC.	718.00	0.00
CARE MANAGEMENT SERVICES	200.00	0.00
CARGILL, INC.-SALT DIVISION	651,636.82	489,977.84
CARIBE ROYALE	625.50	625.52
CARNEGIE FEDERAL BODY, LLC	1,220.60	3,246.79
CAROL STARRE-KMIECIK	145.00	145.00
CARRON ASPHALT PAVING	2,359.25	853.00

Vendor Name	2011 YTD thru Current Month	2010 YTD Full Year
CARROT-TOP INDUSTRIES, INC.	61.36	0.00
CASTLE GLASS, INC.	54.00	0.00
CASTLE ROCK ELECTRIC LLC	21,169.68	0.00
CATEROLOGY	7,159.00	0.00
CAWRSE & ASSOCITES, INC	165.00	0.00
CCH INCORPORATED	1,038.00	974.00
CCI NORTH COAST	13,677.29	0.00
CCMSA	250.00	140.00
CDW GOVERNMENT, INC.	14,773.97	43,962.45
CENTER FOR PUBLIC SAFETY	1,760.95	1,650.00
CENTRAL CADILLAC	2,019.00	0.00
CENTURY EQUIPMENT, INC.	1,857.00	1,132.50
CHABAD HOUSE OF CLEVELAND	8,000.00	0.00
CHAGRIN COMMERCE LLC	300.00	0.00
CHAGRIN RESTAURANTS, LLC	379.00	0.00
CHAGRIN RICHMOND PLAZA	50.00	0.00
CHAGRIN SAFETY	576.21	0.00
CHAGRIN VALLEY NURSERIES	1,321.00	3,375.00
CHAGRIN VALLEY PAVING, INC.	39,726.75	150,540.72
CHAGRIN VALLEY ROLLER RINK INC	962.00	988.00
CHANNING L. BETE CO., INC.	705.23	0.00
CHARLES A. SWANSON	1,000.00	1,000.00
CHARLES BULANDA	80.00	0.00
CHARLES YURAICH	45.00	0.00
CHARTWELL GROUP, LLC	15,800.02	160,440.29
CHAUTAUQUA INSTITUTION	1,672.20	396.00
CHEMSAFE INTERNATIONAL	4,393.50	4,132.60
CHESTERLAND RENTAL	252.25	2,369.67
CHILD ART LLC	3,514.00	1,311.00
CHRISTOPHER SCUREC	30.00	0.00
CHUCK SROKA	75.00	0.00
CIARA HARPER	60.00	0.00
CINTAS CORPORATION #259	20,505.15	23,546.60
CINTAS CORPORATION #W16	1,540.00	1,475.00
CINTAS FAS LOCKBOX 636525	254.42	59.25
CITY OF BEACHWOOD	744.07	1,487.88
CITY OF BEDFORD HTS.	3,454.27	3,734.47
CITY OF BRECKSVILLE	51.01	0.00
CITY OF CLEVELAND	315,804.70	1,260,311.77
CITY OF CLEVELAND DIVISION OF WATER	79,489.20	78,938.32
CITY OF CONNEAUT	180.00	0.00
CITY OF CUYAHOGA FALLS	40.00	0.00
CITY OF MAYFIELD HEIGHTS	5,500.00	5,500.00
CITY OF SHAKER HEIGHTS	5,040.00	0.00
CITY OF SHAKER HTS	5,787.00	29,616.00
CITY OF SOUTH EUCLID	16,030.76	0.00
CITY OF WARRENSVILLE HEIGHTS	250,148.87	177,656.34
CITYNEWS	250.00	0.00
CLARK & ASSOCIATES	1,400.18	1,018.34
CLASSIC CHEVROLET	1,931.37	99.90
CLASSROOM ANTICS, INC	1,680.00	648.00
CLEMANS, NELSON & ASSOCIATES, INC.	428.00	0.00
CLEVELAND CLINIC	470.37	0.00
CLEVELAND CLINIC FOUNDATION	402.50	426.75
CLEVELAND HEIGHTS POLICE ACADEMY	2,950.00	0.00
CLEVELAND IGN CO INC	508.31	126.29
CLEVELAND INDIANS BASEBALL COMPANY LP	560.00	0.00
CLEVELAND JEWISH NEWS	855.00	982.90
CLEVELAND LUMBER CO.	6,753.10	1,604.74
CLEVELAND MAGAZINE	59.80	0.00
CLEVELAND METROPARKS	400.00	300.00

Vendor Name	2011 YTD thru Current Month	2010 YTD Full Year
CLEVELAND PLUMBING IND. FUND	80.00	40.00
CLEVELAND RAPE CRISIS CENTER	35.00	150.00
CLEVELAND SCENE	255.00	0.00
CLEVELAND TIME CLOCK & SERVICE	169.60	626.68
CLEVELAND VICON	590.00	0.00
CLIFFORD WAYNE HABIAN	125.00	125.00
CLINIC MEDICAL SERVICES	1,075.95	18.54
COLOR BAR PERLMUTER	5,078.00	9,600.00
COLUMBUS DIVISION OF POLICE - ETP FUND	125.00	0.00
COLUMBUS MARRIOTT NORTHWEST	258.00	536.00
COMDOC, INC	1,852.02	2,193.50
COMMERCE CORNERS ASSOCIATION	100.00	0.00
COMMERCE PARK PLAZA LLC	550.00	0.00
COMMERCIAL REAL ESTATE FINANCING	353.00	0.00
COMMISSION ON ACCREDITATION	4,106.50	5,505.00
COMPENSATION ANALYSIS, INC	12,500.00	7,500.00
COMPLETE APPLIANCE SERVICE	79.95	289.37
COMPSOURCE, INC.	27,113.99	265.00
CONCORD ROAD EQUIPMENT INC.	37,847.35	2,590.06
CONNECTIONS	600.00	0.00
CONSOLIDATED FLEET SERVICES	378.00	2,163.00
CONTINENTAL FIRE & SECURITY INC	807.00	571.97
COUNTS CONTAINER CORP	6,784.16	0.00
COVERALL NORTH AMERICA, INC.	50,266.00	96,446.00
CRAIG & CHRISTINA HASS	375.00	0.00
CRAIG JAMES SARICH	87.00	50.00
CRAIN'S CLEVELAND BUSINESS	486.00	540.00
CREME DE LA CREME	2,376.46	0.00
CRICKET COMMUNICATIONS	64.00	0.00
CROWN CLEANING SYSTEMS	145.00	221.00
CUB SCOUTS PACK #119	200.00	200.00
CUMMINS BRIDGEWAY, LLC	1,767.75	3,167.86
CUSTIS INSURANCE SERVICE, INC.	750.00	750.00
CUSTOM CLUTCH & JOINT	23,833.61	16,448.59
CUSTOM ELECTRIC	5,030.00	4,404.00
CUSTOM FABRICATORS, INC.	2,400.00	0.00
CUYAHOGA CNTY MAYORS &	1,909.77	3,669.54
CUYAHOGA COMMUNITY COLLEGE	860.00	1,416.00
CUYAHOGA COUNTY AUDITOR	44,388.80	72,021.92
CUYAHOGA COUNTY BOARD	54,653.75	25,890.50
CUYAHOGA COUNTY FIRE CHIEFS	411.00	411.00
CUYAHOGA COUNTY POLICE CHIEFS	200.00	200.00
CUYAHOGA COUNTY PUBLIC	100.00	0.00
CUYAHOGA COUNTY TREASURER	79,519.23	36,365.31
CUYAHOGA SOIL & WATER CONSER-	10,000.00	4,500.00
CUYAHOGA SUPPLY & TOOL	1,228.49	882.25
CUYAHOGA VALLEY ELITE	250.00	500.00
CYNCON EQUIPMENT INC.	5,692.32	1,792.99
D & W DIESEL, INC.	62.19	0.00
D.J.L. MATERIAL & SUPPLY, INC.	1,983.35	0.00
D.R.S. ENTERPRISES, INC.	21,627.00	2,846.50
DAC TECHNOLOGIES GROUP INTERNATIONAL INC	70.98	0.00
DALENE M. PRIDE	53.55	1,638.00
DAN CICCHELLA	44.75	150.00
DANIEL J. ZOLA	700.00	0.00
DANIEL R. GREIN	1,072.97	477.30
DARRELL A. YOUNG CORP	5,904.00	0.00
DARRYL LEWIS	170.00	0.00
DAUGHERTY CONSTRUCTION INC.	1,241.98	0.00
DAVE ESMOND	90.00	135.00
DAVID A. PFAFF	492.27	692.88

Vendor Name	2011 YTD thru Current Month	2010 YTD Full Year
DAVID J. SHERIFF	75.00	0.00
DAVID J. UMANA	100.00	0.00
DAVIS R. BONNER	1,680.00	0.00
DAWNCHEM, INC	5,714.28	0.00
DAYS INN & SUITES	462.00	462.00
DAYTON LEGAL BLANK INC.	242.03	0.00
DEAN SUPPLY CO.	522.28	275.91
DEBORAH CLARK	200.00	0.00
DEBORAH DICKSON BAILEY	450.00	450.00
DEBORAH S. FRIEDMAN	100.00	100.00
DEENA ELYSE NYER MENDLOWITZ	60.00	0.00
DELL MARKETING L.P.	86,368.41	67,471.37
DENNIS F WEYN	4,669.00	9,352.00
DESERT DIAMOND INDUSTRIES LLC	282.00	0.00
DESIGN IT, LLC	1,536.00	0.00
DEVELOPERS DIVERSIFIED REALTY COMP	556.00	0.00
DEVELOPMENT CORPORATION FOR	250.00	0.00
DIAMOND DISCS INTERNATIONAL	1,449.40	950.15
DIANA S. TITTLE	100.00	0.00
DIANE A. SOFER	2,130.00	1,350.00
DIANE LINICK	384.00	0.00
DIANNE PALMER	200.00	0.00
DIGEST MEDIA, LLC	21,464.00	21,670.00
DIGITAL INTELLIGENCE INC.	95.48	1,261.00
DISCOUNT SCHOOL SUPPLY	2,024.55	2,250.51
DIVISION OF WATER	23,036.87	20,006.62
DOMINION EAST OHIO	154,374.44	87,620.90
DOMINION EAST OHIO GAS	204.50	0.00
DONNA TIROLY	75.00	75.00
DRASLER ELECTRIC	2,675.00	4,023.00
DUCK CREEK ENERGY, INC.	1,000.00	0.00
DUNN INDUSTRIAL SUPPLY	15,837.62	24,644.28
DYNAMICS ONLINE, INC.	5,635.49	11,824.27
EAST JORDAN IRON WORKS	527.31	142.67
EASTERN FIRE EQUIPMENT SERVICES	11.71	0.00
EATON CORPORATION	32,844.50	0.00
EDM PUBLISHERS, INC.	99.00	98.78
EDUCATIONAL VOICE	300.00	0.00
EILEEN BURNS	500.00	0.00
ELDER-JONES	553.95	0.00
ELIFEGUARD, INC.	2,082.45	1,478.20
ELLET NEON SALES & SERVICE INC	120.00	0.00
ELSAG NORTH AMERICA	250.00	0.00
EMBASSY SUITES DUBLIN	172.00	224.00
EMBLEM ENTERPRISES, INC.	978.29	0.00
EMERALD NECKLACE	50.00	0.00
EMERGENCY PROF SVCS, INC	495.08	22.70
EMERGENCY VEHICLE REPAIR & SERVICE	167.50	152.50
EMERSON NETWORK POWER	2,004.00	1,909.05
EMMERICH ENTERPRISES, LLC	1,100.00	1,300.00
EMPACO EQUIPMENT CORPORATION	12,176.79	4,506.91
EMSAR-MEDICAL REPAIR	1,832.79	1,249.49
ENTERPRISE OPERATING CO. LLC	3,700.00	0.00
ENTERPRISEID, INC.	587.26	1,285.75
E-ONE, INC	612,484.00	0.00
ERBACH ARCHITECTS	575.44	0.00
ERIC A. BREY	28.25	0.00
ERIE STREET THEATRICAL	610.00	0.00
ESTHER REHM COHEN	120.00	0.00
ESTHER RUTMAN	17.19	0.00
EVENTWORKS, INC.	200.00	0.00

Vendor Name	2011 YTD thru Current Month	2010 YTD Full Year
EVIDENT, INC.	350.50	191.00
EXCALIBUR AUTO BODY	12,040.38	32,464.74
FARIMOUNT TEMPLE	165.00	0.00
FASTENAL COMPANY	12,236.25	8,028.62
FAYE FIELDS	200.00	0.00
FCA CONSTRUCTION CO. LLC	5,604.25	0.00
FEDERAL EXPRESS	525.38	978.25
FIFTH THIRD	19,684.42	17,754.46
FINLEY FIRE EQUIPMENT	10,188.91	8,386.53
FIRE PANEL LLC	1,624.48	1,080.00
FIRST CATHOLIC SLOVAK LADIES ASSOCIATION	370.00	0.00
FIRST STUDENT TRANSPORTATION	64,005.55	0.00
FIVE STAR SENSATION	1,800.00	0.00
FLEXSAVE	750.00	0.00
FLOWER ENTERTAINMENT	675.00	175.00
FOODGAZI	17.00	0.00
FOREST CITY RESIDENTIAL MANAGEMENT INC	1,279.90	0.00
FOX INTERNATIONAL	1,216.30	969.19
FP MAILING SOLUTIONS	324.00	324.00
FRANK BROWN	90.00	225.00
FRANK BUCHWALD	240.00	240.00
FRANK CARDONE	275.00	550.00
FRANK NOVAK & SONS, INC.	780.00	0.00
FRANK VICCHIARELLI	595.54	36.88
FRED W GAGE JR.	100.00	170.00
FREEWAY LANES OF WICKLIFFE	2,460.00	2,317.50
FRICK ART & HISTORICAL CENTER	616.00	0.00
FRIENDS OF THE IDF	250.00	0.00
FUCHS MIZRACHI SCHOOL	656.00	125.00
FUN-N-STUFF	5,406.65	4,796.71
G. GIFFORD DYER	39,662.46	28,682.15
G. NEIL COMPANIES	359.94	347.94
GALETON GLOVES INC	814.94	427.09
GALLS INCORPORATED	3,209.88	0.00
GAME ONE INC.	5,115.00	5,027.00
GANLEY FORD WEST, INC.	41,416.39	19,816.20
GARY A. STARK	30.00	0.00
GARY SIKON	17,790.00	19,500.00
GASB	387.00	0.00
GATEWAY ELECTRIC INC.	768.95	0.00
GC MEDICAL EQUIPMENT, INC.	1,455.76	2,301.56
GEAUGA MECHANICAL COMPANY	788.80	0.00
GEISEL HEATING	1,800.00	1,800.00
GENE SOTSKY	50.00	0.00
GENERAL GROWTH PROPERTIES	58.53	0.00
GENSLER	120.00	0.00
GEORGE PALKO	90.00	0.00
GERALD E. FUERST	24.00	211.00
GERALD SIMMONS	80.00	0.00
GEYER PAINTING INC.	300.00	0.00
GG-ONE SOFTWARE, INC.	550.00	550.00
GIBSON MACHINERY, LLC	17,412.12	10,022.13
GIFFELS INC	128.00	0.00
GIMME SHELTER PROPERTIES, LLC	1,343.20	0.00
GINO'S AWARDS INC.	1,594.75	388.56
GLASS DOCTOR	350.00	0.00
GLEDHILL ROAD MACHINERY	890.07	1,726.57
GLOBAL FURNISHINGS, INC	4,716.00	0.00
GM ADVERTISING, INC.	2,904.15	2,409.53
GOLDBERG COMPANIES, INC.	318.94	0.00
GOLDEN AGE CENTERS	175.00	0.00

Vendor Name	2011 YTD thru Current Month	2010 YTD Full Year
GOLF DOME	1,664.25	2,121.50
GOPHER	124.58	241.05
GORDON FOOD SERVICE	8,028.52	8,661.83
GOVERNMENT FINANCE OFFICERS	395.00	395.00
GPD ASSOCIATES/ACLA	325,843.17	291,454.40
GRACEFUL PAWS	672.00	924.00
GRAFIX SHOPPE	2,128.46	3,692.13
GRAINGER	17,661.61	11,970.25
GRAYBAR ELECTRIC COMPANY, INC.	832.10	6,188.81
GREAT LAKES BILLING ASSOC.	61,855.82	59,198.63
GREAT LAKES PETROLEUM COMPANY	398,423.82	302,678.56
GREAT LAKES PUBLISHING	1,450.00	9,550.00
GREAT LAKES SCIENCE CENTER	1,696.00	1,291.50
GREATER CLEVELAND PARTNERSHIP	1,650.00	1,575.00
GREEN BUILDERS SUPPLY	55.08	0.00
GREEN PAPER PRODUCTS, LLC	199.38	0.00
GREG MILLER	5,790.00	6,360.00
GREGORY CROSS	1,200.00	1,200.00
GUA, INC.	180,516.60	182,461.00
GUARDIAN GLASS COMPANY	190.00	1,799.51
GUNTER SCHWEGLER	300.00	0.00
GUTH LABORATORIES INC.	136.91	83.61
H & H TRUCK PARTS	156.70	0.00
H & M LANDSCAPING, INC	45.00	0.00
HAINES & COMPANY INC.	1,066.50	1,017.00
HALL PUBLIC SAFETY CO.(HPS)	29,466.13	34,204.75
HANLIN RAINALDI CONSTRUCTION	177.99	0.00
HANNAH ELECTRIC, LLC	316.56	0.00
HANS' FREIGHTLINER OF	5,866.69	13,917.97
HARMON, INC.	1,399.75	2,196.50
HARRIS BATTERY CO., INC	521.55	5,177.13
HARVEY S. ROSE	314.47	270.83
HASTINGS WATER WORKS, INC.	45,995.99	35,676.64
HAYNES MANUFACTURING	153.40	401.66
HEALTH & FITNESS EQUIPMENT	3,284.00	0.00
HEALY CONSTRUCTION	681.95	0.00
HEARTLAND SERVICES, INC.	370.00	0.00
HEBREW ACADEMY OF CLEVELAND	360.00	360.00
HEIGHTS DRYWALL	120.00	0.00
HEJDUK-COX & ASSOCIATES	230.00	0.00
HELEN BERMAN	464.00	1,363.50
HENGST STREFF, BAJKO ARCHITECTS	402.39	0.00
HERSCHMAN ARCHITECTS	1,461.48	0.00
HESS CORPORATION	72,688.80	96,517.19
HEWLETT-PACKARD COMPANY	28,157.45	0.00
HFLA	100.00	600.00
HGR INDUSTRIAL SURPLUS	3,004.99	7,350.00
HILTON CINCINNATI NETHERLAND PLAZA	331.50	0.00
HILTON CLEVELAND EAST/	120.00	0.00
HILTON COLUMBUS	604.00	1,419.00
HILTON GARDEN INN	569.25	0.00
HINES PRODUCTS CORP	173.00	0.00
HLF HOMES INC	2,530.10	0.00
HMA PROMOTIONS	782.45	688.25
HMR/INNOTECH	107.50	74.75
HOBART SERVICE	184.00	537.27
HOLIDAY INN EXPRESS	81.62	83.74
HOLIDAY INN WORTHINGTON	1,125.00	750.00
HOLTZ INDUSTRIES INC	5,424.05	21,027.62
HORTON EMERGENCY VEHICLES	44.01	133.48
HP MANUFACTURING	1,410.85	824.05

Vendor Name	2011 YTD thru Current Month	2010 YTD Full Year
HSBC BUSINESS SOLUTIONS	1,309.69	2,135.22
HUGHIES AUDIO VISUAL	47.95	0.00
HUKILL CHEMICAL CORPORATION	509.61	0.00
HUMAN SERVICES REFUNDS	0.00	-35.00
HUNTINGTON NATIONAL BANK	8,612,507.35	9,950,765.08
HURST DESIGN-BUILD-REMODELING	30.00	0.00
HYATT REGENCY COLUMBUS	460.00	0.00
I.A.E.I.	126.00	0.00
I.R.N. BEACHWOOD	200.00	0.00
IAFCI	80.00	80.00
ID CARD SYSTEMS, INC	871.59	1,371.80
IGUIDERS, INC.	5,000.00	0.00
ILEETA	45.00	90.00
INDUSTRIAL APPRAISAL COMPANY	385.00	360.00
INEWSLOCAL.COM	206.25	0.00
INNOVATIVE HEALTH SERVICES	23.85	0.00
INSIDE BUSINESS HALL OF FAME	200.00	0.00
INSIDE BUSINESS MAGAZINE	85.00	0.00
INSTITUTE FOR LEARNING IN RETIREMENT	200.00	200.00
INSTITUTE OF POLICE TECHNOLOGY	725.00	0.00
INTELLIGENT PRODUCTS INC.	1,801.40	968.83
INTERNATIONAL ASSOCIATION OF	277.00	55.00
INTERNATIONAL CODE COUNCIL	125.00	100.00
INTERSTATE BATTERY SYSTEM	4,806.84	5,708.70
IRE KYNYK GOSS ARCHITECTS INC	150.00	0.00
IRON MOUNTAIN RECORDS	2,675.10	2,345.41
IRRIGATION SUPPLY INC.	256.00	653.30
ISA	58.90	200.00
ISRAEL REALTY LLC	100.00	0.00
J & L WORK APPAREL INC.	4,511.98	918.08
JACK & JILL OF CLEVELAND	200.00	200.00
JACK DOHENY SUPPLIES OHIO	3,139.44	2,131.69
JACK H. DAVIDSON	420.00	450.00
JACK'S DELI AND RESTAURANT	534.20	308.00
JAMES F. LOVE	250.00	623.67
JAMIE LIGHT	200.00	0.00
JASON LIEBERTH	90.00	0.00
JASON PECJAK	900.00	450.00
JEFFERY BLANCHARD	60.00	0.00
JEFFREY TEPPER	200.00	0.00
JENNIFER BERTONI	110.00	0.00
JENNIFER KUPS, INC	30.00	0.00
JEWISH COMMUNITY CENTER OF CLEVELAND	60.00	0.00
JEWISH FAMILY SERVICES	400.00	200.00
JEWISH FEDERATION OF CLEVELAND	2,500.00	0.00
JEWISH LEARNING CONNECTION	216.00	0.00
JILL KOSLEN-FREIREICH	320.29	0.00
JIM TONEY	90.00	0.00
JIMMY KLUCHIN	195.00	0.00
JOE BURKE DESIGNS	745.00	0.00
JOE MARKO	270.00	0.00
JOE PAOLVICCI	45.00	0.00
JOHN DEERE LANDSCAPES/LESCO	6,065.14	3,437.46
JOHN M. KLEBAN	600.00	0.00
JOHN PROCHAZKA	350.00	0.00
JOHN TURANO	135.00	75.00
JOHNATHAN H. KAY	295.00	0.00
JONATHAN L. WEBB	50.00	0.00
JOSEPH A. GAGLIANO JR.	1,235.00	1,680.00
JOSHEN PAPER AND PACKAGING	27.97	44.51
JOY D. BORLAND	50.00	0.00

Vendor Name	2011 YTD thru Current Month	2010 YTD Full Year
JSC CORPORATION	269.95	851.21
JTI, INC.	4,040.00	0.00
JTO, INC.	3,000.00	0.00
JUDI STRAUSS	2,671.00	582.00
JUMP START GYMNASTICS, INC.	1,918.00	2,304.00
JUMP START SPORTS	9,607.00	9,797.00
JUNCTION AUTO	823.65	1,730.64
JUNGLE TERRY-N-FRIENDS	195.00	0.00
K.C. CONTRACTING INC	11,912.35	0.00
K.E. ROSE CO.	4,946.46	6,803.51
KABB LAW FIRM	200.00	0.00
KAREN A. CARMEN	247.53	191.40
KATHLEEN POPHAL	600.00	600.00
KEITH WINEBRENNER	840.00	0.00
KEN VALAITIS	150.00	125.00
KENCO ELECTRIC	8,900.00	0.00
KENNETH ROLLER	120.00	0.00
KENNETH S. LURIE	685.00	0.00
KENT STATE UNIVERSITY	2,880.00	2,880.00
KESSLERS TEAM SPORTS	5,876.75	7,311.21
KEVIN GRISAFO	112.00	0.00
KEVIN J. MORRIS	100.00	0.00
KEVIN M. PRESTON CO., LPA	10,000.00	10,400.00
KEY BANK	7,619.67	6,102.37
KIMBALL MIDWEST	11,430.11	0.00
KIMBERLY ROYSTER	200.00	0.00
KIMBLE TRANSFER AND RECYCLING	21,401.10	0.00
KKSG & ASSOCIATES, INC.	14,500.00	5,600.00
KLR FIRE & SECURITY, LLC	468.00	0.00
KNIGHT SOUND & LIGHTING CO.	1,928.55	558.67
KOLLMAN'S GREENHOUSE, INC.	415.00	0.00
KORDIAC PLUMBING	1,000.00	0.00
KURT HANNIG	280.00	0.00
KUSSMAUL ELECTRONICS CO., INC.	105.58	1,568.78
KUSTOM SIGNALS, INC.	4,451.72	3,195.00
KWIK KLEEN	501.00	584.50
LA DANSE CLEVELAND	288.00	1,152.00
LAB SAFETY SUPPLY	222.45	650.99
LACAL EQUIPMENT, INC	4,508.52	1,327.08
LADD INDUSTRIES, LLC	804.38	109.93
LAKE COUNTY CAPTAINS	1,703.00	1,803.00
LAKESIDE SUPPLY CO.	1,051.76	315.28
LAKEWOOD SUPPLY COMPANY	163.60	2,378.35
LAMARCA'S MASTER PIZZA LTD	853.95	410.22
LANPHEAR SUPPLY	2,443.70	1,077.10
LARRY FRANK	50.00	0.00
LARRY GERMOUSCH	255.00	0.00
LARRY KING	180.00	45.00
LARRY MOORE	3,954.00	4,712.78
LASTING IMPRESSION DIRECT	571.33	289.61
LAURA HALPERT	200.00	200.00
LAURA STROPKI	64.00	0.00
LAW ENFORCEMENT FOUNDATION,INC	2,150.00	2,075.00
LAW ENFORCEMENT TARGETS, INC	551.11	0.00
LAWNCO, INC.	39,160.00	0.00
LAWRENCE WALLACE	2,150.00	0.00
LEGACY VILLAGE CONSTRUCTION	2,900.00	0.00
LEONARD S. RUSSO	350.00	700.00
LESIC & CAMPER COMMUNICATIONS	37,116.06	0.00
LESKO ASSOCIATES, INC	210.00	0.00
LESS LETHALL, LLC	999.99	0.00

Vendor Name	2011 YTD thru Current Month	2010 YTD Full Year
LESTER SENSIBELLO	125.00	0.00
LIBERTY FORD, INC.	725.76	5,894.89
LIFETIME FITNESS	375.00	0.00
LINDSAY CONCRETE PRODUCTS CO.	86.00	0.00
LINDSAY SILVERSTEIN	175.00	0.00
LINK'S AUTO & TRUCK	56.00	136.22
LISA HERSH	300.00	0.00
LOU BONACCI	255.00	315.00
LOU SEVERINO CONSTRUCTION INC.	1,000.00	0.00
LOWENSTEIN DURANTE ARCHITECTS	85.00	0.00
LOWE'S	4,850.41	1,774.07
LYNN PEAVEY COMPANY	240.95	0.00
M TECH COMPANY	9,440.43	1,132.45
M. DIGIOIA CO. LLC	4,000.00	0.00
M.H. CORBIN, INC.	572.50	0.00
MAINTENANCE UNLIMITED INC.	1,000.00	2,482.00
MALTZ MUSUEM OF JEWISH HERITAGE	225.00	0.00
MANNIK & SMITH GROUP, INC	3,434.00	0.00
MANOUR, GAVIN, GERLACK, & MANOS	645.00	0.00
MARC D. COLES, ADV.	5,000.00	22,216.15
MARC MORITZ	230.00	0.00
MARJET ENTERPRISES, INC.	16,912.00	0.00
MARK CASEY	50.00	50.00
MARK DECRESS	280.00	280.00
MARK FRIEDLANDER	300.00	0.00
MARLA SEVERIN	300.00	0.00
MAROUS BROTHERS CONSTR. INC.	1,167.50	0.00
MARS ELECTRIC COMPANY	14,346.91	11,602.77
MARSHALL EQUIPMENT CO	6,148.47	3,532.79
MARSHALL FORD	344.88	0.00
MARSHAUS & FARKAS HEALTHCARE	1,580.92	1,279.88
MARTINI CONSTRUCTION GROUP	156.48	0.00
MARTINSON-NICHOLLS, INC	50.00	0.00
MARY ANN ROTHSTEIN	200.00	0.00
MARY E. WALKER	100.00	0.00
MAS FINANCIAL ADVISORY SERVICES LLC	45,508.50	9,000.00
MATT TAUB	45.00	0.00
MAX PACK	352.57	321.35
MAYOR'S ASSOCIATION OF OHIO	80.00	80.00
MAYPINE EQUESTRIAN CENTER INC.	2,412.00	1,560.00
MC SIGN COMPANY	545.00	0.00
MEDICAL MUTUAL OF OHIO	2,911,018.86	3,068,130.89
MEDICARE & SOCIAL SECURITY	208,342.94	326,911.11
MEGAN WALSH	1,600.00	1,900.00
MENORAH PARK CENTER FOR SENIOR	1,946.44	0.00
MENS CLUB OF THE MANDEL JCC	200.00	200.00
MERCANTILE ASSOCIATES	239.98	0.00
MERCANTILE EXCHANGE LIMITED PTN	252.99	0.00
MERLE S. GORDEN	1,008.60	264.41
METROHEALTH MEDICAL CENTER	200.00	0.00
MFOA OF NORTHEAST OHIO	274.00	130.00
MGT NETWORK SERVICES	16,629.20	15,190.39
MIAMI VALLEY INTERNATIONAL	195,115.00	0.00
MICHAEL E. BANTA	150.00	0.00
MICHAEL E. CARGILE	453.00	0.00
MICHAEL GERSON	135.00	135.00
MICHAEL J EDWARDS	100.00	160.00
MICHAEL J. MANUSZAK	103.00	0.00
MICHELLE KAPLAN	32.00	514.00
MICRO ADVANTAGE, INC.	1,180.00	19,720.00
MICRO CENTER	69.99	0.00

Vendor Name	2011 YTD thru Current Month	2010 YTD Full Year
MIDLAND HARDWARE	3,184.49	4,279.62
MIDWEST CLAIMS SERVICE	6,380.00	0.00
MIKE & TERRIE ENTERPRISES INC.	65.45	0.00
MIKE MAKOHUS	150.00	315.00
MIKE WILDERMUTH	15,948.54	17,180.16
MILL SUPPLY INC.	592.76	217.56
MINOTAS, INC	4,229.50	4,209.55
MIRACLE RECREATION EQUIPMENT	140.73	0.00
MONROE TRUCK EQUIPMENT, INC.	730.37	927.00
MONTE CONSTRUCTION CO., INC.	315.68	0.00
MONTERO INTERIORS INC	134.99	0.00
MOORE COUNSELING & MEDIATION	6,265.00	3,735.00
MOORE MEDICAL, LLC	474.84	486.47
MORRIS FINNEY III	45.00	150.00
MOTORCARS HONDA	395.95	0.00
MOTOROLA, INC.	172,132.00	0.00
MOXIE THE RESTAURANT	212.00	0.00
MR. EXCAVATOR INC.	2,029,937.26	189,303.60
MUNICIPAL FINANCE OFFICERS	50.00	165.00
MURMAN & ASSOCIATES	2,543.75	5,912.50
MUSIC TALENT OF CLEVELAND	300.00	0.00
MUSIC THEATRE INTERNATIONAL	1,070.00	3,075.00
MUSICAL THEATRE EDUCATION PROGRAMMING	255.00	0.00
MUSICALLY GRAND PRODUCTIONS LLC	250.00	0.00
MUZAK LLC	996.00	960.00
MYERS EQUIPMENT CORPORATION	406.35	377.27
NANCO CORP	30.00	0.00
NAPA AUTO PARTS MAYFIELD HTS	3,515.01	4,388.75
NATARI	60.00	60.00
NATIONAL FIRE PROTECTION ASSOC	503.07	0.00
NATIONAL FIRE SPRINKLER ASSOC.	75.00	0.00
NATIONAL FIRESAFETY SYST.	1,940.00	115.00
NATIONAL LAW ENFORCEMENT SUPPLY	628.75	0.00
NATIONAL PATENT ANALYTICAL SYS	191.92	451.89
NATIONAL PEN COMPANY	75.00	214.95
NATIONAL RECREATION & PARK ASSO. (NRPA)	150.00	0.00
NATIONAL RECREATION & PARK ASSOC	150.00	290.00
NATURESCAPE	100.00	0.00
NATURE-WATCH	275.85	0.00
NAVSURFWARCENDIV CRANE	600.00	600.00
NEOFPA	180.00	490.00
NETHERLAND BULB CO., INC.	336.00	0.00
NETWORK LASER ART	12,041.97	7,443.01
NEWBURY SANDBLASTING/PAINTING	2,750.00	18,250.00
NEWELL EQUIPMENT CO	418.19	3,095.97
NEWMAN SIGNS, INC.	1,006.88	1,827.15
NEXTEL COMMUNICATIONS	2,042.26	1,860.34
NGN ELECTRIC	220.99	0.00
NICK PUIN	500.00	0.00
NITC	40.00	0.00
NO FAULT SPORTS PRODUCTS, INC	1,750.80	0.00
NOACA	1,523.00	1,523.00
NORFOLK WIRE & ELECTRONICS	46.06	0.00
NORTECH	1,275.00	0.00
NORTH AMERICAN RESCUE	74.81	1,439.20
NORTH COAST POLYTECHNIC	4,490.00	670.00
NORTH COAST TECH	614.57	357.39
NORTH EASTERN OHIO FIRE	100.00	100.00
NORTH POINTE REALTY INC	190.00	0.00
NORTH WATER PARTNERS	2,850.00	0.00
NORTHEAST LUBRICANTS	9,480.38	16,955.56

Vendor Name	2011 YTD thru Current Month	2010 YTD Full Year
NORTHEAST OHIO CHAPTER IIA	320.00	250.00
NORTHEAST OHIO MARKETING	10,152.60	10,246.16
NORTHEAST TREE SERVICE LTD.	6,650.00	3,365.00
NORTHEAST WISCONSIN TECHNICAL COLLEGE	525.00	0.00
NORTHERN OHIO ARSON SEMINAR	90.00	80.00
NORTHSTAR TITLE SERVICES LLC	1,502,969.25	0.00
NOTARY PUBLIC COMMISSION	115.00	0.00
NOWAK TOUR & TRAVEL	82,470.00	65,402.00
O.A.T.A.	62.00	0.00
O.C.I. CONSTRUCTION	5,671.00	0.00
OCE IMAGISTICS INC.	25,402.73	14,606.55
OHIO ASSOC. OF PUBLIC TREASURERS	250.00	230.00
OHIO ASSOCIATION OF	780.00	770.00
OHIO ASSOCIATION OF CHIEFS	690.00	195.00
OHIO AUDITOR OF STATE	975.20	1,078.55
OHIO AWNING	342.92	392.60
OHIO CAT	124,795.35	27,308.15
OHIO CHAPTER IAEI	300.00	300.00
OHIO CRIME PREVENTION ASSOC.	50.00	100.00
OHIO DEPARTMENT OF AGRICULTURE	320.00	320.00
OHIO DEPT OF JOB & FAMILY SERV	13,400.24	11,500.37
OHIO DEPT. OF AGRICULTURE	70.00	70.00
OHIO ENVELOPE	202.91	188.25
OHIO FIRE CHIEFS' ASSOCIATION	75.00	446.25
OHIO GFOA	210.00	0.00
OHIO LIGHT OPERA	2,040.00	2,075.00
OHIO MAGAZINE	15.00	0.00
OHIO MATERIALS HANDLING	1,916.18	2,213.06
OHIO MUNICIPAL CLERKS ASSOC.	90.00	90.00
OHIO MUNICIPAL LEAGUE	1,766.00	1,805.00
OHIO OWNING	405.00	0.00
OHIO PARKS & RECREATION ASSOC.	450.00	1,461.00
OHIO PEACE OFFC TRNG ACADEMY	6,105.00	8,110.00
OHIO POLICE & FIRE PENSION	1,531,255.09	1,546,407.05
OHIO PUBLIC EMPLOYEES	1,115,307.42	1,015,555.42
OHIO STATE UNIVERSITY	190.00	0.00
OHIO VALLEY SUPPLY	46,332.10	39,294.49
OLD DOMINION BRUSH COMPANY	11,809.94	6,410.66
OML	225.00	225.00
ONSTAR SUBSCRIPTION CENTER	397.96	199.00
ONTARIO STONE CORP.	704.13	258.38
ORANGE VILLAGE	6,877.52	7,764.89
ORG HOLDING LIMITED	70.00	0.00
ORIENTAL TRADING COMPANY	404.13	1,365.79
ORLANDO MAKUPSON	200.00	0.00
ORT OF AMERICA	216.00	0.00
OSBORNE CONCRETE & STONE CO.	4,183.85	1,814.72
OSBURN ASSOCIATES, INC.	708.00	0.00
OTIS ELEVATOR COMPANY	9,333.60	8,871.96
OTTO ZISKA	44.75	139.99
OVATION MOVEMENT LLC	3,075.00	2,229.60
OVERBEKE SCHOOL OF DRIVING, INC	150.00	0.00
OXBOW ENGINEERING, INC.	97,820.00	73,020.00
PAINO BUILDING CORP	205.00	0.00
PALMIERI BUILDERS, INC.	184.00	5.98
PANZICA CONSTRUCTION COMPANY	716,509.00	4,239,666.00
PAT DITTOE	135.00	0.00
PAT FLOWERS INC.	55,743.00	1,325.00
PATRICIA L. BRIAR	100.00	0.00
PATRICK KEARNS	989.19	120.00
PATTERN METALS, INC.	2,529.50	3,041.48

Vendor Name	2011 YTD thru Current Month	2010 YTD Full Year
PAUL MANFREDI	250.00	200.00
PAUL MANN	134.99	0.00
PAUL R. WILLIAMS PHD	6,000.00	0.00
PAVILION BUILDING, LTD	3,050.00	0.00
PAVILION PROPERTIES LLC	1.00	0.00
PAYROLL (KEY TRANSFER)	15,783,855.92	15,715,708.80
PELC ALUMNI ASSOCIATION	225.00	175.00
PENNCARE	1,277.25	204,821.77
PEP DRILLING	570.50	0.00
PEPPERBALL TECHNOLOGIES, INC.	999.99	0.00
PERK COMPANY, INC.	64,550.00	0.00
PETER CONCES	747.53	15.44
PETER ORAVECZ	44.75	0.00
PHILIP L. CORPORA	1,235.20	700.80
PHOTOGRAPHY & DIGITAL SERVICES	780.00	657.50
PHYSIO-CONTROL, INC	13,270.61	36,884.02
PIA ALESCI	5,162.00	4,295.00
PIONEER MANUFACTURING CO.	185.50	0.00
PIONEER, INC.	1,190.35	2,227.00
PITTS FIRE EXTINGUISHER INC.	350.00	0.00
PLANTSCAPING, INC	1,356.00	1,321.00
PLAYHOUSE SQUARE CENTER	2,738.50	5,996.50
POSITIVELY CLEVELAND	485.00	0.00
POWER CITY INTERNATIONAL, INC.	5,470.81	31,763.37
POWERPHONE	1,398.00	1,535.00
PRECISION MULCHING, INC	750.00	0.00
PREMIER DEVELOPMENT PARTNERS, LLC	1,225.00	0.00
PREMIER MARKETING GROUP, INC.	2,460.00	1,160.00
PRESENTA PLAQUE	522.90	133.17
PRIMARY ROOFING	220.99	0.00
PROGRESS WITH CHESS	2,288.00	3,637.39
PROJECT LOVE	375.00	375.00
PRO-TECH SECURITY SALES	8,740.31	2,732.00
QUALITY IMAGE EMBROIDERY	834.50	0.00
QWICK KURB, INC.	1,057.10	0.00
R.D.P. SPORTS PLUS INC.	14,249.28	13,071.76
R.E.M. COMMUNICATIONS, INC.	635.42	222.00
R.I.T.A.	518,654.74	371,697.88
RADD & BETH RIEBE	540.00	0.00
RADIO SHACK	565.92	339.91
RAINBOW TREECARE SCIENTIFIC	2,340.00	1,582.16
RALPH CRISWELL	800.00	0.00
RAMSEY & ASSOCIATES PERSONNEL	7,368.44	11,190.00
RAZZMATAZZ PRODUCTIONS INC.	500.00	400.00
RED WING SHOES	150.00	698.18
REFUNDS RECREATION	0.00	35.00
REGAL CARPET CENTER INC.	372.00	7,110.00
RELIABLE CONSTRUCTION HEATERS/	10,725.00	0.00
RELIAPON POLICE PRODUCTS, INC.	265.45	0.00
REPROS, INC.	195.91	190.00
RH MYERS APARTMENTS AT MENORAH PARK	196.00	0.00
RICHARD BARNES	80.00	48.00
RICHARD D. MARGOLIUS	200.00	0.00
RICHARD POLSTER	200.00	0.00
RICHARD SESCO	300.00	0.00
RICHARD VITTARDI	245.56	810.45
RICH'S TOWING AND	1,725.00	1,842.50
RICK SMITH, JR.	860.00	0.00
RICKI ADELMAN	200.00	0.00
RICKY L. HAYS	725.00	725.00
ROBECK FLUID POWER CO.	1,062.70	1,040.85

Vendor Name	2011 YTD thru Current Month	2010 YTD Full Year
ROBERT A. DAVIS	900.00	0.00
ROBERT BALOGH	189.98	439.50
ROBERT E. BERGANTINO, RPT	133.00	0.00
ROBERT FRANK	900.00	1,000.00
ROBERT HENNINGE	500.00	0.00
ROBERT L. FORESTER	266.68	237.26
ROBERT L. HORN	1,550.00	775.00
ROBERT S. TUROFF	414.10	0.00
ROBERTS ROOFING	350.00	0.00
RODERICK LAWERENCE INGRAM, JR.	360.00	0.00
RODGER CAHN	45.00	50.00
RONALD H. ULLMAN	50.00	0.00
RONALD HACKLEMAN	273.00	0.00
ROOTSTOWN EXCAVATING, INC.	3,576.00	0.00
ROSS VALVE MFG. CO., INC.	87.83	0.00
ROTO ROOTER SERVICES CO	865.00	0.00
RYAN BYERS	80.00	0.00
S & S WORLDWIDE, INC	2,051.60	1,447.62
S.A. COMUNALE CO., INC.	3,820.00	1,385.00
S.A.W. INC.	5,021.92	9,305.41
SAFARILAND LLC	975.00	300.00
SAFE KIDS GREATER CLEVELAND	260.00	0.00
SAFE KIDS WORLDWIDE	75.00	0.00
SAGAMORE SOILS	5,164.00	3,926.40
SAM'S CLUB	70.00	70.00
SAM'S CLUB DIRECT	7,634.11	6,985.23
SAMSEL SUPPLY	80.49	0.00
SAMUEL THOMAS	45.00	0.00
SARAH LAHOSKI	50.00	0.00
SCARBROUGH SIGN CO., LLC	65.00	0.00
SCHINDLER ELEVATOR CORPORATION	7,262.64	6,937.32
SCHOOL SPECIALTY	305.13	0.00
SCHOTTENSTEIN, ZOX & DUNN	257,703.14	373,902.71
SCHWEIGER CONSTRUCTION CO	490.97	0.00
SCORE AMERICAN SOCCER COMPANY INC.	3,915.57	4,739.85
SCOTT EITMAN	4,600.00	1,500.00
SCOTT ENGLANDER	315.00	0.00
SEAN FISCHBACH	65.00	0.00
SECURITY FENCE SYSTEMS	4,400.00	0.00
SELF INSURANCE WC/KEY	47,533.57	4,802.10
SENIOR TRANSPORTATION	540.00	260.00
SENSIT TECHNOLOGIES	224.95	0.00
SERVICE SUPPLY	2,098.06	2,691.50
SERVICEMASTER BY DAVIS	178.57	174.58
SHAKER HEIGHTS MUNICIPAL COURT	16,644.00	1,389.00
SHAMROCK GEAR & REPAIR	484.93	530.75
SHANA BAGLEY	200.00	0.00
SHARON GROVER	1,330.00	0.00
SHAUN LUTZ	121.48	120.00
SHAWN GRUBER	490.00	32.00
SHI	31,382.62	1,790.06
SHOES & CLOTHES FOR KIDS	400.00	100.00
SHOP SUPPLY & TOOL CO.	375.90	169.60
SHREDDING NETWORK	750.00	0.00
SHUTTLER'S INC.	9,509.50	2,650.20
SIEMENS INDUSTRY, INC.	85,171.06	77,895.65
SIGNAL SERVICE CO	101,598.87	61,982.59
SIGNATURE SQUARE SPE, LLC	6,850.00	0.00
SIRCHIE FINGER PRINT	130.53	417.82
SKYHAWKS SPORTS ACADEMY, INC	4,287.50	2,527.50
SMART SOLUTIONS, INC.	13,454.50	7,360.00

Vendor Name	2011 YTD thru Current Month	2010 YTD Full Year
SNAP-ON TOOLS	2,585.45	2,163.37
SNAVELY CONSTRUCTION INC.	620.00	0.00
SNYDERBURN CONSTRUCTION, INC.	3,400.00	0.00
SOFTWARE SOLUTIONS, INC.	9,186.00	9,186.00
SOLID ROCK EXCAVATING, INC.	3,000.00	0.00
SOUND/COM	380.00	0.00
SOUTH EAST GOLF CART CO	3,551.60	0.00
SOUTH EAST HARLEY DAVIDSON	916.32	1,418.69
SOUTH SHORE CABLE CONSTR. INC.	39.46	0.00
SOUTH SHORE CABLE CONSTRUCTION, INC	80,000.00	0.00
SOUTHEASTERN EQUIPMENT	4,195.76	4,140.41
SPEAR'S CHARDON TRACTOR SALES	6,513.19	7,106.41
SPEE-D-METALS, INC	692.00	2,372.00
SPIC-N-SPAN WINDOW CLEANING	5,690.00	4,710.00
SPILL 911, INC.	817.20	691.00
SPORT SUPPLY GROUP, INC	3,591.89	0.00
SPOT COOLERS	6,329.65	0.00
SPRINT SPECTRUM, L.P.	375.14	0.00
SQUARE ONE, INC	100.00	0.00
SQUIRE, SANDERS, & DEMPSEY	12,500.00	84,250.00
STAINLESS WORKS	4,493.08	10,448.65
STANDARD LAW ENFORCEMENT	682.40	0.00
STAPLES BUSINESS ADVANTAGE	21,822.83	21,309.58
STARK STATE COLLEGE	1,260.00	0.00
STATE OF OHIO UST FUND	800.00	800.00
STATE PERMITS INC	50.00	0.00
STATEWIDE FORD LINCOLN MERCURY	84,456.00	39,438.00
STEVE ANDERSON	12.78	18.94
STEVEN HOLTZMAN	199.00	0.00
STONE GARDENS	210.00	0.00
STUART HOMES, INC	2,090.00	0.00
SUMMA CENTER FOR CORPORATE HEALTH	3,712.00	18,725.25
SUN NEWS	88.33	128.63
SUNBELT RENTALS	35.10	9,984.97
SUNPRO, INC.	995.00	0.00
SUNRISE SPRINGS WATER COMPANY	2,388.90	2,270.25
SUNTROL CO.	947.00	0.00
SUPER VACUUM MANUFACTURING CO INC	1,101.47	0.00
SUPER VACUUM MANUFACTURING CO, INC.	1,096.52	0.00
SUPPLIES ON DEMAND, LLC	3,087.00	2,858.00
SURESITE CONSULTING GROUP LLC	390.00	0.00
SUSAN CADY	2,263.50	2,807.00
SUSAN SCHLESSINGER	100.00	0.00
SUSTEEN, INC.	1,565.00	1,500.00
SWINGS n THINGS	5,890.02	6,549.14
SYMPRO, INC.	6,115.00	5,880.00
SZD WHITEBOARD	81,836.39	0.00
T & F SYSTEMS	1,905.98	0.00
T.K.O. FIRE PROTECTION	1,000.00	0.00
TAC COMPUTER	38,784.00	38,784.00
TACTICAL MEDICAL SOLUTIONS, INC	173.00	0.00
TAFT STETTINIUS & HOLLISTER LLP	92,993.15	150,772.26
TALLY RUSH	200.00	0.00
TAMS-WITMARK MUSIC LIBRARY INC	2,109.25	0.00
TANNER EITMAN	175.00	0.00
TAPCO	626.47	1,575.50
TARIA WILLIAMS	200.00	0.00
TASER INTERNATIONAL	1,479.50	0.00
TDS TELEPHONY & DATA SYSTEMS	3,784.50	3,397.00
TEACHERS DISCOUNT	121.86	0.00
TERMINAL SUPPLY CO.	489.79	501.04

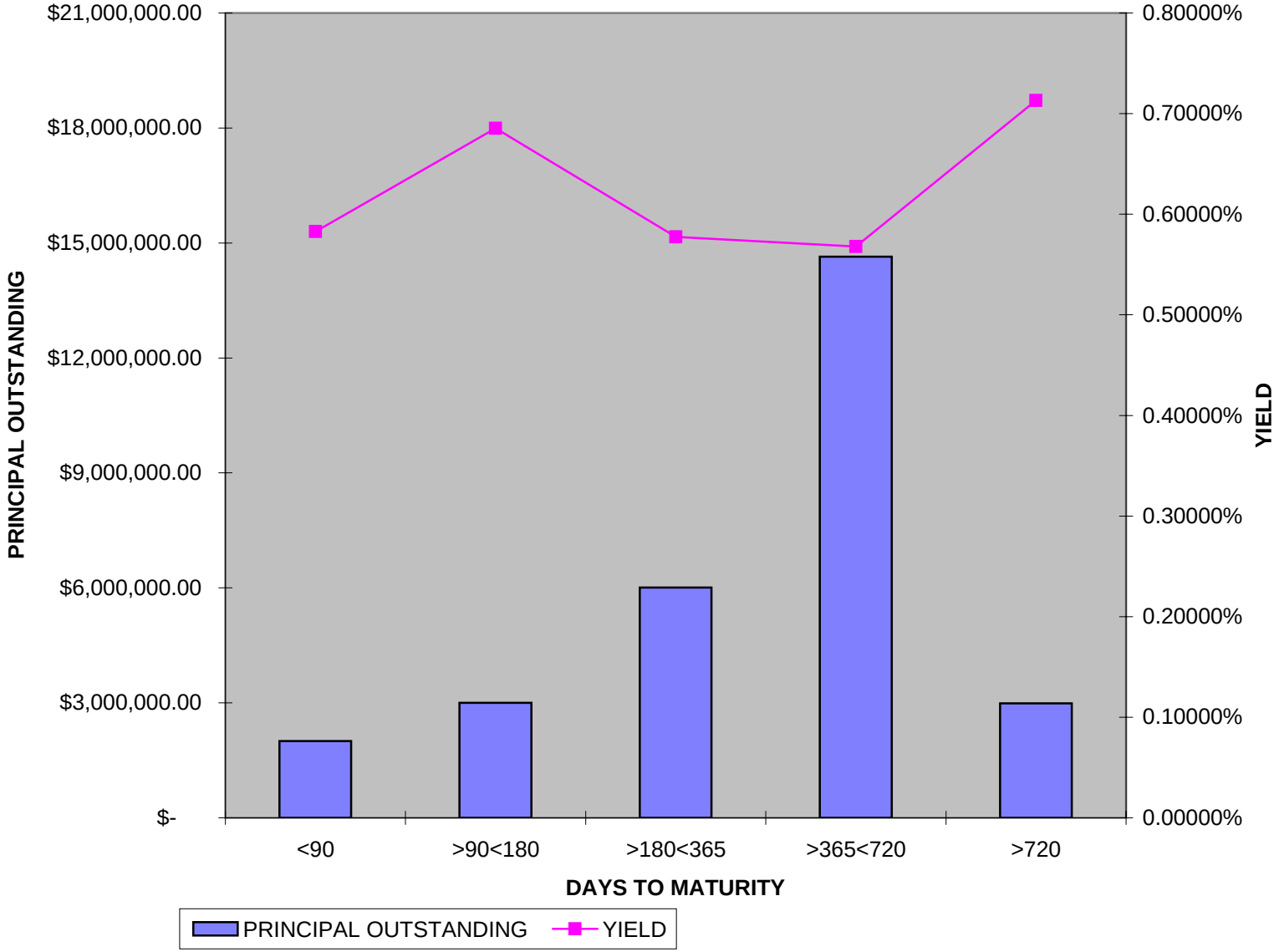
Vendor Name	2011 YTD thru Current Month	2010 YTD Full Year
TERRACE CONSTRUCTION CO., INC.	33,060.46	38,620.82
TERRENCE KORENSEK	4,975.00	4,950.00
TERRENCE MEECH	209.88	0.00
TERRI FRANK	100.00	0.00
THE ACTIVE NETWORK, INC	8,992.50	0.00
THE BALDWIN GROUP INC.	1,865.00	4,865.00
THE BOLTON PRATT COMPANY	233.97	0.00
THE CARTER NEDLEY FOUNDATION	75.00	0.00
THE CHAS E. PHIPPS COMPANY	1,990.36	1,241.34
THE CLEVELAND PLAYHOUSE	580.00	788.00
THE DIVERSITY CENTER	600.00	0.00
THE ESTABROOK CORPORATION	63.59	0.00
THE HAMPTONS	406.00	0.00
THE ILLUMINATING CO.	481,978.80	569,828.68
THE JUMP YARD	711.00	0.00
THE KING GROUP	1,130.02	0.00
THE MEETING CONNECTION, INC	850.00	0.00
THE NATIONAL BASKETBALL	625.00	0.00
THE NEWS-HERALD	858.00	0.00
THE NORTHEAST OHIO MAYOR'S &	250.00	250.00
THE OFFICE OF CUYAHOGA COUNTY MEDICAL	2,700.00	2,120.00
THE OHIO ASSOCIATION OF PUBLIC	50.00	0.00
THE PARMA BAR ASSOCIATION	80.00	75.00
THE PATRONS OF THE ARTS IN THE	200.00	150.00
THE PATTERSON COMPANIES	30,752.64	27,504.00
THE PLAIN DEALER	714.54	1,247.02
THE SHERWIN-WILLIAMS CO	3,758.69	1,221.15
THE STRUCTURE GROUP	377.49	0.00
THE TEMPLE	120.00	0.00
THE WALTER H. DRANE COMPANY	7,276.39	6,698.27
THE WAXMAN CHABAD CENTER	210.00	0.00
THOMAS C. SKEROWSKE	44.75	0.00
THOMAS F. SOINI	90.00	180.00
THOMSON REUTERS	211.35	199.80
THREE-Z-INC.	409.20	1,288.80
THURSTON L. COSNER, PH. D.	17,925.00	14,075.00
TIM LALLY CHEVROLET	2,903.73	0.00
TIME WARNER CABLE	24,682.00	1,435.54
TINA TURICK	75.20	0.00
TINKERS CREEK WATERSHED	500.00	500.00
TIP PLUS CORP	230.85	123.70
TITLE BOXING	170.97	0.00
T-MOBLIE	327.00	0.00
TODD ESTES	44.75	280.00
TOM NIESER	50.00	0.00
TOMARK SPORTS, INC.	201.74	238.97
TONY MARINELLI	50.00	50.00
TOTAL ID SOLUTIONS	42.50	0.00
TOTAL ROOFING SERVICES, LLC	2,851.50	0.00
TOTER INC.	140,640.00	0.00
TRANS UNION LLC	760.76	270.00
TRC LANDSCAPE SERVICES INC.	545.00	1,665.00
TREASURER OF STATE OF OHIO	26,774.78	28,624.99
TREASURER OF STATE, (FUND 5C2)	50.00	50.00
TREASURER, STATE OF OHIO	329,968.29	8,691.42
TREASURER, STATE OF OHIO/BBS	46,600.12	17,995.42
TREMCO	896.25	1,359.25
TRI COUNTY CONCRETE CO.	60,632.55	68,938.00
TRI MOR CORPORATION	1,663,265.89	842,715.25
TRIANGLE AUTO PARTS	1,560.91	213.20
TRUCK SERVICE INC.	1,438.81	0.00

Vendor Name	2011 YTD thru Current Month	2010 YTD Full Year
TRUCKPRO, INC.	30,239.82	23,858.61
TRUGREEN	2,760.00	38,894.00
TURNEY AUTO PARTS	571.66	0.00
TWO CRAZY KIDS, LLC	480.00	729.00
U.S. POSTAL SERVICE	15,977.00	17,767.00
U.S. POSTMASTER	14,658.53	15,265.26
UH EMS INSTITUTE	300.00	0.00
UH GEAUGA MEDICAL CENTER	280.00	0.00
ULINE	397.26	0.00
UNCLE EARL'S HAND SOAP	354.68	0.00
UNIBIND INC	315.94	301.35
UNIQUE PAVING MATERIALS CORP.	5,189.00	1,808.92
UNITED STATES HOLOCAUST MEMORIAL MUSEUM	130.00	0.00
UNIVERSAL OIL	203.70	0.00
UNIVERSITY HOSPITALS	15,031.00	0.00
URBAN GROWERS GREENHOUSE LTD	3,916.00	0.00
URS CORPORATION	7,632.08	58,790.25
USA MOBILITY WIRELESS, INC	1,154.49	1,803.61
VALLEY FORD TRUCKS	2,831.21	0.00
VALLEY FREIGHTLINER	546.14	195.13
VAN NESS STONE INC	409.66	0.00
VANCE'S LAW ENFORCEMENT	8,204.30	6,616.50
VELOTTA UNIFORM SALES CO	1,757.25	2,914.32
VERA WESTER	200.00	0.00
VERIZON WIRELESS	26,225.50	24,561.10
VETERAN'S DEVELOPMENT & CONSTRUCTION	134.99	0.00
VICTORY CORPS	664.90	0.00
VILLAGE GREEN MANAGEMENT	8,000.00	0.00
VILLAGE MANAGEMENT ASSOCIATION	2,002.77	0.00
VINCE ADAMUS	2,000.00	161.30
VINCENT J. POLOWY	1,200.00	700.00
VINCENT LIGHTING SYSTEMS, CO.	52.90	0.00
VIZIFLEX SEELS INC.	54.85	52.85
VIZMEG LANDSCAPE, INC.	32,998.00	0.00
VOCON DESIGN, INC	120.00	0.00
VULCAN INC.	2,159.39	2,487.05
W. BORN & ASSOCIATES, INC.	252.00	334.57
W.F. HANN & SONS CO.	43,956.52	13,875.48
W.W. WILLIAMS	674.60	1,496.57
WALD & FISHER	602.00	0.00
WALDAMEER WATER WORLD	434.00	365.40
WALTER ALLCHIN	270.00	0.00
WALTER KITT	100.00	0.00
WARD DIESEL FILTER SYSTEMS	424.85	695.00
WARREN FIRE EQUIPMENT, INC.	7,388.31	5,106.59
WARREN ROOFING	2,002.99	631.25
WASTE MANAGEMENT OF OHIO, INC.	11,228.86	11,943.99
WD	255.00	0.00
WEISS MOVERS	3,548.75	0.00
WELD IN A FLASH	369.00	0.00
WEST PAYMENT CENTER	8,349.46	4,643.79
WEST SHORE NEW HOLLAND INC.	3,672.05	5,194.46
WESTERN RESERVE DIV. I.A.E.I.	35.00	0.00
WEYN SOCCER GROUP, LLC	3,597.00	0.00
WHELEN ENGINEERING CO., INC.	9,425.18	5,518.54
WILLIAM A. LYNCH	4,465.00	0.00
WILLIAM C. NADEAU	16,616.50	19,163.50
WILLIAM GRISWOLD	519.85	602.53
WILLIAM O'LOUGHLIN	450.00	625.00
WILLIAM PESKURA	687.30	245.50
WILLIAM T. KARCHER	335.00	860.00

Vendor Name	2011 YTD thru Current Month	2010 YTD Full Year
WILLIAM WOLF & CO.	1,860.67	2,005.19
WILLO TRANSPORTATION	12,161.00	11,813.00
WILLOUGHBY COAL & GARDEN CTR.	827.00	1,684.98
WILLOUGHBY CONCRETE BUILDERS	101.60	758.00
WINGFOOT COMMERCIAL TIRE SYS.	49,722.60	29,693.55
WINTER EQUIPMENT COMPANY	6,586.10	14,928.83
WITMER PUBLIC SAFETY GROUP, INC.	387.00	0.00
WMS AQUATICS	159.17	80.98
WOODHILL SUPPLY, INC	720.44	4,299.27
WOODSIDE SNACKS	568.00	1,185.50
WORKMEN'S CIRCLE	500.00	450.00
WORLD CHAMPION TAEKWONDO	390.00	0.00
WRISTBAND RESOURCES, INC.	709.55	730.22
XM SATELLITE RADIO	221.73	102.18
YAHOO	50.88	20.44
YOUR BUILDING MAINTENANCE, INC	920.00	0.00
ZAP ENTERTAINMENT	225.00	225.00
ZEP MANUFACTURING COMPANY	4,779.72	2,088.37
Total	47,072,487.09	46,142,660.57

CITY OF BEACHWOOD
INVESTMENT SUMMARY

AS OF
December 31, 2011



Prepared by:

1/9/2012

City of Beachwood
Investment Summary

Prepared by:
1/9/2012

DEPOSITS AND INVESTMENT SUMMARY AS OF DECEMBER 31, 2011

DEPOSITS	Balance	Interest Rate
Key Bank - Checking	907,821	0.050%
Key Bank - Municipal Savings	2,799,086	0.150%
Huntington Business Checking	64,806	0.030%
Fifth Third Now Account	1,054,378	0.000%
First Merit	114,066	0.100%
Petty Cash	1,450	
Total Deposits	4,941,607	

OUTSTANDING CHECKS	
Key Bank	362,772
Accounts Payable	0
Total Outstanding Checks/Commitments	362,772

Other Investments — Investment Maturity

Investment Type (Bank)	<90 days	>90<180 days	>181<365 days	>366<720 days	>721 days	Grand Total	% of Total
SO	1,946	0	0	0	0	1,946	0.0%
CD(FM)	0	2,000,000	0	5,650,000	0	7,650,000	26.7%
US(FT)	0	0	1,002,187	998,906	1,000,156	3,001,249	10.5%
US(HT)	0	0	2,003,361	3,997,109	993,828	6,994,298	24.4%
FFCB(KEY)	0	0	0	0	0	0	0.0%
US(KEY)	2,000,625	998,125	3,002,677	3,999,532	992,266	10,993,225	38.4%
Grand Total	2,002,571	2,998,125	6,008,225	14,645,547	2,986,250	28,640,718	100.0%

TOTAL DEPOSITS AND INVESTMENTS 33,219,553

RETURN ON OTHER INVESTMENTS	Yield
Minimum Return on Investments	0.03%
Maximum Return on Investments	1.34%
Average Return on Investments	0.60%
Weighted Average Maturity (To Maturity)	467
Weighted Average Yield (To Maturity)	0.62%

LEGEND	
CD	Certificate of Deposit
SO	STAR Ohio
US	US Treasury Bills, Notes, Bonds
FFCB	Federal Farm Credit
FHLB	Federal Home Loan Bank
FNMA	Federal National Mortgage Association
FHLM	Federal Home Loan Mortgage Corporation
SLMA	Student Loan Mortgage Association
CO	Charter One Bank
FM	First Merit, First National Bank of Ohio
FT	Fifth Third Bank
HT	Huntington Capital Corp.
KEY	Key Bank/McDonald Investments

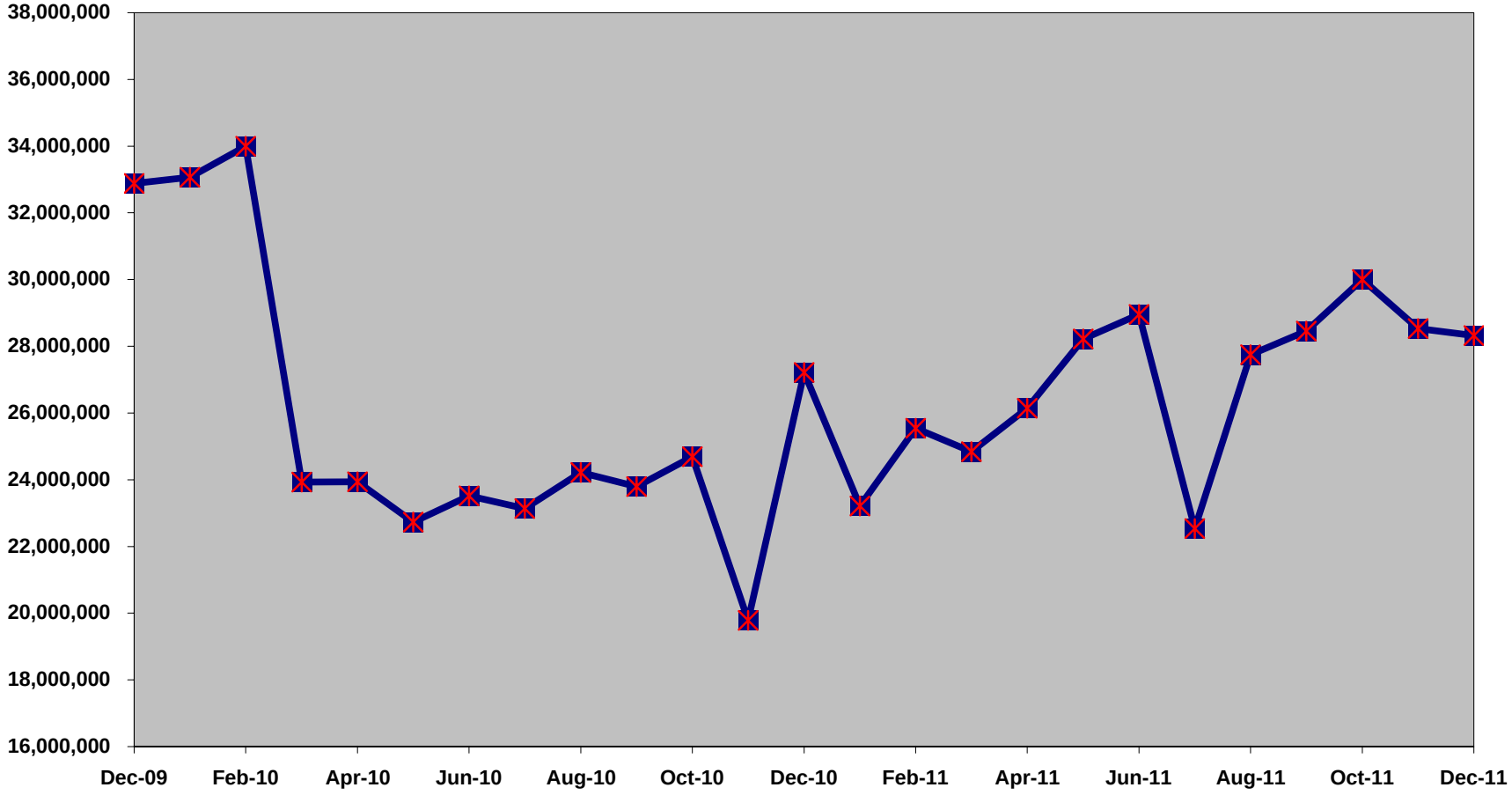
City of Beachwood
Investments
1/9/2012

Prepared by:

Report Date As Of → ***12/31/2011***

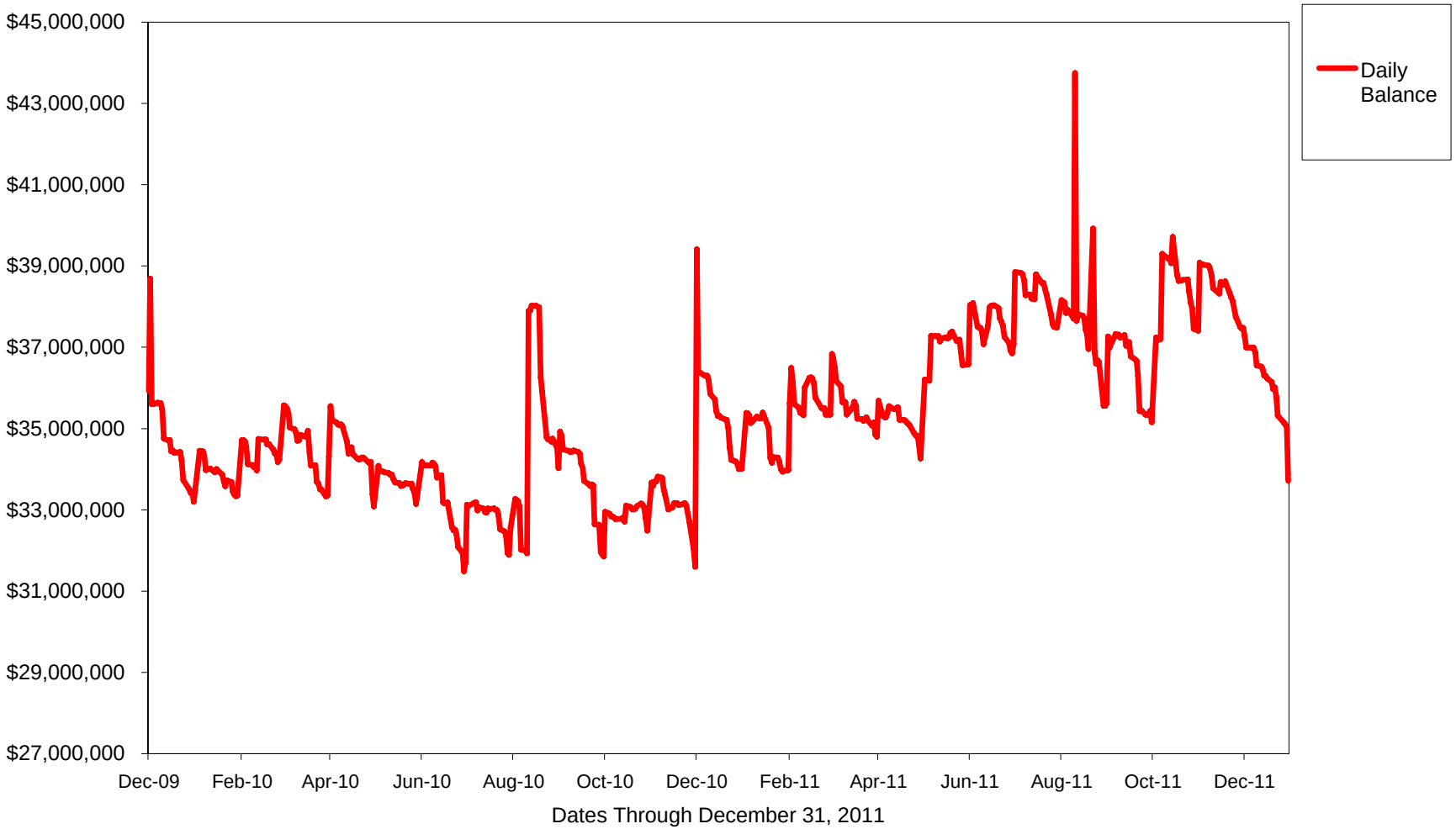
Investment Type (Bank)	Purchased Date	Par	Principal/ Amount Paid	(Premium)/ Discount	Accrued Interest Outstanding	Rate	Yield	Terms (Days)	Due Date	Coupon Date	Next Coupon Date	Days Remaining	Investment Maturity	Call Date
SO	12/31/2011	1,946.12	1,946.12	0.00	0.00	0.030%	0.03000%	0	12/31/2011	N/A	N/A	0	< 90 days	
US(KEY)	2/2/2010	1,000,000.00	1,000,781.25	(781.25)	0.00	0.875%	0.83542%	728	1/31/2012	1/31/2012	N/A	31	< 90 days	
US(KEY)	3/8/2010	1,000,000.00	999,843.75	156.25	0.00	0.875%	0.88296%	723	2/29/2012	2/29/2012	N/A	60	< 90 days	
US(KEY)	4/8/2010	1,000,000.00	998,125.00	1,875.00	0.00	1.000%	1.09605%	723	3/31/2012	3/31/2012	9/30/2012	91	> 91and < 180 days	
CD(FM)	2/11/2011	1,000,000.00	1,000,000.00	0.00	0.00	0.480%	0.48000%	439	4/25/2012	N/A	N/A	116	> 91and < 180 days	
CD(FM)	2/11/2011	1,000,000.00	1,000,000.00	0.00	0.00	0.480%	0.48000%	473	5/29/2012	N/A	N/A	150	> 91and < 180 days	
US(HT)	12/14/2010	1,000,000.00	1,002,580.00	(2,580.00)	0.00	0.625%	0.45734%	564	6/30/2012	12/31/2011	6/30/2012	182	>181 and < 365 days	
US(FT)	12/14/2010	1,000,000.00	1,002,187.50	(2,187.50)	0.00	0.625%	0.49009%	595	7/31/2012	1/31/2012	7/31/2012	213	>181 and < 365 days	
US(KEY)	11/23/2010	1,000,000.00	998,671.88	1,328.12	0.00	0.375%	0.45048%	647	8/31/2012	2/29/2012	8/31/2012	244	>181 and < 365 days	
US(HT)	10/25/2010	1,000,000.00	1,000,781.25	(781.25)	0.00	0.375%	0.33437%	706	9/30/2012	3/31/2012	9/30/2012	274	>181 and < 365 days	
US(KEY)	11/17/2009	1,000,000.00	1,003,906.25	(3,906.25)	0.00	1.375%	1.23778%	1,063	10/15/2012	4/15/2012	N/A	289	>181 and < 365 days	
US(KEY)	11/30/2010	1,000,000.00	1,000,099.38	(99.38)	0.00	0.500%	0.49500%	731	11/30/2012	5/31/2012	11/30/2012	335	>181 and < 365 days	
US(KEY)	12/31/2010	1,000,000.00	999,843.75	156.25	0.00	0.625%	0.63287%	731	12/31/2012	12/31/2011	6/30/2012	366	>365 days	
US(KEY)	2/1/2011	1,000,000.00	1,001,406.25	(1,406.25)	0.00	0.625%	0.55410%	730	1/31/2013	1/31/2012	7/31/2012	397	>365 days	
US(KEY)	2/26/2010	1,000,000.00	1,000,937.50	(937.50)	0.00	1.375%	1.34265%	1,085	2/15/2013	2/15/2012	8/15/2012	412	>365 days	
US(KEY)	3/31/2011	1,000,000.00	997,343.75	2,656.25	0.00	0.625%	0.76489%	700	2/28/2013	2/29/2012	8/31/2012	425	>365 days	
US(HT)	4/4/2011	1,000,000.00	999,062.50	937.50	0.00	0.750%	0.79759%	727	3/31/2013	3/31/2012	9/30/2012	456	>365 days	
CD(FM)	5/26/2011	1,500,000.00	1,500,000.00	0.00	0.00	0.700%	0.70000%	705	4/30/2013	N/A	N/A	486	>365 days	
CD(FM)	5/26/2011	1,000,000.00	1,000,000.00	0.00	0.00	0.700%	0.70000%	731	5/26/2013	N/A	N/A	512	>365 days	
CD(FM)	7/18/2011	2,000,000.00	2,000,000.00	0.00	0.00	0.500%	0.50000%	711	6/28/2013	N/A	N/A	545	>365 days	
CD(FM)	8/5/2011	1,150,000.00	1,150,000.00	0.00	0.00	0.490%	0.49000%	726	7/31/2013	N/A	N/A	578	>365 days	
US(FT)	8/31/2011	1,000,000.00	998,906.25	1,093.75	0.00	0.125%	0.17981%	731	8/31/2013	2/29/2012	8/31/2012	609	>365 days	
US(HT)	9/30/2011	1,000,000.00	997,656.25	2,343.75	0.00	0.125%	0.24254%	731	9/30/2013	3/31/2012	9/30/2012	639	>365 days	
US(HT)	12/8/2011	1,000,000.00	1,000,156.25	(156.25)	260.99	0.250%	0.24173%	693	10/31/2013	4/30/2012	10/31/2012	670	>365 days	
US(HT)	12/8/2011	1,000,000.00	1,000,234.38	(234.38)	54.64	0.250%	0.23812%	723	11/30/2013	5/31/2012	11/30/2012	700	>365 days	
US(KEY)	10/11/2011	1,000,000.00	992,265.63	7,734.37	178.57	0.250%	0.51644%	1,070	9/15/2014	3/15/2012	9/15/2012	989	>720 days	
US(FT)	10/17/2011	1,000,000.00	1,000,156.25	(156.25)	27.32	0.500%	0.49474%	1,094	10/15/2014	4/15/2012	10/15/2012	1,019	>720 days	
US(HT)	10/11/2011	1,000,000.00	993,828.13	6,171.87	300.55	1.000%	1.12803%	1,816	9/30/2016	3/31/2012	9/30/2012	1,735	>720 days	
		28,651,946.12	28,640,719.27	11,226.85	822.07		16.793000%							

City of Beachwood
Unencumbered Balance at Month End
All Funds



Dates Through December 31, 2011

City of Beachwood
Daily Cash Balances
All Funds



City of Beachwood
Municipal Income Tax Revenue
For Tax Years 2010-2011

	Jan-11	Jan-10	**Feb-11**	Feb-10	**Mar-11**	Mar-10	**1st Quarter Total - 11**	1st Quarter Total - 10
Withholding	**$ 1,238,024**	$ 1,101,468	**$ 1,708,777**	$ 1,238,408	**$ 1,532,398**	$ 1,416,394	**$ 4,479,199**	$ 3,756,270
Net Profit	**$ 218,009**	$ 303,785	**$ 83,494**	$ 24,463	**$ 71,212**	$ 46,652	**$ 372,715**	$ 374,900
Individual	**$ 96,993**	$ 105,150	**$ 97,924**	$ 106,009	**$ 28,730**	$ 37,770	**$ 223,647**	$ 248,929
Total	**$ 1,553,027**	$ 1,510,403	**$ 1,890,194**	$ 1,368,881	**$ 1,632,339**	$ 1,500,816	**$ 5,075,560**	$ 4,380,100

	Apr-11	Apr-10	**May-11**	May-10	**Jun-11**	Jun-10	**2nd Quarter Total - 11**	2nd Quarter Total - 10
Withholding	**$ 1,866,167**	$ 1,240,610	**$ 1,665,086**	$ 1,266,596	**$ 2,071,719**	$ 1,413,995	**$ 5,602,972**	$ 3,921,201
Net Profit	**$ 161,420**	$ 115,352	**$ 453,136**	$ (165,208)	**$ 248,496**	$ 229,959	**$ 863,053**	$ 180,102
Individual	**$ 56,719**	$ 54,327	**$ 313,284**	$ 218,577	**$ 220,723**	$ 101,703	**$ 590,726**	$ 374,607
Total	**$ 2,084,306**	$ 1,410,289	**$ 2,431,507**	$ 1,319,965	**$ 2,540,938**	$ 1,745,656	**$ 7,056,751**	$ 4,475,910

City of Beachwood
Municipal Income Tax Revenue
For Tax Years 2010-2011

	Jul-11	Jul-10	**Aug-11**	Aug-10	**Sep-11**	Sep-10	**3rd Quarter Total - 11**	3rd Quarter Total - 10
Withholding	**$ 1,539,139**	$ 1,123,214	**$ 1,435,651**	$ 989,424	**$ 2,047,810**	$ 1,286,442	**$ 5,022,600**	$ 3,399,081
Net Profit	**$ 420,269**	$ 329,932	**$ 69,660**	$ 39,658	**$ (150,580)**	$ 162,033	**$ 339,350**	$ 531,623
Individual	**$ 33,900**	$ 50,854	**$ 164,387**	$ 124,033	**$ 57,801**	$ 34,674	**$ 256,088**	$ 209,562
Total	**$ 1,993,308**	$ 1,504,000	**$ 1,669,699**	$ 1,153,115	**$ 1,955,031**	$ 1,483,149	**$ 5,618,037**	$ 4,140,265

	Oct-11	Oct-10	**Nov-11**	Nov-10	**Dec-11**	Dec-10	**4th Quarter Total - 11**	4th Quarter Total - 10
Withholding	**$ 1,667,941**	$ 1,194,869	**$ 1,593,685**	$ 1,081,401	**$ 1,778,105**	$ 1,364,597	**$ 5,039,731**	$ 3,640,868
Net Profit	**$ 552,661**	$ 310,761	**$ 238,451**	$ 21,013	**$ 89,460**	$ 73,630	**$ 880,572**	$ 405,403
Individual	**$ 42,461**	$ 54,013	**$ 241,404**	$ 190,754	**$ 102,121**	$ 45,213	**$ 385,986**	$ 289,980
Total	**$ 2,263,063**	$ 1,559,643	**$ 2,073,540**	$ 1,293,168	**$ 1,969,686**	$ 1,483,440	**$ 6,306,289**	$ 4,336,251

City of Beachwood
Municipal Income Tax Revenue
For Tax Years 2010-2011

	YTD 11	YTD 10	***VARIANCE***	***% VAR***
Withholding	**$ 20,144,501**	$ 14,717,419	**$ 5,427,082**	**36.88%**
Net Profit	**$ 2,455,690**	$ 1,492,028	**$ 963,662**	**64.59%**
Individual	**$ 1,456,447**	$ 1,123,079	**$ 333,368**	**29.68%**
Total	**$ 24,056,638**	$ 17,332,526	**$ 6,724,112**	**38.79%**

* Withholding Collections starting in February 2011 are at 2% compared to 1.5% in 2010.

* All collections are net of refunds processed in period and retainer withheld for RITA fees.

* Collections are compared to like periods from previous years, any difference between current month and financials are due to timing differences when actual monies are received from RITA.

City of Beachwood
Zone Income Tax Fund
Joint Economic Development District Summary
For Tax Year 2011

	City of Beachwood		City of Cleveland		City of Warrensville Heights	
	Dec-11	Year-To-Date	Dec-11	Year-To-Date	Dec-11	Year-To-Date
REVENUE						
Withholding	$67,875.28	$577,418.92	$38,137.27	$322,385.73	$29,738.00	$255,033.37
2010 Retainer Refund	$0.00	$6,541.00	$0.00	$3,434.00	$0.00	$3,107.00
Retainer Refund	$610.94	$5,401.79	$343.29	$3,004.57	$267.69	$2,397.47
Total Zone Income	$67,264.34	$578,558.13	$37,793.98	$322,815.16	$29,470.31	$255,742.90
EXPENDITURE						
Income Tax Collection	$1,425.56	$12,604.30	$800.98	$7,010.46	$624.59	$5,594.03
JEDD Tax Disbursement	$65,838.78	$565,953.83	$36,993.00	$315,804.70	$28,845.72	$250,148.87
Total Zone Expenditure	$67,264.34	$578,558.13	$37,793.98	$322,815.16	$29,470.31	$255,742.90

	Dec-11	YTD 11
TOTAL ZONE INCOME	**$134,528.63**	**$1,157,116.19**
TOTAL ZONE EXPENDITURE	**$134,528.63**	**$1,157,116.19**
ZONE INCOME TAX BALANCE	**$0.00**	**$0.00**

*All withholdings are net of refunds processed in period and retainer withheld for RITA fees.

*Collections starting in February 2011 are at 2% compared to 1.5% in 2010.

The City of Beachwood, Ohio

Monthly Financial Report

For Month Ended December 31, 2010

Prepared by the Finance Department

CITY OF BEACHWOOD
UNAUDITED FINANCIAL REPORT

FINANCIAL REPORTS ARE PREPARED BY : **Robert Forester, Accounting Supervisor**

FINANCIAL REPORTS ARE REVIEWED BY : **David Pfaff, Finance Director**

DEPARTMENT OF AUDIT

The following Financial Statements are unaudited, and as such no opinion is issued upon them. However, I have reviewed them to form and content.

FINANCIAL REPORTS ARE APPROVED BY : **Harvey Rose, Audit Director**

CITY OF
Beachwood

25325 FAIRMOUNT BLVD • BEACHWOOD • OHIO 44122

MAYOR
MERLE S. GORDEN

February 4, 2011

Members of Beachwood City Council and
Mayor Merle S. Gorden

Total General Fund revenue through December 31st is $27,471,782 which is a decrease of $3,552,467 or 11.5% from prior year-to-date revenue and total expenditures are $29,150,916 (excluding transfers of $1,037,923 to the Debt Service Fund and $1,500,000 to the Workers' Compensation Self Insurance Fund) which is an increase of $234,599 or 0.08%. Below is an analysis of revenues and expenditures.

Revenues

The decrease in revenue is largely due to a decrease in income tax receipts, estate taxes and miscellaneous revenue. Income taxes decreased by $1,521,807 or 8.1% over prior year-to-date receipts. Estate taxes decreased by $1,543,784 or 45.4%. Miscellaneous revenue, which consists of mostly interest income, decreased by $513,590 or 54.1%. Other significant decreases in revenue include: permits and licenses (down $78,263 or 10.7%), sale of assets (down $37,590 or 80.5%), and property taxes (down $125,579 or 4.7%). Other local taxes increased by $247,241 or 28.9% due to an increase in admission taxes.

Expenditures

Significant increases or decreases in expenditures include the following:

Council – Expenditures decreased by $28,960 or 16.1%. Last year Council made a donation to the schools and purchased an art sculpture.

Finance – Expenditures decreased by $464,178 or 16.1%. This is due to payments to the Chamber of Commerce for Economic Development. As Economic Development was brought in-house this year, we no longer make payments to the Chamber of Commerce.

Law – Expenditures increased by $206,402 or 31.4%. This is due to an increase in payments for legal services.

Recreation Sports – Expenditures decreased by $55,733 or 30.5%. This is largely due to a vehicle that was purchased last year.

FINANCE DEPARTMENT
DAVID A. PFAFF, CPA, FINANCE DIRECTOR
PHONE (216) 292-1913 • FAX (216) 595-5463

Recreation Other – Expenditures decreased by $42,065 or 18.7%. This is due to a decrease in part-time salaries and payments for instructors.

Summary

Based on the above analysis of revenues and expenditures, we have a General Fund deficit of $1,679,134 (excluding the transfer of $1,500,000 to the Self-Insurance Fund and $1,037,923 to the Debt Service Fund) as of December 31, 2010. By comparison, at this time last year we had a surplus of $2,107,932.

All Other Funds

Total revenue for all other funds, excluding transfers of $1,037,923 to the Debt Service fund and $1,500,000 to the Self-Insurance Fund, is $22,105,510 which is an increase of $16,566,126 or 299.1% from prior year-to-date revenue. The increase is due to the issuance of $6,000,000 in bond anticipation notes for Eaton Boulevard and $12,810,000 in bonds for the purchase and renovation of the new service center and refunding of existing bond issues. Total expenditures are $19,718,416 which is an increase of $11,678,023 or 145.2% from prior year-to-date expenditures. The increase in expenditures is due to payments for the Service renovation project, the Eaton Boulevard project and debt payments.

Summary

Total revenue exceeded total expenditures by $707,960. Additionally, the General Fund unencumbered balance is $12,278,634, the Capital Improvement unencumbered balance is $11,676,734, and the unencumbered balance for all funds is $27,215,781. The unencumbered balance for all funds less general obligation debt is $8,895,739 at December 31, 2010 versus $16,793,175 at December 31, 2009. This represents a decrease of $7,897,436.

Budgetary

Revenue

General Fund revenues for the year were $27,471,782, which is 93.5% of the amount originally estimated at the beginning of the year. Other funds that fell short of the amount originally projected were the Law Enforcement Trust Fund. In order to comply with the Ohio Revised Code, a revised estimate of resources was filed with the County in December. These revised estimates are reflected in the Financial Statements, however, I have included a report in Section 5 that compares actual revenue to our original estimate.

Expenditures

Since appropriations control the city's legal authority to spend funds, the financial statements reflect all amendments to appropriations made throughout the year.

On a budgetary basis the General fund expenditures for the year were $30,407,135 (including transfers) and outstanding encumbrances were $2,245,220. These amounts represent approximately 92% of the General fund appropriations, meaning expenditures and encumbrances were approximately 8% less than appropriations.

All Other Funds expenditures and encumbrances were also less than the amount appropriated.

Summary

Based on past history, the City spends approximately 65% of the amount encumbered at year-end in the succeeding year. Based on this, I would anticipate that General fund expenditures on a budgetary basis would be approximately $31,866,528 (including transfers) and $29,328,605 (excluding transfers). Therefore, on a budgetary basis, I would project expenditures will exceed revenue by $4,394,746 including transfers and $1,856,823 excluding transfers.

Respectfully submitted,

David A. Pfaff, CPA
Finance Director

CITY OF BEACHWOOD
FUND CASH STATEMENT
FOR THE PERIOD ENDED DECEMBER 31, 2010

		Beginning Year Balance	Month-to-Date Actual Receipts	Year-to-Date Actual Receipts	Month-to-Date Expenditures/ Expenses	Year-to-Date Expenditures/ Expenses	Outstanding Encumbrances	Unencumbered Balance
101	General	18,873,705.27	1,951,046.26	27,471,782.00	2,924,682.60	31,688,839.31	2,378,013.97	12,278,633.99
211	Street Construction/Maintenance	767,019.63	12,408.87	695,936.51	166,333.22	1,054,373.14	149,941.30	258,641.70
212	State Highway Improvement	35,493.64	3,044.55	44,386.81	0.00	0.00	0.00	79,880.45
231	Mayor's Court Improvement	26,154.24	855.00	11,155.00	0.00	24,330.19	2,219.75	10,759.30
241	Federal Equitable Sharing	38,441.39	135.80	119,679.03	0.00	0.00	0.00	158,120.42
243	Law Enforce Trust	14,320.69	0.00	2,324.97	0.00	1,054.73	0.00	15,590.93
261	Street Lights Blossom Drive	2,182.00	0.00	1,006.91	103.67	1,253.94	0.00	1,934.97
262	Street Lights George Zeiger Drive	102,564.57	0.00	11,928.64	1,007.12	12,203.56	0.00	102,289.65
271	Paramedic Trust Fund	6,729.53	0.00	0.00	0.00	6,729.53	0.00	0.00
281	Federal Emergency (FEMA)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
331	General Bond Retirement	521,467.37	8,009,496.53	9,979,942.55	9,540,309.13	9,882,296.97	0.00	619,112.95
441	Capital Improvement	11,897,333.35	5,026,615.22	11,045,679.59	216,388.84	7,569,897.23	3,696,381.97	11,676,733.74
501	Workers' Comp Self Insurance	0.00	4,802.10	1,504,802.10	86.76	4,802.10	0.00	1,500,000.00
771	Leo Weiss Trust	1,133.13	0.98	13.17	0.00	0.00	0.00	1,146.30
781	Hospitalization Reimburse	0.00	0.00	0.00	0.00	0.00	0.00	0.00
782	Commercial Permit Tax	2,552.02	443.46	13,849.79	468.07	15,958.35	0.00	443.46
783	Deposits	530,775.19	14,263.17	224,009.21	19,958.04	210,032.30	46,591.81	498,160.29
784	Police Pension	49,866.99	0.00	205,438.15	0.00	143,191.54	102,273.15	9,840.45
785	Zone Income Taxes	0.00	61,547.57	781,526.03	61,547.57	781,526.03	0.00	0.00
786	Unclaimed Monies	13,503.98	214.00	1,754.70	546.50	10,766.52	0.00	4,492.16
800	General Fixed Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
900	General Long-Term Debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	ALL FUNDS	32,883,242.99	15,084,873.51	52,115,215.16	12,931,431.52	51,407,255.44	6,375,421.95	27,215,780.76

CITY OF BEACHWOOD
STATEMENT OF EXPENSES
CURRENT YEAR BUDGET SUMMARY
FOR THE PERIOD ENDED DECEMBER 31, 2010

	Current Budget	Current YTD Expense	Current Encumbrance	Current Unencumbered	% Remn
GENERAL FUND					
Council	192,800.00	150,637.64	882.23	41,280.13	21.41%
Mayor's Office	603,000.00	481,621.09	8,617.73	112,761.18	18.70%
Economic Development	725,000.00	536,309.47	40,281.92	148,408.61	20.47%
Finance Department	5,106,773.00	4,783,509.36	76,255.98	247,007.66	4.84%
Law Department	1,069,750.00	787,982.23	211,079.91	70,687.86	6.61%
Police Department	8,190,300.00	7,400,471.76	170,505.50	619,322.74	7.56%
Fire Department	7,057,200.00	5,697,199.12	1,064,383.69	295,617.19	4.19%
Service Administrati	666,200.00	613,677.40	12,271.73	40,250.87	6.04%
Building and Grounds	2,194,500.00	1,922,692.46	121,986.06	149,821.48	6.83%
Fleet Maintenance	1,353,400.00	1,179,044.30	87,912.37	86,443.33	6.39%
Streets, Sidewalks &	2,660,800.00	2,182,244.35	301,267.09	177,288.56	6.66%
Sanitation	905,200.00	811,785.95	54,479.20	38,934.85	4.30%
Engineering Departme	175,700.00	137,768.60	13,126.01	24,805.39	14.12%
Human Services	755,400.00	575,350.25	14,065.63	165,984.12	21.97%
Recreation Administr	1,127,000.00	1,032,038.12	17,991.20	76,970.68	6.83%
Recreation Camps	398,800.00	382,809.34	1,537.78	14,452.88	3.62%
Recreation Sport Pro	175,500.00	121,075.03	13,099.60	41,325.37	23.55%
Recreation Other Pro	235,500.00	177,613.35	17,044.75	40,841.90	17.34%
Swimming Pools/Parks	637,600.00	529,942.84	4,937.76	102,719.40	16.11%
Building Department	1,081,300.00	903,362.14	13,494.07	164,443.79	15.21%
TOTAL GENERAL FUND	35,311,723.00	30,407,134.80	2,245,220.21	2,659,367.99	7.53%
SPECIAL REVENUE FUNDS					
STREET CONSTRUCTION/	1,200,000.00	1,038,070.70	149,674.30	12,255.00	1.02%
STATE HIGHWAY IMPROV	75,000.00	-	-	75,000.00	100.00%
MAYOR'S COURT IMPROV	20,000.00	9,373.06	2,219.75	8,407.19	42.04%
FEDERAL EQUITABLE SH	138,000.00	-	-	138,000.00	100.00%
LAW ENFORCE TRUST FU	16,000.00	1,054.73	-	14,945.27	93.41%
STREET LIGHTS BLOSSO	1,300.00	1,253.94	-	46.06	3.54%
STREET LIGHTS GEO. Z	12,500.00	12,203.56	-	296.44	2.37%
PARAMEDIC TRUST FUND	-	-	-	-	0.00%
TOTAL SPECIAL REVENUE FUNDS	1,462,800.00	1,061,955.99	151,894.05	248,949.96	17.02%
GENERAL BOND RETIREM	10,000,000.00	9,882,296.97	-	117,703.03	1.18%
CAPITAL IMPROVEMENT	11,525,000.00	7,379,550.84	3,686,291.13	459,158.03	3.98%
WORKERS' COMP SELF	500,000.00	4,802.10	-	495,197.90	99.04%
TRUST AND AGENCY FUNDS					
LEO WEISS TRUST FUND	100.00	-	-	100.00	100.00%
HOSPITALIZATION REIM	8,200.00	-	-	8,200.00	100.00%
COMMERCIAL PERMIT TA	25,000.00	15,958.35	-	9,041.65	36.17%
DEPOSITS	407,700.00	206,546.18	46,591.81	154,562.01	37.91%
POLICE PENSION FUND	238,000.00	135,513.98	102,273.15	212.87	0.09%
ZONE INCOME TAXES	845,000.00	781,526.03	-	63,473.97	7.51%
UNCLAIMED MONIES FUN	14,000.00	10,766.52	-	3,233.48	23.10%
TOTAL TRUST AND AGENCY FUNDS	1,538,000.00	1,150,311.06	148,864.96	238,823.98	15.53%
TOTAL ALL FUNDS	60,337,523.00	49,886,051.76	6,232,270.35	4,219,200.89	6.99%

CITY OF BEACHWOOD
STATEMENT OF EXPENSES
CURRENT YEAR BUDGET DETAIL
FOR THE PERIOD ENDED DECEMBER 31, 2010

	Current Budget	Current YTD Expense	Current Encumbrance	Current Unencumbered	% Remn
GENERAL FUND					
Council					
Salaries and Wages	87,100.00	86,381.19	-	718.81	0.83%
Employee Benefits	25,200.00	14,495.59	812.23	9,892.18	39.25%
Professional Service	14,000.00	-	-	14,000.00	100.00%
Contractual Services	2,500.00	-	-	2,500.00	100.00%
Other Services and E	59,200.00	47,539.00	-	11,661.00	19.70%
Materials and Suppli	1,800.00	936.86	70.00	793.14	44.06%
Property and Equipme	3,000.00	1,285.00	-	1,715.00	57.17%
Total Council	192,800.00	150,637.64	882.23	41,280.13	21.41%
Mayor's Office					
Salaries and Wages	347,800.00	339,196.89	-	8,603.11	2.47%
Employee Benefits	119,600.00	110,997.27	5,623.52	2,979.21	2.49%
Professional Service	11,000.00	10,000.00	400.00	600.00	5.45%
Contractual Services	7,700.00	1,635.29	1,074.71	4,990.00	64.81%
Other Services and E	28,400.00	12,781.79	997.93	14,620.28	51.48%
Materials and Suppli	21,500.00	7,009.85	521.57	13,968.58	64.97%
Property and Equipme	67,000.00	-	-	67,000.00	100.00%
Total Mayor's Office	603,000.00	481,621.09	8,617.73	112,761.18	18.70%
Economic Development					
Salaries and Wages	215,900.00	200,336.66	-	15,563.34	7.21%
Employee Benefits	95,200.00	68,648.79	1,369.19	25,182.02	26.45%
Professional Service	143,600.00	47,992.42	30,760.00	64,847.58	45.16%
Contractual Services	194,000.00	163,922.21	4,792.79	25,285.00	13.03%
Other Services and E	54,500.00	44,108.15	1,727.00	8,664.85	15.90%
Materials and Suppli	10,800.00	6,452.98	1,632.94	2,714.08	25.13%
Property and Equipme	11,000.00	4,848.26	-	6,151.74	55.92%
Total Economic Development	725,000.00	536,309.47	40,281.92	148,408.61	20.47%
Finance Department					
Salaries and Wages	899,450.00	890,448.37	-	9,001.63	1.00%
Employee Benefits	347,200.00	324,348.03	16,852.99	5,998.98	1.73%
Professional Service	645,000.00	621,587.87	23,078.09	334.04	0.05%
Contractual Services	63,500.00	53,089.25	2,716.13	7,694.62	12.12%
Other Services and E	537,100.00	323,587.85	31,260.58	182,251.57	33.93%
Materials and Suppli	28,800.00	23,905.12	2,348.19	2,546.69	8.84%
Property and Equipme	47,800.00	8,619.87	-	39,180.13	81.97%
Non-governmental Cha	2,537,923.00	2,537,923.00	-	-	0.00%
Total Finance Department	5,106,773.00	4,783,509.36	76,255.98	247,007.66	4.84%
Law Department					
Salaries and Wages	190,800.00	177,257.77	-	13,542.23	7.10%
Employee Benefits	81,900.00	67,444.39	1,892.04	12,563.57	15.34%
Professional Service	745,000.00	518,057.52	204,554.77	22,387.71	3.01%
Contractual Services	6,000.00	978.87	1,657.71	3,363.42	56.06%
Other Services and E	30,850.00	18,259.03	1,984.37	10,606.60	34.38%
Materials and Suppli	11,200.00	5,984.65	991.02	4,224.33	37.72%
Property and Equipme	4,000.00	-	-	4,000.00	100.00%
Total Law Department	1,069,750.00	787,982.23	211,079.91	70,687.86	6.61%

CITY OF BEACHWOOD
STATEMENT OF EXPENSES
CURRENT YEAR BUDGET DETAIL
FOR THE PERIOD ENDED DECEMBER 31, 2010

	Current Budget	Current YTD Expense	Current Encumbrance	Current Unencumbered	% Remn
Police Department					
Salaries and Wages	5,264,600.00	5,139,318.95	-	125,281.05	2.38%
Employee Benefits	1,995,300.00	1,745,798.03	80,571.45	168,930.52	8.47%
Professional Service	68,600.00	39,028.90	26,106.82	3,464.28	5.05%
Contractual Services	395,700.00	294,789.42	9,703.49	91,207.09	23.05%
Other Services and E	100,700.00	72,132.17	5,261.66	23,306.17	23.14%
Materials and Suppli	79,400.00	40,407.97	13,733.39	25,258.64	31.81%
Property and Equipme	286,000.00	68,996.32	35,128.69	181,874.99	63.59%
Total Police Department	8,190,300.00	7,400,471.76	170,505.50	619,322.74	7.56%
Fire Department					
Salaries and Wages	3,845,300.00	3,787,492.32	-	57,807.68	1.50%
Employee Benefits	1,889,900.00	1,627,896.76	210,732.74	51,270.50	2.71%
Professional Service	61,900.00	59,198.63	-	2,701.37	4.36%
Contractual Services	192,000.00	121,670.98	20,002.73	50,326.29	26.21%
Other Services and E	44,600.00	33,494.22	874.43	10,231.35	22.94%
Materials and Suppli	91,000.00	57,118.26	10,511.69	23,370.05	25.68%
Property and Equipme	932,500.00	10,327.95	822,262.10	99,909.95	10.71%
Total Fire Department	7,057,200.00	5,697,199.12	1,064,383.69	295,617.19	4.19%
Service Administrati					
Salaries and Wages	419,700.00	407,084.13	-	12,615.87	3.01%
Employee Benefits	177,100.00	164,347.36	6,731.14	6,021.50	3.40%
Professional Service	6,500.00	-	-	6,500.00	100.00%
Contractual Services	2,500.00	781.33	572.17	1,146.50	45.86%
Other Services and E	15,600.00	11,546.47	561.95	3,491.58	22.38%
Materials and Suppli	41,800.00	29,918.11	4,406.47	7,475.42	17.88%
Property and Equipme	3,000.00	-	-	3,000.00	100.00%
Total Service Administrati	666,200.00	613,677.40	12,271.73	40,250.87	6.04%
Building and Grounds					
Salaries and Wages	716,200.00	689,531.84	-	26,668.16	3.72%
Employee Benefits	331,400.00	308,531.71	9,063.47	13,804.82	4.17%
Professional Service	21,000.00	14,916.55	4,516.45	1,567.00	7.46%
Contractual Services	852,000.00	663,736.61	99,510.59	88,752.80	10.42%
Other Services and E	8,900.00	5,229.25	757.75	2,913.00	32.73%
Materials and Suppli	255,000.00	231,226.50	8,137.80	15,635.70	6.13%
Property and Equipme	10,000.00	9,520.00	-	480.00	4.80%
Total Building and Grounds	2,194,500.00	1,922,692.46	121,986.06	149,821.48	6.83%
Fleet Maintenance					
Salaries and Wages	413,900.00	393,824.20	-	20,075.80	4.85%
Employee Benefits	173,600.00	164,749.60	4,723.95	4,126.45	2.38%
Contractual Services	135,000.00	76,205.12	25,773.96	33,020.92	24.46%
Other Services and E	4,200.00	193.00	-	4,007.00	95.40%
Materials and Suppli	611,700.00	536,957.49	57,414.46	17,328.05	2.83%
Property and Equipme	15,000.00	7,114.89	-	7,885.11	52.57%
Total Fleet Maintenance	1,353,400.00	1,179,044.30	87,912.37	86,443.33	6.39%
Streets, Sidewalks &					
Salaries and Wages	1,049,900.00	1,010,702.70	-	39,197.30	3.73%
Employee Benefits	510,900.00	440,480.66	22,498.09	47,921.25	9.38%
Professional Service	17,000.00	1,275.00	12,975.00	2,750.00	16.18%
Contractual Services	182,700.00	145,780.40	33,268.18	3,651.42	2.00%
Other Services and E	5,000.00	1,481.19	-	3,518.81	70.38%
Materials and Suppli	888,300.00	582,524.40	232,525.82	73,249.78	8.25%
Property and Equipme	7,000.00	-	-	7,000.00	100.00%
Total Streets, Sidewalks &	2,660,800.00	2,182,244.35	301,267.09	177,288.56	6.66%

CITY OF BEACHWOOD
STATEMENT OF EXPENSES
CURRENT YEAR BUDGET DETAIL
FOR THE PERIOD ENDED DECEMBER 31, 2010

	Current Budget	Current YTD Expense	Current Encumbrance	Current Unencumbered	% Remn
Sanitation					
Salaries and Wages	484,000.00	469,119.14	-	14,880.86	3.07%
Employee Benefits	203,200.00	195,252.93	6,034.41	1,912.66	0.94%
Contractual Services	193,000.00	127,915.89	48,444.79	16,639.32	8.62%
Other Services and E	1,000.00	-	-	1,000.00	100.00%
Materials and Suppli	23,000.00	19,497.99	-	3,502.01	15.23%
Property and Equipme	1,000.00	-	-	1,000.00	100.00%
Total Sanitation	905,200.00	811,785.95	54,479.20	38,934.85	4.30%
Engineering Departme					
Salaries and Wages	95,300.00	92,767.70	-	2,532.30	2.66%
Employee Benefits	36,600.00	33,582.35	1,833.76	1,183.89	3.23%
Professional Service	32,000.00	9,111.75	11,292.25	11,596.00	36.24%
Contractual Services	500.00	-	-	500.00	100.00%
Other Services and E	4,900.00	1,780.41	-	3,119.59	63.67%
Materials and Suppli	4,400.00	526.39	-	3,873.61	88.04%
Property and Equipme	2,000.00	-	-	2,000.00	100.00%
Total Engineering Departme	175,700.00	137,768.60	13,126.01	24,805.39	14.12%
Human Services					
Salaries and Wages	278,400.00	264,643.37	-	13,756.63	4.94%
Employee Benefits	131,800.00	124,516.15	3,887.79	3,396.06	2.58%
Professional Service	7,200.00	487.64	50.00	6,662.36	92.53%
Contractual Services	212,500.00	124,068.83	4,765.79	83,665.38	39.37%
Other Services and E	47,500.00	21,997.69	25.00	25,477.31	53.64%
Materials and Suppli	73,000.00	39,636.57	5,337.05	28,026.38	38.39%
Property and Equipme	5,000.00	-	-	5,000.00	100.00%
Total Human Services	755,400.00	575,350.25	14,065.63	165,984.12	21.97%
Recreation Administr					
Salaries and Wages	472,100.00	455,713.55	-	16,386.45	3.47%
Employee Benefits	204,500.00	195,671.15	6,885.90	1,942.95	0.95%
Professional Service	30,000.00	24,374.78	2,440.00	3,185.22	10.62%
Contractual Services	342,500.00	312,496.00	4,142.22	25,861.78	7.55%
Other Services and E	26,900.00	14,059.93	500.00	12,340.07	45.87%
Materials and Suppli	46,000.00	28,487.71	3,063.08	14,449.21	31.41%
Property and Equipme	5,000.00	1,235.00	960.00	2,805.00	56.10%
Total Recreation Administr	1,127,000.00	1,032,038.12	17,991.20	76,970.68	6.83%
Recreation Camps					
Salaries and Wages	235,000.00	232,763.65	-	2,236.35	0.95%
Employee Benefits	44,100.00	43,119.03	585.78	395.19	0.90%
Professional Service	100.00	-	-	100.00	100.00%
Contractual Services	100,000.00	89,210.76	952.00	9,837.24	9.84%
Other Services and E	1,700.00	1,122.99	-	577.01	33.94%
Materials and Suppli	17,900.00	16,592.91	-	1,307.09	7.30%
Total Recreation Camps	398,800.00	382,809.34	1,537.78	14,452.88	3.62%
Recreation Sport Pro					
Salaries and Wages	33,000.00	21,530.75	-	11,469.25	34.76%
Employee Benefits	6,200.00	4,193.30	-	2,006.70	32.37%
Contractual Services	101,700.00	73,800.53	10,930.00	16,969.47	16.69%
Other Services and E	2,800.00	2,265.00	-	535.00	19.11%
Materials and Suppli	30,800.00	19,285.45	2,169.60	9,344.95	30.34%
Property and Equipme	1,000.00	-	-	1,000.00	100.00%
Total Recreation Sport Pro	175,500.00	121,075.03	13,099.60	41,325.37	23.55%

CITY OF BEACHWOOD
STATEMENT OF EXPENSES
CURRENT YEAR BUDGET DETAIL
FOR THE PERIOD ENDED DECEMBER 31, 2010

	Current Budget	Current YTD Expense	Current Encumbrance	Current Unencumbered	% Remn
Recreation Other Pro					
Salaries and Wages	93,400.00	80,233.16	-	13,166.84	14.10%
Employee Benefits	35,800.00	32,457.52	1,039.30	2,303.18	6.43%
Professional Service	1,500.00	-	-	1,500.00	100.00%
Contractual Services	87,000.00	53,920.56	15,030.00	18,049.44	20.75%
Other Services and E	7,100.00	4,876.81	-	2,223.19	31.31%
Materials and Suppli	10,700.00	6,125.30	975.45	3,599.25	33.64%
Total Recreation Other Pro	235,500.00	177,613.35	17,044.75	40,841.90	17.34%
Swimming Pools/Parks					
Salaries and Wages	270,000.00	252,361.32	-	17,638.68	6.53%
Employee Benefits	56,000.00	46,960.49	-	9,039.51	16.14%
Professional Service	10,000.00	-	-	10,000.00	100.00%
Contractual Services	223,500.00	162,579.28	3,517.81	57,402.91	25.68%
Other Services and E	3,800.00	2,027.86	268.65	1,503.49	39.57%
Materials and Suppli	60,300.00	53,069.67	1,151.30	6,079.03	10.08%
Property and Equipme	14,000.00	12,944.22	-	1,055.78	7.54%
Total Swimming Pools/Parks	637,600.00	529,942.84	4,937.76	102,719.40	16.11%
Building Department					
Salaries and Wages	689,600.00	613,651.14	-	75,948.86	11.01%
Employee Benefits	276,600.00	247,957.07	6,090.73	22,552.20	8.15%
Professional Service	26,000.00	16,685.00	3,315.00	6,000.00	23.08%
Contractual Services	35,400.00	2,151.54	1,892.46	31,356.00	88.58%
Other Services and E	22,900.00	14,045.77	-	8,854.23	38.66%
Materials and Suppli	22,800.00	8,871.62	2,195.88	11,732.50	51.46%
Property and Equipme	8,000.00	-	-	8,000.00	100.00%
Total Building Department	1,081,300.00	903,362.14	13,494.07	164,443.79	15.21%
TOTAL GENERAL FUND	**35,311,723.00**	**30,407,134.80**	**2,245,220.21**	**2,659,367.99**	**7.53%**
SPECIAL REVENUE FUNDS					
STREET CONSTRUCTION/					
Professional Service	55,000.00	44,814.73	6,529.27	3,656.00	6.65%
Property and Equipme	1,145,000.00	993,255.97	143,145.03	8,599.00	0.75%
TOTAL STREET CONSTRUCTION/	1,200,000.00	1,038,070.70	149,674.30	12,255.00	1.02%
STATE HIGHWAY IMPROV					
Professional Service	6,000.00	-	-	6,000.00	100.00%
Materials and Suppli	5,000.00	-	-	5,000.00	100.00%
Property and Equipme	64,000.00	-	-	64,000.00	100.00%
TOTAL STATE HIGHWAY IMPROV	75,000.00	-	-	75,000.00	100.00%
MAYOR'S COURT IMPROV					
Professional Service	11,000.00	5,850.00	2,000.00	3,150.00	28.64%
Materials and Suppli	7,000.00	3,523.06	219.75	3,257.19	46.53%
Property and Equipme	2,000.00	-	-	2,000.00	100.00%
TOTAL MAYOR'S COURT IMPROV	20,000.00	9,373.06	2,219.75	8,407.19	42.04%
FEDERAL EQUITABLE SH					
Property and Equipme	138,000.00	-	-	138,000.00	100.00%
TOTAL FEDERAL EQUITABLE SH	138,000.00	-	-	138,000.00	100.00%

CITY OF BEACHWOOD
STATEMENT OF EXPENSES
CURRENT YEAR BUDGET DETAIL
FOR THE PERIOD ENDED DECEMBER 31, 2010

	Current Budget	Current YTD Expense	Current Encumbrance	Current Unencumbered	% Remn
LAW ENFORCE TRUST FU					
Other Services and E	500.00	-	-	500.00	100.00%
Materials and Suppli	1,100.00	1,054.73	-	45.27	4.12%
Property and Equipme	14,400.00	-	-	14,400.00	100.00%
TOTAL LAW ENFORCE TRUST FU	16,000.00	1,054.73	-	14,945.27	93.41%
STREET LIGHTS BLOSSO					
Contractual Services	1,250.00	1,244.04	-	5.96	0.48%
Other Services and E	50.00	9.90	-	40.10	80.20%
TOTAL STREET LIGHTS BLOSSO	1,300.00	1,253.94	-	46.06	3.54%
STREET LIGHTS GEO. Z					
Contractual Services	12,300.00	12,085.44	-	214.56	1.74%
Other Services and E	200.00	118.12	-	81.88	40.94%
TOTAL STREET LIGHTS GEO. Z	12,500.00	12,203.56	-	296.44	2.37%
PARAMEDIC TRUST FUND					
Property and Equipme	-	-	-	-	0.00%
TOTAL PARAMEDIC TRUST FUND	-	-	-	-	0.00%
TOTAL SPECIAL REVENUE FUNDS	**1,462,800.00**	**1,061,955.99**	**151,894.05**	**248,949.96**	**17.02%**
GENERAL BOND RETIREM					
Other Services and E	10,000.00	8,661.59	-	1,338.41	13.38%
Other Expenses	9,990,000.00	9,873,635.38	-	116,364.62	1.16%
TOTAL GENERAL BOND RETIREM	**10,000,000.00**	**9,882,296.97**	**-**	**117,703.03**	**1.18%**
CAPITAL IMPROVEMENT					
Professional Service	379,000.00	175,883.18	152,364.32	50,752.50	13.39%
Other Services and E	1,000.00	185.52	-	814.48	81.45%
Property and Equipme	11,050,000.00	7,126,892.94	3,533,926.81	389,180.25	3.52%
Other Expenses	95,000.00	76,589.20	-	18,410.80	19.38%
TOTAL CAPITAL IMPROVEMENT	**11,525,000.00**	**7,379,550.84**	**3,686,291.13**	**459,158.03**	**3.98%**
WORKERS' COMP SELF					
Professional Service	500,000.00	4,802.10	-	495,197.90	99.04%
TOTAL WORKERS' COMP SELF	**500,000.00**	**4,802.10**	**-**	**495,197.90**	**99.04%**

CITY OF BEACHWOOD
STATEMENT OF EXPENSES
CURRENT YEAR BUDGET DETAIL
FOR THE PERIOD ENDED DECEMBER 31, 2010

	Current Budget	Current YTD Expense	Current Encumbrance	Current Unencumbered	% Remn
TRUST AND AGENCY FUNDS					
LEO WEISS TRUST FUND					
Materials and Suppli	100.00	-	-	100.00	100.00%
TOTAL LEO WEISS TRUST FUND	100.00	-	-	100.00	100.00%
HOSPITALIZATION REIM					
Employee Benefits	8,200.00	-	-	8,200.00	100.00%
TOTAL HOSPITALIZATION REIM	8,200.00	-	-	8,200.00	100.00%
COMMERCIAL PERMIT TA					
Non-governmental Cha	25,000.00	15,958.35	-	9,041.65	36.17%
TOTAL COMMERCIAL PERMIT TA	25,000.00	15,958.35	-	9,041.65	36.17%
DEPOSITS					
Professional Service	267,600.00	146,825.74	46,591.81	74,182.45	27.72%
Other Services and E	100.00	62.95	-	37.05	37.05%
Non-governmental Cha	140,000.00	59,657.49	-	80,342.51	57.39%
TOTAL DEPOSITS	407,700.00	206,546.18	46,591.81	154,562.01	37.91%
POLICE PENSION FUND					
Employee Benefits	237,800.00	135,433.08	102,273.15	93.77	0.04%
Other Services and E	200.00	80.90	-	119.10	59.55%
TOTAL POLICE PENSION FUND	238,000.00	135,513.98	102,273.15	212.87	0.09%
ZONE INCOME TAXES					
Professional Service	20,000.00	16,399.72	-	3,600.28	18.00%
Non-governmental Cha	825,000.00	765,126.31	-	59,873.69	7.26%
TOTAL ZONE INCOME TAXES	845,000.00	781,526.03	-	63,473.97	7.51%
UNCLAIMED MONIES FUN					
Non-governmental Cha	14,000.00	10,766.52	-	3,233.48	23.10%
TOTAL UNCLAIMED MONIES FUN	14,000.00	10,766.52	-	3,233.48	23.10%
TOTAL TRUST AND AGENCY FUND	**1,538,000.00**	**1,150,311.06**	**148,864.96**	**238,823.98**	**15.53%**
TOTAL ALL FUNDS	**60,337,523.00**	**49,886,051.76**	**6,232,270.35**	**4,219,200.89**	**6.99%**

CITY OF BEACHWOOD
STATEMENT OF EXPENSES
PRIOR AND CURRENT YEAR EXPENSES
FOR THE PERIOD ENDED DECEMBER 31, 2010

	Combined Year-to-Date Expenses
GENERAL FUND	
Council	
Salaries and Wages	86,381.19
Employee Benefits	15,303.28
Professional Services	-
Contractual Services	-
Other Services and Expenses	47,539.00
Materials and Supplies	936.86
Property and Equipment	1,285.00
TOTAL Council	151,445.33
Mayor's Office	
Salaries and Wages	339,196.89
Employee Benefits	116,406.63
Professional Services	10,400.00
Contractual Services	1,635.29
Other Services and Expenses	13,591.74
Materials and Supplies	7,555.39
Property and Equipment	-
TOTAL Mayor's Office	488,785.94
Economic Development	
Salaries and Wages	200,336.66
Employee Benefits	68,648.79
Professional Services	47,992.42
Contractual Services	163,922.21
Other Services and Expenses	44,108.15
Materials and Supplies	6,452.98
Property and Equipment	4,848.26
TOTAL Economic Development	536,309.47
Finance Department	
Salaries and Wages	890,448.37
Employee Benefits	337,857.09
Professional Services	721,347.95
Contractual Services	53,196.42
Other Services and Expenses	326,172.50
Materials and Supplies	27,618.28
Property and Equipment	57,943.60
Non-governmental Charges	2,537,923.00
TOTAL Finance Department	4,952,507.21

CITY OF BEACHWOOD
STATEMENT OF EXPENSES
PRIOR AND CURRENT YEAR EXPENSES
FOR THE PERIOD ENDED DECEMBER 31, 2010

	Combined Year-to-Date Expenses
Law Department	
Salaries and Wages	177,257.77
Employee Benefits	69,443.83
Professional Services	590,406.55
Contractual Services	1,241.39
Other Services and Expenses	18,259.03
Materials and Supplies	6,276.10
Property and Equipment	-
TOTAL Law Department	862,884.67
Police Department	
Salaries and Wages	5,139,318.95
Employee Benefits	1,923,266.31
Professional Services	41,365.03
Contractual Services	301,366.67
Other Services and Expenses	76,513.03
Materials and Supplies	49,477.29
Property and Equipment	154,844.08
TOTAL Police Department	7,686,151.36
Fire Department	
Salaries and Wages	3,787,492.32
Employee Benefits	1,831,301.84
Professional Services	59,198.63
Contractual Services	127,525.09
Other Services and Expenses	34,072.47
Materials and Supplies	64,908.26
Property and Equipment	233,301.27
TOTAL Fire Department	6,137,799.88
Service Administration	
Salaries and Wages	407,084.13
Employee Benefits	168,545.02
Professional Services	-
Contractual Services	848.73
Other Services and Expenses	11,546.47
Materials and Supplies	31,053.53
Property and Equipment	-
TOTAL Service Administration	619,077.88
Building and Grounds	
Salaries and Wages	689,531.84
Employee Benefits	318,735.10
Professional Services	14,916.55
Contractual Services	715,089.65
Other Services and Expenses	5,229.25
Materials and Supplies	237,658.46
Property and Equipment	22,463.10
TOTAL Building and Grounds	2,003,623.95

CITY OF BEACHWOOD
STATEMENT OF EXPENSES
PRIOR AND CURRENT YEAR EXPENSES
FOR THE PERIOD ENDED DECEMBER 31, 2010

		Combined Year-to-Date Expenses
	Fleet Maintenance	
	Salaries and Wages	393,824.20
	Employee Benefits	168,829.17
	Contractual Services	104,570.27
	Other Services and Expenses	193.00
	Materials and Supplies	572,177.26
	Property and Equipment	7,114.89
TOTAL	**Fleet Maintenance**	1,246,708.79
	Streets, Sidewalks & Sewers	
	Salaries and Wages	1,010,702.70
	Employee Benefits	453,769.09
	Professional Services	3,153.50
	Contractual Services	145,780.40
	Other Services and Expenses	1,481.19
	Materials and Supplies	630,645.92
	Property and Equipment	2,873.00
TOTAL	**Streets, Sidewalks & Sewers**	2,248,405.80
	Sanitation	
	Salaries and Wages	469,119.14
	Employee Benefits	199,932.04
	Contractual Services	138,728.92
	Other Services and Expenses	-
	Materials and Supplies	19,497.99
	Property and Equipment	-
TOTAL	**Sanitation**	827,278.09
	Engineering Department	
	Salaries and Wages	92,767.70
	Employee Benefits	35,325.59
	Professional Services	9,111.75
	Contractual Services	-
	Other Services and Expenses	1,780.41
	Materials and Supplies	526.39
	Property and Equipment	-
TOTAL	**Engineering Department**	139,511.84
	Human Services	
	Salaries and Wages	264,643.37
	Employee Benefits	128,204.56
	Professional Services	487.64
	Contractual Services	128,737.83
	Other Services and Expenses	24,514.13
	Materials and Supplies	43,122.95
	Property and Equipment	-
TOTAL	**Human Services**	589,710.48

CITY OF BEACHWOOD
STATEMENT OF EXPENSES
PRIOR AND CURRENT YEAR EXPENSES
FOR THE PERIOD ENDED DECEMBER 31, 2010

		Combined Year-to-Date Expenses
	Recreation Administration	
	Salaries and Wages	455,713.55
	Employee Benefits	201,322.45
	Professional Services	27,043.28
	Contractual Services	316,723.69
	Other Services and Expenses	14,604.31
	Materials and Supplies	31,574.34
	Property and Equipment	1,235.00
TOTAL	**Recreation Administration**	1,048,216.62
	Recreation Camps	
	Salaries and Wages	232,763.65
	Employee Benefits	43,736.29
	Professional Services	-
	Contractual Services	89,210.76
	Other Services and Expenses	1,986.99
	Materials and Supplies	16,667.93
TOTAL	**Recreation Camps**	384,365.62
	Recreation Sport Programs	
	Salaries and Wages	21,530.75
	Employee Benefits	4,193.30
	Contractual Services	79,009.53
	Other Services and Expenses	2,265.00
	Materials and Supplies	19,736.41
	Property and Equipment	-
TOTAL	**Recreation Sport Programs**	126,734.99
	Recreation Other Programs	
	Salaries and Wages	80,233.16
	Employee Benefits	33,955.69
	Professional Services	-
	Contractual Services	57,297.56
	Other Services and Expenses	4,876.81
	Materials and Supplies	6,948.79
TOTAL	**Recreation Other Programs**	183,312.01
	Swimming Pools/Parks	
	Salaries and Wages	252,361.32
	Employee Benefits	46,960.49
	Professional Services	2,692.00
	Contractual Services	163,079.12
	Other Services and Expenses	2,027.86
	Materials and Supplies	56,985.85
	Property and Equipment	13,617.55
TOTAL	**Swimming Pools/Parks**	537,724.19

CITY OF BEACHWOOD
STATEMENT OF EXPENSES
PRIOR AND CURRENT YEAR EXPENSES
FOR THE PERIOD ENDED DECEMBER 31, 2010

	Combined Year-to-Date Expenses
Building Department	
Salaries and Wages	613,651.14
Employee Benefits	260,817.53
Professional Services	17,335.00
Contractual Services	2,735.61
Other Services and Expenses	14,222.54
Materials and Supplies	9,523.37
Property and Equipment	-
TOTAL Building Department	918,285.19
TOTAL GENERAL FUND	**31,688,839.31**
SPECIAL REVENUE FUNDS	
STREET CONSTRUCTION/MAINTENANC	
Professional Services	45,049.73
Property and Equipment	1,009,323.41
TOTAL STREET CONSTRUCTION/MAINTENANC	1,054,373.14
STATE HIGHWAY IMPROVEMENT FUND	
Professional Services	-
Contractual Services	-
Materials and Supplies	-
Property and Equipment	-
TOTAL STATE HIGHWAY IMPROVEMENT FUND	-
MAYOR'S COURT IMPROVEMENT FUND	
Professional Services	5,850.00
Materials and Supplies	3,523.06
Property and Equipment	14,957.13
TOTAL MAYOR'S COURT IMPROVEMENT FUND	24,330.19
FEDERAL EQUITABLE SHARING FUND	
Other Services and Expenses	-
Materials and Supplies	-
Property and Equipment	-
TOTAL FEDERAL EQUITABLE SHARING FUND	-
LAW ENFORCE TRUST FUND	
Contractual Services	-
Other Services and Expenses	-
Materials and Supplies	1,054.73
Property and Equipment	-
TOTAL LAW ENFORCE TRUST FUND	1,054.73

CITY OF BEACHWOOD
STATEMENT OF EXPENSES
PRIOR AND CURRENT YEAR EXPENSES
FOR THE PERIOD ENDED DECEMBER 31, 2010

	Combined Year-to-Date Expenses
STREET LIGHTS BLOSSOM DRIVE	
Contractual Services	1,244.04
Other Services and Expenses	9.90
Non-governmental Charges	-
TOTAL STREET LIGHTS BLOSSOM DRIVE	1,253.94
STREET LIGHTS GEO. ZEIGER DR.	
Contractual Services	12,085.44
Other Services and Expenses	118.12
Non-governmental Charges	-
TOTAL STREET LIGHTS GEO. ZEIGER DR.	12,203.56
PARAMEDIC TRUST FUND	
Other Services and Expenses	-
Materials and Supplies	-
Property and Equipment	6,729.53
TOTAL PARAMEDIC TRUST FUND	6,729.53
FEDERAL EMERGENCY (FEMA)	
Non-governmental Charges	-
TOTAL FEDERAL EMERGENCY (FEMA)	-
TOTAL SPECIAL REVENUE FUNDS	**1,099,945.09**
GENERAL BOND RETIREMENT FUND	
Other Services and Expenses	8,661.59
Other Expenses	9,873,635.38
TOTAL GENERAL BOND RETIREMENT FUND	**9,882,296.97**
CAPITAL IMPROVEMENT FUND	
Professional Services	366,229.57
Contractual Services	
Other Services and Expenses	185.52
Materials and Supplies	
Property and Equipment	7,126,892.94
Other Expenses	76,589.20
TOTAL CAPITAL IMPROVEMENT FUND	**7,569,897.23**
WORKERS' COMP SELF INSURANCE	
Professional Services	4,802.10
TOTAL WORKERS' COMP SELF INSURANCE	**4,802.10**

CITY OF BEACHWOOD
STATEMENT OF EXPENSES
PRIOR AND CURRENT YEAR EXPENSES
FOR THE PERIOD ENDED DECEMBER 31, 2010

	Combined Year-to-Date Expenses
TRUST AND AGENCY FUNDS	
LEO WEISS TRUST FUND	
Materials and Supplies	-
TOTAL LEO WEISS TRUST FUND	-
HOSPITALIZATION REIMBURSE FUND	
Employee Benefits	-
TOTAL HOSPITALIZATION REIMBURSE FUND	-
COMMERCIAL PERMIT TAX FUND	
Non-governmental Charges	15,958.35
TOTAL COMMERCIAL PERMIT TAX FUND	15,958.35
DEPOSITS	
Professional Services	150,311.86
Other Services and Expenses	62.95
Non-governmental Charges	59,657.49
TOTAL DEPOSITS	210,032.30
POLICE PENSION FUND	
Employee Benefits	143,110.64
Other Services and Expenses	80.90
TOTAL POLICE PENSION FUND	143,191.54
ZONE INCOME TAXES	
Professional Services	16,399.72
Non-governmental Charges	765,126.31
TOTAL ZONE INCOME TAXES	781,526.03
UNCLAIMED MONIES FUND	
Non-governmental Charges	10,766.52
TOTAL UNCLAIMED MONIES FUND	10,766.52
TOTAL TRUST AND AGENCY FUNDS	**1,161,474.74**
TOTAL ALL FUNDS	**51,407,255.44**

CITY OF BEACHWOOD
GENERAL FUND YEAR TO DATE BUDGET -V- ACTUAL
AS OF DECEMBER 31, 2010

	YTD Actual Revenue	Original Budget	Variance
General Fund			
Local Taxes			
Property Taxes	2,572,960.88	2,356,379.00	216,581.88
Municipal Income Tax	17,332,525.54	18,855,000.00	(1,522,474.46)
Other Local Taxes	1,101,505.02	1,005,000.00	96,505.02
Intergovernmental Revenues			
Local Government Fund	443,696.59	437,230.00	6,466.59
Estate/Inheritance Tax	1,854,854.32	2,500,000.00	(645,145.68)
Other Intergovernmental Revenue	37,006.97	28,000.00	9,006.97
Rollbacks/Homestead	185,989.09	171,142.00	14,847.09
Miscellaneous	4,056.30	0.00	4,056.30
Charges For Services			
General Government	1,428,704.02	1,493,000.00	(64,295.98)
Recreation Programs	994,826.06	1,000,000.00	(5,173.94)
Miscellaneous	6,157.00	6,000.00	157.00
Fines, Permits, and Licenses			
Fines and Forfeitures	237,818.48	248,533.00	(10,714.52)
Permits and Licenses	653,883.22	732,000.00	(78,116.78)
Miscellaneous Revenue			
Miscellaneous Revenue	435,255.48	375,000.00	60,255.48
Sale of Assets			
Sale of Assets	9,089.18	47,000.00	(37,910.82)
Non-Revenue Receipts			
Reimbursements	144,456.84	116,000.00	28,456.84
Refunds	28,997.01	23,750.00	5,247.01
Other Non-Revenue Receipts	0.00	0.00	0.00
Total General Fund	**27,471,782.00**	**29,394,034.00**	**(1,922,252.00)**

Note: Above figures are net of advances and transfers.

CITY OF BEACHWOOD
REVENUE REPORT
FOR THE MONTH ENDING DECEMBER 31, 2010

	ESTIMATED REVENUE	M-T-D REVENUE	Y-T-D REVENUE	PERCENT COLLECTED
GENERAL FUND				
REAL PROPERTY TAXES	2,208,379.00	-	2,355,044.26	106.64%
TANGIBLE PERSONAL PROP	8,000.00	-	18,724.43	234.06%
CAT TAX REIMBURSEMENT	140,000.00	-	199,192.19	142.28%
WITHHOLDING COLLECTION	14,302,800.00	1,380,064.68	14,854,199.58	103.86%
WITHHOLDING REFUNDS	(220,000.00)	(3,420.06)	(189,580.12)	86.17%
WITHHOLDING DEFERRED R	(130,000.00)	(12,047.68)	(125,346.21)	96.42%
WITHHOLDING RETAINER R	245,000.00	-	178,145.73	72.71%
NET PROFIT COLLECTIONS	2,282,000.00	80,202.74	2,239,165.68	98.12%
NET PROFIT REFUNDS	(303,000.00)	(6,055.00)	(759,222.07)	250.57%
NET PROFIT DEFERRED RE	(19,700.00)	(518.18)	(14,307.60)	72.63%
NET PROFIT RETAINER R	34,200.00	-	26,391.96	77.17%
INDIVIDUAL COLLECTIONS	1,274,000.00	47,863.22	1,220,421.56	95.79%
INDIVIDUAL REFUNDS	(130,300.00)	(2,261.16)	(103,061.64)	79.10%
INDIVIDUAL DEFERRED RE	(11,000.00)	(388.64)	(9,676.64)	87.97%
INDIVIDUAL RETAINER RE	31,000.00	-	15,395.31	49.66%
ADMISSIONS TAX	222,000.00	31,418.56	319,850.99	144.08%
LODGINGS TAX	680,000.00	57,832.34	672,753.98	98.93%
FRANCHISE TAX	103,000.00	-	108,900.05	105.73%
Local Taxes	20,716,379.00	1,572,690.82	21,006,991.44	101.40%
LOCAL GOVERNMENT SALES	207,230.00	19,328.57	205,249.00	99.04%
LOCAL GOVERNMENT STATE	230,000.00	18,441.34	238,447.59	103.67%
ESTATE/INHERITANCE TAX	1,712,000.00	91,037.84	1,854,854.32	108.34%
LIQUOR PERMIT FEES	27,900.00	-	32,196.85	115.40%
CIGARETTE TAX	100.00	-	310.12	310.12%
HOMESTEAD	25,000.00	-	32,823.23	131.29%
2.5% REAL ESTATE ROLLB	25,000.00	-	28,323.98	113.30%
10% REIMBURSEMENT	120,500.00	-	124,841.88	103.60%
OTHER FEDERAL GRANTS	342.00	-	2,662.30	778.45%
OTHER STATE / COUNTY G	300.00	-	5,894.00	1964.67%
Intergovernmental Revenues	2,348,372.00	128,807.75	2,525,603.27	107.55%
FINANCE DEPARTMENT	208,000.00	15.40	155,429.15	74.73%
FIRE DEPARTMENT	11,800.00	2,104.00	7,992.00	67.73%
LAW DEPARTMENT	1,000.00	-	4,390.20	439.02%
SERVICE DEPARTMENT	200.00	-	2,221.06	1110.53%
POLICE DEPARTMENT	45,000.00	920.80	22,330.05	49.62%
EMS CHARGES	780,000.00	73,789.38	837,207.02	107.33%
MAYOR'S OFFICE	600.00	-	1,125.00	187.50%
AIR RIGHTS EASEMENTS	2,500.00	-	2,500.00	100.00%
BUSINESS DEVELOPMENT R	80,000.00	5,567.30	89,216.46	111.52%
COMMERCE PARK RENTS	331,900.00	-	306,293.08	92.28%
OUTDOOR POOL	185,400.00	-	181,531.49	97.91%
REFUNDS	(1,000.00)	-	(570.00)	57.00%
CHILD CARE	38,000.00	-	35,095.00	92.36%
CAMPS	360,000.00	9,905.00	401,077.54	111.41%
SPORTS PROGRAMS	130,000.00	6,663.00	127,776.96	98.29%
SENIOR TRIPS	162,000.00	5,513.00	159,893.98	98.70%
REFUNDS	(25,000.00)	(561.00)	(27,726.85)	110.91%
TICKET SALES	16,000.00	10,236.00	18,362.00	114.76%
CONCESSION SALES	300.00	-	746.00	248.67%
SPONSORS	5,000.00	-	2,975.00	59.50%
COMMUNITY SERVICE ROOM	8,000.00	120.00	5,177.25	64.72%
OTHER RECREATION	112,000.00	6,928.50	99,801.34	89.11%
REFUNDS	(8,700.00)	(484.00)	(9,313.65)	107.05%

CITY OF BEACHWOOD
REVENUE REPORT
FOR THE MONTH ENDING DECEMBER 31, 2010

	ESTIMATED REVENUE	M-T-D REVENUE	Y-T-D REVENUE	PERCENT COLLECTED
REGULAR (BROWN BAGS)	4,000.00	264.50	3,753.00	93.83%
RECYCLING (BLUE BAGS)	2,000.00	165.00	2,404.00	120.20%
Charges for Services	2,449,000.00	121,146.88	2,429,687.08	99.21%
SHAKER COURT FINES	65,733.00	6,871.70	59,890.48	91.11%
PARKING FINES	8,000.00	830.00	8,627.00	107.84%
MAYOR'S COURT FINES	132,000.00	12,778.00	131,609.50	99.70%
COURT COSTS	28,000.00	2,005.00	25,559.00	91.28%
BOND RETENTION & FORFE	500.00	10.00	350.00	70.00%
COMMUNITY DEVELOPMENT	500.00	-	75.00	15.00%
OTHER FINES & FORFEITU	1,800.00	-	11,707.50	650.42%
OCCUPANCY	11,000.00	650.00	8,711.00	79.19%
SIGN	12,000.00	372.00	13,705.60	114.21%
MASONRY	12,000.00	-	9,633.00	80.28%
BUILDING	350,000.00	9,802.95	350,771.25	100.22%
HVAC	50,000.00	2,692.00	40,321.32	80.64%
PLUMBING	74,000.00	2,207.00	40,059.20	54.13%
ELECTRIC	99,000.00	3,263.50	65,901.91	66.57%
FENCE	1,000.00	-	890.00	89.00%
MISCELLANEOUS	13,000.00	1,662.00	12,463.94	95.88%
HVAC	4,000.00	1,000.00	5,150.00	128.75%
PLUMBING	6,700.00	850.00	4,600.00	68.66%
POOL	900.00	-	1,200.00	133.33%
GENERAL CONTRACTOR	35,000.00	3,900.00	35,825.00	102.36%
MASONRY	3,900.00	100.00	3,360.00	86.15%
ELECTRIC	6,500.00	1,150.00	7,950.00	122.31%
RENTAL OCCUPANCY	32,000.00	7,500.00	41,200.00	128.75%
ARCHITECTURAL REVIEW B	3,500.00	170.00	5,125.00	146.43%
BOARD OF ZONING APPEAL	1,000.00	-	1,260.00	126.00%
PLAN REVIEW FEE	3,700.00	415.00	4,870.00	131.62%
OTHER FEES	1,200.00	-	415.00	34.58%
STREET OPENING PERMITS	1,600.00	-	900.00	56.25%
PERMITS AND LICENSES R	-	-	(429.00)	N/A
Fines, Permits, & Licenses	958,533.00	58,229.15	891,701.70	93.03%
INTEREST INCOME RECEIV	365,000.00	32,477.80	369,011.13	101.10%
ACCRUED INTEREST PAID	(2,000.00)	(5,146.06)	(1,330.68)	66.53%
CONSTRUCTION ASSESSMEN	2,000.00	-	1,164.72	58.24%
OTHER MISCELLANEOUS RE	10,000.00	12,017.22	66,410.31	664.10%
Miscellaneous Revenue	375,000.00	39,348.96	435,255.48	116.07%
SALE OF GENERAL FIXED	-	2,055.00	2,055.00	N/A
SALE OF OTHER ASSETS	7,000.00	-	7,034.18	100.49%
INSURANCE PROCEEDS (TO	-	-	-	N/A
Sale of Assets	7,000.00	2,055.00	9,089.18	129.85%
Notes and Bonds	-	-	-	0.00%
RECEIVED FROM OTHERS	16,000.00	380.50	16,010.81	100.07%
INSURANCE SETTLEMENTS	60,000.00	5,640.10	28,964.45	48.27%
OTHER REIMBURSEMENTS	40,000.00	21,973.56	99,481.58	248.70%
REFUNDS	23,750.00	773.54	28,997.01	122.09%
Non-Revenue Receipts	139,750.00	28,767.70	173,453.85	124.12%
TOTAL GENERAL FUND	**26,994,034.00**	**1,951,046.26**	**27,471,782.00**	**101.77%**

CITY OF BEACHWOOD
REVENUE REPORT
FOR THE MONTH ENDING DECEMBER 31, 2010

	ESTIMATED REVENUE	M-T-D REVENUE	Y-T-D REVENUE	PERCENT COLLECTED
SPECIAL REVENUE FUNDS				
STREET CONSTRUCTION/MAINTENANC				
MUNICIPAL-CENTS PER GA	130,000.00	9,822.92	121,673.90	93.60%
GASOLINE EXCISE TAX	240,000.00	20,466.34	246,081.59	102.53%
AUTO REGISTRATION	82,000.00	4,601.84	142,973.06	174.36%
PERMISSIVE TAX	25,000.00	1,828.03	25,917.44	103.67%
Intergovernmental Revenues	477,000.00	36,719.13	536,645.99	112.50%
INTEREST INCOME RECEIV	23,000.00	417.17	9,017.95	39.21%
Miscellaneous Revenue	23,000.00	417.17	9,017.95	39.21%
OTHER REIMBURSEMENTS	-	(24,727.43)	150,272.57	N/A
Non-Revenue Receipts	-	(24,727.43)	150,272.57	N/A
TOTAL STREET CONSTRUCTION/MAINTENANC	**500,000.00**	**12,408.87**	**695,936.51**	**139.19%**
STATE HIGHWAY IMPROVEMENT FUND				
MUNICIPAL-CENTS PER GA	10,000.00	796.45	9,865.45	98.65%
GASOLINE EXCISE TAX	19,000.00	1,659.43	20,199.27	106.31%
AUTO REGISTRATION	8,200.00	373.12	11,592.39	141.37%
PERMISSIVE TAX	2,000.00	148.22	2,101.41	105.07%
Intergovernmental Revenues	39,200.00	2,977.22	43,758.52	111.63%
INTEREST INCOME RECEIV	800.00	67.33	628.29	78.54%
Miscellaneous Revenue	800.00	67.33	628.29	78.54%
TOTAL STATE HIGHWAY IMPROVEMENT FUND	**40,000.00**	**3,044.55**	**44,386.81**	**110.97%**
MAYOR'S COURT IMPROVEMENT FUND				
MAYOR'S COURT COMPUTER	10,000.00	855.00	11,155.00	111.55%
Fines, Permits, & Licenses	10,000.00	855.00	11,155.00	111.55%
TOTAL MAYOR'S COURT IMPROVEMENT FUND	**10,000.00**	**855.00**	**11,155.00**	**111.55%**
FEDERAL EQUITABLE SHARING FUND				
CONFISCATIONS/FORFEITU	99,000.00	-	118,622.55	119.82%
Intergovernmental Revenues	99,000.00	-	118,622.55	119.82%
INTEREST INCOME RECEIV	1,000.00	135.80	1,056.48	105.65%
Miscellaneous Revenue	1,000.00	135.80	1,056.48	105.65%
TOTAL FEDERAL EQUITABLE SHARING FUND	**100,000.00**	**135.80**	**119,679.03**	**119.68%**
LAW ENFORCE TRUST FUND				
CONFISCATIONS/FORFEITU	2,300.00	-	1,444.97	62.82%
OTHER GRANTS STATE OF	-	-	880.00	N/A
Intergovernmental Revenues	2,300.00	-	2,324.97	101.09%
TOTAL LAW ENFORCE TRUST FUND	**2,300.00**	**-**	**2,324.97**	**101.09%**
STREET LIGHTS BLOSSOM DRIVE				
STREET LIGHTING ASSESS	800.00	-	1,006.91	125.86%
Miscellaneous Revenue	**800.00**	**-**	**1,006.91**	**125.86%**
TOTAL STREET LIGHTS BLOSSOM DRIVE	**800.00**	**-**	**1,006.91**	**125.86%**

	ESTIMATED REVENUE	M-T-D REVENUE	Y-T-D REVENUE	PERCENT COLLECTED
STREET LIGHTS GEO. ZEIGER DR.				
STREET LIGHTING ASSESS	11,800.00	-	11,928.64	101.09%
Miscellaneous Revenue	11,800.00	-	11,928.64	101.09%
TOTAL STREET LIGHTS GEO. ZEIGER DR.	**11,800.00**	**-**	**11,928.64**	**101.09%**
TOTAL PARAMEDIC TRUST FUND	**-**	**-**	**-**	**0.00%**
TOTAL FEDERAL EMERGENCY (FEMA)	**-**	**-**	**-**	**0.00%**
TOTAL SPECIAL REVENUE FUNDS	**664,900.00**	**16,444.22**	**886,417.87**	**133.32%**
GENERAL BOND RETIREMENT FUND				
CONSTRUCTION ASSESSMEN	769,077.00	-	875,883.02	113.89%
Miscellaneous Revenue	769,077.00	-	875,883.02	113.89%
SPECIAL ASSESSMENT NOT	8,143,000.00	-	-	0.00%
GENERAL OBLIGATION BON	-	5,484,839.66	5,484,839.66	N/A
SPECIAL ASSESSMENT BON	-	2,298,545.12	2,298,545.12	N/A
PREMIUM ON SALE	-	226,111.75	282,751.75	N/A
Notes and Bonds	8,143,000.00	8,009,496.53	8,066,136.53	99.06%
TRANSFERS - IN	1,037,923.00	-	1,037,923.00	100.00%
Non-Revenue Receipts	1,037,923.00	-	1,037,923.00	100.00%
TOTAL GENERAL BOND RETIREMENT FUND	**9,950,000.00**	**8,009,496.53**	**9,979,942.55**	**100.30%**
CAPITAL IMPROVEMENT FUND				
CONSTRUCTION ASSESSMEN	-	-	19,064.37	N/A
Miscellaneous Revenue	-	-	19,064.37	N/A
SPECIAL ASSESSMENT NOT	10,000,000.00	-	6,000,000.00	60.00%
GENERAL OBLIGATION BON	-	4,995,160.34	4,995,160.34	N/A
SPECIAL ASSESSMENT BON	-	31,454.88	31,454.88	N/A
Notes and Bonds	10,000,000.00	5,026,615.22	11,026,615.22	110.27%
TRANSFERS - IN	-	-	-	N/A
Non-Revenue Receipts	-	-	-	N/A
TOTAL CAPITAL IMPROVEMENT FUND	**10,000,000.00**	**5,026,615.22**	**11,045,679.59**	**110.46%**
WORKERS' COMP SELF INSURANCE				
OTHER CHARGES	-	4,802.10	4,802.10	N/A
Charges for Services	-	4,802.10	4,802.10	N/A
TRANSFERS-IN	1,500,000.00	-	1,500,000.00	100.00%
Miscellaneous Revenue	1,500,000.00	-	1,500,000.00	100.00%
TOTAL WORKERS' COMP SELF INSURANCE	**1,500,000.00**	**4,802.10**	**1,504,802.10**	**100.32%**

CITY OF BEACHWOOD
REVENUE REPORT
FOR THE MONTH ENDING DECEMBER 31, 2010

	ESTIMATED REVENUE	M-T-D REVENUE	Y-T-D REVENUE	PERCENT COLLECTED
TRUST AND AGENCY FUNDS				
LEO WEISS TRUST FUND				
INTEREST INCOME RECEIV	30.00	0.98	13.17	43.90%
Miscellaneous Revenue	30.00	0.98	13.17	43.90%
TOTAL LEO WEISS TRUST FUND	**30.00**	**0.98**	**13.17**	**43.90%**
HOSPITALIZATION REIMBURSE FUND				
Non-Revenue Receipts	-	-	-	N/A
TOTAL HOSPITALIZATION REIMBURSE FUND	**-**	**-**	**-**	**N/A**
COMMERCIAL PERMIT TAX FUND				
COMMERCIAL PERMIT TAX	10,000.00	443.46	13,849.79	138.50%
Non-Revenue Receipts	10,000.00	443.46	13,849.79	138.50%
TOTAL COMMERCIAL PERMIT TAX FUND	**10,000.00**	**443.46**	**13,849.79**	**138.50%**
DEPOSITS				
CONSTRUCTION ASSESSMEN	-	-	4,414.71	N/A
Miscellaneous Revenue	-	-	4,414.71	N/A
ENGINEERING SERVICES	10,000.00	276.00	2,608.00	26.08%
OTHER REIMBURSEMENTS	2,000.00	-	3,779.01	188.95%
PLANNING & ZONING	10,000.00	-	14,400.00	144.00%
PLAN REVIEW	160,000.00	13,587.17	170,846.25	106.78%
OTHER DEPOSITS	87,970.00	400.00	27,961.24	31.78%
Non-Revenue Receipts	269,970.00	14,263.17	219,594.50	81.34%
TOTAL DEPOSITS	**269,970.00**	**14,263.17**	**224,009.21**	**82.98%**
POLICE PENSION FUND				
REAL PROPERTY TAXES	191,182.00	-	190,239.29	99.51%
TANGIBLE PERSONAL PROP	700.00	-	118.68	16.95%
EXEMPT PERSONAL PROPER	-	-	-	N/A
Local Taxes	191,882.00	-	190,357.97	99.21%
HOMESTEAD	600.00	-	2,661.35	443.56%
2.5% REAL ESTATE ROLLB	2,000.00	-	2,296.53	114.83%
10% REIMBURSEMENT	10,400.00	-	10,122.30	97.33%
Intergovernmental Revenues	13,000.00	-	15,080.18	116.00%
TOTAL POLICE PENSION FUND	**204,882.00**	**-**	**205,438.15**	**100.27%**
ZONE INCOME TAXES				
COLLECTIONS	721,000.00	62,106.57	781,972.63	108.46%
REFUNDS	(6,000.00)	-	(1,817.11)	30.29%
DEFERRED REVENUE - RET	(3,000.00)	(559.00)	(7,028.49)	234.28%
RETAINER REFUND	8,000.00	-	8,399.00	104.99%
Local Taxes	720,000.00	61,547.57	781,526.03	108.55%
TOTAL ZONE INCOME TAXES	**720,000.00**	**61,547.57**	**781,526.03**	**108.55%**

CITY OF BEACHWOOD
REVENUE REPORT
FOR THE MONTH ENDING DECEMBER 31, 2010

	ESTIMATED REVENUE	M-T-D REVENUE	Y-T-D REVENUE	PERCENT COLLECTED
UNCLAIMED MONIES FUND				
TRUST RECEIPTS	-	214.00	1,754.70	N/A
Non-Revenue Receipts	-	214.00	1,754.70	N/A
				N/A
TOTAL UNCLAIMED MONIES FUND	**-**	**214.00**	**1,754.70**	N/A
TOTAL TRUST AND AGENCY FUNDS	**1,204,882.00**	**76,469.18**	**1,226,591.05**	**101.80%**
TOTAL ALL FUNDS	**50,313,816.00**	**15,084,873.51**	**52,115,215.16**	**103.58%**

CITY OF BEACHWOOD
PRIOR YEAR -v- CURRENT YEAR RECEIPTS
FOR THE MONTH ENDING DECEMBER 31, 2010

	Month-to-Date 2009	Month-to-Date 2010	% Change	Year-to-Date 2009	Year-to-Date 2010	% Change
General Fund						
Local Taxes						
Property Taxes	$ -	$ -	0.000%	$ 2,698,539.69	$ 2,572,960.88	-4.654%
Municipal Income Tax	$ 1,579,095.50	$ 1,483,439.92	-6.058%	$ 18,854,333.03	$ 17,332,525.54	-8.071%
Other Local Taxes	$ 53,682.96	$ 89,250.90	66.256%	$ 854,263.82	$ 1,101,505.02	28.942%
Intergovernmental Revenues						
Local Government Fund	$ 35,878.75	$ 37,769.91	5.271%	$ 437,230.19	$ 443,696.59	1.479%
Estate/Inheritance Tax	$ -	$ 91,037.84	n/a	$ 3,398,638.37	$ 1,854,854.32	-45.424%
Other Intergovernmental Revenue	$ -	$ -	0.000%	$ 27,885.80	$ 37,006.97	32.709%
Rollbacks/Homestead	$ -	$ -	0.000%	$ 194,749.13	$ 185,989.09	-4.498%
Miscellaneous	$ -	$ -	0.000%	$ 642.20	$ 4,056.30	531.626%
Charges For Services						
General Government	$ 104,813.62	$ 82,396.88	-21.387%	$ 1,474,007.85	$ 1,428,704.02	-3.074%
Recreation Programs	$ 26,175.00	$ 38,320.50	46.401%	$ 968,519.16	$ 994,826.06	2.716%
Miscellaneous	$ 355.00	$ 429.50	20.986%	$ 6,152.50	$ 6,157.00	0.073%
Fines, Permits, and Licenses						
Fines and Forfeitures	$ 21,477.00	$ 22,494.70	4.739%	$ 241,294.30	$ 237,718.48	-1.482%
Permits and Licenses	$ 104,546.82	$ 35,734.45	-65.820%	$ 732,246.29	$ 653,983.22	-10.688%
Miscellaneous Revenue						
Miscellaneous Revenue	$ 106,302.72	$ 39,348.96	-62.984%	$ 948,845.10	$ 435,255.48	-54.128%
Sale of Assets						
Sale of Assets	$ -	$ 2,055.00	n/a	$ 46,678.86	$ 9,089.18	-80.528%
Non-Revenue Receipts						
Reimbursements	$ 7,808.79	$ 27,994.16	258.495%	$ 116,468.94	$ 144,456.84	24.030%
Refunds	$ 9,222.00	$ 773.54	-91.612%	$ 23,753.47	$ 28,997.01	22.075%
Other Non-Revenue Receipts	$ -	$ -	0.000%	$ -	$ -	0.000%
Total General Fund	**$ 2,049,358.16**	**$ 1,951,046.26**	**-4.797%**	**$ 31,024,248.70**	**$ 27,471,782.00**	**-11.451%**
Special Revenue Funds						
Street Construction	$ 40,522.53	$ 12,408.87	-69.378%	$ 547,141.60	$ 695,936.51	27.195%
State Highway	$ 3,195.16	$ 3,044.55	-4.714%	$ 43,551.41	$ 44,386.81	1.918%
Mayor's Court Improvement	$ 1,017.00	$ 855.00	-15.929%	$ 11,095.00	$ 11,155.00	0.541%
Federal Equitable Sharing	$ 118.30	$ 135.80	14.793%	$ 3,742.74	$ 119,679.03	3097.631%
Law Enforcement Trust	$ -	$ -	0.000%	$ 5,440.00	$ 2,324.97	-57.262%
Blossom Street Lights	$ -	$ -	0.000%	$ 837.36	$ 1,006.91	20.248%
Zeiger Street Lights	$ -	$ -	0.000%	$ 12,480.10	$ 11,928.64	-4.419%
Paramedic Trust Fund	$ -	$ -	0.000%	$ -	$ -	0.000%
Federal Emergency (FEMA)	$ -	$ -	0.000%	$ -	$ -	0.000%
Total Special Revenue	**$ 44,852.99**	**$ 16,444.22**	**-63.338%**	**$ 624,288.21**	**$ 886,417.87**	**41.989%**
Debt Service Fund						
General Bond Retirement	$ 3,025,284.00	$ 8,009,496.53	164.752%	$ 3,949,650.50	$ 8,942,019.55	126.400%
Total Dept Service	**$ 3,025,284.00**	**$ 8,009,496.53**	**164.752%**	**$ 3,949,650.50**	**$ 8,942,019.55**	**126.400%**
Capital Projects Fund						
Capital Improvement Fund	$ -	$ 5,026,615.22	n/a	$ 20,847.55	$ 11,045,679.59	52883.106%
Total Capital Projects	**$ -**	**$ 5,026,615.22**	**n/a**	**$ 20,847.55**	**$ 11,045,679.59**	**52883.106%**
Workers' Comp Self Insurance						
Workers' Comp Self Insuarnce	$ -	$ 4,802.10	n/a	$ -	$ 4,802.10	n/a
Total Workers' Comp Self Ins.	**$ -**	**$ 4,802.10**	**n/a**	**$ -**	**$ 4,802.10**	**n/a**
Trust and Agency Funds						
Leo Weiss Trust	$ 3.49	$ 0.98	-71.920%	$ 30.42	$ 13.17	-56.706%
Hospitalization Reimbursement	$ 106.21	$ -	-100.000%	$ 6,900.79	$ -	-100.000%
Commercial Permit Tax	$ 2,552.02	$ 443.46	-82.623%	$ 16,931.69	$ 13,849.79	-18.202%
Deposits	$ 13,023.04	$ 14,263.17	9.523%	$ 183,850.47	$ 224,009.21	21.843%
Police Pension Fund	$ -	$ -	0.000%	$ 213,086.92	$ 205,438.15	-3.590%
Zone Income Taxes	$ 48,837.26	$ 61,547.57	26.026%	$ 523,629.51	$ 781,526.03	49.252%
Unclaimed Monies Fund	$ -	$ 214.00	n/a	$ 168.00	$ 1,754.70	944.464%
Total Trust & Agency	**$ 64,522.02**	**$ 76,469.18**	**18.516%**	**$ 944,597.80**	**$ 1,226,591.05**	**29.853%**
Total All Funds	**$ 5,184,017.17**	**$ 15,084,873.51**	**190.988%**	**$ 36,563,632.76**	**$ 49,577,292.16**	**35.592%**

Note: Above figures are net of advances and transfers.

CITY OF BEACHWOOD
PRIOR YEAR -v- CURRENT YEAR EXPENDITURES
FOR THE MONTH ENDING DECEMBER 31, 2010

	Month-to-Date 2009	Month-to-Date 2010	% Change	Year-to-Date 2009	Year-to-Date 2010	% Change
General Fund						
Council	$ 20,028.52	$ 12,233.85	-38.918%	$ 180,405.46	$ 151,445.33	-16.053%
Mayor	$ 49,494.96	$ 59,215.08	19.639%	$ 467,964.68	$ 488,785.94	4.449%
Economic Development	$ -	$ 50,635.44	n/a	$ -	$ 536,309.47	n/a
Finance Department	$ 404,812.78	$ 337,517.94	-16.624%	$ 2,878,761.69	$ 2,414,584.21	-16.124%
Law Department	$ 51,092.99	$ 86,974.68	70.228%	$ 656,483.19	$ 862,884.67	31.440%
Police Department	$ 620,118.02	$ 710,049.73	14.502%	$ 7,456,640.11	$ 7,686,151.36	3.078%
Fire Department	$ 702,998.08	$ 565,687.21	-19.532%	$ 5,861,991.02	$ 6,137,799.88	4.705%
Service Administration	$ 43,952.05	$ 73,711.49	67.709%	$ 578,594.95	$ 619,077.88	6.997%
Building & Grounds	$ 153,283.74	$ 238,388.84	55.521%	$ 2,216,265.12	$ 2,003,623.95	-9.595%
Fleet Maintenance	$ 109,115.60	$ 140,607.44	28.861%	$ 1,205,599.92	$ 1,246,708.79	3.410%
Streets, Sidewalk, & Sewers	$ 185,294.52	$ 276,031.69	48.969%	$ 2,423,055.29	$ 2,248,405.80	-7.208%
Sanitation	$ 58,000.42	$ 79,110.97	36.397%	$ 785,051.25	$ 827,278.09	5.379%
Engineering Department	$ 15,975.90	$ 20,250.68	26.758%	$ 150,165.98	$ 139,511.84	-7.095%
Human Services	$ 45,011.68	$ 54,845.43	21.847%	$ 586,106.13	$ 589,710.48	0.615%
Recreation Administration	$ 99,406.75	$ 105,305.45	5.934%	$ 1,122,430.72	$ 1,048,216.62	-6.612%
Recreation Camps	$ 1,449.46	$ 199.71	-86.222%	$ 403,081.30	$ 384,365.62	-4.643%
Recreation Sports Programs	$ 10,657.20	$ 9,475.14	-11.092%	$ 182,467.87	$ 126,734.99	-30.544%
Recreation Other Programs	$ 27,684.31	$ 20,083.73	-27.454%	$ 225,376.84	$ 183,312.01	-18.664%
Pool, Parks	$ 13,095.05	$ 8,670.75	-33.786%	$ 566,991.27	$ 537,724.19	-5.162%
Building Department	$ 82,194.82	$ 75,687.35	-7.917%	$ 968,884.34	$ 918,285.19	-5.222%
Total General Fund	**$ 2,693,666.85**	**$ 2,924,682.60**	**8.576%**	**$ 28,916,317.13**	**$ 29,150,916.31**	**0.811%**
Special Revenue Funds						
Street Construction	$ 66,465.56	$ 166,333.22	150.255%	$ 393,832.05	$ 1,054,373.14	167.722%
State Highway	$ -	$ -	0.000%	$ 52,575.55	$ -	-100.000%
Mayor's Court Improvement	$ -	$ -	0.000%	$ 5,237.90	$ 24,330.19	364.503%
Federal Equitable Sharing	$ -	$ -	0.000%	$ -	$ -	n/a
Law Enforcement Trust	$ -	$ -	0.000%	$ 869.96	$ 1,054.73	21.239%
Blossom Street Lights	$ 116.35	$ 103.67	-10.898%	$ 1,404.43	$ 1,253.94	-10.715%
Zeiger Street Lights	$ 1,113.93	$ 1,007.12	-9.589%	$ 13,490.74	$ 12,203.56	-9.541%
Paramedic Trust Fund	$ -	$ -	0.000%	$ -	$ 6,729.53	n/a
Federal Emergency (FEMA)	$ -		0.000%	$ -	$ -	0.000%
Total Special Revenue	**$ 67,695.84**	**$ 167,444.01**	**147.348%**	**$ 467,410.63**	**$ 1,099,945.09**	**135.327%**
Debt Service Fund						
General Bond Retirement	$ 4,665,007.50	$ 9,540,309.13	104.508%	$ 5,058,289.83	$ 9,882,296.97	95.368%
Total Dept Service	**$ 4,665,007.50**	**$ 9,540,309.13**	**104.508%**	**$ 5,058,289.83**	**$ 9,882,296.97**	**95.368%**
Capital Projects Fund						
Capital Improvement Fund	$ 162,359.28	$ 216,388.84	33.278%	$ 1,362,087.94	$ 7,569,897.23	455.757%
Total Capital Projects	**$ 162,359.28**	**$ 216,388.84**	**33.278%**	**$ 1,362,087.94**	**$ 7,569,897.23**	**455.757%**
Workers' Comp Self Ins.						
Workers' Comp Self Insuarnce	$ -	$ 86.76	n/a	$ -	$ 4,802.10	n/a
Total Workers' Comp Self Ins.	**$ -**	**$ 86.76**	**n/a**	**$ -**	**$ 4,802.10**	**n/a**
Trust and Agency Funds						
Leo Weiss Trust	$ -	$ -	0.000%	$ 84.00	$ -	-100.000%
Hospitalization Reimbursement	$ 106.21	$ -	-100.000%	$ 7,512.37	$ -	-100.000%
Commercial Permit Tax	$ 1,285.40	$ 468.07	-63.586%	$ 15,473.98	$ 15,958.35	3.130%
Deposits	$ 36,943.42	$ 19,958.04	-45.977%	$ 348,427.00	$ 210,032.30	-39.720%
Police Pension Fund	$ 187,322.44	$ -	-100.000%	$ 256,751.02	$ 143,191.54	-44.229%
Zone Income Taxes	$ 48,837.26	$ 61,547.57	26.026%	$ 523,629.51	$ 781,526.03	49.252%
Unclaimed Monies Fund	$ -	$ 546.50	n/a	$ 727.00	$ 10,766.52	1380.952%
Total Trust & Agency	**$ 274,494.73**	**$ 82,520.18**	**-69.937%**	**$ 1,152,604.88**	**$ 1,161,474.74**	**0.770%**
Total All Funds	**$ 7,863,224.20**	**$ 12,931,431.52**	**64.455%**	**$ 36,956,710.41**	**$ 48,869,332.44**	**32.234%**

Note: Above figures are net of advances and transfers.

CITY OF BEACHWOOD
STATEMENT OF EXPENSES
CURRENT YEAR vs PRIOR YEAR
FOR THE PERIOD ENDED DECEMBER 31, 2010

	2009 YTD EXP	2009 YTD EXP	VARIANCE	% CHANGE
GENERAL FUND				
Council				
Wages & Benefits	101,684.47	101,829.46	(144.99)	-0.14%
Operating	48,475.86	52,576.00	(4,100.14)	-7.80%
Equipment	1,285.00	26,000.00	(24,715.00)	-95.06%
TOTAL Council	151,445.33	180,405.46	(28,960.13)	-16.05%
Mayor's Office				
Wages & Benefits	455,603.52	434,484.94	21,118.58	4.86%
Operating	33,182.42	30,038.36	3,144.06	10.47%
Equipment	-	3,441.38	(3,441.38)	-100.00%
TOTAL Mayor's Office	488,785.94	467,964.68	20,821.26	4.45%
Economic Development				
Wages & Benefits	268,985.45	-	268,985.45	N/A
Operating	262,475.76	-	262,475.76	N/A
Equipment	4,848.26	-	4,848.26	N/A
TOTAL Economic Development	536,309.47	-	536,309.47	N/A
Finance Department				
Wages & Benefits	1,228,305.46	1,242,575.20	(14,269.74)	-1.15%
Operating	1,128,335.15	1,580,085.07	(451,749.92)	-28.59%
Equipment	57,943.60	56,101.42	1,842.18	3.28%
TOTAL Finance Department	2,414,584.21	2,878,761.69	(464,177.48)	-16.12%
Law Department				
Wages & Benefits	246,701.60	251,778.58	(5,076.98)	-2.02%
Operating	616,183.07	403,585.17	212,597.90	52.68%
Equipment	-	1,119.44	(1,119.44)	-100.00%
TOTAL Law Department	862,884.67	656,483.19	206,401.48	31.44%
Police Department				
Wages & Benefits	7,062,585.26	6,851,168.36	211,416.90	3.09%
Operating	468,722.02	492,402.93	(23,680.91)	-4.81%
Equipment	154,844.08	113,068.82	41,775.26	36.95%
TOTAL Police Department	7,686,151.36	7,456,640.11	229,511.25	3.08%
Fire Department				
Wages & Benefits	5,618,794.16	5,420,843.17	197,950.99	3.65%
Operating	285,704.45	305,168.65	(19,464.20)	-6.38%
Equipment	233,301.27	135,979.20	97,322.07	71.57%
TOTAL Fire Department	6,137,799.88	5,861,991.02	275,808.86	4.71%
Service Administration				
Wages & Benefits	575,629.15	532,950.77	42,678.38	8.01%
Operating	43,448.73	45,029.18	(1,580.45)	-3.51%
Equipment	-	615.00	(615.00)	-100.00%
TOTAL Service Administration	619,077.88	578,594.95	40,482.93	7.00%

CITY OF BEACHWOOD
STATEMENT OF EXPENSES
CURRENT YEAR vs PRIOR YEAR
FOR THE PERIOD ENDED DECEMBER 31, 2010

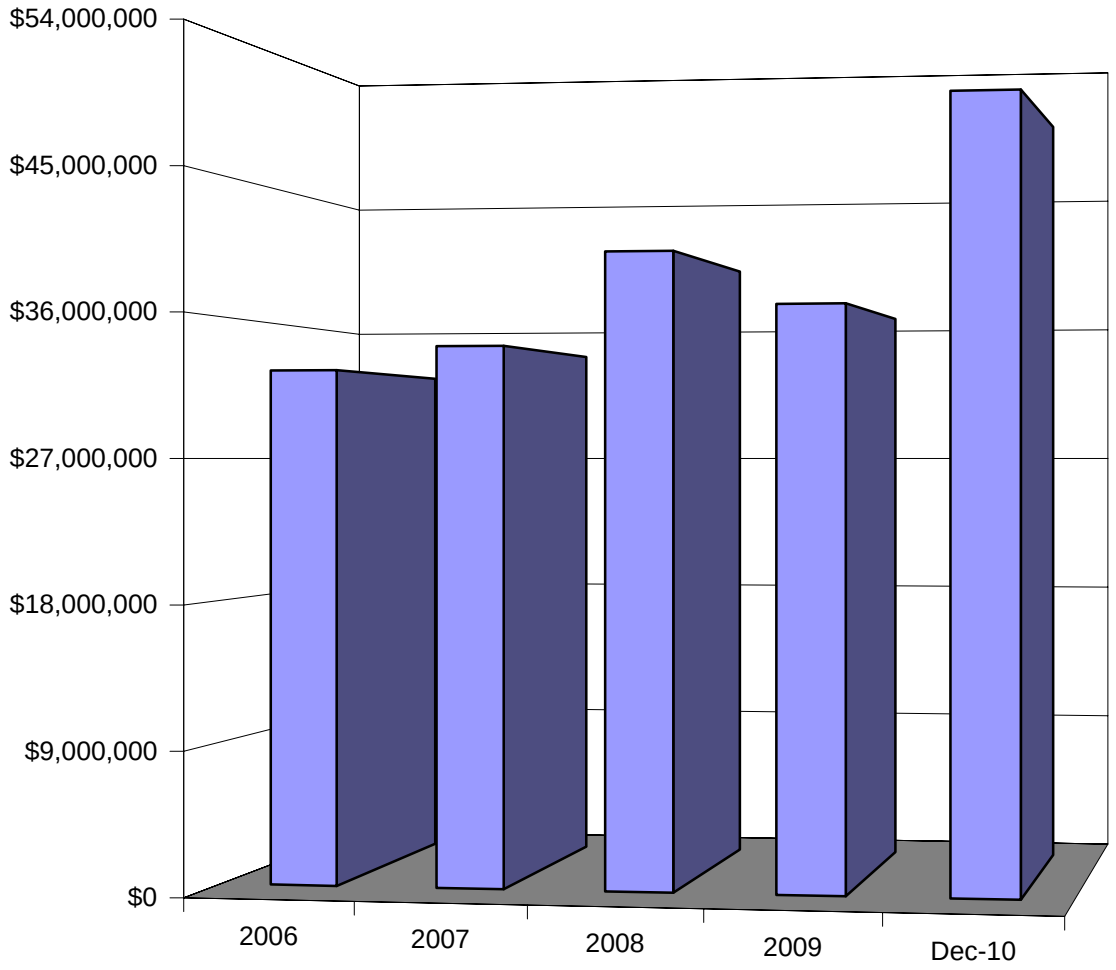
	2009 YTD EXP	2009 YTD EXP	VARIANCE	% CHANGE
Building and Grounds				
Wages & Benefits	1,008,266.94	1,038,515.95	(30,249.01)	-2.91%
Operating	972,893.91	1,070,896.29	(98,002.38)	-9.15%
Equipment	22,463.10	106,852.88	(84,389.78)	-78.98%
TOTAL Building and Grounds	2,003,623.95	2,216,265.12	(212,641.17)	-9.59%
Fleet Maintenance				
Wages & Benefits	562,653.37	543,718.22	18,935.15	3.48%
Operating	676,940.53	661,291.70	15,648.83	2.37%
Equipment	7,114.89	590.00	6,524.89	1105.91%
TOTAL Fleet Maintenance	1,246,708.79	1,205,599.92	41,108.87	3.41%
Streets, Sidewalks & Sewers				
Wages & Benefits	1,464,471.79	1,537,304.68	(72,832.89)	-4.74%
Operating	781,061.01	628,803.21	152,257.80	24.21%
Equipment	2,873.00	256,947.40	(254,074.40)	-98.88%
TOTAL Streets, Sidewalks & Sewers	2,248,405.80	2,423,055.29	(174,649.49)	-7.21%
Sanitation				
Wages & Benefits	669,051.18	630,736.02	38,315.16	6.07%
Operating	158,226.91	154,315.23	3,911.68	2.53%
Equipment	-	-	-	N/A
TOTAL Sanitation	827,278.09	785,051.25	42,226.84	5.38%
Engineering Department				
Wages & Benefits	128,093.29	129,777.57	(1,684.28)	-1.30%
Operating	11,418.55	20,388.41	(8,969.86)	-43.99%
Equipment	-	-	-	N/A
TOTAL Engineering Department	139,511.84	150,165.98	(10,654.14)	-7.09%
Human Services				
Wages & Benefits	392,847.93	381,760.76	11,087.17	2.90%
Operating	196,862.55	204,345.37	(7,482.82)	-3.66%
Equipment	-	-	-	N/A
TOTAL Human Services	589,710.48	586,106.13	3,604.35	0.61%
Recreation Administration				
Wages & Benefits	657,036.00	648,651.25	8,384.75	1.29%
Operating	389,945.62	468,982.61	(79,036.99)	-16.85%
Equipment	1,235.00	4,796.86	(3,561.86)	-74.25%
TOTAL Recreation Administration	1,048,216.62	1,122,430.72	(74,214.10)	-6.61%
Recreation Camps				
Wages & Benefits	276,499.94	259,742.27	16,757.67	6.45%
Operating	107,865.68	143,339.03	(35,473.35)	-24.75%
Equipment	-	-	-	N/A
TOTAL Recreation Camps	384,365.62	403,081.30	(18,715.68)	-4.64%

CITY OF BEACHWOOD
STATEMENT OF EXPENSES
CURRENT YEAR vs PRIOR YEAR
FOR THE PERIOD ENDED DECEMBER 31, 2010

	2009 YTD EXP	2009 YTD EXP	VARIANCE	% CHANGE
Recreation Sport Programs				
Wages & Benefits	25,724.05	32,566.65	(6,842.60)	-21.01%
Operating	101,010.94	129,376.77	(28,365.83)	-21.92%
Equipment	-	20,524.45	(20,524.45)	-100.00%
TOTAL Recreation Sport Programs	126,734.99	182,467.87	(55,732.88)	-30.54%
Recreation Other Programs				
Wages & Benefits	114,188.85	131,174.77	(16,985.92)	-12.95%
Operating	69,123.16	94,202.07	(25,078.91)	-26.62%
Equipment	-	-	-	N/A
TOTAL Recreation Other Programs	183,312.01	225,376.84	(42,064.83)	-18.66%
Swimming Pools/Parks				
Wages & Benefits	299,321.81	297,178.47	2,143.34	0.72%
Operating	224,784.83	252,468.26	(27,683.43)	-10.97%
Equipment	13,617.55	17,344.54	(3,726.99)	-21.49%
TOTAL Swimming Pools/Parks	537,724.19	566,991.27	(29,267.08)	-5.16%
Building Department				
Wages & Benefits	874,468.67	914,284.79	(39,816.12)	-4.35%
Operating	43,816.52	46,352.55	(2,536.03)	-5.47%
Equipment	-	8,247.00	(8,247.00)	-100.00%
TOTAL Building Department	918,285.19	968,884.34	(50,599.15)	-5.22%
TOTAL GENERAL FUND	29,150,916.31	28,916,317.13	234,599.18	0.81%

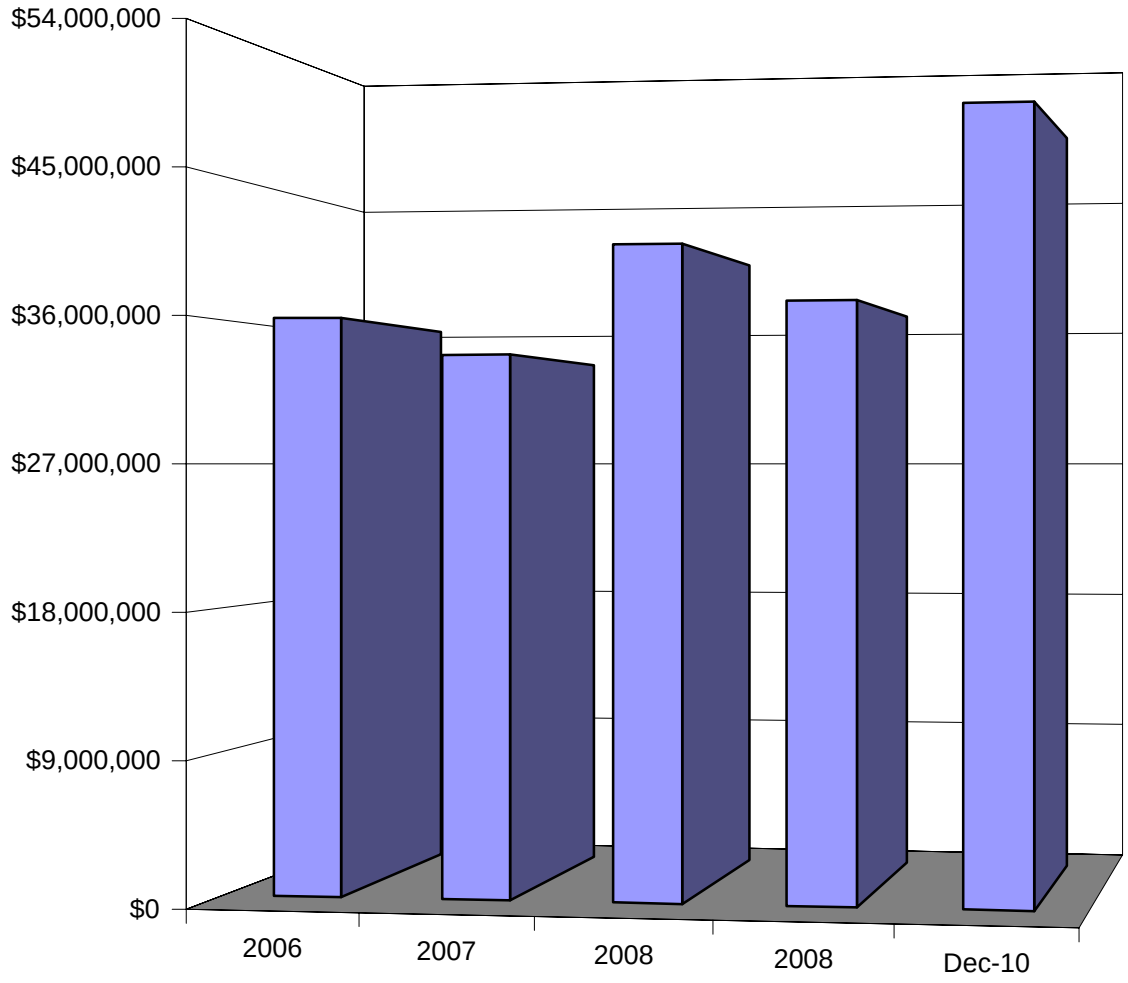
Note: Above figures are net of advances and transfers.

City of Beachwood
Cash Receipts For The Period Ending December 31, 2010
All Funds
Net of Advances and Transfers



YR	$Amount
($000 omitted)	
06	32,582
07	34,067
08	39,919
09	36,564
10	49,577

City of Beachwood
Cash Disbursements For The Period Ending December 31, 2010
All Funds
Net of Advances and Transfers



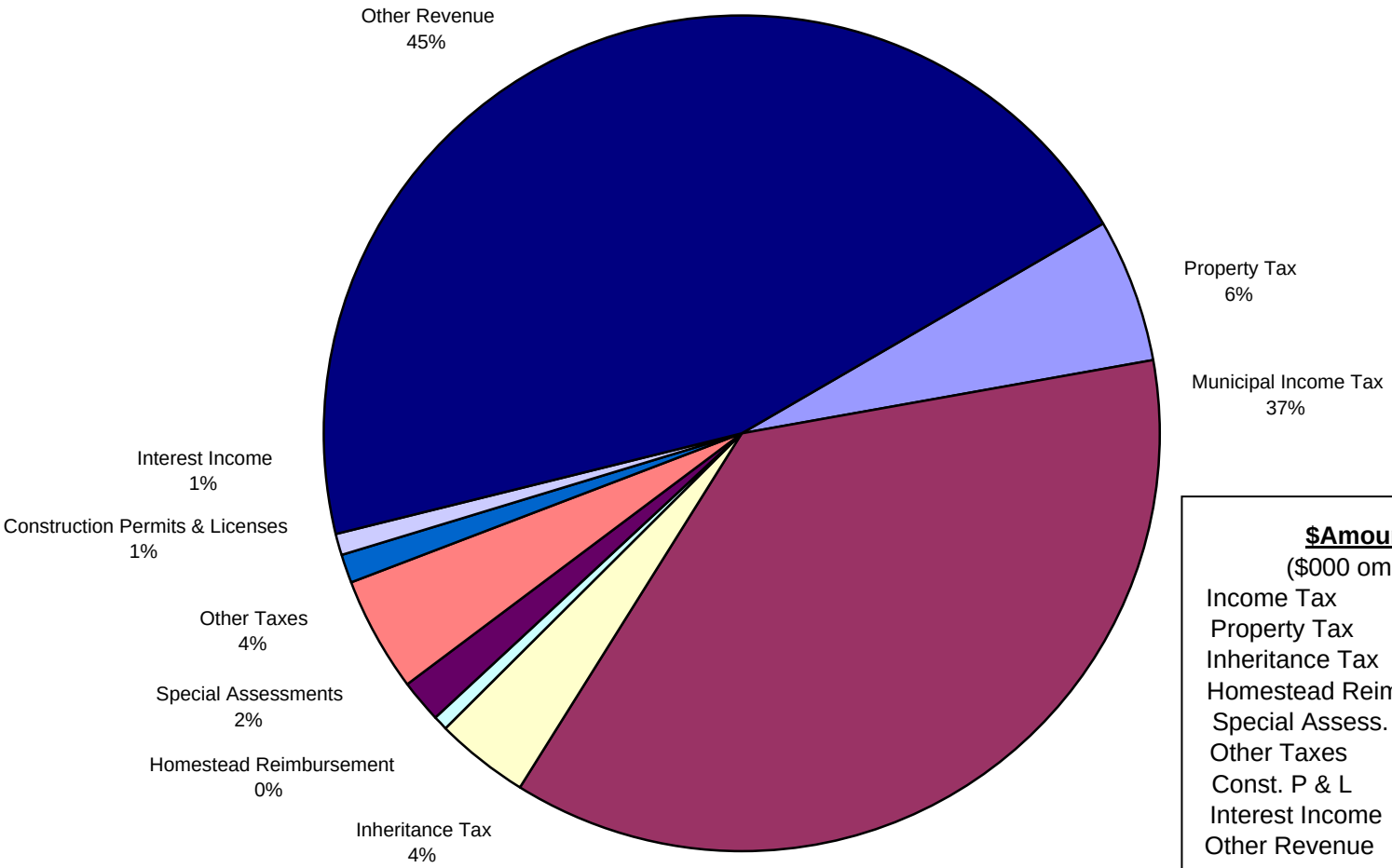
YR	$Amount
($000 omitted)	
06	36,111
07	33,763
08	40,524
09	36,957
10	48,869

City of Beachwood

Cash Receipts Detail by All Fund Types

Year to Date - December 2010

Net of Advances and Transfers

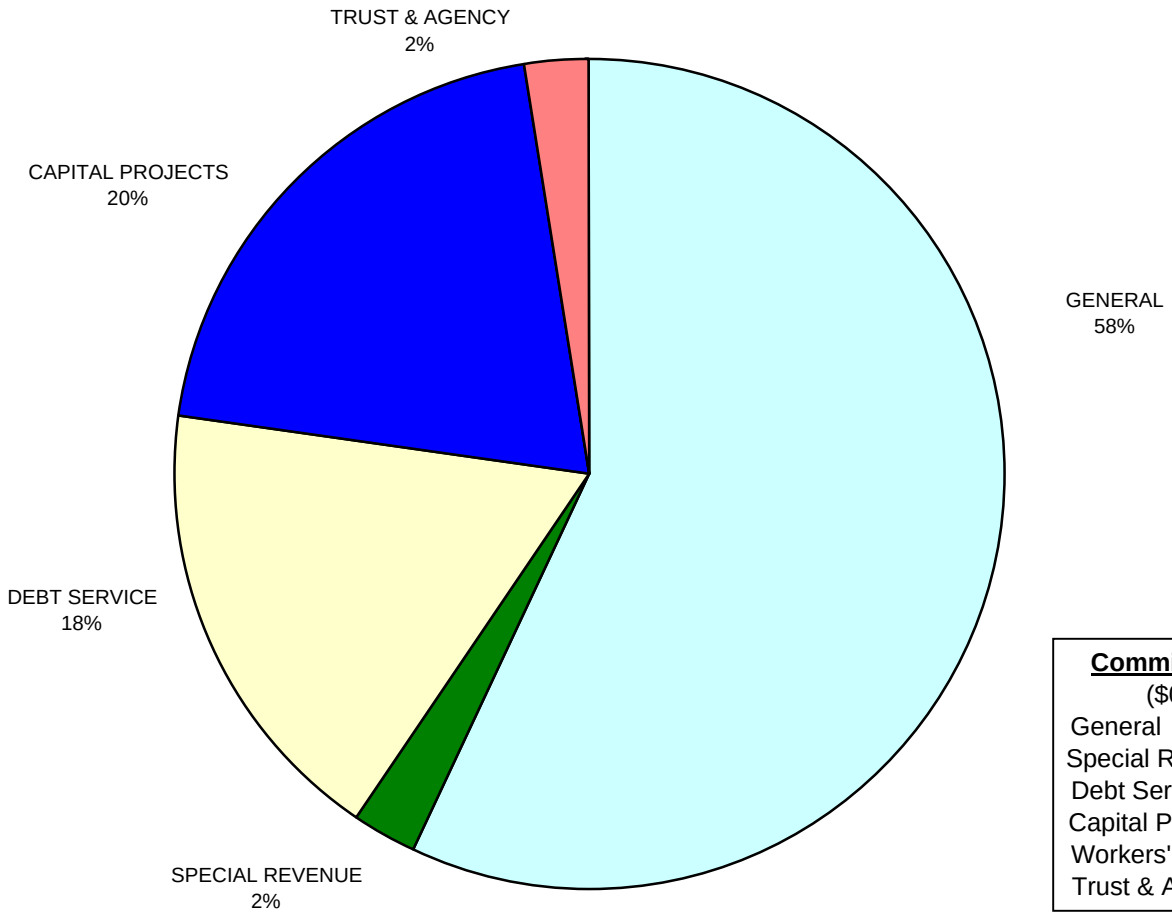


$Amounts

($000 omitted)

Income Tax	$ 18,114
Property Tax	2,763
Inheritance Tax	1,855
Homestead Reimb.	201
Special Assess.	913
Other Taxes	2,158
Const. P & L	642
Interest Income	378
Other Revenue	22,553

City of Beachwood
Total Expenditures/Encumbrances by Funds
Year to Date - December 2010
Net of Advances and Transfers



Commitments by Fund
($000 omitted)

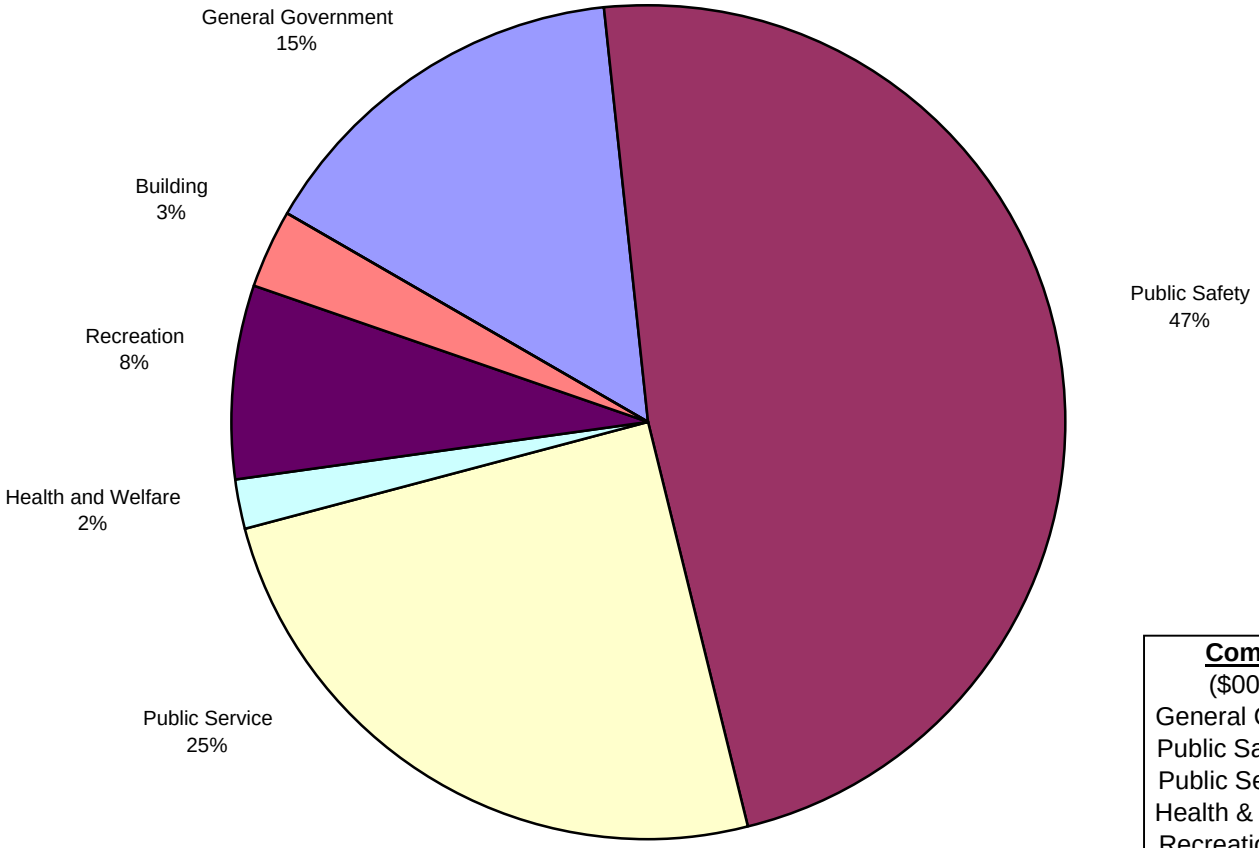
General	$ 31,529
Special Revenue	1,252
Debt Service	9,882
Capital Projects	11,266
Workers' Comp Ins.	05
Trust & Agency	1,311

City of Beachwood

General Fund Current Year Expenditures/Encumbrances by Classifications

Year to Date - December 2010

Net of Advances and Transfers



Commitments	
($000 omitted)	
General Gov.	$ 4,539
Public Safety	14,333
Public Service	7,438
Health & Welfare	589
Recreation	2,298
Building	917

CITY OF BEACHWOOD
PAYMENTS FOR December 2010

Check Number	DATE		AMOUNT
		KEYBANK	
104209	12/3/2010	CHARTWELL GROUP, LLC	14,770.80
104210	12/3/2010	ACE TRUCK EQUIPMENT INC.	440.80
104211	12/3/2010	AIR RITE SERVICE SUPPLY	201.50
104212	12/3/2010	AIRGAS GREAT LAKES	402.30
104213	12/3/2010	APPETITE	88.17
104214	12/3/2010	AT&T	58.37
104215	12/3/2010	AUTOMATIC DATA PROCESSING	545.67
104216	12/3/2010	AUTOMATION MAILING	259.95
104217	12/3/2010	B & C COMMUNICATIONS	1,973.50
104218	12/3/2010	BAKER VEHICLE SYSTEMS	414.85
104219	12/3/2010	BUY RITE OFFICE PRODUCTS	16.46
104220	12/3/2010	CARGILL, INC.-SALT DIVISI	10,368.17
104221	12/3/2010	CDW GOVERNMENT, INC.	602.48
104222	12/3/2010	CINTAS CORPORATION #259	350.40
104223	12/3/2010	CITY OF CLEVELAND	15,699.18
104224	12/3/2010	CITY OF CLEVELAND DIVISIO	6,277.80
104225	12/3/2010	CITY OF WARRENSVILLE HEIG	13,135.13
104226	12/3/2010	CLEVELAND LUMBER CO.	39.60
104227	12/3/2010	CLIFFORD WAYNE HABIAN	125.00
104228	12/3/2010	COMMTROL	1,200.00
104229	12/3/2010	CONCORD ROAD EQUIPMENT IN	2,045.58
104230	12/3/2010	DENNIS F WEYN	288.00
104231	12/3/2010	DIABETES ASSOC OF GREATER	75.00
104232	12/3/2010	DOMINION EAST OHIO	1,148.56
104233	12/3/2010	DeVORE TECHNOLOGIES	209.00
104234	12/3/2010	EXCALIBUR AUTO BODY	200.00
104235	12/3/2010	FASTENAL COMPANY	1,201.79
104236	12/3/2010	FINLEY FIRE EQUIPMENT	660.19
104237	12/3/2010	GANLEY FORD WEST, INC.	265.76
104238	12/3/2010	GARY SIKON	420.00
104239	12/3/2010	GPD ASSOCIATES/ACLA	2,976.00
104240	12/3/2010	GRAINGER	1,168.50
104241	12/3/2010	GREAT LAKES PETROLEUM COM	23,055.34
104242	12/3/2010	GUA, INC.	138,859.00
104243	12/3/2010	HESS CORPORATION	1,420.60
104244	12/3/2010	HMA PROMOTIONS	688.25
104245	12/3/2010	HOLTZ INDUSTRIES INC	517.05
104246	12/3/2010	LAKEWOOD SUPPLY COMPANY	1,037.48
104247	12/3/2010	LARRY MOORE	496.00
104248	12/3/2010	LAWN MATTERS	48.00
104249	12/3/2010	MARS ELECTRIC COMPANY	15.45
104250	12/3/2010	MIDLAND HARDWARE	422.09
104251	12/3/2010	MR. EXCAVATOR INC.	60,712.65
104252	12/3/2010	NEXTEL COMMUNICATIONS	171.76
104253	12/3/2010	NORTHEAST TREE SERVICE LT	2,275.00
104254	12/3/2010	OCE IMAGISTICS INC.	82.44
104255	12/3/2010	OFFICE OF THE CUYAHOGA CO	850.00
104256	12/3/2010	OHIO VALLEY SUPPLY	958.27

CITY OF BEACHWOOD
PAYMENTS FOR December 2010

Check Number	DATE		AMOUNT
104257	12/3/2010	OLD DOMINION BRUSH COMPAN	160.59
104258	12/3/2010	SAGAMORE SOILS	1,350.00
104259	12/3/2010	SAM'S CLUB DIRECT	323.20
104260	12/3/2010	SHUTTLER'S INC.	137.50
104261	12/3/2010	SIEMENS BUILDING TECHNOLO	1,046.00
104262	12/3/2010	SIGNAL SERVICE CO	3,182.64
104263	12/3/2010	SPEE-D-METALS, INC	130.00
104264	12/3/2010	SQUIRE, SANDERS, & DEMPSE	60,000.00
104265	12/3/2010	STAPLES BUSINESS ADVANTAG	652.93
104266	12/3/2010	SUNBELT RENTALS	740.00
104267	12/3/2010	TAC COMPUTER	3,232.00
104268	12/3/2010	THE CHAS E. PHIPPS COMPAN	985.00
104269	12/3/2010	THE ILLUMINATING CO.	551.12
104270	12/3/2010	TRANSPORTATION ACCESSORIE	159.40
104271	12/3/2010	TRUCKPRO, INC.	394.92
104272	12/3/2010	WILLOUGHBY CONCRETE BUILD	691.20
104273	12/3/2010	WOODHILL SUPPLY, INC	778.37
104274	12/6/2010	C.C.M.S.A.	15.00
104275	12/6/2010	GPD ASSOCIATES/ACLA	13,242.50
104276	12/9/2010	ABC PIPING CO.	13,800.00
104277	12/9/2010	ACCESS TO THE ARTS	225.00
104278	12/9/2010	ARAMARK REFRESHMENT SERVI	118.00
104279	12/9/2010	AT&T	1,259.27
104280	12/9/2010	B & C COMMUNICATIONS	163.24
104281	12/9/2010	BAKER VEHICLE SYSTEMS	335.04
104282	12/9/2010	BEACHWOOD CHAMBER OF COMM	125.00
104283	12/9/2010	BECON TRUCK SERVICE, INC.	127.50
104284	12/9/2010	BFI GLENWILLOW TRANSFER	10,277.71
104285	12/9/2010	BUY RITE OFFICE PRODUCTS	78.07
104286	12/9/2010	CDW GOVERNMENT, INC.	474.00
104287	12/9/2010	CHAGRIN VALLEY PAVING, IN	150,540.72
104288	12/9/2010	CINTAS CORPORATION #259	353.34
104289	12/9/2010	CITY OF BEACHWOOD	202.77
104290	12/9/2010	CITY OF CLEVELAND	1,923.75
104291	12/9/2010	CLEVELAND LUMBER CO.	26.53
104292	12/9/2010	CONCORD ROAD EQUIPMENT IN	544.48
104293	12/9/2010	COVERALL NORTH AMERICA, I	7,866.00
104294	12/9/2010	CUYAHOGA COUNTY BOARD	330.00
104295	12/9/2010	DAN CICCHELLA	150.00
104296	12/9/2010	DIAMOND DISCS INTERNATION	609.95
104297	12/9/2010	EMPACO EQUIPMENT CORPORAT	675.87
104298	12/9/2010	FASTENAL COMPANY	129.89
104299	12/9/2010	FINLEY FIRE EQUIPMENT	95.99
104300	12/9/2010	GANLEY FORD WEST, INC.	285.37
104301	12/9/2010	GARY SIKON	372.00
104302	12/9/2010	GC MEDICAL EQUIPMENT, INC	147.50
104303	12/9/2010	GLEDHILL ROAD MACHINERY	215.67
104304	12/9/2010	GRAINGER	99.42
104305	12/9/2010	GREAT LAKES PETROLEUM COM	11,248.80
104306	12/9/2010	HOBART SERVICE	409.27

CITY OF BEACHWOOD
PAYMENTS FOR December 2010

Check Number	DATE		AMOUNT
104307	12/9/2010	HOLTZ INDUSTRIES INC	1,998.91
104308	12/9/2010	ILEETA	45.00
104309	12/9/2010	INTERNATIONAL ASSOCIATION	204.00
104310	12/9/2010	K.E. ROSE CO.	1,176.49
104311	12/9/2010	KNIGHT SOUND & LIGHTING C	545.00
104312	12/9/2010	LARRY MOORE	239.35
104313	12/9/2010	MARS ELECTRIC COMPANY	1,907.19
104314	12/9/2010	MEDICAL MUTUAL OF OHIO	262,363.86
104315	12/9/2010	MIDLAND HARDWARE	259.50
104316	12/9/2010	NAPA AUTO PARTS MAYFIELD	16.90
104317	12/9/2010	O.R. COLAN ASSOCIATES	2,275.00
104318	12/9/2010	OHIO CAT	5,379.06
104319	12/9/2010	OHIO PEACE OFFC TRNG ACAD	55.00
104320	12/9/2010	OHIO VALLEY SUPPLY	105.00
104321	12/9/2010	POWER CITY INTERNATIONAL,	3,533.12
104322	12/9/2010	SCHOTTENSTEIN, ZOX & DUNN	18,000.00
104323	12/9/2010	SNAP-ON TOOLS	19.60
104324	12/9/2010	STAPLES BUSINESS ADVANTAG	1,860.99
104325	12/9/2010	SUNRISE SPRINGS WATER COM	68.25
104326	12/9/2010	TRANSPORTATION ACCESSORIE	45.00
104327	12/9/2010	TREASURER, STATE OF OHIO	525.00
104328	12/9/2010	TREASURER, STATE OF OHIO/	30.00
104329	12/9/2010	TRUCKPRO, INC.	921.55
104330	12/9/2010	WASTE MANAGEMENT OF OHIO,	945.82
104331	12/9/2010	WILLO TRANSPORTATION	530.00
104332	12/9/2010	WINGFOOT COMMERCIAL TIRE	994.00
104333	12/10/2010	LAW ENFORCEMENT FOUNDATIO	75.00
104334	12/10/2010	U.S. POSTMASTER	1,588.49
104335	12/16/2010	ALL-SAVER CONSTRUCTION	91.98
104336	12/16/2010	ANIXTER INC	360.19
104337	12/16/2010	ARAMARK REFRESHMENT SERVI	98.40
104338	12/16/2010	ARIS COMPANY	28.94
104339	12/16/2010	ARNOLD J. FELTOON, MD, IN	500.00
104340	12/16/2010	AT&T	4,048.37
104341	12/16/2010	AT&T DATACOMM	279.15
104342	12/16/2010	AT&T SERVICES, INC.	50.00
104343	12/16/2010	B & C COMMUNICATIONS	219.20
104344	12/16/2010	BATTERIES PLUS-139	140.54
104345	12/16/2010	BEACHWOOD CHAMBER OF COMM	25.00
104346	12/16/2010	BETH PARNIN	1,347.20
104347	12/16/2010	BILL CONTI	368.00
104348	12/16/2010	CINTAS CORPORATION #259	378.39
104349	12/16/2010	CITY OF CLEVELAND	656.11
104350	12/16/2010	CITY OF WARRENSVILLE HEIG	631.21
104351	12/16/2010	CMI	2,544.50
104352	12/16/2010	COMDOC, INC	203.15
104353	12/16/2010	CONTINENTAL FIRE & SECURI	226.97
104354	12/16/2010	CUSTIS INSURANCE SERVICE,	750.00
104355	12/16/2010	CUSTOM CLUTCH & JOINT	1,279.92
104356	12/16/2010	CUYAHOGA CNTY MAYORS &	1,834.77

CITY OF BEACHWOOD
PAYMENTS FOR December 2010

Check Number	DATE		AMOUNT
104357	12/16/2010	DELL MARKETING L.P.	777.96
104358	12/16/2010	DIGEST MEDIA, LLC	3,317.00
104359	12/16/2010	ENTERPRISEID, INC.	33.54
104360	12/16/2010	FASTENAL COMPANY	234.10
104361	12/16/2010	FINLEY FIRE EQUIPMENT	5,436.00
104362	12/16/2010	G. GIFFORD DYER	3,026.86
104363	12/16/2010	GARY SIKON	384.00
104364	12/16/2010	GORDON FOOD SERVICE	570.45
104365	12/16/2010	GPD ASSOCIATES/ACLA	13,454.75
104366	12/16/2010	GRAYBAR ELECTRIC COMPANY,	269.70
104367	12/16/2010	GREAT LAKES BILLING ASSOC	5,122.26
104368	12/16/2010	GREAT LAKES PUBLISHING	2,783.34
104369	12/16/2010	GREATER CLEVELAND SAFETY	287.00
104370	12/16/2010	GREG MILLER	725.00
104371	12/16/2010	H&H PRODUCTIONS	175.00
104372	12/16/2010	HELENE WEINBERGER	200.00
104373	12/16/2010	HENNES COMMUNICATIONS LLC	19,675.00
104374	12/16/2010	HOLTZ INDUSTRIES INC	275.50
104375	12/16/2010	INDEPENDENCE EXCAVATING,	2,000.00
104376	12/16/2010	IRON MOUNTAIN RECORDS	156.12
104377	12/16/2010	J & L WORK APPAREL INC.	353.50
104378	12/16/2010	JUMP START SPORTS	3,384.00
104379	12/16/2010	KESSLERS TEAM SPORTS	875.00
104380	12/16/2010	KEVIN M. PRESTON CO., LAP	400.00
104381	12/16/2010	KWIK KLEEN	83.50
104382	12/16/2010	LAB SAFETY SUPPLY	564.69
104383	12/16/2010	LOWE'S	99.00
104384	12/16/2010	M TECH COMPANY	148.75
104385	12/16/2010	MARC D. COLES, ADV.	2,000.00
104386	12/16/2010	MAYFIELD VILLAGE PARKS &	105.00
104387	12/16/2010	MGT NETWORK SERVICES	2,863.55
104388	12/16/2010	MIKE WILDERMUTH	1,586.50
104389	12/16/2010	MURMAN & ASSOCIATES	825.00
104390	12/16/2010	NETWORK LASER ART	87.00
104391	12/16/2010	NEWELL EQUIPMENT CO	1,185.90
104392	12/16/2010	NORTH COAST CORRECTIONS A	35.00
104393	12/16/2010	NORTHEAST LUBRICANTS	565.50
104394	12/16/2010	OHIO PARKS & RECREATION A	590.00
104395	12/16/2010	OHIO PEACE OFFC TRNG ACAD	125.00
104396	12/16/2010	OHIO VALLEY SUPPLY	228.28
104397	12/16/2010	OXBOW ENGINEERING, INC.	5,215.00
104398	12/16/2010	PHILLIP SOROKY	3,462.50
104399	12/16/2010	PIA ALESCI	242.00
104400	12/16/2010	POWER CITY INTERNATIONAL,	518.77
104401	12/16/2010	RESCUE ESSENTIALS	118.99
104402	12/16/2010	SALLY ISENSTADT	200.00
104403	12/16/2010	SCHOTTENSTEIN, ZOX & DUNN	6,990.50
104404	12/16/2010	SIGNAL SERVICE CO	2,001.80
104405	12/16/2010	SNAP-ON TOOLS	282.75
104406	12/16/2010	SOUTHEASTERN EQUIPMENT	1,429.12

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Check Number	DATE		AMOUNT
104407	12/16/2010	SQUIRE, SANDERS, & DEMPSE	3,250.00
104408	12/16/2010	STAPLES BUSINESS ADVANTAG	252.73
104409	12/16/2010	STRADIOT SPECIALTY, INC.	138.75
104410	12/16/2010	SUN NEWS	33.80
104411	12/16/2010	SUNRISE SPRINGS WATER COM	20.50
104412	12/16/2010	TAFT, STETTINIUS & HOLLIS	20,808.62
104413	12/16/2010	TDS TELEPHONY & DATA SYST	2,644.00
104414	12/16/2010	TECH WISE, LLC	195.00
104415	12/16/2010	THE ILLUMINATING CO.	21,557.21
104416	12/16/2010	TIME WARNER CABLE	47.53
104417	12/16/2010	TINKERS CREEK WATERSHED	500.00
104418	12/16/2010	TRANS UNION LLC	22.50
104419	12/16/2010	TREASURER, STATE OF OHIO	919.00
104420	12/16/2010	TREASURER, STATE OF OHIO/	642.80
104421	12/16/2010	TRI COUNTY CONCRETE CO.	26,130.50
104422	12/16/2010	TRUCKPRO, INC.	636.50
104423	12/16/2010	U.S. POSTAL SERVICE	185.00
104424	12/16/2010	VERIZON WIRELESS	1,322.22
104425	12/16/2010	WEST PAYMENT CENTER	325.00
104426	12/16/2010	WILLIAM C. NADEAU	1,210.75
104427	12/16/2010	WINGFOOT COMMERCIAL TIRE	424.13
104428	12/17/2010	VERIZON WIRELESS	2,042.04
104429	12/22/2010	ADVANCE DOOR CO	949.24
104430	12/22/2010	AIRGAS GREAT LAKES	163.48
104431	12/22/2010	AL PAUL'S AUTO WASH	8.00
104432	12/22/2010	AMERICAN LAFRANCE AERIALS	620.02
104433	12/22/2010	ANIXTER INC	237.76
104434	12/22/2010	AT&T	1,046.93
104435	12/22/2010	AUTOMATIC DATA PROCESSING	1,783.65
104436	12/22/2010	BATTERIES PLUS-139	326.16
104437	12/22/2010	BILL CONTI	775.00
104438	12/22/2010	BLUM'S PAPER GOODS	179.13
104439	12/22/2010	BODY SCULPTING INC.	44.00
104440	12/22/2010	BOUND TREE MEDICAL, LLC	865.06
104441	12/22/2010	BPI INFORMATION SYSTEMS	2,050.00
104442	12/22/2010	BUSINESS CARD	2,861.29
104443	12/22/2010	CARGILL, INC.-SALT DIVISI	13,350.51
104444	12/22/2010	CINTAS CORPORATION #259	353.34
104445	12/22/2010	CUSTOM ELECTRIC	75.00
104446	12/22/2010	CUYAHOGA SUPPLY & TOOL	184.13
104447	12/22/2010	EMERGENCY VEHICLE REPAIR	152.50
104448	12/22/2010	EMPACO EQUIPMENT CORPORAT	172.95
104449	12/22/2010	FASTENAL COMPANY	167.38
104450	12/22/2010	FEDERAL EXPRESS	21.46
104451	12/22/2010	FINLEY FIRE EQUIPMENT	230.28
104452	12/22/2010	GANLEY FORD WEST, INC.	179.58
104453	12/22/2010	GARY SIKON	444.00
104454	12/22/2010	GOLF DOME	240.00
104455	12/22/2010	GREAT LAKES PETROLEUM COM	2,727.21
104456	12/22/2010	INTERSTATE BATTERY SYSTEM	668.65

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Check Number	DATE		AMOUNT
104457	12/22/2010	JOSEPH A. GAGLIANO JR.	75.00
104458	12/22/2010	LARRY MOORE	1,110.00
104459	12/22/2010	LET'S DANCE! CLEVELAND	96.00
104460	12/22/2010	LIBERTY FORD, INC.	29.95
104461	12/22/2010	M TECH COMPANY	334.28
104462	12/22/2010	MARS ELECTRIC COMPANY	1,167.98
104463	12/22/2010	MAYPINE EQUESTRIAN CENTER	384.00
104464	12/22/2010	MEDICAL MUTUAL OF OHIO	259,993.03
104465	12/22/2010	MGT NETWORK SERVICES	204.00
104466	12/22/2010	NAPA AUTO PARTS MAYFIELD	221.67
104467	12/22/2010	NATIONAL SAFETY COUNCIL	36.00
104468	12/22/2010	NORTHEAST LUBRICANTS	229.50
104469	12/22/2010	OHIO VALLEY SUPPLY	1,118.66
104470	12/22/2010	OLD DOMINION BRUSH COMPAN	766.00
104471	12/22/2010	PENNCARE	87.00
104472	12/22/2010	PIA ALESCI	770.00
104473	12/22/2010	POWER CITY INTERNATIONAL,	182.60
104474	12/22/2010	RICE'S NURSERY & LANDSCAP	27,672.00
104475	12/22/2010	ROBECK FLUID POWER CO.	696.80
104476	12/22/2010	SIGNAL SERVICE CO	1,313.60
104477	12/22/2010	SOAR	75.00
104478	12/22/2010	SPIC-N-SPAN WINDOW CLEANI	490.00
104479	12/22/2010	SPILL 911, INC.	691.00
104480	12/22/2010	STAPLES BUSINESS ADVANTAG	247.13
104481	12/22/2010	SUMMA CENTER FOR CORPORAT	75.00
104482	12/22/2010	SUPPLIES ON DEMAND, LLC	394.00
104483	12/22/2010	SUSAN CADY	616.00
104484	12/22/2010	THE CLEVELAND ORCHESTRA	382.50
104485	12/22/2010	THE ILLUMINATING CO.	18,160.31
104486	12/22/2010	TRUCKPRO, INC.	293.78
104487	12/22/2010	U.S. POSTAL SERVICE	1,624.00
104488	12/22/2010	WHELEN ENGINEERING CO., I	282.77
104489	12/23/2010	-AVIVA KAUFMAN	$5.00
104490	12/23/2010	-ELAINE PORTMAN	$5.00
104491	12/23/2010	-JANICE MELNICK	$34.00
104492	12/23/2010	-JEAN KUHAR	$8.00
104493	12/23/2010	-MALTZ MUSEUM OF JEWISH H	$24,727.43
104494	12/23/2010	-MARJORIE GRODIN	$82.00
104495	12/23/2010	-MARJORIE KEMPNER	$13.00
104496	12/23/2010	-MAXINE SCHINAGLE	$5.00
104497	12/23/2010	-REVA GINSBURG	$5.00
104498	12/23/2010	-SANFORD ZIFF	$10.00
104499	12/23/2010	-SARAH KUDROFF	$50.00
104500	12/23/2010	-SARAJANE WEISBERG	$5.00
104501	12/23/2010	-THELMA STERN	$82.00
104502	12/29/2010	CHARTWELL GROUP, LLC	$14,951.28
104503	12/29/2010	AIRGAS GREAT LAKES	$141.00
104504	12/29/2010	ALAN HIGBEE	$630.00
104505	12/29/2010	ANDREW S. WOLFE	$1,170.00
104506	12/29/2010	ANEGADA, LLC	$1,350.00

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Check Number	DATE		AMOUNT
104507	12/29/2010	ANIXTER INC	$415.67
104508	12/29/2010	ARAMARK REFRESHMENT SERVI	$362.10
104509	12/29/2010	AT&T	$55.77
104510	12/29/2010	AT&T LONG DISTANCE	$171.99
104511	12/29/2010	AUTOMATIC DATA PROCESSING	$549.17
104512	12/29/2010	BEACHWOOD BOARD OF EDUCAT	$23,317.42
104513	12/29/2010	BEACHWOOD BUZZ	$4,225.00
104514	12/29/2010	BELL EQUIPMENT CO.	$210.35
104515	12/29/2010	BJD ENTERPRISES LLC	$105.00
104516	12/29/2010	BUY RITE OFFICE PRODUCTS	$105.61
104517	12/29/2010	CARGILL, INC.-SALT DIVISI	$67,160.01
104518	12/29/2010	CARNEGIE FEDERAL BODY, LL	$298.98
104519	12/29/2010	CDW GOVERNMENT, INC.	$3,992.20
104520	12/29/2010	CHARLES A. SWANSON	$500.00
104521	12/29/2010	CHEMSAFE INTERNATIONAL	$1,290.00
104522	12/29/2010	CINTAS CORPORATION #259	$353.34
104523	12/29/2010	CLASSIC CHEVROLET	$99.90
104524	12/29/2010	CLEVELAND JEWISH NEWS	$49.95
104525	12/29/2010	COLOR BAR PERLMUTER	$2,400.00
104526	12/29/2010	COMMTROL	$1,200.00
104527	12/29/2010	CUYAHOGA SUPPLY & TOOL	$243.88
104528	12/29/2010	DEAN SUPPLY CO.	$221.96
104529	12/29/2010	DENNIS F WEYN	$1,552.00
104530	12/29/2010	DOMINION EAST OHIO	$2,677.82
104531	12/29/2010	DOMINION EAST OHIO	$1,238.62
104532	12/29/2010	DUNN INDUSTRIAL SUPPLY	$156.87
104533	12/29/2010	DYNAMICS ONLINE, INC.	$60.00
104534	12/29/2010	FINLEY FIRE EQUIPMENT	$63.51
104535	12/29/2010	GANLEY FORD WEST, INC.	$49.16
104536	12/29/2010	GARY SIKON	$546.00
104537	12/29/2010	GC MEDICAL EQUIPMENT, INC	$25.06
104538	12/29/2010	GIBSON MACHINERY, LLC	$6,246.74
104539	12/29/2010	GORDON FOOD SERVICE	$718.49
104540	12/29/2010	GRAINGER	$220.17
104541	12/29/2010	GRAYBAR ELECTRIC COMPANY,	$126.72
104542	12/29/2010	GREAT LAKES PETROLEUM COM	$17,003.25
104543	12/29/2010	GREGORY CROSS	$600.00
104544	12/29/2010	HANS' FREIGHTLINER OF	$1.57
104545	12/29/2010	HARRIS BATTERY CO., INC	$720.02
104546	12/29/2010	HESS CORPORATION	$7,778.50
104547	12/29/2010	HOLTZ INDUSTRIES INC	$235.40
104548	12/29/2010	INDUSTRIAL VIDEO CORPORAT	$3,106.00
104549	12/29/2010	KEVIN M. PRESTON CO., LAP	$400.00
104550	12/29/2010	LAB SAFETY SUPPLY	$86.30
104551	12/29/2010	LIBERTY FORD, INC.	$436.65
104552	12/29/2010	NAPA AUTO PARTS MAYFIELD	$193.34
104553	12/29/2010	NATIONAL PEN COMPANY	$214.95
104554	12/29/2010	NORTHEAST LUBRICANTS	$1,209.50
104555	12/29/2010	OHIO PEACE OFFC TRNG ACAD	$200.00
104556	12/29/2010	OHIO VALLEY SUPPLY	$639.65

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Check Number	DATE		AMOUNT
104557	12/29/2010	PHYSIO-CONTROL, INC	$2,215.40
104558	12/29/2010	POWER CITY INTERNATIONAL,	$1,769.25
104559	12/29/2010	RICH'S TOWING AND	$525.00
104560	12/29/2010	S.A.W. INC.	$401.11
104561	12/29/2010	SAM'S CLUB DIRECT	$343.89
104562	12/29/2010	SCHOTTENSTEIN, ZOX & DUNN	$18,004.00
104563	12/29/2010	SHAWN GRUBER	$32.00
104564	12/29/2010	SOLARWINDS, INC.	$274.55
104565	12/29/2010	SOUTHEASTERN EQUIPMENT	$1,047.87
104566	12/29/2010	STAPLES BUSINESS ADVANTAG	$1,047.56
104567	12/29/2010	SUNRISE SPRINGS WATER COM	$13.50
104568	12/29/2010	TERRACE CONSTRUCTION CO.,	$14,130.52
104569	12/29/2010	THE ILLUMINATING CO.	$1,056.97
104570	12/29/2010	TIME WARNER CABLE	$84.13
104571	12/29/2010	TRANSPORTATION ACCESSORIE	$28.75
104572	12/29/2010	TRI COUNTY CONCRETE CO.	$2,193.00
104573	12/29/2010	TRIANGLE AUTO PARTS	$129.80
104574	12/29/2010	TRUCKPRO, INC.	$174.56
104575	12/29/2010	UNIQUE PAVING MATERIALS C	$238.00
104576	12/29/2010	WARREN FIRE EQUIPMENT, IN	$17.43
104577	12/29/2010	WEST PAYMENT CENTER	$124.00
VOID	12/02/2010	VERIZON WIRELESS	$0.00
ME20101201	12/01/2010	R.I.T.A.	$25,658.27
ME20101202	12/01/2010	R.I.T.A.	$1,137.58
ME20101203	12/01/2010	R.I.T.A.	$111.02
ME20101204	12/09/2010	KEY BANK	$532.23
ME20101205	12/10/2010	FIFTH THIRD	$234.24
ME20101206	12/10/2010	FIFTH THIRD	$10.00
ME20101207	12/10/2010	FIFTH THIRD	$243.42
ME20101208	12/10/2010	FIFTH THIRD	$5.00
ME20101209	12/05/2010	PAYROLL (KEY TRANSFER)	$568,513.45
ME20101210	12/09/2010	MEDICARE & SOCIAL SECURIT	$7,411.61
ME20101211	12/09/2010	MEDICARE & SOCIAL SECURIT	$28.62
ME20101212	12/14/2010	R.I.T.A.	$4,845.87
ME20101213	12/14/2010	R.I.T.A.	$54.65
ME20101214	12/14/2010	R.I.T.A.	$1.08
ME20101215	12/21/2010	PAYROLL (KEY TRANSFER)	$911,631.44
ME20101216	12/21/2010	MEDICARE & SOCIAL SECURIT	$10,714.82
ME20101217	12/21/2010	MEDICARE & SOCIAL SECURIT	$28.62
ME20101218	12/09/2010	OHIO PUBLIC EMPLOYEES	$1.60
ME20101218	12/14/2010	FIFTH THIRD	$55.00
ME20101219	12/14/2010	FIFTH THIRD	$55.00
ME20101230	12/09/2010	OHIO PUBLIC EMPLOYEES	$79,696.64
ME20101231	12/09/2010	OHIO PUBLIC EMPLOYEES	$1,732.49
ME20101235	12/30/2010	TRI COUNTY CONCRETE CO.	$0.00
ME20101240	12/02/2010	SELF INSURANCE WC/KEY	$86.76
		Total Key Bank	3,305,213.51

CITY OF BEACHWOOD
PAYMENTS FOR December 2010

Check Number	DATE		AMOUNT
		FIFTH THIRD BANK	
ME20101220	12/10/2010	FIFTH THIRD	78.62
		Total Fifth Third Bank	78.62
		HUNTINGTON	
ME20101221	12/14/2010	HUNTINGTON NATIONAL BANK	124.50
ME20101222	12/1/2010	HUNTINGTON NATIONAL BANK	4,871,982.88
ME20101232	12/1/2010	HUNTINGTON NATIONAL BANK	1,623,326.25
ME20101233	12/1/2010	HUNTINGTON NATIONAL BANK	3,045,000.00
ME20101234	12/1/2010	HUNTINGTON NATIONAL BANK	76,589.20
		Total Huntington Bank	9,617,022.83

CITY OF BEACHWOOD
PRIOR YEAR -v- CURRENT YEAR PURCHASES
FOR DATE ENDING DECEMBER 31, 2010

Vendor Name	2010 YTD thru Current Month	2009 YTD Full Year
CHARTWELL GROUP, LLC	160,440.29	0.00
2010 OBOA-MVBOC JOINT CONFERENCE	560.00	0.00
3M COMPANY	2,748.50	0.00
A & A SAFETY INC.	315.00	0.00
A BETTER TRUCK CAP & HITCH IV	375.00	1,309.95
A.D. STARR	1,143.48	1,392.40
A.J. IOSUE	100.00	275.00
AAA PIPE CLEANING	20,497.00	28,347.50
ABC FIRE INC.	5,563.10	5,134.90
ABC PIPING CO.	13,800.00	0.00
ABCO FIRE PROTECTION INC.	659.00	225.00
ABEL TRUCK PARTS INC.	9.77	1,314.46
ACCESS TO THE ARTS	500.00	300.00
ACCIDENT RECONSTRUCTION JOUR.	49.00	69.00
ACE TRUCK EQUIPMENT INC.	440.80	2,129.91
ACLARA RF SYSTEMS, INC.	6,641.21	0.00
ADAM WALDBAUM	1,742.50	0.00
ADVANCE DOOR CO	6,708.73	19,215.29
ADVANCED ASPHALT PAVING INC.	2,293.00	0.00
AFFILIATED COMPUTER SERVICES	2,765.00	2,020.00
AFSANEH BARZI	200.00	0.00
AIGA	210.00	230.00
AIR CONTROL PRODUCTS INC.	425.00	1,170.00
AIR RITE SERVICE SUPPLY	953.36	670.08
AIRCLEAN SYSTEMS	683.48	0.00
AIRGAS GREAT LAKES	10,361.14	10,228.27
AISECO	1,775.00	0.00
AL BAMBIC	275.00	225.00
AL PAUL'S AUTO WASH	240.00	326.00
ALAN HIGBEE	630.00	0.00
ALCO-CHEM	2,630.22	3,344.35
ALEXANDER N. VIROSTKO	135.00	0.00
ALFRED EDWARDS, JR.	45.00	0.00
ALL LIFT SERVICE CO. INC.	160.00	0.00
ALL-CRAFT WELLMAN PRODUCTS, INC.	1,285.00	0.00
ALLEN STAY	275.00	475.00
ALLIED CORPORATION, INC.	584.83	2,465.67
ALL-SAVER CONSTRUCTION	91.98	0.00
ALL-WAYS FLASHER SERVICE	517.50	0.00
ALOHA BATTERIES	975.00	1,710.00
ALPHAGRAPHICS	1,005.80	995.69
AMERICAN INTERIOR DESIGN, INC.	375.00	0.00
AMERICAN JAIL ASSOCIATION	48.00	48.00
AMERICAN LAFRANCE AERIALS	1,706.02	0.00
AMERICAN NATIONAL FLEET	4,878.29	0.00
AMERICAN RAILROAD COMPANY	16.95	0.00
AMERICAN RED CROSS	685.00	1,016.99
AMERICAN TEST CENTER, INC.	2,327.50	1,875.60
AMERICUT CORING & SAWING INC	400.00	1,800.00
ANDERSON DOOR CO.	86.22	0.00
ANDREW J. ARDO	90.00	0.00
ANDREW S. WOLFE	5,300.00	2,054.00
ANEGADA, LLC	4,036.35	1,750.00

Vendor Name	2010 YTD thru Current Month	2009 YTD Full Year
ANIXTER INC	3,299.07	20,448.74
ANNE MARSH STOTTLER	50.00	0.00
ANTENNA PLUS LLC	459.24	0.00
ANTHONY AVENI	44.75	0.00
ANTHONY STRAZZO	521.83	649.27
AP TECHNOLOGY	915.00	910.00
APEX PEST CONTROL, INC.	1,675.00	3,415.00
APPETITE	781.17	237.10
APPLIED MEDIA TECHNOLOGIES	189.75	0.00
APT US&C	170.00	165.00
ARAMARK CATERING	1,003.45	0.00
ARAMARK REFRESHMENT SERVICES	3,195.35	0.00
ARIS COMPANY	338.94	437.75
ARNOLD J. FELTOON, MD, INC.	6,000.00	6,000.00
ASCAP	308.21	305.00
ASCE	235.00	230.00
ASHE LAKE ERIE SECTION	25.00	25.00
ASHLEY PLACE	500.00	0.00
ASPHALT SERVICES, LLC	665.00	0.00
ASSETWORKS	1,365.00	1,365.00
ASSOC. CERTIFIED FRAUD EXAMIN.	150.00	150.00
ASSOCIATED GREEN INDUSTRIES	180.00	180.00
AT&T	76,560.57	70,557.93
AT&T DATACOMM	279.15	2,076.38
AT&T GLOBAL SERVICES, INC.	11,083.44	11,083.44
AT&T LONG DISTANCE	1,950.13	1,663.94
AT&T SERVICES, INC.	50.00	0.00
ATLAS BUSINESS SOLUTIONS, INC.	758.95	0.00
ATTORNEY SANTIAGO FELICIANO	150.00	0.00
ATWELL'S	6,150.25	0.00
AUSTIN HARDWARE & SUPPLY, INC.	82.63	0.00
AUTOMATIC DATA PROCESSING	36,902.27	37,022.11
AUTOMATION MAILING	1,551.91	1,402.87
B & B APPLIANCE	953.55	629.60
B & C COMMUNICATIONS	30,804.03	32,858.13
B & W EQUIPMENT CO. INC.	3,558.94	6,926.95
b. a. SWEETIE CANDY COMPANY	179.00	390.50
BAKER VEHICLE SYSTEMS	11,217.62	96,769.73
BAR SARIG	200.00	0.00
BARBICAS CONSTRUCTION COMPANY, INC	16,067.44	65,637.56
BAT-A-RAMA	750.00	760.00
BATTERIES PLUS-139	1,991.03	1,994.95
BAUDVILLE, INC.	28.40	28.40
BB SOUND & LIGHT, LTD	50.00	250.00
BEACHWOOD BOARD OF EDUCATION	277,651.17	365,266.37
BEACHWOOD BUZZ	47,104.00	50,700.00
BEACHWOOD CHAMBER OF COMMERCE	98,175.06	466,560.73
BEACHWOOD COMMUNITY PTO	295.00	295.00
BEACHWOOD HIGH SCHOOL	2,500.00	0.00
BEACHWOOD JUNIOR ACHIEVEMENT	265.80	0.00
BECON TRUCK SERVICE, INC.	4,163.95	18,192.35
BELENKY INC	217.50	0.00
BELL EQUIPMENT CO.	662.76	4,203.70
BES OF OHIO LLC	794.75	22,117.75
BEST EQUIPMENT CO. INC	7,013.76	10,406.37
BEST TRUCK EQUIPMENT	423.88	6,340.00
BETH PARNIN	15,178.60	0.00

Vendor Name	2010 YTD thru Current Month	2009 YTD Full Year
BFI GLENWILLOW TRANSFER	126,284.93	137,117.85
BIG BROTHERS BIG SISTERS OF	375.00	375.00
BIG TREES, INC.	6,990.00	0.00
BILL CLARK	180.00	0.00
BILL CONTI	4,454.00	2,746.00
BILL KREMPASKY	700.00	1,275.00
BILL NEWMAN	75.00	0.00
BILL PIRIE	450.00	0.00
BIO CLEAN SERVICES	1,500.00	900.00
BJD ENTERPRISES LLC	274.00	0.00
BLACKTOP SPECIALISTS, INC.	2,766.25	0.00
BLUM'S PAPER GOODS	1,743.78	1,899.38
BOB BARKER CO., INC.	410.34	576.96
BOB LUBECK	325.00	975.00
BODY SCULPTING INC.	420.00	994.00
BONNIE SPEED DELIVERY INC.	86.58	260.35
BOUND TREE MEDICAL, LLC	7,629.47	11,077.62
BP	663.80	302.62
BPI INFORMATION SYSTEMS	59,215.88	20,884.89
BRAD GLAZER	30.00	50.00
BREATHING AIR SYSTEMS DIVISION	1,218.55	791.00
BROADVOX	3,483.94	0.00
BROM TRUCK, INC.	1,070.31	440.65
BRUCE HOF	114.00	98.00
BRYANT KILER	30.00	0.00
BUCKEYE HEATING & A/C	322.31	0.00
BUILDING REFUNDS	0.00	15,946.49
BUSINESS CARD	53,352.72	40,978.70
BUY RITE OFFICE PRODUCTS	10,684.25	8,775.74
BWC STATE INSURANCE FUND	452,666.72	407,712.83
C. DIANE CARMICHAEL	220.00	0.00
C.C.M.S.A.	140.00	205.00
CADY REPORTING SERVICES, INC.	184.00	0.00
CAFE 56 CATERING	608.00	0.00
CANNON ADVERTISING SPECIALTIES, INC.	938.20	696.50
CARGILL, INC.-SALT DIVISION	489,977.84	295,411.52
CARIBE ROYALE	625.52	625.50
CARLTON DARRELL	90.00	0.00
CARNEGIE BODY LTD	993.75	14,411.38
CARNEGIE FEDERAL BODY, LLC	3,246.79	0.00
CAROL STARRE-KMIECIK	145.00	0.00
CARRON ASPHALT PAVING	853.00	0.00
CCH INCORPORATED	974.00	920.00
CDW GOVERNMENT, INC.	43,962.45	12,163.77
CELLEBRITE USA, CORP	4,065.00	0.00
CENTER FOR PUBLIC SAFETY	1,650.00	1,794.95
CENTRAL OHIO ASSOCIATION OF	50.00	0.00
CENTURY EQUIPMENT, INC.	1,132.50	111.20
CHAGRIN HIGHLANDS, LTD.	1,601,798.00	0.00
CHAGRIN VALLEY LITTLE THEATER	50.00	0.00
CHAGRIN VALLEY NURSERIES	3,375.00	1,095.00
CHAGRIN VALLEY PAVING, INC.	150,540.72	0.00
CHAGRIN VALLEY PUBLISHING	864.00	864.00
CHAGRIN VALLEY ROLLER RINK INC	988.00	812.00
CHALLENGER SPORTS CORP.	869.00	597.00
CHARLES A. MURPHY JR.	467.00	0.00
CHARLES A. SWANSON	1,000.00	1,500.00

Vendor Name	2010 YTD thru Current Month	2009 YTD Full Year
CHAUTAUQUA INSTITUTION	396.00	3,216.25
CHEF'S CATERING	737.69	0.00
CHEMSAFE INTERNATIONAL	4,132.60	2,765.00
CHERYL A. KOSEK	50.00	0.00
CHERYL SIZEMORE	200.00	0.00
CHESTERLAND RENTAL	2,369.67	4,263.87
CHIEF SALES	4,032.60	0.00
CHILD ART LLC	1,311.00	2,568.00
CHRIS ARRIETTA	44.75	0.00
CHRIS BANKO	90.00	0.00
CINCINNATI BELL INC.	0.00	10.00
CINTAS CORPORATION #259	23,546.60	25,262.35
CINTAS CORPORATION #W16	1,475.00	2,700.00
CINTAS FAS LOCKBOX 636525	59.25	195.24
CITY OF BEACHWOOD	1,487.88	1,818.12
CITY OF BEDFORD HTS.	3,734.47	2,805.71
CITY OF CLEVELAND	1,264,159.27	134,387.51
CITY OF CLEVELAND DIVISION OF WATER	78,938.32	63,529.90
CITY OF HUDSON	140.00	0.00
CITY OF MAYFIELD HEIGHTS	5,500.00	5,500.00
CITY OF SHAKER HTS	29,616.00	75,051.30
CITY OF WARRENSVILLE HEIGHTS	177,656.34	125,793.88
CLARK & ASSOCIATES	1,018.34	1,130.42
CLASSIC CHEVROLET	99.90	315.15
CLASSROOM ANTICS, INC	648.00	395.00
CLEVELAND BOUNCERS	599.00	500.00
CLEVELAND BUSINESS MACHINES	287.00	0.00
CLEVELAND CLINIC FOUNDATION	426.75	391.25
CLEVELAND CULTURAL GARDENS FEDERATION	50.00	0.00
CLEVELAND HADASSAH	200.00	0.00
CLEVELAND IGN CO INC	126.29	96.68
CLEVELAND JEWISH NEWS	982.90	4,243.65
CLEVELAND LUMBER CO.	1,604.74	2,382.77
CLEVELAND METROPARKS	300.00	0.00
CLEVELAND PLUMBING IND. FUND	40.00	0.00
CLEVELAND POPS ORCHESTRA	1,125.00	0.00
CLEVELAND PUNCH & DIE COMPANY	1,420.06	0.00
CLEVELAND RAPE CRISIS CENTER	150.00	396.00
CLEVELAND STATE UNIVERSITY	30.00	0.00
CLEVELAND TANK & SUPPLY, INC.	754.00	0.00
CLEVELAND TIME CLOCK & SERVICE	626.68	0.00
CLIA LABORATORY PROGRAM	300.00	0.00
CLIFFORD WAYNE HABIAN	125.00	125.00
CLINIC MEDICAL SERVICES	18.54	0.00
CMI	2,544.50	2,918.00
COGENT SYSTEMS, INC.	400.00	800.00
COLLINS EQUIPMENT	2,366.00	0.00
COLOR BAR PERLMUTER	9,600.00	5,740.00
COLUMBUS MARRIOTT NORTHWEST	536.00	142.00
COLUMBUS TIME RECORDER CO. INC.	683.00	0.00
COMDOC, INC	2,193.50	1,361.08
COMMANDING OFFICER, NAVAL SURFACE	600.00	600.00
COMMERCE PLUMBING CO.	1,000.00	0.00
COMMISSION ON ACCREDITATION	5,505.00	4,928.00
COMMTROL	2,400.00	0.00
COMPENSATION ANALYSIS, INC	7,500.00	8,800.00
COMPLETE APPLIANCE SERVICE	289.37	904.05

Vendor Name	2010 YTD thru Current Month	2009 YTD Full Year
COMPMANAGEMENT, INC.	70,589.84	37,365.91
COMPSOURCE, INC.	265.00	5,234.97
CONCORD ROAD EQUIPMENT INC.	2,590.06	29,154.47
CONSOLIDATED FLEET SERVICES	2,163.00	0.00
CONSTANT CONTACT	288.00	0.00
CONTEMPO COMMUNICATIONS	450.00	0.00
CONTINENTAL FIRE & SECURITY INC	571.97	0.00
CORPORATE COLLECTION SERVICES	199.50	0.00
COSTCO MEMBERSHIP	50.00	90.00
COVERALL NORTH AMERICA, INC.	96,446.00	91,653.00
CRAIG JAMES SARICH	50.00	0.00
CRAIN'S CLEVELAND BUSINESS	540.00	440.00
CROSS COUNTRY EDUCATION, INC	199.00	0.00
CROWN CLEANING SYSTEMS	221.00	0.00
CROWNE PLAZA DAYTON	483.36	0.00
CSC FAMOUS	287.56	2,844.02
CUB SCOUTS PACK #119	200.00	0.00
CUMMINS BRIDGEWAY, LLC	3,167.86	137.12
CUSTIS INSURANCE SERVICE, INC.	750.00	750.00
CUSTOM CLUTCH & JOINT	16,448.59	15,826.43
CUSTOM ELECTRIC	4,404.00	3,270.00
CUYAHOGA CNTY MAYORS &	3,669.54	1,834.77
CUYAHOGA COMMUNITY COLLEGE	2,277.00	1,050.00
CUYAHOGA COUNTY AUDITOR	72,021.92	43,950.69
CUYAHOGA COUNTY BOARD	25,890.50	53,132.50
CUYAHOGA COUNTY CISM	1,500.00	100.00
CUYAHOGA COUNTY FIRE CHIEFS	411.00	411.00
CUYAHOGA COUNTY MAYOR'S	35.00	0.00
CUYAHOGA COUNTY POLICE CHIEFS	200.00	200.00
CUYAHOGA COUNTY PROSECUTOR	361.24	0.00
CUYAHOGA COUNTY TREASURER	36,365.31	130,920.62
CUYAHOGA MACHINE CO. LLC	800.00	0.00
CUYAHOGA SOIL & WATER CONSER-	4,500.00	4,500.00
CUYAHOGA SUPPLY & TOOL	882.25	0.00
CUYAHOGA VALLEY ELITE	500.00	550.00
CYNCON EQUIPMENT INC.	1,792.99	1,357.69
D & S AUTOMOTIVE	1,050.00	0.00
D.R.S. ENTERPRISES, INC.	2,846.50	1,000.00
DALE H. PEKAREK	44.75	0.00
DALENE M. PRIDE	1,638.00	1,086.75
DAN BURKHOLDER	44.75	0.00
DAN CAPRETTA	44.75	0.00
DAN CICCHELLA	150.00	167.00
DAN LAMOS	45.00	0.00
DANIEL R. GREIN	477.30	0.00
DANIEL RUMINSKI	50.00	0.00
DARIAN TUCKER	242.00	0.00
DATUM FILING SYSTEMS	135.32	0.00
DAVE ESMOND	135.00	0.00
DAVEY TREE EXPERT COMPANY	3,765.00	11,298.67
DAVID A. PFAFF	692.88	914.17
DAVID ADAMS, JR.	200.00	0.00
DAYS INN & SUITES	462.00	410.40
DEAN SUPPLY CO.	275.91	197.27
DEBORAH DICKSON BAILEY	450.00	450.00
DEBORAH L. WEINKAMER	100.00	0.00
DEBORAH S. FRIEDMAN	100.00	0.00

Vendor Name	2010 YTD thru Current Month	2009 YTD Full Year
DELL MARKETING L.P.	67,471.37	19,965.86
DENNIS F WEYN	9,352.00	6,338.00
DERRICK McCHEE	45.00	0.00
DESIGNER ACCENTS	81.00	188.00
DeVORE TECHNOLOGIES	209.00	0.00
DIABETES ASSOC OF GREATER CLEV	75.00	0.00
DIAMOND DISCS INTERNATIONAL	950.15	1,061.11
DIANE A. SOFER	1,350.00	1,000.00
DIGEST MEDIA, LLC	21,670.00	21,844.00
DIGITAL INTELLIGENCE INC.	1,261.00	0.00
DISCOUNT SCHOOL SUPPLY	2,250.51	1,283.52
DIVISION OF WATER	20,006.62	26,276.86
DOMINION EAST OHIO	87,620.90	81,204.12
DON NIKOLAI	240.00	0.00
DONALD BALOG	100.00	0.00
DONNA TIROLY	75.00	81.00
DRASLER ELECTRIC	4,023.00	25,420.00
DUBICK FIXTURE & SUPPLY, INC.	3,250.00	0.00
DUKES OF WAIL LTD.	800.00	0.00
DUNN INDUSTRIAL SUPPLY	24,644.28	10,270.18
DURA MARK INC	63,289.00	0.00
DYNAMICS ONLINE, INC.	11,824.27	5,532.50
EAGLE CREEK WHOLESALE LLC	4,221.99	4,248.50
EAST JORDAN IRON WORKS	142.67	3,925.77
EASY REACH, INC.	117.39	0.00
EBLUEPRINT	42.55	396.09
EDISON BIO TECHNOLOGY CENTER	3,260.00	0.00
EDM PUBLISHERS, INC.	98.78	89.00
EDWARD MAHONEY	92.00	0.00
EDWARD V. TREAT	50.00	0.00
EDWARD W. HANEY	100.00	0.00
ELIFEGUARD.COM	1,478.20	1,556.10
ELINA OJANEN	60.00	4.40
ELIZABETH RAE	650.00	0.00
ELLEN BERGMAN	200.00	0.00
EMBASSY SUITES COLUMBUS	289.98	0.00
EMBASSY SUITES DUBLIN	224.00	727.94
EMERGENCY PROF SVCS, INC	22.70	0.00
EMERGENCY VEHICLE REPAIR & SERVICE	152.50	0.00
EMERSON NETWORK POWER	1,909.05	0.00
EMMENCH ENTERPRISES, LLC	1,300.00	0.00
EMPACO EQUIPMENT CORPORATION	4,506.91	12,567.93
EMSAR-MEDICAL REPAIR	1,249.49	2,335.81
ENFORCEMENT PRODUCTS	1,495.00	0.00
ENTERPRISEID, INC.	1,285.75	243.94
ENVY PACKAGING, LLC	953.18	0.00
ESPER BINDERY	2,035.70	0.00
EVIDENT, INC.	191.00	411.00
EXCALIBUR AUTO BODY	32,464.74	64,784.93
EXECUTIVE CATERERS	200.00	306.00
F & E CHECK PROTECTOR CO.	837.33	255.00
FABRIZI TRUCKING AND PAVING	3,000.00	0.00
FASTENAL COMPANY	8,028.62	1,346.39
FASTSIGNS	5,695.65	314.00
FEDERAL EXPRESS	978.25	534.08
FIFTH THIRD	17,754.46	16,478.79
FINLEY FIRE EQUIPMENT	8,386.53	28,393.90

Vendor Name	2010 YTD thru Current Month	2009 YTD Full Year
FIRE HOOKS UNLIMITED, INC.	68.66	0.00
FIRE PANEL LLC	1,080.00	1,020.00
FIRESTONE TIRE & SERVICE CTR.	905.71	0.00
FLOWER ENTERTAINMENT	175.00	175.00
FLOYD BROWNE GROUP	2,692.00	4,058.00
FOX INTERNATIONAL	969.19	1,019.83
FP MAILING SOLUTIONS	324.00	324.00
FRANK BROWN	225.00	0.00
FRANK BUCHWALD	240.00	180.00
FRANK CARDONE	550.00	550.00
FRANK SORIA	500.00	0.00
FRANK VICCHIARELLI	36.88	555.06
FRED BARRINGER	300.00	0.00
FRED W GAGE JR.	170.00	0.00
FREEWAY LANES OF WICKLIFFE	2,317.50	2,124.00
FUCHS MIZRACHI SCHOOL	125.00	0.00
FULTZ ENTERPRISES, INC	268.10	150.00
FUN-N-STUFF	4,796.71	4,363.83
FUNUTATION TECH CAMPS	2,870.00	1,925.00
G & M AUTO COMPANY	546.00	659.88
G. GIFFORD DYER	28,682.15	25,425.71
G. NEIL COMPANIES	347.94	377.59
GALETON GLOVES INC	427.09	1,628.67
GAMBER-JOHNSON, LLC	56.51	0.00
GAME ONE INC.	5,027.00	4,165.00
GANLEY BEDFORD IMPORTS, INC.	603.00	333.04
GANLEY FORD WEST, INC.	19,816.20	0.00
GARFIELD HTS. FOCUS ON SAFETY PROGRAM	100.00	0.00
GARY HABA	1,215.00	0.00
GARY SIKON	19,500.00	19,866.00
GC MEDICAL EQUIPMENT, INC.	2,301.56	0.00
GEISEL HEATING	1,800.00	1,842.00
GEORGE GORODESKI	37.36	0.00
GEOSHACK	105.00	0.00
GERALD E. FUERST	211.00	762.20
GFOA	748.00	640.00
GG-ONE SOFTWARE, INC.	550.00	450.00
GIANT EAGLE, INC.	1,139.59	13,160.64
GIBSON MACHINERY, LLC	10,022.13	4,234.00
GINO'S AWARDS INC.	388.56	1,938.75
GLEDHILL ROAD MACHINERY	1,726.57	0.00
GLOBAL TEL*LINK CORP.	590.00	0.00
GM ADVERTISING, INC.	2,409.53	1,900.52
GOLF DOME	2,121.50	1,143.00
GOODTIME CRUISE LINE, INC.	798.75	0.00
GOPHER	241.05	0.00
GORDON FOOD SERVICE	8,661.83	9,870.25
GOVERNMENT FINANCE OFFICERS	395.00	390.00
GPD ASSOCIATES/ACLA	291,454.40	269,170.65
GRACEFUL PAWS	924.00	1,204.00
GRAFIX SHOPPE	3,692.13	3,195.49
GRAINGER	11,970.25	12,508.57
GRAYBAR ELECTRIC COMPANY, INC.	6,188.81	348.06
GREAT LAKES BILLING ASSOC.	59,198.63	55,036.55
GREAT LAKES PETROLEUM COMPANY	302,678.56	7,115.69
GREAT LAKES PUBLISHING	9,550.00	0.00
GREAT LAKES SCIENCE CENTER	1,291.50	0.00

Vendor Name	2010 YTD thru Current Month	2009 YTD Full Year
GREATER CLEVELAND PARTNERSHIP	1,575.00	0.00
GREATER CLEVELAND SAFETY	574.00	198.00
GREEN ESTATES, INC.	130.00	0.00
GREG ANTOON	165.00	0.00
GREG MILLER	6,360.00	6,085.00
GREGORY CROSS	1,200.00	0.00
GRIMCO INC.	189.48	247.36
GRIZZLY INDUSTRIAL, INC.	3,252.20	0.00
GT DISTRIBUTORS OF GA, INC.	21.75	50.65
GUA, INC.	182,461.00	173,911.00
GUARDIAN GLASS COMPANY	1,799.51	1,140.59
GUTH LABORATORIES INC.	83.61	90.90
GVS SAFETY SUPPLY INC.	255.70	0.00
H&H PRODUCTIONS	775.00	300.00
HAINES & COMPANY INC.	1,017.00	1,544.00
HALL PUBLIC SAFETY CO.(HPS)	34,204.75	47,743.95
HAMPTON INN & SUITES CHICAGO-	542.03	0.00
HANS' FREIGHTLINER OF	13,917.97	5,610.51
HARLAN MARKETING LLC.	250.00	0.00
HARMON, INC.	2,196.50	0.00
HARRIS BATTERY CO., INC	5,177.13	484.91
HARVEY S. ROSE	270.83	569.61
HASEK AUTO SERVICE & SUPPLY	533.73	257.50
HASTINGS WATER WORKS, INC.	35,676.64	39,989.11
HAYNES MANUFACTURING	401.66	811.43
HDS WHITE CAP CONST SUPPLY	2,642.75	0.00
HE HARI, INC.	150.00	0.00
HEAVY DUTY PARTS	482.92	0.00
HEBREW ACADEMY OF CLEVELAND	360.00	0.00
HECKLER & KOCH	199.00	0.00
HELEN BERMAN	1,363.50	1,775.00
HELENE WEINBERGER	200.00	0.00
HENNES COMMUNICATIONS LLC	22,675.00	0.00
HESS CORPORATION	96,517.19	116,468.30
HFLA	600.00	0.00
HGR INDUSTRIAL SURPLUS	7,350.00	0.00
HILTON COLUMBUS	1,419.00	0.00
HMA PROMOTIONS	688.25	926.75
HMR/INNOTECH	74.75	75.00
HOBART SERVICE	537.27	0.00
HOLIDAY INN EXPRESS	83.74	0.00
HOLIDAY INN WORTHINGTON	750.00	0.00
HOLTZ INDUSTRIES INC	21,027.62	7,666.79
HORTON EMERGENCY VEHICLES	133.48	4,751.37
HOWARD TAUB	125.00	95.00
HOWARD THOMPSON	1,753.74	319.38
HP MANUFACTURING	824.05	0.00
HSBC BUSINESS SOLUTIONS	2,135.22	617.26
HTCIA	45.00	0.00
HUDSON CITY SCHOOLS	599.00	623.40
HUMAN SERVICES REFUNDS	-35.00	633.00
HUNTINGTON NATIONAL BANK	9,950,765.08	5,028,613.98
HURRICANE FANS	155.00	0.00
I/O SOLUTIONS INC.	4,028.25	0.00
IACP TRAINING KEYS	308.00	666.00
IAFC MEMBERSHIP RENEWAL	359.00	304.00
IAFCI	80.00	80.00

Vendor Name	2010 YTD thru Current Month	2009 YTD Full Year
ICI PAINTS	290.00	634.00
ID CARD SYSTEMS, INC	1,371.80	1,140.00
ILEETA	90.00	45.00
INDEPENDENCE EXCAVATING, INC	2,000.00	0.00
INDUSTRIAL APPRAISAL COMPANY	360.00	720.00
INDUSTRIAL VIDEO CORPORATION	4,977.00	5,604.00
INSIGHT PUBLIC SECTOR	314.00	62,640.75
INSPIRE! LLC	1,071.00	2,788.00
INSTITUTE FOR LEARNING IN RETIREMENT	200.00	0.00
INTEGRATED MATRIX SOLUTIONS	1,104.00	1,415.90
INTEGRATED PRECISION SYSTEMS	673.33	8,976.36
INTELLIGENT PRODUCTS INC.	968.83	1,108.44
INTERNATIONAL ASSOCIATION OF	463.00	259.00
INTERNATIONAL CODE COUNCIL	150.00	170.00
INTERNATIONAL CODE COUNCIL INC	287.00	0.00
INTERNATIONAL SERVICES CENTER	176.00	40.00
INTERSTATE ALL BATTERY CENTER	179.94	0.00
INTERSTATE BATTERY SYSTEM	5,708.70	5,330.85
INVENTORY TRADING COMPANY	620.00	533.00
IRON MOUNTAIN RECORDS	2,345.41	4,847.10
IRRIGATION SUPPLY INC.	653.30	169.75
ISA	200.00	0.00
J & L WORK APPAREL INC.	918.08	1,159.79
J THOMAS	267.25	253.93
J.B. PROMOTIONS	1,036.00	1,702.00
JACK & JILL OF CLEVELAND	200.00	0.00
JACK DOHENY SUPPLIES OHIO	2,131.69	2,973.50
JACK H. DAVIDSON	450.00	480.00
JACK'S DELI AND RESTAURANT	308.00	409.45
JAMES LANE, M.D. INC.	100.00	0.00
JASON PECJAK	450.00	0.00
JATSEK CONSTRUCTION CO. INC.	593.00	0.00
JEFF CLUCAS	129.99	162.98
JEM RELATIONS, LLC	375.00	6,235.00
JEREMY RICH	525.00	0.00
JERRY L. TENNANT	90.00	0.00
JEWISH FAMILY SERVICES	200.00	200.00
JEWISH NATIONAL FUND	180.00	180.00
JOE GIANGUZZO	100.00	100.00
JOE MASON	315.00	0.00
JOHN DEERE LANDSCAPES/LESCO	3,437.46	6,463.44
JOHN FORREST	599.90	221.96
JOHN TURANO	75.00	150.00
JOIE GILCHRIST	1,099.52	195.50
JORDAN CONSTRUCTION, INC.	2,000.00	0.00
JOSEPH A. GAGLIANO JR.	1,680.00	1,380.00
JOSEPH C. GREULICH	6,300.00	0.00
JOSEPH MAYER	550.00	0.00
JOSHEN PAPER AND PACKAGING	44.51	2,850.00
JSC CORPORATION	851.21	1,333.71
JUDI STRAUSS	582.00	150.00
JUMP START GYMNASTICS, INC.	2,304.00	1,449.00
JUMP START SPORTS	9,797.00	30,347.00
JUNCTION AUTO	1,730.64	12.23
K A INC.	20,000.00	0.00
K.E. ROSE CO.	6,803.51	13,839.98
KALAHARI WATERPARK RESORT	298.20	416.00

Vendor Name	2010 YTD thru Current Month	2009 YTD Full Year
KAREN A. CARMEN	191.40	0.00
KATHLEEN POPHAL	600.00	859.00
KELLY BOWEN	250.59	0.00
KEN VALAITIS	125.00	0.00
KENT STATE UNIVERSITY	3,205.00	0.00
KERN SWOPE	31.23	0.00
KESSLERS TEAM SPORTS	7,311.21	13,778.77
KEVIN L. BOYCE, OHIO TREAS OF STATE	100.00	0.00
KEVIN M. PRESTON CO., LAP	10,400.00	8,000.00
KEY BANK	6,102.37	7,958.09
KIM VICTOR	90.00	0.00
KING EXCAVATING	1,000.00	0.00
KINGS ISLAND RESORT & CONFERENCE	754.72	0.00
KKSG & ASSOCIATES, INC.	5,600.00	0.00
KNIGHT SOUND & LIGHTING CO.	558.67	0.00
KOVATCH MOBILE EQUIPMENT	3,163.78	3,716.78
KUSSMAUL ELECTRONICS CO., INC.	1,568.78	754.19
KUSTOM SIGNALS, INC.	3,195.00	6,709.00
KWIK KLEEN	584.50	501.00
LAB SAFETY SUPPLY	650.99	0.00
LACAL EQUIPMENT, INC	1,327.08	6,075.07
LADD INDUSTRIES, LLC	109.93	159.06
LAKE COUNTY CAPTAINS	1,803.00	1,803.00
LAKESIDE SUPPLY CO.	315.28	2,315.06
LAKEWOOD SUPPLY COMPANY	2,378.35	412.41
LAMARCA'S MASTER PIZZA LTD	410.22	728.42
LANCE BURLING	500.00	0.00
LANPHEAR SUPPLY	1,077.10	912.45
LARRY BARNES	200.00	0.00
LARRY KING	45.00	0.00
LARRY MOORE	4,712.78	0.00
LASTING IMPRESSION DIRECT	289.61	0.00
LAURA HALPERT	200.00	0.00
LAUREN LEVIN	200.00	0.00
LAW ENFORCEMENT FOUNDATION,INC	2,075.00	18.00
LAWN MATTERS	8,804.00	0.00
LAWSON PRODUCTS, INC.	243.30	0.00
LEONA OSRIN	396.13	0.00
LEONARD S. RUSSO	700.00	1,275.00
LESLIE SEIGER	200.00	0.00
LET'S DANCE! CLEVELAND	1,152.00	2,112.00
LIBERTY FORD SOLON, INC.	63,061.90	26,695.21
LIBERTY FORD, INC.	5,894.89	28,164.12
LINK'S AUTO & TRUCK	136.22	117.22
LORI JONES	200.00	0.00
LOU BONACCI	315.00	0.00
LOWE'S	1,774.07	4,472.07
LUCKY SAND & GRAVEL CO.	219.86	0.00
LYNDHURST DAD'S CLUB	975.00	1,950.00
LYNN ADAMS	53.00	0.00
M TECH COMPANY	1,132.45	1,130.21
MAGGIE GERBER	94.85	0.00
MAILIN HALL	200.00	0.00
MAINTENANCE UNLIMITED INC.	2,482.00	0.00
MANDY NIEDERST	200.00	0.00
MARC D. COLES, ADV.	22,216.15	0.00
MARHAUS & FARKAS HEALTHCARE	1,279.88	0.00

Vendor Name	2010 YTD thru Current Month	2009 YTD Full Year
MARIA SHINE STEWART	1,008.00	300.00
MARK CASEY	50.00	0.00
MARK DECRESS	280.00	0.00
MARK LOPEZ	44.75	0.00
MARK SECHRIST	1,012.74	0.00
MARK WACHTER	3,304.79	0.00
MARK ZUZEK	1,045.52	185.56
MARS ELECTRIC COMPANY	11,602.77	7,901.19
MARSHALL EQUIPMENT CO	3,532.79	4,822.98
MARTIMA GRAY	200.00	0.00
MARYANN NAGEL-VIOLAND	75.00	0.00
MAS FINANCIAL ADVISORY SERVICES LLC	9,000.00	4,500.00
MATT MILOS	75.00	0.00
MATTHEW J. POWALIE	44.75	0.00
MAX PACK	321.35	180.00
MAYFIELD VILLAGE	500.00	605.00
MAYFIELD VILLAGE PARKS &	105.00	140.00
MAYOR'S ASSOCIATION OF OHIO	80.00	80.00
MAYPINE EQUESTRIAN CENTER INC.	1,560.00	1,152.00
MCCONKEY PAINTING&STEEPLEJACK	210.00	365.00
ME MOTIF, LLC	264.00	0.00
MEDGROUP	270.00	0.00
MEDICAL MUTUAL OF OHIO	3,068,130.89	3,284,991.32
MEDICARE & SOCIAL SECURITY	326,911.11	186,527.17
MEGAN WALSH	1,900.00	1,900.00
MENS CLUB OF THE MANDEL JCC	200.00	200.00
MERLE S. GORDEN	264.41	151.39
MFOA OF NORTHEAST OHIO	130.00	130.00
MGT NETWORK SERVICES	15,190.39	4,532.50
MICHAEL G. HOEHNEN	75.00	0.00
MICHAEL GERSON	135.00	0.00
MICHAEL HART	45.00	0.00
MICHAEL IMMERMAN	150.00	250.00
MICHAEL J EDWARDS	160.00	0.00
MICHAEL MCFADDEN	477.00	0.00
MICHELLE KAPLAN	514.00	238.62
MICRO ADVANTAGE, INC.	19,720.00	0.00
MICROFILM SOLUTIONS CO.	175.00	0.00
MIDLAND HARDWARE	4,279.62	2,676.00
MIKE A. RIDER	40.00	0.00
MIKE HOEHNEN	50.00	0.00
MIKE MAKOHUS	315.00	285.00
MIKE WILDERMUTH	17,180.16	7,598.50
MIKE WOJTILA	250.00	0.00
MILL SUPPLY INC.	217.56	35.82
MINER'S TRACTOR SALES, INC.	3,388.77	688.53
MINOTAS, INC	4,209.55	5,020.95
MLS NATIONAL MEDICAL EVALUATIONS	1,900.00	0.00
MOHAWK RESOURCES LTD	4,073.02	0.00
MONROE TRUCK EQUIPMENT, INC.	927.00	14,750.35
MOONEY & SONS TOWING	275.00	0.00
MOORE COUNSELING & MEDIATION	3,735.00	5,395.00
MOORE MEDICAL, LLC	486.47	578.88
MOORE'S RV INC.	445.00	447.23
MORRIS DAVIS	180.00	0.00
MORRIS E. DAVIS	45.00	0.00
MORRIS FINNEY III	150.00	0.00

Vendor Name	2010 YTD thru Current Month	2009 YTD Full Year
MR. EXCAVATOR INC.	189,303.60	0.00
MRS. LORI S. BOHM	90.45	0.00
MUNICIPAL FINANCE OFFICERS	165.00	165.00
MURMAN & ASSOCIATES	5,912.50	8,181.25
MUSIC THEATRE INTERNATIONAL	3,075.00	2,260.00
MUZAK LLC	960.00	960.00
MYERS EQUIPMENT	377.27	41.90
NAIOP	350.00	350.00
NANCY BERNSTEIN	125.00	0.00
NAPA AUTO PARTS MAYFIELD HTS	4,388.75	5,345.05
NAPARS	115.00	115.00
NAP'S DEALER SUPPLIES INC.	90.75	384.70
NASCO ARTS & CRAFTS	321.53	78.04
NATARI	60.00	60.00
NATIONAL ASSOCIATION OF COMPUTER	590.00	0.00
NATIONAL COUNCIL JEWISH WOMEN	75.00	0.00
NATIONAL EMERGENCY NUMBER ASSOCIATION	120.00	0.00
NATIONAL FIRESAFETY SYST.	115.00	207.00
NATIONAL PATENT ANALYTICAL SYS	451.89	536.80
NATIONAL PEN COMPANY	214.95	0.00
NATIONAL POLISHING SYSTEMS, INC.	2,610.00	0.00
NATIONAL RECREATION & PARK ASSOC	290.00	280.00
NATIONAL SAFETY COUNCIL	36.00	70.30
NATIONAL TACTICAL OFFC. ASSOC.	40.00	150.00
NATIONWIDE CONSTRUCTION GROUP	5,993.10	53,937.90
NBIA	1,568.00	0.00
NEOFPA	490.00	180.00
NETWORK LASER ART	7,443.01	9,472.81
NEWARK	185.49	0.00
NEWBURY SANDBLASTING/PAINTING	18,250.00	24,537.55
NEWELL EQUIPMENT CO	3,095.97	318.00
NEWMAN SIGNS, INC.	1,827.15	1,747.66
NEXTEL COMMUNICATIONS	1,860.34	1,997.30
NFPA	3,080.08	840.06
NFPA CERTIFICATION DEPARTMENT	390.00	390.00
NICK BAUCCO	50.00	0.00
NICK BAUCCO JR	45.00	0.00
NICK BAUCCO JR.	45.00	0.00
NICK SORIA	44.75	0.00
NOACA	1,523.00	1,523.00
NORTH AMERICAN RESCUE	1,439.20	0.00
NORTH COAST CORRECTIONS ASSOC	35.00	35.00
NORTH COAST POLYTECHNIC	670.00	750.00
NORTH COAST TECH	357.39	1,869.65
NORTH EASTERN OHIO FIRE	280.00	250.00
NORTHEAST LUBRICANTS	16,955.56	8,539.17
NORTHEAST OHIO CHAPTER IIA	250.00	360.00
NORTHEAST OHIO MARKETING	10,246.16	4,980.64
NORTHEAST TREE SERVICE LTD.	3,365.00	3,267.00
NORTHERN OHIO ARSON SEMINAR	80.00	80.00
NORTHERN OHIO CHAPTER OF NAIOP	1,085.00	0.00
NORTHERN SAFETY CO., INC.	149.38	0.00
NORTHWESTERN UNIVERSITY	787.50	0.00
NOVELL INC.	9,243.55	12,005.05
NOWAK TOUR & TRAVEL	65,402.00	84,708.00
O.A.P.I.	200.00	200.00
O.P. AQUATICS	2,482.21	2,147.10

Vendor Name	2010 YTD thru Current Month	2009 YTD Full Year
O.R. COLAN ASSOCIATES	2,275.00	0.00
OBAR DOOR & GATE CO. INC	300.00	416.00
OBOA/MVBOC JOINT CONFERENCE	255.00	0.00
OCE IMAGISTICS INC.	14,606.55	20,983.48
OEDA	300.00	0.00
OFFICE OF THE CUYAHOGA COUNTY	2,120.00	820.00
OHIO ASSOC. OF PUBLIC TREASURERS	230.00	355.00
OHIO ASSOCIATION OF	770.00	770.00
OHIO ASSOCIATION OF CHIEFS	195.00	445.00
OHIO ASSOCIATION OF TAX ADMIN.	30.00	0.00
OHIO AUDITOR OF STATE	1,078.55	1,227.56
OHIO AWNING	392.60	697.25
OHIO CAT	27,308.15	8,684.22
OHIO CHAPTER IAEI	300.00	400.00
OHIO CRIME PREVENTION ASSOC.	100.00	100.00
OHIO DEPARTMENT OF AGRICULTURE	320.00	320.00
OHIO DEPT OF JOB & FAMILY SERV	11,500.37	18,319.83
OHIO DEPT. OF AGRICULTURE	70.00	70.00
OHIO ENVELOPE	188.25	318.63
OHIO FIRE CHIEFS' ASSOCIATION	446.25	75.00
OHIO LIGHT OPERA	2,075.00	3,024.00
OHIO MATERIALS HANDLING	2,213.06	735.76
OHIO MUNICIPAL CLERKS ASSOC.	90.00	45.00
OHIO MUNICIPAL LEAGUE	1,805.00	1,805.00
OHIO PARKS & RECREATION ASSOC.	1,461.00	744.00
OHIO PEACE OFFC TRNG ACADEMY	8,110.00	12,864.00
OHIO POLICE & FIRE PENSION	1,546,407.05	1,484,542.08
OHIO PUBLIC EMPLOYEES	1,015,555.42	1,089,116.34
OHIO SPECIALTY NETWORK, LLC	600.00	1,200.00
OHIO TREASURER KEVIN L. BOYCE	450.00	450.00
OHIO TRUCKING ASSOCIATION	225.00	0.00
OHIO VALLEY SUPPLY	39,294.49	40,726.07
OHIO VENTURE ASSOCIATION	700.00	25.00
OHIO YOUTH WRESTLING ASSOC.	380.00	350.00
OLD DOMINION BRUSH COMPANY	6,410.66	10,078.62
OLD KIDS, LLC	350.00	0.00
OMAR ALI	270.00	0.00
OML	225.00	220.00
ONSTAR SUBSCRIPTION CENTER	199.00	199.00
ONTARIO STONE CORP.	258.38	1,994.22
OPERA PER TUTTI	400.00	0.00
ORANGE VILLAGE	7,764.89	3,609.00
ORIENTAL TRADING COMPANY	1,365.79	767.39
OSBORNE CONCRETE & STONE CO.	1,814.72	1,891.31
OSBORNE, INC.	894.00	43,026.25
OTIS ELEVATOR COMPANY	8,871.96	8,439.72
OTTO ZISKA	139.99	0.00
OUTBACK RAY AMAZING ANIMAL SHOW	185.00	0.00
OUTDOORS, INC.	740.00	0.00
OVATION MOVEMENT LLC	2,229.60	400.00
OXBOW ENGINEERING, INC.	73,020.00	92,850.00
PACIFIC TELEMANAGEMENT	858.00	936.00
PALMIERI BUILDERS, INC.	5.98	0.00
PANZICA CONSTRUCTION COMPANY	4,239,666.00	0.00
PARTS ASSOCIATES INC	1,379.62	7,683.17
PAT FLOWERS INC.	1,325.00	0.00
PATH MASTER, INC	4,220.00	0.00

Vendor Name	2010 YTD thru Current Month	2009 YTD Full Year
PATRICK KEARNS	120.00	430.79
PATTERN METALS, INC.	3,041.48	1,832.60
PAUL MANFREDI	200.00	125.00
PAUL THOMAS	475.00	0.00
PAYROLL (KEY TRANSFER)	15,715,708.80	15,131,697.50
PELC ALUMNI ASSOCIATION	175.00	300.00
PENNCARE	204,821.77	4,836.06
PERMA-LIFT INC.	100.00	8,425.00
PERSPECTUS ARCHITECTURE	1,069.97	0.00
PETER CONCES	15.44	555.87
PHILIP L. CORPORA	700.80	0.00
PHILLIP SOROKY	3,462.50	0.00
PHOTOGRAPHY & DIGITAL SERVICES	657.50	1,898.75
PHYSIO-CONTROL, INC	36,884.02	8,596.17
PIA ALESCI	4,295.00	5,449.00
PIONEER, INC.	2,227.00	2,300.15
PIRC CO. LANDSCAPING & SNOWPLOWING, LLC	19,403.00	0.00
PLANTSCAPING, INC	1,321.00	1,296.00
PLAYHOUSE SQUARE CENTER	5,996.50	2,574.00
PORATH PRINTSOURCE	500.50	607.25
POWER CITY INTERNATIONAL, INC.	31,763.37	31,295.45
POWERPHONE	1,535.00	1,642.00
PRECIOUS CARGO	40,798.75	0.00
PREMIER MARKETING GROUP, INC.	1,160.00	3,283.00
PREMIER TRUCK PARTS, INC.	2,973.58	749.56
PRESENTA PLAQUE	133.17	262.86
PRISCILLA DANN	200.00	0.00
PROGRESS WITH CHESS	3,637.39	992.00
PROJECT LOVE	375.00	375.00
PRO-TECH SECURITY SALES	2,732.00	729.20
QNC, INC./QUIK N' CRISPY	51.00	4,720.00
R & R, INC.	1,282.54	573.75
R J THOMAS MFG. CO. INC.	2,544.38	0.00
R.D.P. SPORTS PLUS INC.	13,071.76	5,716.23
R.E.M. COMMUNICATIONS, INC.	222.00	838.00
R.I.T.A.	371,697.88	406,111.71
RACK SOLUTIONS	2,473.33	0.00
RADIO SHACK	339.91	239.96
RAINBOW TREECARE SCIENTIFIC	1,582.16	2,312.00
RAMSEY & ASSOCIATES PERSONNEL	11,190.00	0.00
RASCAL HOUSE	1,083.75	596.75
RAZZMATAZZ PRODUCTIONS INC.	400.00	0.00
RECO EQUIPMENT INC.	211.40	0.00
RECREONICS, INC.	597.49	1,358.54
RED WING SHOES	698.18	983.25
REFUNDS RECREATION	35.00	3,638.50
REGAL CARPET CENTER INC.	7,110.00	0.00
RENAISSANCE MANAGEMENT, INC.	15,483.48	15,265.12
REPROS, INC.	190.00	0.00
RESCUE ESSENTIALS	118.99	0.00
REVILLE EQUIPMENT COMPANY	469.00	7.59
RICE OIL CO	927.15	1,096.00
RICE'S NURSERY & LANDSCAPING, INC.	39,458.33	0.00
RICHARD BARNES	48.00	0.00
RICHARD DEAN	600.00	0.00
RICHARD VITTARDI	810.45	160.00
RICH'S TOWING AND	1,842.50	370.00

Vendor Name	2010 YTD thru Current Month	2009 YTD Full Year
RICKY L. HAYS	725.00	2,584.00
ROBECK FLUID POWER CO.	1,040.85	776.28
ROBERT ACKER	44.75	0.00
ROBERT BALOGH	439.50	191.70
ROBERT BRININGER	489.00	0.00
ROBERT DREWS	225.00	0.00
ROBERT EDIE	90.00	0.00
ROBERT FRANK	1,000.00	1,200.00
ROBERT HISSONG	50.00	0.00
ROBERT HOFFMAN	450.00	0.00
ROBERT L. FORESTER	237.26	254.60
ROBERT POST	80.00	0.00
RODD SCHROEDER	44.75	0.00
RODGER CAHN	50.00	50.00
S & L FENCE CONTRACTING, INC. OR	3,950.00	0.00
S & S WORLDWIDE, INC	1,447.62	1,157.12
S AND T, INC.	2,379.65	5,033.05
S.A. COMUNALE CO., INC.	1,385.00	2,735.00
S.A.W. INC.	9,305.41	8,304.24
SAFARILAND LLC	300.00	0.00
SAGAMORE SOILS	3,926.40	13,120.00
SALLY ISENSTADT	200.00	0.00
SAM ASH MUSIC STORES	2,082.82	289.05
SAM'S CLUB	70.00	70.00
SAM'S CLUB DIRECT	6,985.23	5,283.44
SCHINDLER ELEVATOR CORPORATION	6,937.32	14,082.52
SCHOTTENSTEIN, ZOX & DUNN	373,902.71	302,221.08
SCORE AMERICAN SOCCER COMPANY INC.	4,739.85	6,170.28
SCOTT EITMAN	1,500.00	4,000.00
SELF INSURANCE WC/KEY	4,802.10	0.00
SENIOR TRANSPORTATION	260.00	0.00
SERVICE SUPPLY	2,691.50	1,810.60
SERVICEMASTER	421.97	0.00
SERVICEMASTER BY DAVIS	174.58	0.00
SETON IDENTIFICATION PRODUCTS	34.30	0.00
SHAKER HTS MUNICIPAL CRT	1,389.00	2,264.00
SHAMROCK GEAR & REPAIR	530.75	0.00
SHAUN LUTZ	120.00	120.40
SHAWN GRUBER	32.00	0.00
SHI	1,790.06	7,709.66
SHOES & CLOTHES FOR KIDS	100.00	450.00
SHOP SUPPLY & TOOL CO.	169.60	1,765.75
SHUTTLER'S INC.	2,650.20	21,111.53
SIEMENS BUILDING TECHNOLOGIES	77,895.65	117,409.93
SIGNAL SERVICE CO	61,982.59	56,700.43
SIMS CHEVROLET	1,411.15	1,734.28
SIRCHIE FINGER PRINT	417.82	0.00
SKYHAWKS SPORTS ACADEMY, INC	2,527.50	3,559.80
SMART SOLUTIONS, INC.	7,360.00	14,389.00
SNAP-ON TOOLS	2,163.37	2,043.51
SOAR	75.00	150.00
SOFTWARE SOLUTIONS, INC.	9,186.00	19,427.57
SOLARWINDS, INC.	274.55	0.00
SONDRA DAVIS	50.00	0.00
SOUNDS OF ENTERTAINMENT INC.	350.00	0.00
SOUTH EAST HARLEY DAVIDSON	1,418.69	40,457.81
SOUTH POINTE HOSPITAL	954.63	4,115.92

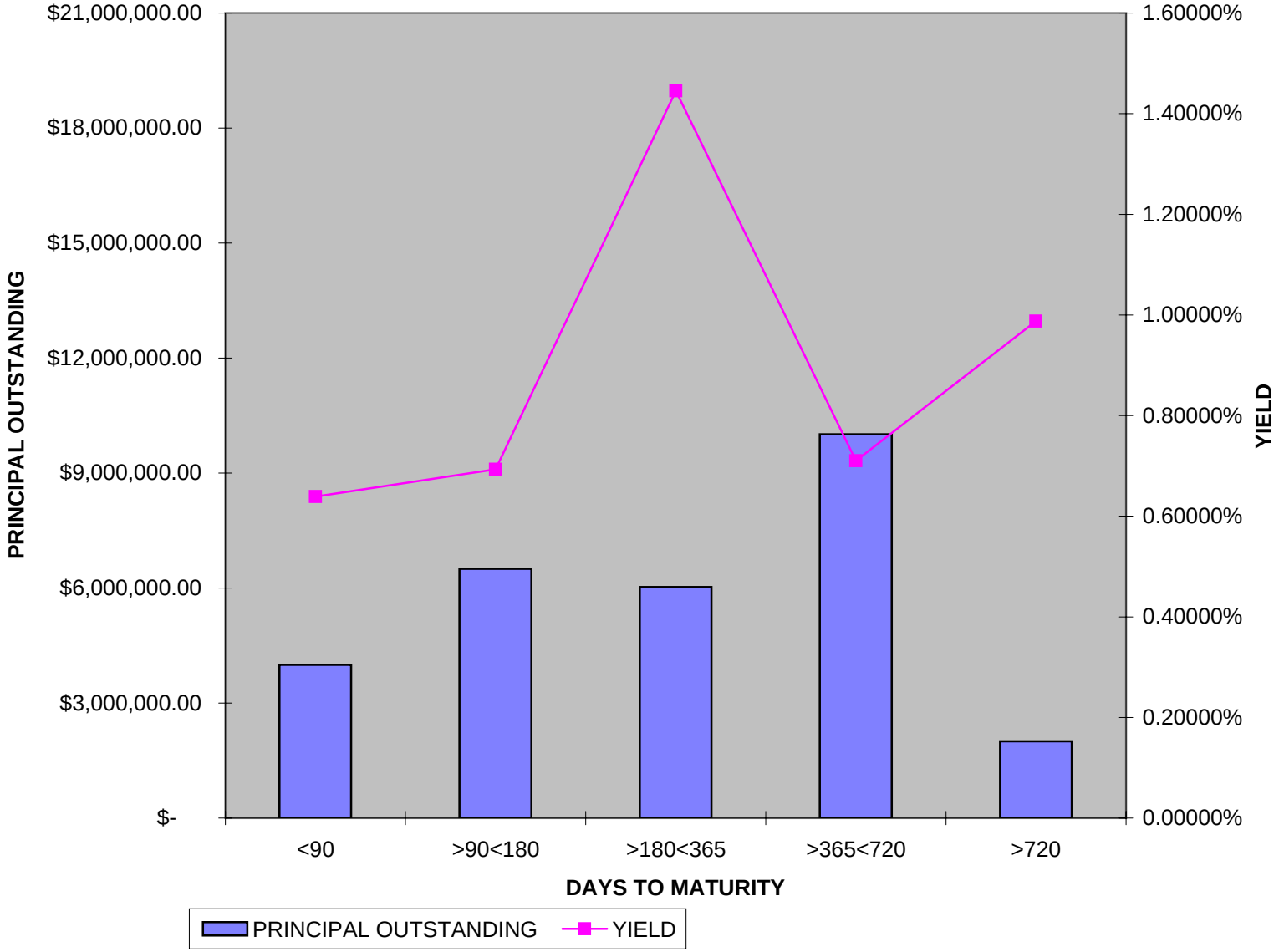
Vendor Name	2010 YTD thru Current Month	2009 YTD Full Year
SOUTHEASTERN EQUIPMENT	4,140.41	6,874.93
SPEAR'S CHARDON TRACTOR SALES	7,106.41	3,789.82
SPECIALTY PRODUCTS & SOLUTIONS INC.	1,015.65	0.00
SPECTRUM PACKAGING CO.	9,888.00	0.00
SPEE-D-METALS, INC	2,372.00	1,114.00
SPIC-N-SPAN WINDOW CLEANING	4,710.00	0.00
SPILL 911, INC.	691.00	0.00
SQUAD-FITTERS	193.00	735.00
SQUIRE, SANDERS, & DEMPSEY	84,250.00	8,400.00
STAINLESS WORKS	10,448.65	8,656.05
STAPLES BUSINESS ADVANTAGE	21,309.58	17,987.80
STATE INDUSTRIAL PRODUCTS	338.56	168.30
STATE OF OHIO UST FUND	800.00	800.00
STATEWIDE FORD LINCOLN MERCURY	39,438.00	0.00
STEVE ANDERSON	18.94	0.00
STRADIOT SPECIALTY, INC.	174.72	5,905.45
SUMMA CENTER FOR CORPORATE HEALTH	18,725.25	0.00
SUN NEWS	128.63	184.77
SUNBELT RENTALS	9,984.97	0.00
SUNRISE SPRINGS WATER COMPANY	2,270.25	2,318.95
SUPPLIES ON DEMAND, LLC	2,858.00	4,467.00
SUSAN CADY	2,807.00	3,560.00
SUSTEEN, INC.	1,500.00	0.00
SUZANNE RUSNAK	50.00	0.00
SWINGS n THINGS	6,549.14	5,455.10
SYMPRO, INC.	5,880.00	5,880.00
T.C.J. INC	275.00	0.00
TAC COMPUTER	38,784.00	49,479.00
TAFT, STETTINIUS & HOLLISTER	150,772.26	69,571.81
TAPCO	1,575.50	6,190.00
TDS TELEPHONY & DATA SYSTEMS	3,397.00	15,881.93
TEAM PROMOTIONS	552.73	0.00
TECH WISE, LLC	1,194.00	1,256.00
TENNANT SALES & SERVICE CO.	955.90	0.00
TERMINAL SUPPLY CO.	501.04	1,664.12
TERRACE CONSTRUCTION CO., INC.	38,620.82	0.00
TERRENCE KORENSEK	4,950.00	4,250.00
TERRY BOYARSKY	300.00	0.00
TERRY WILLINGHAM	70.00	0.00
THE ADVENTURE EDUCATION CENTER	10,187.50	20,950.00
THE BALDWIN GROUP INC.	4,865.00	1,865.00
THE CHAS E. PHIPPS COMPANY	1,241.34	295.80
THE CLEVELAND ORCHESTRA	2,397.50	1,956.25
THE CLEVELAND PLAYHOUSE	788.00	604.00
THE FIRE HOUSE	932.28	21,074.50
THE ILLUMINATING CO.	569,828.68	586,117.76
THE ILLUMINATING COMPANY	25.00	46.00
THE INSTITUTE OF INTERNAL	100.00	75.00
THE NORTHEAST OHIO MAYOR'S &	250.00	250.00
THE PARK SYNAGOGUE	125.00	0.00
THE PARMA BAR ASSOCIATION	75.00	75.00
THE PATRONS OF THE ARTS IN THE	150.00	280.00
THE PATTERSON COMPANIES	27,504.00	21,252.00
THE PLAIN DEALER	1,247.02	704.14
THE SHERWIN-WILLIAMS CO	1,221.15	1,274.52
THE SUBURBAN SYMPHONY ORCHESTRA	330.00	0.00
THE WALTER H. DRANE COMPANY	6,698.27	7,772.50

Vendor Name	2010 YTD thru Current Month	2009 YTD Full Year
THE WESTIN SEATTLE	642.74	0.00
THOMAS E. MOORE	364.81	0.00
THOMAS F. SOINI	180.00	0.00
THOMAS J. LUSKIN	333.33	0.00
THOMAS Q. FULTON, JR.	50.00	0.00
THOMAS R. SKULINA	1,681.00	0.00
THOMPSON PUBLISHING GROUP, INC	428.50	1,684.00
THOMSON REUTERS	199.80	190.30
THREE-Z-INC.	1,288.80	763.60
THURSTON L. COSNER, PH. D.	14,075.00	0.00
TIE OHIO	100.00	0.00
TIERRA WASHINGTON	200.00	0.00
TIM TREMAGLIO	44.75	0.00
TIME WARNER CABLE	1,435.54	526.13
TINA KRAUSE	65.00	65.00
TINKERS CREEK WATERSHED	500.00	0.00
TIP PLUS CORP	123.70	250.95
TODD E. VICTOR	90.00	0.00
TODD ESTES	280.00	245.00
TOMARK SPORTS, INC.	238.97	0.00
TONY MARINELLI	50.00	0.00
TOTAL LINE REFRIGERATION	477.98	0.00
TRANS UNION LLC	270.00	264.55
TRANSPORTATION ACCESSORIES	581.46	0.00
TRC LANDSCAPE SERVICES INC.	1,665.00	0.00
TREASURER OF STATE	28,174.99	28,045.49
TREASURER OF STATE, (FUND 5C2)	50.00	50.00
TREASURER, STATE OF OHIO	16,982.42	7,696.25
TREASURER, STATE OF OHIO/BBS	17,995.42	17,361.32
TREMCO	1,359.25	1,814.46
TRI COUNTY CONCRETE CO.	68,938.00	0.00
TRI MOR CORPORATION	842,715.25	0.00
TRIANGLE AUTO PARTS	213.20	5,612.60
TRIPLETT ASAP LKQ CORP.	2,591.00	524.73
TRUCKPRO, INC.	23,858.61	39,488.02
TRUGREEN	38,894.00	3,200.00
TTI NATIONAL INC.	13.58	0.00
TWO CRAZY KIDS, LLC	729.00	840.00
U.S. POSTAL SERVICE	17,767.00	16,254.00
U.S. POSTMASTER	15,265.26	13,233.92
UNIBIND INC	301.35	452.28
UNIQUE PAVING MATERIALS CORP.	1,808.92	4,623.00
UNITED RENTALS (NORTH AMERICA)	547.56	990.81
UNITED SKATES OF AMERICA	159.00	0.00
UNITED WAY SERVICES	40.00	0.00
URS CORPORATION	58,790.25	115,884.27
USA MOBILITY WIRELESS, INC	1,803.61	2,662.49
UTILITIES CONSTRUCTION CO.	2,051.75	0.00
UTILITIES SUPPLY CO.	129.00	42.00
UTILITY TRUCK EQUIPMENT, INC.	609.13	773.62
VALLEY FREIGHTLINER	195.13	0.00
VAN METER & ASSOC., INC.	115.00	230.00
VANCE'S LAW ENFORCEMENT	6,616.50	13,965.80
VELOTTA UNIFORM SALES CO	2,914.32	5,749.95
VERIZON WIRELESS	24,561.10	13,056.78
VILLAGE OF HIGHLAND HILLS	1,000.00	0.00
VINCE ADAMUS	161.30	130.65

Vendor Name	2010 YTD thru Current Month	2009 YTD Full Year
VINCENT E. RUDOLPH	45.00	0.00
VINCENT J. POLOWY	700.00	1,000.00
VIZIFLEX SEELS INC.	52.85	0.00
VULCAN INC.	2,487.05	10,638.39
W. BORN & ASSOCIATES, INC.	334.57	0.00
W.F. HANN & SONS CO.	13,875.48	11,151.67
W.S. DARLEY & CO	165.00	0.00
W.W. WILLIAMS	1,496.57	649.63
WALDAMEER WATER WORLD	365.40	0.00
WARD DIESEL FILTER SYSTEMS	695.00	2,943.52
WARREN CHANEY OFFICE FURNITURE	437.79	0.00
WARREN FIRE EQUIPMENT, INC.	5,106.59	5,135.63
WARREN ROOFING	631.25	0.00
WASTE MANAGEMENT OF OHIO, INC.	11,943.99	6,966.92
WATERLOO TENT & TARP COMPANY, INC.	9,694.22	0.00
WEST GOVERNMENT SERVICES	1,100.00	1,500.00
WEST PAYMENT CENTER	4,643.79	2,874.20
WEST SHORE NEW HOLLAND INC.	5,194.46	4,228.54
WHELEN ENGINEERING CO., INC.	5,518.54	8,976.60
WILLIAM C. NADEAU	19,163.50	13,151.00
WILLIAM C. RAFALSKI	100.00	0.00
WILLIAM GRISWOLD	602.53	0.00
WILLIAM O'LOUGHLIN	625.00	725.00
WILLIAM PESKURA	245.50	0.00
WILLIAM T. KARCHER	860.00	0.00
WILLIAM WOLF & CO.	2,005.19	6,520.80
WILLO TRANSPORTATION	11,813.00	13,437.00
WILLOUGHBY COAL & GARDEN CTR.	1,684.98	0.00
WILLOUGHBY CONCRETE BUILDERS	758.00	498.50
WINGFOOT COMMERCIAL TIRE SYS.	29,693.55	34,444.31
WINTER EQUIPMENT COMPANY	14,928.83	15,016.49
WMS AQUATICS	80.98	0.00
WOODHILL SUPPLY, INC	4,299.27	117.86
WOODSIDE SNACKS	1,185.50	1,480.00
WORKMEN'S CIRCLE	450.00	500.00
WRISTBAND RESOURCES, INC.	730.22	555.28
XM SATELLITE RADIO	102.18	0.00
YAHOO	20.44	20.42
YORK BUILDING MAINTENANCE	1,490.00	1,770.00
ZAP ENTERTAINMENT	225.00	0.00
ZEP MANUFACTURING COMPANY	2,088.37	1,179.69
Total	48,470,576.95	34,118,032.31

CITY OF BEACHWOOD
INVESTMENT SUMMARY

AS OF
December 31, 2010



Prepared by:

1/25/2011

City of Beachwood
Investment Summary

Prepared by:
1/25/2011

DEPOSITS AND INVESTMENT SUMMARY AS OF DECEMBER 31, 2010

DEPOSITS	Balance	Interest Rate
Key Bank	2,030,977	0.050%
Charter One Municipal Revenue	2,001,436	0.200%
Huntington Business Checking	1,021,273	0.050%
Fifth Third Now Account	168,009	0.000%
First Merit	103,099	0.100%
Petty Cash	1,450	
Total Deposits	5,326,244	

OUTSTANDING CHECKS	
Key Bank	272,607
Accounts Payable	0
Total Outstanding Checks/Commitments	272,607

Other Investments — Investment Maturity

Investment Type (Bank)	<90 days	>90<180 days	>181<365 days	>366<720 days	>721 days	Grand Total	% of Total
SO	2,001,105	0	0	0	0	2,001,105	7.0%
CD(FM)	0	3,500,000	0			3,500,000	12.3%
FFCB(FT)	0	0	0	0	0	0	0.0%
FHLB(FT)	0	0	0	0	0	0	0.0%
US(FT)	0	0	2,008,593	2,005,624	0	4,014,217	14.1%
CD(HT)	0	0	0	0	0	0	0.0%
US(HT)	0	2,000,157	1,002,969	2,003,361	0	5,006,487	17.5%
FFCB(KEY)	0	0	1,010,500	0	0	1,010,500	3.5%
US(KEY)	1,998,672	999,375	2,005,000	6,001,427	2,000,782	13,005,256	45.6%
Grand Total	3,999,777	6,499,532	6,027,062	10,010,412	2,000,782	28,537,565	100.0%

TOTAL DEPOSITS AND INVESTMENTS 33,591,202

RETURN ON OTHER INVESTMENTS	Yield
Minimum Return on Investments	0.10%
Maximum Return on Investments	4.80%
Average Return on Investments	0.89%
Weighted Average Maturity (To Maturity)	331
Weighted Average Yield (To Maturity)	0.83%

LEGEND	
CD	Certificate of Deposit
SO	STAR Ohio
US	US Treasury Bills, Notes, Bonds
FFCB	Federal Farm Credit
FHLB	Federal Home Loan Bank
FNMA	Federal National Mortgage Association
FHLM	Federal Home Loan Mortgage Corporation
SLMA	Student Loan Mortgage Association
CO	Charter One Bank
FM	First Merit, First National Bank of Ohio
FT	Fifth Third Bank
HT	Huntington Capital Corp.
KEY	Key Bank/McDonald Investments

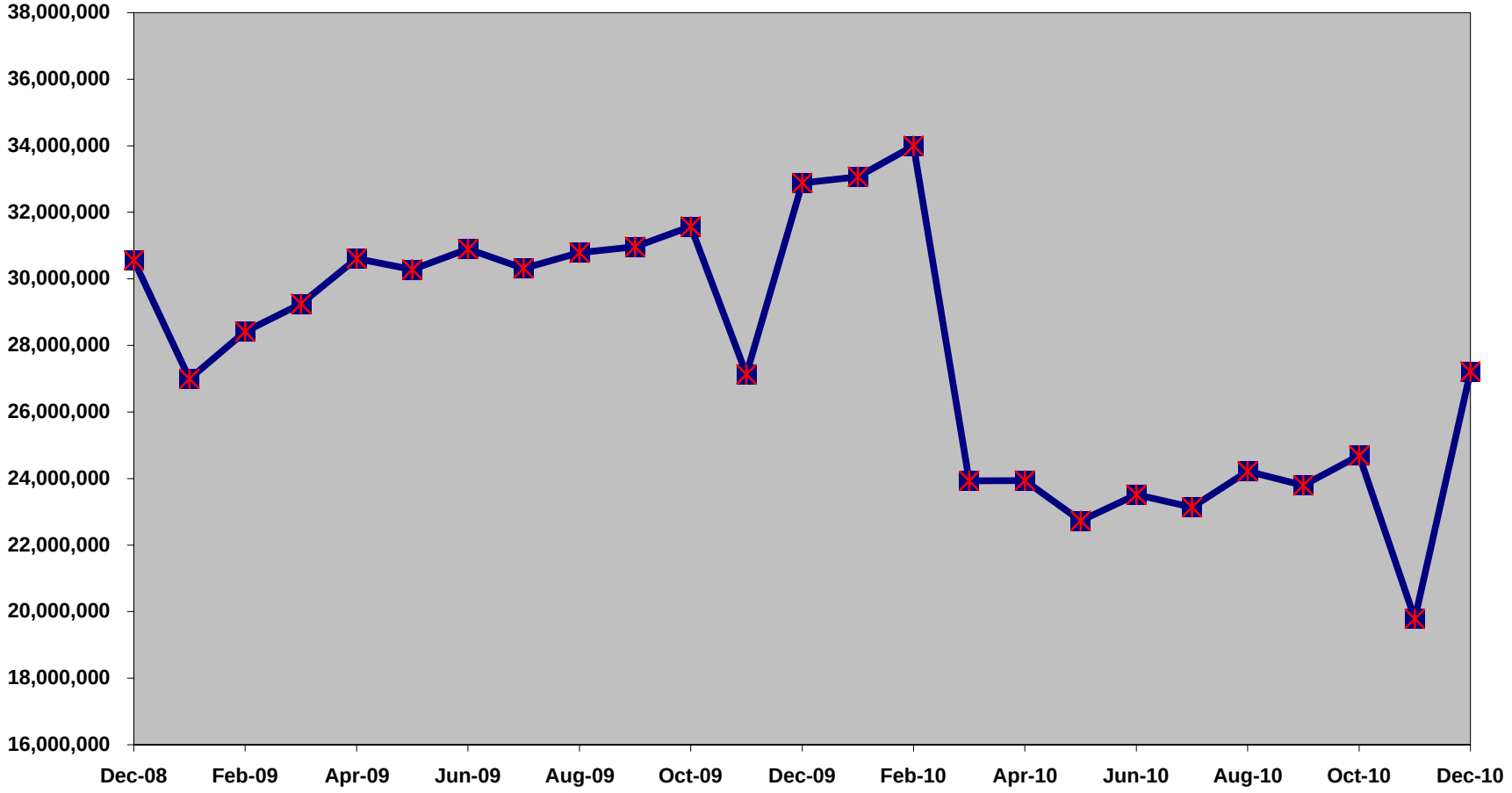
City of Beachwood
Investments
1/25/2011

Prepared by:

Report Date As Of → ***12/31/2010***

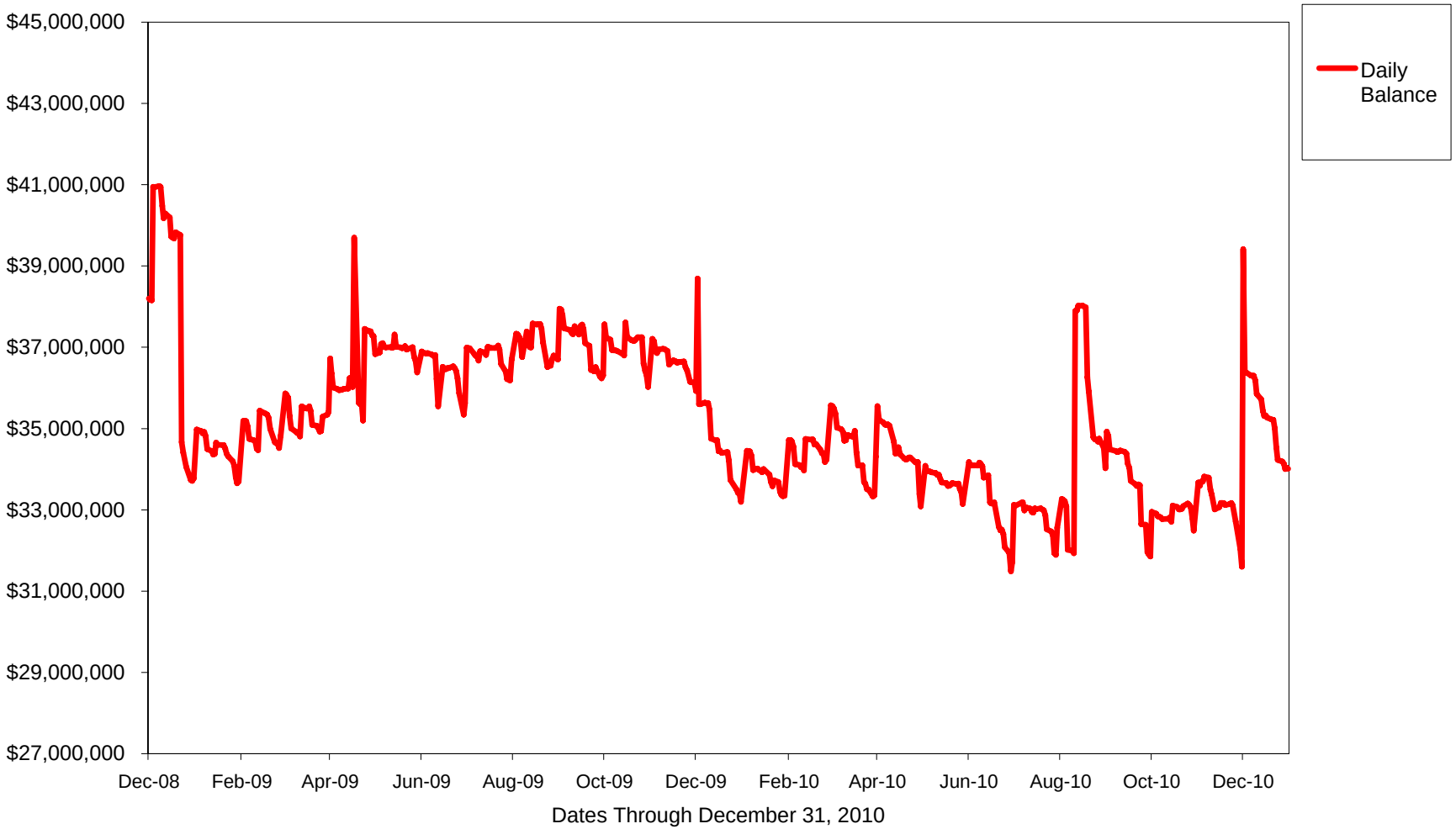
Investment Type (Bank)	Purchased Date	Par	Principal/ Amount Paid	(Premium)/ Discount	Accrued Interest Outstanding	Rate	Yield	Terms (Days)	Due Date	Coupon Date	Next Coupon Date	Days Remaining	Investment Maturity	Call Date
SO	12/31/2010	2,001,104.54	2,001,104.54	0.00	0.00	0.100%	0.10000%	0	12/31/2010	N/A	N/A	0	< 90 days	
US(KEY)	2/4/2009	1,000,000.00	999,375.00	625.00	0.00	0.875%	0.90677%	726	1/31/2011	1/31/2011	N/A	31	< 90 days	
US(KEY)	3/6/2009	1,000,000.00	999,296.88	703.12	0.00	0.875%	0.91083%	724	2/28/2011	2/28/2011	N/A	59	< 90 days	
US(HT)	4/8/2009	1,000,000.00	999,843.75	156.25	0.00	0.875%	0.88297%	722	3/31/2011	3/31/2011	N/A	90	> 91and < 180 days	
US(KEY)	5/1/2009	1,000,000.00	999,375.00	625.00	0.00	0.875%	0.90665%	729	4/30/2011	4/30/2011	N/A	120	> 91and < 180 days	
CD(FM)	8/23/2010	2,500,000.00	2,500,000.00	0.00	0.00	0.290%	0.29000%	270	5/20/2011	N/A	N/A	140	> 91and < 180 days	
US(HT)	8/27/2009	1,000,000.00	1,000,312.50	(312.50)	0.00	0.875%	0.85693%	642	5/31/2011	5/31/2011	N/A	151	> 91and < 180 days	
CD(FM)	6/22/2010	1,000,000.00	1,000,000.00	0.00	0.00	0.530%	0.53000%	365	6/22/2011	N/A	N/A	173	> 91and < 180 days	
US(FT)	10/8/2009	1,000,000.00	1,004,765.63	(4,765.63)	0.00	1.000%	0.73471%	661	7/31/2011	1/31/2011	7/31/2011	212	>181 and < 365 days	
FFCB(KEY)	8/31/2007	1,000,000.00	1,010,500.00	(10,500.00)	0.00	5.100%	4.80005%	1,439	8/9/2011	2/9/2011	8/9/2011	221	>181 and < 365 days	
US(FT)	10/8/2009	1,000,000.00	1,003,828.13	(3,828.13)	0.00	1.000%	0.79597%	692	8/31/2011	2/28/2011	8/31/2011	243	>181 and < 365 days	
US(HT)	10/8/2009	1,000,000.00	1,002,968.75	(2,968.75)	0.00	1.000%	0.84831%	722	9/30/2011	3/31/2011	9/30/2011	273	>181 and < 365 days	
US(KEY)	11/17/2009	1,000,000.00	1,004,531.25	(4,531.25)	0.00	1.000%	0.76576%	713	10/31/2011	4/30/2011	10/31/2011	304	>181 and < 365 days	
US(KEY)	12/4/2009	1,000,000.00	1,000,468.75	(468.75)	0.00	0.750%	0.72621%	726	11/30/2011	5/31/2011	11/30/2077	334	>181 and < 365 days	
US(FT)	1/22/2010	1,000,000.00	1,003,437.50	(3,437.50)	0.00	1.000%	0.82090%	708	12/31/2011	6/30/2011	12/31/2011	365	>365 days	
US(KEY)	2/2/2010	1,000,000.00	1,000,781.25	(781.25)	0.00	0.875%	0.83542%	728	1/31/2012	1/31/2011	7/31/2011	396	>365 days	
US(KEY)	3/8/2010	1,000,000.00	999,843.75	156.25	0.00	0.875%	0.88296%	723	2/29/2012	2/28/2011	8/31/2011	425	>365 days	
US(KEY)	4/8/2010	1,000,000.00	998,125.00	1,875.00	0.00	1.000%	1.09605%	723	3/31/2012	3/31/2011	9/30/2011	456	>365 days	
US(HT)	12/14/2010	1,000,000.00	1,002,580.00	(2,580.00)	0.00	0.625%	0.45734%	564	6/30/2012	6/30/2011	12/31/2011	547	>365 days	
US(FT)	12/14/2010	1,000,000.00	1,002,187.50	(2,187.50)	2,309.78	0.625%	0.49009%	595	7/31/2012	1/31/2011	7/31/2011	578	>365 days	
US(KEY)	11/23/2010	1,000,000.00	998,671.88	1,328.12	870.17	0.375%	0.45048%	647	8/31/2012	2/28/2011	8/31/2011	609	>365 days	
US(HT)	10/25/2010	1,000,000.00	1,000,781.25	(781.25)	257.55	0.375%	0.33437%	706	9/30/2012	3/31/2011	9/30/2011	639	>365 days	
US(KEY)	11/17/2009	1,000,000.00	1,003,906.25	(3,906.25)	0.00	1.375%	1.23778%	1,063	10/15/2012	4/15/2011	10/15/2011	654	>365 days	
US(KEY)	11/30/2010	1,000,000.00	1,000,099.38	(99.38)	0.00	0.500%	0.49500%	731	11/30/2012	5/31/2011	11/30/2011	700	>365 days	
US(KEY)	12/31/2010	1,000,000.00	999,843.75	156.25	0.00	0.625%	0.63287%	731	12/31/2012	6/30/2011	12/31/2011	731	>720 days	
US(KEY)	2/26/2010	1,000,000.00	1,000,937.50	(937.50)	0.00	1.375%	1.34265%	1,085	2/15/2013	2/15/2011	8/15/2011	777	>720 days	
		28,501,104.54	28,537,565.19	(36,460.65)	3,437.50		23.131070%							

City of Beachwood
Unencumbered Balance at Month End
All Funds



Dates Through December 31, 2010

City of Beachwood
Daily Cash Balances
All Funds



City of Beachwood
Municipal Income Tax Revenue
For Tax Years 2009-2010

	Jan-10	Jan-09	**Feb-10**	Feb-09	**Mar-10**	Mar-09	**1st Quarter Total - 10**	1st Quarter Total - 09
Withholding	**$ 1,101,468**	$ 1,265,066	**$ 1,238,408**	$ 1,348,066	**$ 1,416,394**	$ 1,584,227	**$ 3,756,270**	$ 4,197,359
Net Profit	**$ 303,785**	$ 352,463	**$ 24,463**	$ 142,322	**$ 46,652**	$ 112,297	**$ 374,900**	$ 607,083
Individual	**$ 105,150**	$ 97,726	**$ 106,009**	$ 143,508	**$ 37,770**	$ 60,706	**$ 248,929**	$ 301,940
Total	**$ 1,510,403**	$ 1,715,255	**$ 1,368,881**	$ 1,633,897	**$ 1,500,816**	$ 1,757,230	**$ 4,380,100**	$ 5,106,382

	Apr-10	Apr-09	**May-10**	May-09	**Jun-10**	Jun-09	**2nd Quarter Total - 10**	2nd Quarter Total - 09
Withholding	**$ 1,240,610**	$ 1,268,002	**$ 1,266,596**	$ 1,042,827	**$ 1,413,995**	$ 1,512,447	**$ 3,921,201**	$ 3,823,276
Net Profit	**$ 115,352**	$ 334,030	**$ (165,208)**	$ 292,952	**$ 229,959**	$ 188,924	**$ 180,102**	$ 815,906
Individual	**$ 54,327**	$ 38,785	**$ 218,577**	$ 207,316	**$ 101,703**	$ 173,853	**$ 374,607**	$ 419,955
Total	**$ 1,410,289**	$ 1,640,817	**$ 1,319,965**	$ 1,543,095	**$ 1,745,656**	$ 1,875,224	**$ 4,475,910**	$ 5,059,137

City of Beachwood
Municipal Income Tax Revenue
For Tax Years 2009-2010

	Jul-10	Jul-09	**Aug-10**	Aug-09	**Sep-10**	Sep-09	**3rd Quarter Total - 10**	3rd Quarter Total - 09
Withholding	**$ 1,123,214**	$ 1,296,076	**$ 989,424**	$ 1,031,083	**$ 1,286,442**	$ 1,358,857	**$ 3,399,081**	$ 3,686,016
Net Profit	**$ 329,932**	$ 226,384	**$ 39,658**	$ (1,827)	**$ 162,033**	$ 49,487	**$ 531,623**	$ 274,044
Individual	**$ 50,854**	$ 71,515	**$ 124,033**	$ 124,857	**$ 34,674**	$ 47,278	**$ 209,562**	$ 243,650
Total	**$ 1,504,000**	$ 1,593,975	**$ 1,153,115**	$ 1,154,113	**$ 1,483,149**	$ 1,455,622	**$ 4,140,265**	$ 4,203,710

	Oct-10	Oct-09	**Nov-10**	Nov-09	**Dec-10**	Dec-09	**4th Quarter Total - 10**	4th Quarter Total - 09
Withholding	**$ 1,194,869**	$ 1,107,893	**$ 1,081,401**	$ 1,073,002	**$ 1,364,597**	$ 1,412,559	**$ 3,640,868**	$ 3,593,454
Net Profit	**$ 310,761**	$ 338,540	**$ 21,013**	$ 91,062	**$ 73,630**	$ 166,132	**$ 405,403**	$ 595,734
Individual	**$ 54,013**	$ 57,922	**$ 190,754**	$ 237,589	**$ 45,213**	$ 405	**$ 289,980**	$ 295,915
Total	**$ 1,559,643**	$ 1,504,355	**$ 1,293,168**	$ 1,401,654	**$ 1,483,440**	$ 1,579,096	**$ 4,336,251**	$ 4,485,104

City of Beachwood
Municipal Income Tax Revenue
For Tax Years 2009-2010

	YTD 10	YTD 09	***VARIANCE***	***% VAR***
Withholding	**$ 14,717,419**	$ 15,300,106	**$ (582,687)**	**-3.81%**
Net Profit	**$ 1,492,028**	$ 2,292,767	**$ (800,739)**	**-34.92%**
Individual	**$ 1,123,079**	$ 1,261,460	**$ (138,381)**	**-10.97%**
Total	**$ 17,332,526**	$ 18,854,333	**$ (1,521,807)**	**-8.07%**

*All collections are net of refunds processed in period and retainer withheld for RITA fees.

* Collections are compared to like periods from previous years, any difference between current month and financials are due to timing differences when actual monies are received from RITA.

City of Beachwood
Zone Income Tax Fund
Joint Economic Development District Summary
For Tax Year 2010

	City of Beachwood		City of Cleveland		City of Warrensville Heights	
	Dec-10	Year-To-Date	Dec-10	Year-To-Date	Dec-10	Year-To-Date
REVENUE						
Withholding	$31,053.27	$390,077.63	$16,861.16	$209,061.34	$14,192.14	$181,016.55
2009 Retainer Refund	$0.00	$4,199.50	$0.00	$2,125.75	$0.00	$2,073.75
Retainer Refund	$279.50	$3,514.16	$151.76	$1,884.13	$127.74	$1,630.20
Total Zone Income	$30,773.77	$390,762.97	$16,709.40	$209,302.96	$14,064.40	$181,460.10
EXPENDITURE						
Income Tax Collection	$652.16	$8,199.77	$354.11	$4,396.19	$298.06	$3,803.76
JEDD Tax Disbursement	$30,121.61	$382,563.20	$16,355.29	$204,906.77	$13,766.34	$177,656.34
Total Zone Expenditure	$30,773.77	$390,762.97	$16,709.40	$209,302.96	$14,064.40	$181,460.10

	Dec-10	YTD 10
TOTAL ZONE INCOME	**$61,547.57**	**$781,526.03**
TOTAL ZONE EXPENDITURE	**$61,547.57**	**$781,526.03**
ZONE INCOME TAX BALANCE	**$0.00**	**$0.00**

*All withholdings are net of refunds processed in period and retainer withheld for RITA fees.

The City of Beachwood, Ohio

Monthly Financial Report

For Month Ended December 31, 2009

Prepared by the Finance Department

CITY OF BEACHWOOD
UNAUDITED FINANCIAL REPORT

FINANCIAL REPORTS ARE PREPARED BY : **Robert Forester, Accounting Supervisor**

FINANCIAL REPORTS ARE REVIEWED BY : **David Pfaff, Finance Director**

DEPARTMENT OF AUDIT

The following Financial Statements are unaudited, and as such no opinion is issued upon them. However, I have reviewed them to form and content.

FINANCIAL REPORTS ARE APPROVED BY : **Harvey Rose, Audit Director**

CITY OF
Beachwood

25325 FAIRMOUNT BLVD • BEACHWOOD • OHIO 44122

MAYOR
MERLE S. GORDEN

February 1, 2010

Members of Beachwood City Council and
Mayor Merle S. Gorden

Total General Fund revenue through December 31st is $31,024,249 which is a decrease of $2,853,354 or 8.4% from prior year-to-date revenue and total expenditures are $28,916,317 (excluding transfers of $1,107,562 to the Debt Service Fund and $4,000,000 to the Capital Improvement Fund) which is an increase of $10,547 or 0.04%. Below is an analysis of revenues and expenditures.

Revenues

The decrease in revenue is largely due to a decrease in income tax receipts and miscellaneous revenue. Income taxes decreased by $2,661,026 or 12.4% over prior year-to-date receipts. Miscellaneous revenue, which consists of mostly interest income, decreased by $755,169 or 44.3%. Additionally, permits and licenses decreased by $302,484 or 29.2%. Other significant decreases in revenue include: other local taxes (down $142,962 or 14.3%), local government fund (down $67,216 or 13.3%), reimbursements (down $38,679 or 24.9%) and refunds (down $63,312 or 72.7%). Two significant increases in revenue included estate taxes and general government charges for services. Estate taxes increased by $412,101 or 13.8% and charges for services increased by $668,642 or 83.0%. The increase in charges for services is due to the rental fees we receive from the Commerce Park building which we started collecting in January 2009.

Expenditures

Significant increases or decreases in expenditures include the following:

All departments - Usually the January premium to Medical Mutual is paid in December; however, due to some billing issues, we did not pay the January premium of $250,654 until January this year.

Council – Expenditures have increased $24,175 or 15.5%. This is mainly due to the purchase of the art sculpture and the donation to the Beachwood Athletic Boosters for exercise equipment.

Building and Grounds – Expenditures have increased by $237,543 or 12.0%. This is largely due to operating expenditures for the new Commerce Park building.

FINANCE DEPARTMENT
DAVID A. PFAFF, CPA, FINANCE DIRECTOR
PHONE (216) 292-1913 • FAX (216) 595-5463

Fleet – Expenditures have decreased by $206,790 or 14.6%. This is due to a decrease in gasoline expenditures due to lower gasoline prices.

Streets, Sidewalks & Sewers – Expenditures have decreased by $547,370 or 18.4%. This is largely due to a decrease in salt purchases this year and the purchase of two salt trucks in 2008.

Sanitation – Expenditures have decreased by $168,221 or 17.7%. This is due to the purchase of a rubbish truck in 2008.

Engineering – Expenditures have decreased by $65,265 or 30.3%. This is due to the vacant position within the department.

Recreation Administration – Expenditures have increased $154,969 or 16.0%. In addition to the health care payment, the increase is due to the timing of payments to the Beachwood Board of Education and a part-time position that was charged to a different department last year.

Recreation Camps – Expenditures have increased by $47,127 or 13.2% which is due to the payment for bus transportation for 2008. The City did not receive an invoice from the schools until late 2008. The invoice did not get paid until 2009.

Recreation Sports – Expenditures have increased $32,768 or 21.9%. The increase is due the purchase of a vehicle and the timing of payments to vendors.

Summary

Based on the above analysis of revenues and expenditures, we have a General Fund surplus of $2,107,932 excluding transfers.

All Other Funds

Total revenue for all other funds, excluding transfers of $1,107,562 to the Debt Service fund and $4,000,000 to the Capital Improvement Fund, is $5,539,384 which is a decrease of $501,893 or 8.3% from prior year-to-date revenue. Total expenditures are $8,040,393 which is a decrease of $3,577,842 from prior year-to-date expenditures. The decrease in expenditures is due to the purchase of the new building in 2008.

Summary

Total expenditures exceeded total revenues by $393,077. Additionally, the General Fund unencumbered balance is $16,877,269, the Capital Improvement unencumbered balance is $11,686,331, and the unencumbered balance for all funds is $30,543,175. The unencumbered balance for all funds less general obligation debt is $16,793,175 at December 31, 2009 versus $16,258,407 at December 31, 2008. This represents a decrease of $534,768.

Budgetary

Revenue

General Fund revenues for the year were $31,024,249, which is 95.8% of the amount originally estimated at the beginning of the year. Other funds that fell short of the amount originally projected were the General Bond Retirement Fund, the Capital Improvement Fund (due to my decision to transfer less than originally budgeted), and Other Trust and Agency Funds. In order to comply with the Ohio Revised Code, a revised estimate of resources was filed with the County in December. However, these revised estimates are not reflected in the Financial Statements as I feel a comparison to our original estimate is more useful to Council.

Expenditures

Since appropriations control the city's legal authority to spend funds, the financial statements reflect all amendments to appropriations made throughout the year.

General fund expenditures for the year were $32,337,178 (including transfers) and outstanding encumbrances were $1,944,952. These amounts represent approximately 90% of the General fund appropriations, meaning expenditures and encumbrances were approximately 10% less than appropriations.

All Other Funds expenditures and encumbrances were also less than the amount appropriated.

Summary

Based on past history, the City spends approximately 65% of the amount encumbered at year-end in the succeeding year. Based on this, I would anticipate that expenditures on a budgetary basis would be approximately $33,601,397 (including transfers) and $28,493,835 (excluding transfers). Therefore, on a budgetary basis, I would project that revenue will exceed expenditures by approximately $2,530,414; including the transfer to debt service this amount will be approximately $1,422,852.

Respectfully submitted,

David A. Pfaff, CPA
Finance Director

CITY OF BEACHWOOD
FUND CASH STATEMENT
FOR THE PERIOD ENDED DECEMBER 31, 2009

		Beginning Year Balance	Month-to-Date Actual Receipts	Year-to-Date Actual Receipts	Month-to-Date Expenditures/ Expenses	Year-to-Date Expenditures/ Expenses	Outstanding Encumbrances	Unencumbered Balance
101	General	21,873,335.70	2,049,358.16	31,024,248.70	2,693,666.85	34,023,879.13	1,996,435.97	16,877,269.30
211	Street Construction/Maintenance	613,710.08	40,522.53	547,141.60	66,465.56	393,832.05	16,569.44	750,450.19
212	State Highway Improvement	44,517.78	3,195.16	43,551.41	0.00	52,575.55	0.00	35,493.64
231	Mayor's Court Improvement	20,297.14	1,017.00	11,095.00	0.00	5,237.90	14,957.13	11,197.11
241	Federal Equitable Sharing	34,698.65	118.30	3,742.74	0.00	0.00	0.00	38,441.39
243	Law Enforce Trust	9,750.65	0.00	5,440.00	0.00	869.96	0.00	14,320.69
261	Street Lights Blossom Drive	2,749.07	0.00	837.36	116.35	1,404.43	3.80	2,178.20
262	Street Lights George Zeiger Drive	103,575.21	0.00	12,480.10	1,113.93	13,490.74	132.84	102,431.73
271	Paramedic Trust Fund	6,729.53	0.00	0.00	0.00	0.00	6,729.53	0.00
281	Federal Emergency (FEMA)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
331	General Bond Retirement	522,544.70	3,025,284.00	5,057,212.50	4,665,007.50	5,058,289.83	0.00	521,467.37
441	Capital Improvement	9,238,573.74	0.00	4,020,847.55	162,359.28	1,362,087.94	211,002.73	11,686,330.62
771	Leo Weiss Trust	1,186.71	3.49	30.42	0.00	84.00	0.00	1,133.13
781	Hospitalization Reimburse	611.58	106.21	6,900.79	106.21	7,512.37	0.00	0.00
782	Commercial Permit Tax	1,094.31	2,552.02	16,931.69	1,285.40	15,473.98	0.00	2,552.02
783	Deposits	695,351.72	13,023.04	183,850.47	36,943.42	348,427.00	86,559.17	444,216.02
784	Police Pension	93,531.09	0.00	213,086.92	187,322.44	256,751.02	7,677.56	42,189.43
785	Zone Income Taxes	0.00	48,837.26	523,629.51	48,837.26	523,629.51	0.00	0.00
786	Unclaimed Monies	14,062.98	0.00	168.00	0.00	727.00	0.00	13,503.98
800	General Fixed Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
900	General Long-Term Debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	ALL FUNDS	33,276,320.64	5,184,017.17	41,671,194.76	7,863,224.20	42,064,272.41	2,340,068.17	30,543,174.82

CITY OF BEACHWOOD
STATEMENT OF EXPENSES
CURRENT YEAR BUDGET SUMMARY
FOR THE PERIOD ENDED DECEMBER 31, 2009

	Current Budget	Current YTD Expense	Current Encumbrance	Current Unencumbered	% Remn
GENERAL FUND					
Council	206,100.00	179,377.77	8,307.69	18,414.54	8.93%
Mayor's Office	596,900.00	455,879.71	11,278.99	129,741.30	21.74%
Finance Department	8,287,462.00	7,774,254.07	208,797.81	304,410.12	3.67%
Law Department	794,000.00	592,802.46	126,163.62	75,033.92	9.45%
Police Department	7,937,300.00	7,222,373.68	349,936.55	364,989.77	4.60%
Fire Department	6,351,900.00	5,497,051.09	479,246.29	375,602.62	5.91%
Service Administrati	694,200.00	565,044.70	9,793.16	119,362.14	17.19%
Building and Grounds	2,396,400.00	1,974,708.36	171,543.44	250,148.20	10.44%
Fleet Maintenance	1,446,400.00	1,139,332.18	81,295.16	225,772.66	15.61%
Streets, Sidewalks &	3,046,900.00	2,204,435.81	279,280.77	563,183.42	18.48%
Sanitation	1,299,300.00	762,817.79	26,974.80	509,507.41	39.21%
Engineering Departme	257,600.00	145,916.27	11,164.43	100,519.30	39.02%
Human Services	759,300.00	569,786.28	23,845.46	165,668.26	21.82%
Recreation Administr	1,127,200.00	1,062,644.85	25,899.46	38,655.69	3.43%
Recreation Camps	418,800.00	336,434.57	30,060.30	52,305.13	12.49%
Recreation Sport Pro	201,000.00	171,504.74	10,548.00	18,947.26	9.43%
Recreation Other Pro	247,700.00	210,654.59	13,170.84	23,874.57	9.64%
Swimming Pools/Parks	677,800.00	536,527.84	56,568.92	84,703.24	12.50%
Building Department	1,182,600.00	935,631.02	21,076.39	225,892.59	19.10%
TOTAL GENERAL FUND	37,928,862.00	32,337,177.78	1,944,952.08	3,646,732.14	9.61%
SPECIAL REVENUE FUNDS					
STREET CONSTRUCTION/	750,000.00	374,128.24	16,569.44	359,302.32	47.91%
STATE HIGHWAY IMPROV	44,000.00	25,303.30	-	18,696.70	42.49%
MAYOR'S COURT IMPROV	24,500.00	540.90	14,957.13	9,001.97	36.74%
FEDERAL EQUITABLE SH	34,500.00	-	-	34,500.00	100.00%
LAW ENFORCE TRUST FU	9,000.00	869.96	-	8,130.04	90.33%
STREET LIGHTS BLOSSO	1,500.00	1,404.43	3.80	91.77	6.12%
STREET LIGHTS GEO. Z	13,700.00	13,490.74	132.84	76.42	0.56%
PARAMEDIC TRUST FUND	6,729.00	-	6,729.53	(0.53)	-0.01%
TOTAL SPECIAL REVENUE FUNDS	883,929.00	415,737.57	38,392.74	429,798.69	48.62%
GENERAL BOND RETIREM	5,079,500.00	5,058,289.83	-	21,210.17	0.42%
CAPITAL IMPROVEMENT	6,800,000.00	1,148,376.09	211,002.73	5,440,621.18	80.01%
TRUST AND AGENCY FUNDS					
LEO WEISS TRUST FUND	100.00	42.00	-	58.00	58.00%
HOSPITALIZATION REIM	8,200.00	6,900.79	-	1,299.21	15.84%
COMMERCIAL PERMIT TA	25,000.00	15,473.98	-	9,526.02	38.10%
DEPOSITS	524,700.00	345,964.00	86,559.17	92,176.83	17.57%
POLICE PENSION FUND	200,000.00	187,414.50	7,677.56	4,907.94	2.45%
ZONE INCOME TAXES	545,000.00	523,629.51	-	21,370.49	3.92%
UNCLAIMED MONIES FUN	14,038.00	727.00	-	13,311.00	94.82%
TOTAL TRUST AND AGENCY FUNDS	1,317,038.00	1,080,151.78	94,236.73	142,649.49	10.83%
TOTAL ALL FUNDS	52,009,329.00	40,039,733.05	2,288,584.28	9,681,011.67	18.61%

CITY OF BEACHWOOD
STATEMENT OF EXPENSES
CURRENT YEAR BUDGET DETAIL
FOR THE PERIOD ENDED DECEMBER 31, 2009

	Current Budget	Current YTD Expense	Current Encumbrance	Current Unencumbered	% Remn
GENERAL FUND					
Council					
Salaries and Wages	87,100.00	87,000.42	-	99.58	0.11%
Employee Benefits	17,000.00	14,021.35	807.69	2,170.96	12.77%
Professional Service	14,000.00	-	7,500.00	6,500.00	46.43%
Contractual Services	2,500.00	-	-	2,500.00	100.00%
Other Services and E	57,900.00	52,180.00	-	5,720.00	9.88%
Materials and Suppli	1,600.00	176.00	-	1,424.00	89.00%
Property and Equipme	26,000.00	26,000.00	-	-	0.00%
Total Council	206,100.00	179,377.77	8,307.69	18,414.54	8.93%
Mayor's Office					
Salaries and Wages	332,600.00	319,296.84	-	13,303.16	4.00%
Employee Benefits	117,500.00	105,182.39	5,800.46	6,517.15	5.55%
Professional Service	11,200.00	8,350.00	1,600.00	1,250.00	11.16%
Contractual Services	7,700.00	1,212.23	900.76	5,587.01	72.56%
Other Services and E	30,000.00	11,801.96	1,783.23	16,414.81	54.72%
Materials and Suppli	28,900.00	6,594.91	1,194.54	21,110.55	73.05%
Property and Equipme	69,000.00	3,441.38	-	65,558.62	95.01%
Total Mayor's Office	596,900.00	455,879.71	11,278.99	129,741.30	21.74%
Finance Department					
Salaries and Wages	902,600.00	899,158.67	-	3,441.33	0.38%
Employee Benefits	353,800.00	319,189.35	26,851.53	7,759.12	2.19%
Professional Service	1,320,000.00	1,012,191.28	112,770.37	195,038.35	14.78%
Contractual Services	75,300.00	63,116.21	2,048.99	10,134.80	13.46%
Other Services and E	393,800.00	331,952.40	12,877.78	48,969.82	12.44%
Materials and Suppli	38,400.00	30,217.16	4,925.41	3,257.43	8.48%
Property and Equipme	96,000.00	10,867.00	49,323.73	35,809.27	37.30%
Non-governmental Cha	5,107,562.00	5,107,562.00	-	-	0.00%
Total Finance Department	8,287,462.00	7,774,254.07	208,797.81	304,410.12	3.67%
Law Department					
Salaries and Wages	189,100.00	171,864.86	-	17,235.14	9.11%
Employee Benefits	80,800.00	74,383.75	3,222.32	3,193.93	3.95%
Professional Service	459,000.00	323,787.86	120,181.86	15,030.28	3.27%
Contractual Services	10,000.00	1,038.78	1,953.57	7,007.65	70.08%
Other Services and E	33,900.00	13,276.61	420.66	20,202.73	59.60%
Materials and Suppli	17,200.00	7,331.16	385.21	9,483.63	55.14%
Property and Equipme	4,000.00	1,119.44	-	2,880.56	72.01%
Total Law Department	794,000.00	592,802.46	126,163.62	75,033.92	9.45%
Police Department					
Salaries and Wages	5,077,100.00	4,985,062.89	-	92,037.11	1.81%
Employee Benefits	1,924,400.00	1,688,014.51	183,752.62	52,632.87	2.74%
Professional Service	83,600.00	41,123.15	20,851.35	21,625.50	25.87%
Contractual Services	403,100.00	292,402.06	36,068.04	74,629.90	18.51%
Other Services and E	102,400.00	73,059.17	10,760.15	18,580.68	18.15%
Materials and Suppli	87,700.00	52,914.71	12,627.74	22,157.55	25.27%
Property and Equipme	259,000.00	89,797.19	85,876.65	83,326.16	32.17%
Total Police Department	7,937,300.00	7,222,373.68	349,936.55	364,989.77	4.60%

CITY OF BEACHWOOD
STATEMENT OF EXPENSES
CURRENT YEAR BUDGET DETAIL
FOR THE PERIOD ENDED DECEMBER 31, 2009

	Current Budget	Current YTD Expense	Current Encumbrance	Current Unencumbered	% Remn
Fire Department					
Salaries and Wages	3,749,100.00	3,617,853.16	-	131,246.84	3.50%
Employee Benefits	1,864,200.00	1,562,624.05	208,230.49	93,345.46	5.01%
Professional Service	71,900.00	50,411.23	14,797.45	6,691.32	9.31%
Contractual Services	175,500.00	125,967.09	18,685.50	30,847.41	17.58%
Other Services and E	54,300.00	34,467.49	3,680.72	16,151.79	29.75%
Materials and Suppli	87,900.00	61,298.03	10,388.81	16,213.16	18.45%
Property and Equipme	349,000.00	44,430.04	223,463.32	81,106.64	23.24%
Total Fire Department	6,351,900.00	5,497,051.09	479,246.29	375,602.62	5.91%
Service Administrati					
Salaries and Wages	447,300.00	383,597.40	-	63,702.60	14.24%
Employee Benefits	175,700.00	137,209.13	4,703.16	33,787.71	19.23%
Professional Service	6,500.00	4,037.91	-	2,462.09	37.88%
Contractual Services	2,800.00	561.19	153.41	2,085.40	74.48%
Other Services and E	13,800.00	9,387.46	2,664.13	1,748.41	12.67%
Materials and Suppli	45,100.00	29,636.61	2,272.46	13,190.93	29.25%
Property and Equipme	3,000.00	615.00	-	2,385.00	79.50%
Total Service Administrati	694,200.00	565,044.70	9,793.16	119,362.14	17.19%
Building and Grounds					
Salaries and Wages	741,000.00	695,321.19	-	45,678.81	6.16%
Employee Benefits	346,400.00	317,639.84	13,309.93	15,450.23	4.46%
Professional Service	16,000.00	12,442.50	3,352.50	205.00	1.28%
Contractual Services	1,025,200.00	750,807.49	140,870.82	133,521.69	13.02%
Other Services and E	10,300.00	3,867.86	174.50	6,257.64	60.75%
Materials and Suppli	234,500.00	184,813.48	6,885.69	42,800.83	18.25%
Property and Equipme	23,000.00	9,816.00	6,950.00	6,234.00	27.10%
Total Building and Grounds	2,396,400.00	1,974,708.36	171,543.44	250,148.20	10.44%
Fleet Maintenance					
Salaries and Wages	390,600.00	373,245.21	-	17,354.79	4.44%
Employee Benefits	171,900.00	158,544.83	4,079.57	9,275.60	5.40%
Contractual Services	176,500.00	106,921.38	37,361.70	32,216.92	18.25%
Other Services and E	4,200.00	27.00	-	4,173.00	99.36%
Materials and Suppli	672,200.00	500,003.76	39,853.89	132,342.35	19.69%
Property and Equipme	31,000.00	590.00	-	30,410.00	98.10%
Total Fleet Maintenance	1,446,400.00	1,139,332.18	81,295.16	225,772.66	15.61%
Streets, Sidewalks &					
Salaries and Wages	1,099,600.00	1,029,226.79	-	70,373.21	6.40%
Employee Benefits	534,000.00	470,702.22	13,498.17	49,799.61	9.33%
Professional Service	17,000.00	5,207.50	10,610.00	1,182.50	6.96%
Contractual Services	234,100.00	89,060.70	100,000.00	45,039.30	19.24%
Other Services and E	5,000.00	1,551.15	-	3,448.85	68.98%
Materials and Suppli	742,200.00	436,558.45	152,299.60	153,341.95	20.66%
Property and Equipme	415,000.00	172,129.00	2,873.00	239,998.00	57.83%
Total Streets, Sidewalks &	3,046,900.00	2,204,435.81	279,280.77	563,183.42	18.48%
Sanitation					
Salaries and Wages	484,800.00	431,874.01	-	52,925.99	10.92%
Employee Benefits	204,500.00	185,886.23	4,679.11	13,934.66	6.81%
Contractual Services	186,000.00	141,566.40	22,295.69	22,137.91	11.90%
Other Services and E	1,000.00	446.15	-	553.85	55.39%
Materials and Suppli	160,000.00	3,045.00	-	156,955.00	98.10%
Property and Equipme	263,000.00	-	-	263,000.00	100.00%
Total Sanitation	1,299,300.00	762,817.79	26,974.80	509,507.41	39.21%

CITY OF BEACHWOOD
STATEMENT OF EXPENSES
CURRENT YEAR BUDGET DETAIL
FOR THE PERIOD ENDED DECEMBER 31, 2009

	Current Budget	Current YTD Expense	Current Encumbrance	Current Unencumbered	% Remn
Engineering Departme					
Salaries and Wages	135,900.00	92,074.99	-	43,825.01	32.25%
Employee Benefits	68,800.00	34,170.25	1,869.20	32,760.55	47.62%
Professional Service	35,000.00	17,512.75	8,328.75	9,158.50	26.17%
Contractual Services	500.00	-	-	500.00	100.00%
Other Services and E	5,500.00	2,111.87	966.48	2,421.65	44.03%
Materials and Suppli	6,400.00	46.41	-	6,353.59	99.27%
Property and Equipme	5,500.00	-	-	5,500.00	100.00%
Total Engineering Departme	257,600.00	145,916.27	11,164.43	100,519.30	39.02%
Human Services					
Salaries and Wages	252,900.00	251,876.67	-	1,023.33	0.40%
Employee Benefits	126,700.00	121,419.81	3,999.00	1,281.19	1.01%
Professional Service	10,200.00	1,230.00	-	8,970.00	87.94%
Contractual Services	248,300.00	134,754.54	10,654.96	102,890.50	41.44%
Other Services and E	43,500.00	21,169.22	3,237.64	19,093.14	43.89%
Materials and Suppli	72,700.00	39,336.04	5,953.86	27,410.10	37.70%
Property and Equipme	5,000.00	-	-	5,000.00	100.00%
Total Human Services	759,300.00	569,786.28	23,845.46	165,668.26	21.82%
Recreation Administr					
Salaries and Wages	452,400.00	443,305.13	-	9,094.87	2.01%
Employee Benefits	213,700.00	189,781.58	7,207.84	16,710.58	7.82%
Professional Service	29,000.00	20,271.98	7,069.75	1,658.27	5.72%
Contractual Services	345,300.00	337,483.56	3,332.14	4,484.30	1.30%
Other Services and E	29,200.00	21,954.58	2,600.19	4,645.23	15.91%
Materials and Suppli	54,600.00	48,385.16	5,689.54	525.30	0.96%
Property and Equipme	3,000.00	1,462.86	-	1,537.14	51.24%
Total Recreation Administr	1,127,200.00	1,062,644.85	25,899.46	38,655.69	3.43%
Recreation Camps					
Salaries and Wages	226,000.00	219,528.65	-	6,471.35	2.86%
Employee Benefits	43,200.00	40,213.62	1,286.25	1,700.13	3.94%
Professional Service	100.00	-	-	100.00	100.00%
Contractual Services	125,500.00	61,804.74	27,830.05	35,865.21	28.58%
Other Services and E	2,500.00	1,151.59	864.00	484.41	19.38%
Materials and Suppli	21,500.00	13,735.97	80.00	7,684.03	35.74%
Total Recreation Camps	418,800.00	336,434.57	30,060.30	52,305.13	12.49%
Recreation Sport Pro					
Salaries and Wages	33,000.00	27,304.48	-	5,695.52	17.26%
Employee Benefits	6,200.00	5,262.17	-	937.83	15.13%
Contractual Services	104,000.00	91,344.50	9,624.00	3,031.50	2.91%
Other Services and E	2,500.00	2,000.00	450.00	50.00	2.00%
Materials and Suppli	31,700.00	25,069.14	474.00	6,156.86	19.42%
Property and Equipme	23,600.00	20,524.45	-	3,075.55	13.03%
Total Recreation Sport Pro	201,000.00	171,504.74	10,548.00	18,947.26	9.43%
Recreation Other Pro					
Salaries and Wages	96,500.00	94,356.29	-	2,143.71	2.22%
Employee Benefits	37,900.00	33,926.16	1,688.44	2,285.40	6.03%
Professional Service	2,000.00	770.00	-	1,230.00	61.50%
Contractual Services	91,500.00	68,502.89	8,687.50	14,309.61	15.64%
Other Services and E	7,000.00	5,048.21	1,700.00	251.79	3.60%
Materials and Suppli	12,800.00	8,051.04	1,094.90	3,654.06	28.55%
Total Recreation Other Pro	247,700.00	210,654.59	13,170.84	23,874.57	9.64%

CITY OF BEACHWOOD
STATEMENT OF EXPENSES
CURRENT YEAR BUDGET DETAIL
FOR THE PERIOD ENDED DECEMBER 31, 2009

	Current Budget	Current YTD Expense	Current Encumbrance	Current Unencumbered	% Remn
Swimming Pools/Parks					
Salaries and Wages	266,000.00	250,366.58	-	15,633.42	5.88%
Employee Benefits	56,000.00	46,811.89	2,221.67	6,966.44	12.44%
Professional Service	10,000.00	4,058.00	2,692.00	3,250.00	32.50%
Contractual Services	250,000.00	169,991.52	42,273.81	37,734.67	15.09%
Other Services and E	4,200.00	2,912.28	214.30	1,073.42	25.56%
Materials and Suppli	78,100.00	51,659.03	8,102.14	18,338.83	23.48%
Property and Equipme	13,500.00	10,728.54	1,065.00	1,706.46	12.64%
Total Swimming Pools/Parks	677,800.00	536,527.84	56,568.92	84,703.24	12.50%
Building Department					
Salaries and Wages	749,500.00	648,208.27	-	101,291.73	13.51%
Employee Benefits	289,800.00	245,070.64	13,305.88	31,423.48	10.84%
Professional Service	33,000.00	15,331.35	1,675.00	15,993.65	48.47%
Contractual Services	42,400.00	1,896.20	3,352.75	37,151.05	87.62%
Other Services and E	27,600.00	12,614.46	1,328.81	13,656.73	49.48%
Materials and Suppli	31,300.00	12,510.10	1,413.95	17,375.95	55.51%
Property and Equipme	9,000.00	-	-	9,000.00	100.00%
Total Building Department	1,182,600.00	935,631.02	21,076.39	225,892.59	19.10%
TOTAL GENERAL FUND	**37,928,862.00**	**32,337,177.78**	**1,944,952.08**	**3,646,732.14**	**9.61%**
SPECIAL REVENUE FUNDS					
STREET CONSTRUCTION/					
Professional Service	30,000.00	9,198.00	502.00	20,300.00	67.67%
Property and Equipme	720,000.00	364,930.24	16,067.44	339,002.32	47.08%
TOTAL STREET CONSTRUCTION/	750,000.00	374,128.24	16,569.44	359,302.32	47.91%
STATE HIGHWAY IMPROV					
Professional Service	1,000.00	-	-	1,000.00	100.00%
Materials and Suppli	5,000.00	-	-	5,000.00	100.00%
Property and Equipme	38,000.00	25,303.30	-	12,696.70	33.41%
TOTAL STATE HIGHWAY IMPROV	44,000.00	25,303.30	-	18,696.70	42.49%
MAYOR'S COURT IMPROV					
Materials and Suppli	1,000.00	540.90	-	459.10	45.91%
Property and Equipme	23,500.00	-	14,957.13	8,542.87	36.35%
TOTAL MAYOR'S COURT IMPROV	24,500.00	540.90	14,957.13	9,001.97	36.74%
FEDERAL EQUITABLE SH					
Property and Equipme	34,500.00	-	-	34,500.00	100.00%
TOTAL FEDERAL EQUITABLE SH	34,500.00	-	-	34,500.00	100.00%
LAW ENFORCE TRUST FU					
Other Services and E	3,000.00	-	-	3,000.00	100.00%
Materials and Suppli	1,000.00	869.96	-	130.04	13.00%
Property and Equipme	5,000.00	-	-	5,000.00	100.00%
TOTAL LAW ENFORCE TRUST FU	9,000.00	869.96	-	8,130.04	90.33%
STREET LIGHTS BLOSSO					
Contractual Services	1,450.00	1,396.20	3.80	50.00	3.45%
Other Services and E	50.00	8.23	-	41.77	83.54%
TOTAL STREET LIGHTS BLOSSO	1,500.00	1,404.43	3.80	91.77	6.12%
STREET LIGHTS GEO. Z					
Contractual Services	13,500.00	13,367.16	132.84	-	0.00%
Other Services and E	200.00	123.58	-	76.42	38.21%
TOTAL STREET LIGHTS GEO. Z	13,700.00	13,490.74	132.84	76.42	0.56%

CITY OF BEACHWOOD
STATEMENT OF EXPENSES
CURRENT YEAR BUDGET DETAIL
FOR THE PERIOD ENDED DECEMBER 31, 2009

	Current Budget	Current YTD Expense	Current Encumbrance	Current Unencumbered	% Remn
PARAMEDIC TRUST FUND					
Property and Equipme	6,729.00	-	6,729.53	(0.53)	-0.01%
TOTAL PARAMEDIC TRUST FUND	6,729.00	-	6,729.53	(0.53)	-0.01%
TOTAL SPECIAL REVENUE FUNDS	**883,929.00**	**415,737.57**	**38,392.74**	**429,798.69**	**48.62%**
GENERAL BOND RETIREM					
Other Services and E	12,000.00	9,157.33	-	2,842.67	23.69%
Other Expenses	5,067,500.00	5,049,132.50	-	18,367.50	0.36%
TOTAL GENERAL BOND RETIREM	**5,079,500.00**	**5,058,289.83**	**-**	**21,210.17**	**0.42%**
CAPITAL IMPROVEMENT					
Professional Service	462,000.00	239,877.27	211,002.73	11,120.00	2.41%
Other Services and E	1,000.00	206.18	-	793.82	79.38%
Property and Equipme	6,337,000.00	908,292.64	-	5,428,707.36	85.67%
TOTAL CAPITAL IMPROVEMENT	**6,800,000.00**	**1,148,376.09**	**211,002.73**	**5,440,621.18**	**80.01%**
TRUST AND AGENCY FUNDS					
LEO WEISS TRUST FUND					
Materials and Suppli	100.00	42.00	-	58.00	58.00%
TOTAL LEO WEISS TRUST FUND	100.00	42.00	-	58.00	58.00%
HOSPITALIZATION REIM					
Employee Benefits	8,200.00	6,900.79	-	1,299.21	15.84%
TOTAL HOSPITALIZATION REIM	8,200.00	6,900.79	-	1,299.21	15.84%
COMMERCIAL PERMIT TA					
Non-governmental Cha	25,000.00	15,473.98	-	9,526.02	38.10%
TOTAL COMMERCIAL PERMIT TA	25,000.00	15,473.98	-	9,526.02	38.10%
DEPOSITS					
Professional Service	240,000.00	139,489.24	86,559.17	13,951.59	5.81%
Other Services and E	117,900.00	117,745.95	-	154.05	0.13%
Non-governmental Cha	166,800.00	88,728.81	-	78,071.19	46.81%
TOTAL DEPOSITS	524,700.00	345,964.00	86,559.17	92,176.83	17.57%
POLICE PENSION FUND					
Employee Benefits	199,800.00	187,322.44	7,677.56	4,800.00	2.40%
Other Services and E	200.00	92.06	-	107.94	53.97%
TOTAL POLICE PENSION FUND	200,000.00	187,414.50	7,677.56	4,907.94	2.45%
ZONE INCOME TAXES					
Professional Service	12,000.00	10,961.54	-	1,038.46	8.65%
Non-governmental Cha	533,000.00	512,667.97	-	20,332.03	3.81%
TOTAL ZONE INCOME TAXES	545,000.00	523,629.51	-	21,370.49	3.92%
UNCLAIMED MONIES FUN					
Non-governmental Cha	14,038.00	727.00	-	13,311.00	94.82%
TOTAL UNCLAIMED MONIES FUN	14,038.00	727.00	-	13,311.00	94.82%
TOTAL TRUST AND AGENCY FUND	**1,317,038.00**	**1,080,151.78**	**94,236.73**	**142,649.49**	**10.83%**
TOTAL ALL FUNDS	**52,009,329.00**	**40,039,733.05**	**2,288,584.28**	**9,681,011.67**	**18.61%**

CITY OF BEACHWOOD
STATEMENT OF EXPENSES
PRIOR AND CURRENT YEAR EXPENSES
FOR THE PERIOD ENDED DECEMBER 31, 2009

	Combined Year-to-Date Expenses
GENERAL FUND	
Council	
Salaries and Wages	87,000.42
Employee Benefits	14,829.04
Professional Services	-
Contractual Services	-
Other Services and Expenses	52,180.00
Materials and Supplies	396.00
Property and Equipment	26,000.00
Other Expenses	-
Non-governmental Charges	-
TOTAL Council	180,405.46
Mayor's Office	
Salaries and Wages	319,296.84
Employee Benefits	115,188.10
Professional Services	8,350.00
Contractual Services	1,511.92
Other Services and Expenses	12,877.53
Materials and Supplies	7,298.91
Property and Equipment	3,441.38
Other Expenses	-
Non-governmental Charges	-
TOTAL Mayor's Office	467,964.68
Finance Department	
Salaries and Wages	899,158.67
Employee Benefits	343,416.53
Professional Services	1,147,871.52
Contractual Services	63,414.00
Other Services and Expenses	336,869.68
Materials and Supplies	31,929.87
Property and Equipment	56,101.42
Other Expenses	-
Non-governmental Charges	5,107,562.00
TOTAL Finance Department	7,986,323.69
Law Department	
Salaries and Wages	171,864.86
Employee Benefits	79,913.72
Professional Services	379,474.14
Contractual Services	1,495.91
Other Services and Expenses	14,530.96
Materials and Supplies	8,084.16
Property and Equipment	1,119.44
TOTAL Law Department	656,483.19

CITY OF BEACHWOOD
STATEMENT OF EXPENSES
PRIOR AND CURRENT YEAR EXPENSES
FOR THE PERIOD ENDED DECEMBER 31, 2009

		Combined Year-to-Date Expenses
	Police Department	
	Salaries and Wages	4,985,062.89
	Employee Benefits	1,866,105.47
	Professional Services	41,849.34
	Contractual Services	298,551.10
	Other Services and Expenses	73,321.06
	Materials and Supplies	78,681.43
	Property and Equipment	113,068.82
TOTAL	**Police Department**	7,456,640.11
	Fire Department	
	Salaries and Wages	3,617,853.16
	Employee Benefits	1,802,990.01
	Professional Services	55,245.23
	Contractual Services	135,025.47
	Other Services and Expenses	34,636.47
	Materials and Supplies	80,261.48
	Property and Equipment	135,979.20
TOTAL	**Fire Department**	5,861,991.02
	Service Administration	
	Salaries and Wages	383,597.40
	Employee Benefits	149,353.37
	Professional Services	4,037.91
	Contractual Services	623.52
	Other Services and Expenses	9,604.61
	Materials and Supplies	30,763.14
	Property and Equipment	615.00
TOTAL	**Service Administration**	578,594.95
	Building and Grounds	
	Salaries and Wages	695,321.19
	Employee Benefits	343,194.76
	Professional Services	12,442.50
	Contractual Services	866,936.63
	Other Services and Expenses	3,867.86
	Materials and Supplies	187,649.30
	Property and Equipment	106,852.88
TOTAL	**Building and Grounds**	2,216,265.12
	Fleet Maintenance	
	Salaries and Wages	373,245.21
	Employee Benefits	170,473.01
	Contractual Services	132,350.74
	Other Services and Expenses	27.00
	Materials and Supplies	528,913.96
	Property and Equipment	590.00
TOTAL	**Fleet Maintenance**	1,205,599.92

CITY OF BEACHWOOD
STATEMENT OF EXPENSES
PRIOR AND CURRENT YEAR EXPENSES
FOR THE PERIOD ENDED DECEMBER 31, 2009

		Combined Year-to-Date Expenses
	Streets, Sidewalks & Sewers	
	Salaries and Wages	1,029,226.79
	Employee Benefits	508,077.89
	Professional Services	10,260.50
	Contractual Services	126,646.04
	Other Services and Expenses	1,551.15
	Materials and Supplies	490,345.52
	Property and Equipment	256,947.40
TOTAL	**Streets, Sidewalks & Sewers**	2,423,055.29
	Sanitation	
	Salaries and Wages	431,874.01
	Employee Benefits	198,862.01
	Contractual Services	150,824.08
	Other Services and Expenses	446.15
	Materials and Supplies	3,045.00
	Property and Equipment	-
TOTAL	**Sanitation**	785,051.25
	Engineering Department	
	Salaries and Wages	92,074.99
	Employee Benefits	37,702.58
	Professional Services	18,131.75
	Contractual Services	-
	Other Services and Expenses	2,210.25
	Materials and Supplies	46.41
	Property and Equipment	-
TOTAL	**Engineering Department**	150,165.98
	Human Services	
	Salaries and Wages	251,876.67
	Employee Benefits	129,884.09
	Professional Services	2,780.00
	Contractual Services	136,138.54
	Other Services and Expenses	21,741.34
	Materials and Supplies	43,685.49
	Property and Equipment	-
TOTAL	**Human Services**	586,106.13
	Recreation Administration	
	Salaries and Wages	443,305.13
	Employee Benefits	205,346.12
	Professional Services	22,541.98
	Contractual Services	369,492.09
	Other Services and Expenses	22,594.43
	Materials and Supplies	54,354.11
	Property and Equipment	4,796.86
TOTAL	**Recreation Administration**	1,122,430.72

CITY OF BEACHWOOD
STATEMENT OF EXPENSES
PRIOR AND CURRENT YEAR EXPENSES
FOR THE PERIOD ENDED DECEMBER 31, 2009

	Combined Year-to-Date Expenses
Recreation Camps	
Salaries and Wages	219,528.65
Employee Benefits	40,213.62
Professional Services	-
Contractual Services	126,590.86
Other Services and Expenses	2,015.59
Materials and Supplies	14,732.58
TOTAL Recreation Camps	403,081.30
Recreation Sport Programs	
Salaries and Wages	27,304.48
Employee Benefits	5,262.17
Professional Services	-
Contractual Services	99,063.25
Other Services and Expenses	2,000.00
Materials and Supplies	28,313.52
Property and Equipment	20,524.45
TOTAL Recreation Sport Programs	182,467.87
Recreation Other Programs	
Salaries and Wages	94,356.29
Employee Benefits	36,818.48
Professional Services	770.00
Contractual Services	79,484.48
Other Services and Expenses	5,048.21
Materials and Supplies	8,899.38
TOTAL Recreation Other Programs	225,376.84
Swimming Pools/Parks	
Salaries and Wages	250,366.58
Employee Benefits	46,811.89
Professional Services	4,058.00
Contractual Services	193,594.71
Other Services and Expenses	2,988.66
Materials and Supplies	51,826.89
Property and Equipment	17,344.54
TOTAL Swimming Pools/Parks	566,991.27
Building Department	
Salaries and Wages	648,208.27
Employee Benefits	266,076.52
Professional Services	15,710.62
Contractual Services	5,126.13
Other Services and Expenses	12,809.29
Materials and Supplies	12,706.51
Property and Equipment	8,247.00
TOTAL Building Department	968,884.34
TOTAL GENERAL FUND	**34,023,879.13**

CITY OF BEACHWOOD
STATEMENT OF EXPENSES
PRIOR AND CURRENT YEAR EXPENSES
FOR THE PERIOD ENDED DECEMBER 31, 2009

		Combined Year-to-Date Expenses
SPECIAL REVENUE FUNDS		
	STREET CONSTRUCTION/MAINTENANC	
	Professional Services	9,970.00
	Property and Equipment	383,862.05
TOTAL	STREET CONSTRUCTION/MAINTENANC	393,832.05
	STATE HIGHWAY IMPROVEMENT FUND	
	Professional Services	5,084.00
	Contractual Services	-
	Materials and Supplies	-
	Property and Equipment	47,491.55
TOTAL	STATE HIGHWAY IMPROVEMENT FUND	52,575.55
	MAYOR'S COURT IMPROVEMENT FUND	
	Professional Services	-
	Materials and Supplies	540.90
	Property and Equipment	4,697.00
TOTAL	MAYOR'S COURT IMPROVEMENT FUND	5,237.90
	FEDERAL EQUITABLE SHARING FUND	
	Other Services and Expenses	-
	Materials and Supplies	-
	Property and Equipment	-
TOTAL	FEDERAL EQUITABLE SHARING FUND	-
	LAW ENFORCE TRUST FUND	
	Contractual Services	-
	Other Services and Expenses	-
	Materials and Supplies	869.96
	Property and Equipment	-
TOTAL	LAW ENFORCE TRUST FUND	869.96
	STREET LIGHTS BLOSSOM DRIVE	
	Professional Services	-
	Contractual Services	1,396.20
	Other Services and Expenses	8.23
	Non-governmental Charges	-
TOTAL	STREET LIGHTS BLOSSOM DRIVE	1,404.43

CITY OF BEACHWOOD
STATEMENT OF EXPENSES
PRIOR AND CURRENT YEAR EXPENSES
FOR THE PERIOD ENDED DECEMBER 31, 2009

	Combined Year-to-Date Expenses
STREET LIGHTS GEO. ZEIGER DR.	
Contractual Services	13,367.16
Other Services and Expenses	123.58
Non-governmental Charges	-
TOTAL STREET LIGHTS GEO. ZEIGER DR.	13,490.74
PARAMEDIC TRUST FUND	
Other Services and Expenses	-
Materials and Supplies	-
Property and Equipment	-
TOTAL PARAMEDIC TRUST FUND	-
FEDERAL EMERGENCY (FEMA)	
Non-governmental Charges	-
TOTAL FEDERAL EMERGENCY (FEMA)	-
TOTAL SPECIAL REVENUE FUNDS	**467,410.63**
GENERAL BOND RETIREMENT FUND	
Other Services and Expenses	9,157.33
Other Expenses	5,049,132.50
TOTAL GENERAL BOND RETIREMENT FUND	**5,058,289.83**
CAPITAL IMPROVEMENT FUND	
Professional Services	347,659.52
Contractual Services	-
Other Services and Expenses	206.18
Materials and Supplies	-
Property and Equipment	1,014,222.24
Other Expenses	-
TOTAL CAPITAL IMPROVEMENT FUND	**1,362,087.94**

CITY OF BEACHWOOD
STATEMENT OF EXPENSES
PRIOR AND CURRENT YEAR EXPENSES
FOR THE PERIOD ENDED DECEMBER 31, 2009

	Combined Year-to-Date Expenses
TRUST AND AGENCY FUNDS	
LEO WEISS TRUST FUND	
Materials and Supplies	84.00
TOTAL LEO WEISS TRUST FUND	84.00
HOSPITALIZATION REIMBURSE FUND	
Employee Benefits	7,512.37
TOTAL HOSPITALIZATION REIMBURSE FUND	7,512.37
COMMERCIAL PERMIT TAX FUND	
Non-governmental Charges	15,473.98
TOTAL COMMERCIAL PERMIT TAX FUND	15,473.98
DEPOSITS	
Professional Services	141,952.24
Other Services and Expenses	117,745.95
Non-governmental Charges	88,728.81
TOTAL DEPOSITS	348,427.00
POLICE PENSION FUND	
Employee Benefits	256,658.96
Other Services and Expenses	92.06
TOTAL POLICE PENSION FUND	256,751.02
ZONE INCOME TAXES	
Professional Services	10,961.54
Non-governmental Charges	512,667.97
TOTAL ZONE INCOME TAXES	523,629.51
UNCLAIMED MONIES FUND	
Non-governmental Charges	727.00
TOTAL UNCLAIMED MONIES FUND	727.00
TOTAL TRUST AND AGENCY FUNDS	**1,152,604.88**
TOTAL ALL FUNDS	**42,064,272.41**

CITY OF BEACHWOOD
REVENUE REPORT
FOR THE MONTH ENDING DECEMBER 31, 2009

	ESTIMATED REVENUE	M-T-D REVENUE	Y-T-D REVENUE	PERCENT COLLECTED
GENERAL FUND				
REAL PROPERTY TAXES	2,333,805.00	-	2,494,371.83	106.88%
TANGIBLE PERSONAL PROP	22,000.00	-	9,066.79	41.21%
CAT TAX REIMBURSEMENT	90,000.00	-	195,101.07	216.78%
WITHHOLDING COLLECTION	17,008,000.00	1,425,066.00	15,405,921.32	90.58%
WITHHOLDING REFUNDS	(200,000.00)	(21.44)	(219,109.76)	109.55%
WITHHOLDING DEFERRED R	(140,000.00)	(12,485.62)	(132,398.63)	94.57%
WITHHOLDING RETAINER R	290,000.00	-	245,693.16	84.72%
NET PROFIT COLLECTIONS	2,800,000.00	167,774.25	2,581,219.12	92.19%
NET PROFIT REFUNDS	(200,000.00)	(255.00)	(302,962.47)	151.48%
NET PROFIT DEFERRED RE	(20,000.00)	(1,387.29)	(19,699.81)	98.50%
NET PROFIT RETAINER R	35,000.00	-	34,210.44	97.74%
INDIVIDUAL COLLECTIONS	2,000,000.00	4,079.01	1,372,046.10	68.60%
INDIVIDUAL REFUNDS	(80,000.00)	(3,674.41)	(130,295.41)	162.87%
INDIVIDUAL DEFERRED RE	(18,000.00)	-	(11,391.43)	63.29%
INDIVIDUAL RETAINER RE	25,000.00	-	31,100.40	124.40%
ADMISSIONS TAX	175,000.00	8,644.71	133,596.16	76.34%
LODGINGS TAX	1,000,000.00	45,038.25	616,912.61	61.69%
FRANCHISE TAX	120,000.00	-	103,755.05	86.46%
Local Taxes	25,240,805.00	1,632,778.46	22,407,136.54	88.77%
LOCAL GOVERNMENT SALES	180,000.00	19,211.71	201,929.63	112.18%
LOCAL GOVERNMENT STATE	266,000.00	16,667.04	235,300.56	88.46%
LOCAL GOVERNMENT REVEN	18,000.00	-	-	0.00%
ESTATE/INHERITANCE TAX	2,300,000.00	-	3,398,638.37	147.77%
LIQUOR PERMIT FEES	27,900.00	-	23,811.55	85.35%
CIGARETTE TAX	100.00	-	74.25	74.25%
HOMESTEAD	10,000.00	-	32,895.82	328.96%
2.5% REAL ESTATE ROLLB	30,000.00	-	29,973.93	99.91%
10% REIMBURSEMENT	100,000.00	-	131,879.38	131.88%
OTHER FEDERAL GRANTS	-	-	642.20	N/A
OTHER STATE / COUNTY G	-	-	4,000.00	N/A
Intergovernmental Revenues	2,932,000.00	35,878.75	4,059,145.69	138.44%
FINANCE DEPARTMENT	400.00	27,298.80	585,230.66	146307.67%
FIRE DEPARTMENT	5,000.00	1,450.00	52,748.55	1054.97%
LAW DEPARTMENT	1,000.00	-	960.00	96.00%
SERVICE DEPARTMENT	3,000.00	51.89	129.89	4.33%
POLICE DEPARTMENT	37,100.00	3,305.00	41,752.37	112.54%
EMS CHARGES	800,000.00	72,707.93	790,066.38	98.76%
MAYOR'S OFFICE	1,000.00	-	620.00	62.00%
AIR RIGHTS EASEMENTS	2,500.00	-	2,500.00	100.00%
OUTDOOR POOL	205,000.00	-	184,444.79	89.97%
REFUNDS	(500.00)	(500.00)	(1,206.00)	241.20%
CHILD CARE	37,000.00	-	34,032.00	91.98%
CAMPS	346,000.00	3,184.00	362,245.52	104.70%
SPORTS PROGRAMS	106,000.00	4,550.00	133,617.50	126.05%
SENIOR TRIPS	188,000.00	5,106.00	169,476.00	90.15%
REFUNDS	(40,000.00)	(1,603.00)	(37,943.00)	94.86%
TICKET SALES	10,000.00	7,678.00	15,126.00	151.26%
CONCESSION SALES	500.00	-	270.00	54.00%
SPONSORS	7,000.00	-	3,635.00	51.93%
COMMUNITY SERVICE ROOM	5,000.00	-	8,085.00	161.70%

CITY OF BEACHWOOD
REVENUE REPORT
FOR THE MONTH ENDING DECEMBER 31, 2009

	ESTIMATED REVENUE	M-T-D REVENUE	Y-T-D REVENUE	PERCENT COLLECTED
OTHER RECREATION	103,000.00	7,990.00	105,528.60	102.45%
REFUNDS	(10,000.00)	(230.00)	(8,792.25)	87.92%
REGULAR (BROWN BAGS)	3,000.00	203.00	3,982.50	132.75%
RECYCLING (BLUE BAGS)	-	152.00	2,170.00	N/A
Charges for Services	1,810,000.00	131,343.62	2,448,679.51	135.29%
SHAKER COURT FINES	70,700.00	4,506.00	60,935.30	86.19%
PARKING FINES	5,000.00	960.00	10,317.00	206.34%
MAYOR'S COURT FINES	130,000.00	13,273.00	141,929.00	109.18%
COURT COSTS	22,000.00	2,338.00	25,603.00	116.38%
BOND RETENTION & FORFE	500.00	100.00	410.00	82.00%
COMMUNITY DEVELOPMENT	600.00	-	300.00	50.00%
OTHER FINES & FORFEITU	1,200.00	300.00	1,800.00	150.00%
OCCUPANCY	15,300.00	600.00	10,023.00	65.51%
SIGN	14,000.00	110.00	11,421.55	81.58%
MASONRY	10,000.00	-	11,510.20	115.10%
BUILDING	472,700.00	77,694.82	350,974.26	74.25%
HVAC	50,000.00	5,193.00	61,412.20	122.82%
PLUMBING	35,000.00	3,041.00	73,984.30	211.38%
ELECTRIC	64,000.00	1,488.00	98,865.15	154.48%
FENCE	500.00	-	1,190.00	238.00%
MISCELLANEOUS	6,500.00	180.00	13,071.63	201.10%
HVAC	5,000.00	900.00	4,250.00	85.00%
PLUMBING	6,000.00	750.00	6,625.00	110.42%
POOL	1,000.00	-	900.00	90.00%
GENERAL CONTRACTOR	35,000.00	3,300.00	34,350.00	98.14%
MASONRY	3,000.00	150.00	3,854.00	128.47%
ELECTRIC	5,000.00	700.00	6,500.00	130.00%
RENTAL OCCUPANCY	20,000.00	9,600.00	32,400.00	162.00%
ARCHITECTURAL REVIEW B	13,000.00	155.00	3,480.00	26.77%
BOARD OF ZONING APPEAL	2,000.00	70.00	980.00	49.00%
PLAN REVIEW FEE	5,000.00	315.00	3,655.00	73.10%
OTHER FEES	4,000.00	200.00	1,200.00	30.00%
STREET OPENING PERMITS	3,000.00	100.00	1,600.00	53.33%
Fines, Permits, & Licenses	1,000,000.00	126,023.82	973,540.59	97.35%
INTEREST INCOME RECEIV	1,145,000.00	103,105.95	911,479.89	79.61%
ACCRUED INTEREST PAID	1,000.00	(82.42)	(4,345.27)	-434.53%
CONSTRUCTION ASSESSMEN	1,000.00	-	1,164.72	116.47%
OTHER MISCELLANEOUS RE	3,000.00	3,279.19	40,545.76	1351.53%
Miscellaneous Revenue	1,150,000.00	106,302.72	948,845.10	82.51%
SALE OF GENERAL FIXED	22,000.00	-	16,230.00	73.77%
SALE OF OTHER ASSETS	5,000.00	-	9,998.94	199.98%
INSURANCE PROCEEDS (TO	-	-	20,449.92	N/A
Sale of Assets	27,000.00	-	46,678.86	172.88%
Notes and Bonds	-	-	-	0.00%
RECEIVED FROM OTHERS	3,000.00	265.00	10,219.89	340.66%
INSURANCE SETTLEMENTS	70,000.00	1,125.70	66,211.55	94.59%
OTHER REIMBURSEMENTS	87,000.00	6,418.09	40,037.50	46.02%
REFUNDS	60,000.00	9,222.00	23,753.47	39.59%
Non-Revenue Receipts	220,000.00	17,030.79	140,222.41	63.74%
TOTAL GENERAL FUND	**32,379,805.00**	**2,049,358.16**	**31,024,248.70**	**95.81%**

CITY OF BEACHWOOD
REVENUE REPORT
FOR THE MONTH ENDING DECEMBER 31, 2009

	ESTIMATED REVENUE	M-T-D REVENUE	Y-T-D REVENUE	PERCENT COLLECTED
SPECIAL REVENUE FUNDS				
STREET CONSTRUCTION/MAINTENANC				
MUNICIPAL-CENTS PER GA	130,000.00	10,576.39	118,623.13	91.25%
GASOLINE EXCISE TAX	230,000.00	20,525.03	242,051.86	105.24%
AUTO REGISTRATION	75,000.00	5,019.05	141,441.20	188.59%
PERMISSIVE TAX	25,000.00	1,998.00	24,752.56	99.01%
Intergovernmental Revenues	460,000.00	38,118.47	526,868.75	114.54%
INTEREST INCOME RECEIV	25,000.00	2,404.06	20,272.85	81.09%
Miscellaneous Revenue	25,000.00	2,404.06	20,272.85	81.09%
TOTAL STREET CONSTRUCTION/MAINTENANC	**485,000.00**	**40,522.53**	**547,141.60**	**112.81%**
STATE HIGHWAY IMPROVEMENT FUND				
MUNICIPAL-CENTS PER GA	8,000.00	857.55	9,618.10	120.23%
GASOLINE EXCISE TAX	13,000.00	1,664.19	19,625.84	150.97%
AUTO REGISTRATION	6,000.00	406.95	11,468.21	191.14%
PERMISSIVE TAX	2,000.00	162.00	2,006.95	100.35%
Intergovernmental Revenues	29,000.00	3,090.69	42,719.10	147.31%
INTEREST INCOME RECEIV	3,000.00	104.47	832.31	27.74%
Miscellaneous Revenue	3,000.00	104.47	832.31	27.74%
TOTAL STATE HIGHWAY IMPROVEMENT FUND	**32,000.00**	**3,195.16**	**43,551.41**	**136.10%**
MAYOR'S COURT IMPROVEMENT FUND				
MAYOR'S COURT COMPUTER	9,500.00	1,017.00	11,095.00	116.79%
Fines, Permits, & Licenses	9,500.00	1,017.00	11,095.00	116.79%
TOTAL MAYOR'S COURT IMPROVEMENT FUND	**9,500.00**	**1,017.00**	**11,095.00**	**116.79%**
FEDERAL EQUITABLE SHARING FUND				
CONFISCATIONS/FORFEITU	1,000.00	-	2,774.12	277.41%
Intergovernmental Revenues	1,000.00	-	2,774.12	277.41%
INTEREST INCOME RECEIV	100.00	118.30	968.62	968.62%
Miscellaneous Revenue	100.00	118.30	968.62	968.62%
TOTAL FEDERAL EQUITABLE SHARING FUND	**1,100.00**	**118.30**	**3,742.74**	**340.25%**
LAW ENFORCE TRUST FUND				
CONFISCATIONS/FORFEITU	500.00	-	400.00	80.00%
OTHER GRANTS STATE OF	-	-	5,040.00	N/A
Intergovernmental Revenues	500.00	-	5,440.00	1088.00%
TOTAL LAW ENFORCE TRUST FUND	**500.00**	**-**	**5,440.00**	**1088.00%**
STREET LIGHTS BLOSSOM DRIVE				
STREET LIGHTING ASSESS	800.00	-	837.36	104.67%
Miscellaneous Revenue	**800.00**	**-**	**837.36**	**104.67%**
TOTAL STREET LIGHTS BLOSSOM DRIVE	**800.00**	**-**	**837.36**	**104.67%**

CITY OF BEACHWOOD
REVENUE REPORT
FOR THE MONTH ENDING DECEMBER 31, 2009

	ESTIMATED REVENUE	M-T-D REVENUE	Y-T-D REVENUE	PERCENT COLLECTED
STREET LIGHTS GEO. ZEIGER DR.				
STREET LIGHTING ASSESS	11,800.00	-	12,480.10	105.76%
Miscellaneous Revenue	11,800.00	-	12,480.10	105.76%
TOTAL STREET LIGHTS GEO. ZEIGER DR.	**11,800.00**	**-**	**12,480.10**	**105.76%**
TOTAL PARAMEDIC TRUST FUND	**-**	**-**	**-**	**0.00%**
TOTAL FEDERAL EMERGENCY (FEMA)	**-**	**-**	**-**	**0.00%**
TOTAL SPECIAL REVENUE FUNDS	**540,700.00**	**44,852.99**	**624,288.21**	**115.46%**
GENERAL BOND RETIREMENT FUND				
CONSTRUCTION ASSESSMEN	980,000.00	-	924,366.50	94.32%
Miscellaneous Revenue	980,000.00	-	924,366.50	94.32%
GENERAL OBLIGTION NOTE	-	3,000,000.00	3,000,000.00	N/A
SPECIAL ASSESSMENT NOT	3,000,000.00	-	-	0.00%
PREMIUM ON SALE	-	25,284.00	25,284.00	N/A
Notes and Bonds	3,000,000.00	3,025,284.00	3,025,284.00	100.84%
TRANSFERS - IN	1,107,562.00	-	1,107,562.00	100.00%
Non-Revenue Receipts	1,107,562.00	-	1,107,562.00	100.00%
TOTAL GENERAL BOND RETIREMENT FUND	**5,087,562.00**	**3,025,284.00**	**5,057,212.50**	**99.40%**
CAPITAL IMPROVEMENT FUND				
CONSTRUCTION ASSESSMEN	-	-	20,847.55	N/A
Miscellaneous Revenue	-	-	20,847.55	N/A
TRANSFERS - IN	6,000,000.00	-	4,000,000.00	66.67%
Non-Revenue Receipts	6,000,000.00	-	4,000,000.00	66.67%
TOTAL CAPITAL IMPROVEMENT FUND	**6,000,000.00**	**-**	**4,020,847.55**	**67.01%**
TRUST AND AGENCY FUNDS				
LEO WEISS TRUST FUND				
INTEREST INCOME RECEIV	50.00	3.49	30.42	60.84%
Miscellaneous Revenue	50.00	3.49	30.42	60.84%
TOTAL LEO WEISS TRUST FUND	**50.00**	**3.49**	**30.42**	**60.84%**
HOSPITALIZATION REIMBURSE FUND				
ARSHAM HEALTH CARE	6,800.00	-	5,187.30	76.28%
MINTZ HEALTH CARE	1,400.00	106.21	1,713.49	122.39%
Non-Revenue Receipts	8,200.00	106.21	6,900.79	84.16%
TOTAL HOSPITALIZATION REIMBURSE FUND	**8,200.00**	**106.21**	**6,900.79**	**84.16%**

CITY OF BEACHWOOD
REVENUE REPORT
FOR THE MONTH ENDING DECEMBER 31, 2009

	ESTIMATED REVENUE	M-T-D REVENUE	Y-T-D REVENUE	PERCENT COLLECTED
COMMERCIAL PERMIT TAX FUND				
COMMERCIAL PERMIT TAX	25,000.00	2,552.02	16,931.69	67.73%
Non-Revenue Receipts	25,000.00	2,552.02	16,931.69	67.73%
TOTAL COMMERCIAL PERMIT TAX FUND	**25,000.00**	**2,552.02**	**16,931.69**	**67.73%**
DEPOSITS				
CONSTRUCTION ASSESSMEN	-	-	3,645.09	N/A
Miscellaneous Revenue	-	-	3,645.09	N/A
ENGINEERING SERVICES	12,000.00	350.00	6,285.50	52.38%
OTHER REIMBURSEMENTS	4,000.00	250.00	2,035.00	50.88%
PLANNING & ZONING	40,000.00	1,500.00	11,420.00	28.55%
PLAN REVIEW	160,000.00	9,923.04	112,664.88	70.42%
LANDSCAPING	2,000.00	-	-	0.00%
BUILDING CONSTRUCTION	2,000.00	-	-	0.00%
OTHER DEPOSITS	60,000.00	1,000.00	47,800.00	79.67%
Non-Revenue Receipts	280,000.00	13,023.04	180,205.38	64.36%
TOTAL DEPOSITS	**280,000.00**	**13,023.04**	**183,850.47**	**65.66%**
POLICE PENSION FUND				
REAL PROPERTY TAXES	188,259.00	-	196,561.30	104.41%
TANGIBLE PERSONAL PROP	8,000.00	-	735.14	9.19%
EXEMPT PERSONAL PROPER	400.00	-	-	0.00%
Local Taxes	196,659.00	-	197,296.44	100.32%
HOMESTEAD	600.00	-	2,667.23	444.54%
2.5% REAL ESTATE ROLLB	2,000.00	-	2,430.32	121.52%
10% REIMBURSEMENT	10,400.00	-	10,692.93	102.82%
Intergovernmental Revenues	13,000.00	-	15,790.48	121.47%
TOTAL POLICE PENSION FUND	**209,659.00**	**-**	**213,086.92**	**101.63%**
ZONE INCOME TAXES				
COLLECTIONS	546,000.00	49,280.79	524,186.32	96.00%
REFUNDS	(6,000.00)	-	(5,918.00)	98.63%
DEFERRED REVENUE - RET	(3,000.00)	(443.53)	(4,697.81)	156.59%
RETAINER REFUND	8,000.00	-	10,059.00	125.74%
Local Taxes	545,000.00	48,837.26	523,629.51	96.08%
TOTAL ZONE INCOME TAXES	**545,000.00**	**48,837.26**	**523,629.51**	**96.08%**
UNCLAIMED MONIES FUND				
TRUST RECEIPTS	-	-	168.00	N/A
Non-Revenue Receipts	-	-	168.00	N/A
				N/A
TOTAL UNCLAIMED MONIES FUND	**-**	**-**	**168.00**	N/A
TOTAL TRUST AND AGENCY FUNDS	**1,067,909.00**	**64,522.02**	**944,597.80**	**88.45%**
TOTAL ALL FUNDS	**45,075,976.00**	**5,184,017.17**	**41,671,194.76**	**92.45%**

CITY OF BEACHWOOD
PRIOR YEAR -v- CURRENT YEAR RECEIPTS
FOR THE MONTH ENDING DECEMBER 31, 2009

	Month-to-Date 2008	Month-to-Date 2009	% Change	Year-to-Date 2008	Year-to-Date 2009	% Change
General Fund						
Local Taxes						
Property Taxes	$ -	$ -	0.000%	$ 2,659,896.24	$ 2,698,539.69	1.453%
Municipal Income Tax	$ 1,634,248.91	$ 1,579,095.50	-3.375%	$ 21,515,359.39	$ 18,854,333.03	-12.368%
Other Local Taxes	$ 71,912.71	$ 53,682.96	-25.350%	$ 997,226.20	$ 854,263.82	-14.336%
Intergovernmental Revenues						
Local Government Fund	$ 29,827.99	$ 35,878.75	20.286%	$ 504,446.21	$ 437,230.19	-13.325%
Estate/Inheritance Tax	$ -	$ -	0.000%	$ 2,986,536.70	$ 3,398,638.37	13.799%
Other Intergovernmental Revenue	$ -	$ -	0.000%	$ 24,362.51	$ 27,885.80	14.462%
Rollbacks/Homestead	$ -	$ -	0.000%	$ 192,823.58	$ 194,749.13	0.999%
Miscellaneous	$ -	$ -	0.000%	$ -	$ 642.20	n/a
Charges For Services						
General Government	$ 85,357.74	$ 104,813.62	22.793%	$ 805,366.21	$ 1,474,007.85	83.023%
Recreation Programs	$ 29,924.67	$ 26,175.00	-12.530%	$ 957,809.92	$ 968,519.16	1.118%
Miscellaneous	$ 299.00	$ 355.00	18.729%	$ 5,941.00	$ 6,152.50	3.560%
Fines, Permits, and Licenses						
Fines and Forfeitures	$ 19,595.00	$ 21,477.00	9.604%	$ 226,637.48	$ 241,294.30	6.467%
Permits and Licenses	$ 59,192.75	$ 104,546.82	76.621%	$ 1,034,729.56	$ 732,246.29	-29.233%
Miscellaneous Revenue						
Miscellaneous Revenue	$ 146,487.59	$ 106,302.72	-27.432%	$ 1,704,013.89	$ 948,845.10	-44.317%
Sale of Assets						
Sale of Assets	$ 387.60	$ -	-100.000%	$ 20,240.76	$ 46,678.86	130.618%
Non-Revenue Receipts						
Reimbursements	$ 8,527.86	$ 7,808.79	-8.432%	$ 155,147.99	$ 116,468.94	-24.930%
Refunds	$ 908.56	$ 9,222.00	915.013%	$ 87,065.37	$ 23,753.47	-72.718%
Other Non-Revenue Receipts	$ -		0.000%	$ -	$ -	0.000%
Total General Fund	**$ 2,086,670.38**	**$ 2,049,358.16**	**-1.788%**	**$ 33,877,603.01**	**$ 31,024,248.70**	**-8.423%**
Special Revenue Funds						
Street Construction	$ 42,242.00	$ 40,522.53	-4.071%	$ 531,512.41	$ 547,141.60	2.941%
State Highway	$ 3,372.38	$ 3,195.16	-5.255%	$ 47,769.21	$ 43,551.41	-8.830%
Mayor's Court Improvement	$ 841.00	$ 1,017.00	20.927%	$ 10,122.00	$ 11,095.00	9.613%
Federal Equitable Sharing	$ 138.80	$ 118.30	-14.769%	$ 36,144.02	$ 3,742.74	-89.645%
Law Enforcement Trust	$ -	$ -	0.000%	$ 21,766.40	$ 5,440.00	-75.007%
Blossom Street Lights	$ -	$ -	0.000%	$ 646.53	$ 837.36	29.516%
Zeiger Street Lights	$ -	$ -	0.000%	$ 11,377.18	$ 12,480.10	9.694%
Paramedic Trust Fund	$ -	$ -	0.000%	$ -	$ -	0.000%
Federal Emergency (FEMA)	$ -	$ -	0.000%	$ -	$ -	0.000%
Total Special Revenue	**$ 46,594.18**	**$ 44,852.99**	**-3.737%**	**$ 659,337.75**	**$ 624,288.21**	**-5.316%**
Debt Service Fund						
General Bond Retirement	$ -	$ 3,025,284.00	n/a	$ 992,943.16	$ 3,949,650.50	297.772%
Total Dept Service	**$ -**	**$ 3,025,284.00**	**n/a**	**$ 992,943.16**	**$ 3,949,650.50**	**297.772%**
Capital Projects Fund						
Capital Improvement Fund	$ 3,001,470.00	$ -	-100.000%	$ 3,021,996.15	$ 20,847.55	-99.310%
Total Capital Projects	**$ 3,001,470.00**	**$ -**	**-100.000%**	**$ 3,021,996.15**	**$ 20,847.55**	**-99.310%**
Trust and Agency Funds						
Leo Weiss Trust	$ 4.75	$ 3.49	-26.526%	$ 51.63	$ 30.42	-41.081%
Hospitalization Reimbursement	$ 1,130.23	$ 106.21	-90.603%	$ 7,318.80	$ 6,900.79	-5.711%
Commercial Permit Tax	$ 1,094.31	$ 2,552.02	133.208%	$ 25,301.61	$ 16,931.69	-33.081%
Deposits	$ 234,676.00	$ 13,023.04	-94.451%	$ 592,146.19	$ 183,850.47	-68.952%
Police Pension Fund	$ -	$ -	0.000%	$ 218,980.17	$ 213,086.92	-2.691%
Zone Income Taxes	$ 33,477.03	$ 48,837.26	45.883%	$ 522,477.72	$ 523,629.51	0.220%
Unclaimed Monies Fund	$ 724.00	$ -	-100.000%	$ 724.00	$ 168.00	-76.796%
Total Trust & Agency	**$ 271,106.32**	**$ 64,522.02**	**-76.200%**	**$ 1,367,000.12**	**$ 944,597.80**	**-30.900%**
Total All Funds	**$ 5,405,840.88**	**$ 5,184,017.17**	**-4.103%**	**$ 39,918,880.19**	**$ 36,563,632.76**	**-8.405%**

Note: Above figures are net of advances and transfers.

CITY OF BEACHWOOD
PRIOR YEAR -v- CURRENT YEAR EXPENDITURES
FOR THE MONTH ENDING DECEMBER 31, 2009

	Month-to-Date 2008	Month-to-Date 2009	% Change	Year-to-Date 2008	Year-to-Date 2009	% Change
General Fund						
Council	$ 16,460.52	$ 20,028.52	21.676%	$ 156,229.71	$ 180,405.46	15.474%
Mayor	$ 45,856.33	$ 49,494.96	7.935%	$ 471,724.83	$ 467,964.68	-0.797%
Finance Department	$ 387,657.20	$ 404,812.78	4.425%	$ 2,962,026.89	$ 2,878,761.69	-2.811%
Law Department	$ 64,187.76	$ 51,092.99	-20.401%	$ 664,209.72	$ 656,483.19	-1.163%
Police Department	$ 540,270.89	$ 620,118.02	14.779%	$ 7,292,495.97	$ 7,456,640.11	2.251%
Fire Department	$ 608,767.33	$ 702,998.08	15.479%	$ 5,531,090.95	$ 5,861,991.02	5.983%
Service Administration	$ 52,592.60	$ 43,952.05	-16.429%	$ 546,824.25	$ 578,594.95	5.810%
Building & Grounds	$ 128,670.36	$ 153,283.74	19.129%	$ 1,978,722.27	$ 2,216,265.12	12.005%
Fleet Maintenance	$ 114,255.56	$ 109,115.60	-4.499%	$ 1,412,390.26	$ 1,205,599.92	-14.641%
Streets, Sidewalk, & Sewers	$ 218,659.21	$ 185,294.52	-15.259%	$ 2,970,424.96	$ 2,423,055.29	-18.427%
Sanitation	$ 48,226.88	$ 58,000.42	20.266%	$ 953,271.87	$ 785,051.25	-17.647%
Engineering Department	$ 12,868.53	$ 15,975.90	24.147%	$ 215,431.08	$ 150,165.98	-30.295%
Human Services	$ 37,367.92	$ 45,011.68	20.455%	$ 567,625.80	$ 586,106.13	3.256%
Recreation Administration	$ 80,235.22	$ 99,406.75	23.894%	$ 967,462.26	$ 1,122,430.72	16.018%
Recreation Camps	$ 461.18	$ 1,449.46	214.294%	$ 355,953.84	$ 403,081.30	13.240%
Recreation Sports Programs	$ 3,415.02	$ 10,657.20	212.068%	$ 149,699.83	$ 182,467.87	21.889%
Recreation Other Programs	$ 28,304.02	$ 27,684.31	-2.189%	$ 225,399.50	$ 225,376.84	-0.010%
Pool, Parks	$ 5,828.73	$ 13,095.05	124.664%	$ 538,583.13	$ 566,991.27	5.275%
Building Department	$ 70,265.21	$ 82,194.82	16.978%	$ 946,203.10	$ 968,884.34	2.397%
Total General Fund	**$ 2,464,350.47**	**$ 2,693,666.85**	**9.305%**	**$ 28,905,770.22**	**$ 28,916,317.13**	**0.036%**
Special Revenue Funds						
Street Construction	$ 249,213.51	$ 66,465.56	-73.330%	$ 826,909.88	$ 393,832.05	-52.373%
State Highway	$ 4,378.00	$ -	-100.000%	$ 213,856.29	$ 52,575.55	-75.415%
Mayor's Court Improvement	$ -	$ -	0.000%	$ 6,190.00	$ 5,237.90	-15.381%
Federal Equitable Sharing	$ -	$ -	0.000%	$ 153,000.00	$ -	-100.000%
Law Enforcement Trust	$ -	$ -	0.000%	$ 33,630.64	$ 869.96	-97.413%
Blossom Street Lights	$ 116.35	$ 116.35	0.000%	$ 1,402.52	$ 1,404.43	0.136%
Zeiger Street Lights	$ 1,113.93	$ 1,113.93	0.000%	$ 13,479.82	$ 13,490.74	0.081%
Paramedic Trust Fund	$ -	$ -	0.000%	$ -	$ -	0.000%
Federal Emergency (FEMA)	$ -	$ -	0.000%	$ -	$ -	0.000%
Total Special Revenue	**$ 254,821.79**	**$ 67,695.84**	**-73.434%**	**$ 1,248,469.15**	**$ 467,410.63**	**-62.561%**
Debt Service Fund						
General Bond Retirement	$ 1,560,040.00	$ 4,665,007.50	199.031%	$ 2,047,540.45	$ 5,058,289.83	147.042%
Total Dept Service	**$ 1,560,040.00**	**$ 4,665,007.50**	**199.031%**	**$ 2,047,540.45**	**$ 5,058,289.83**	**147.042%**
Capital Projects Fund						
Capital Improvement Fund	$ 5,810,283.16	$ 162,359.28	-97.206%	$ 7,209,663.37	$ 1,362,087.94	-81.107%
Total Capital Projects	**$ 5,810,283.16**	**$ 162,359.28**	**-97.206%**	**$ 7,209,663.37**	**$ 1,362,087.94**	**-81.107%**
Trust and Agency Funds						
Leo Weiss Trust	$ -	$ -	0.000%	$ -	$ 84.00	n/a
Hospitalization Reimbursement	$ -	$ 106.21	n/a	$ 6,707.22	$ 7,512.37	12.004%
Commercial Permit Tax	$ 620.76	$ 1,285.40	107.069%	$ 24,960.60	$ 15,473.98	-38.006%
Deposits	$ 57,167.25	$ 36,943.42	-35.377%	$ 324,235.45	$ 348,427.00	7.461%
Police Pension Fund	$ 170,097.33	$ 187,322.44	10.127%	$ 232,981.78	$ 256,751.02	10.202%
Zone Income Taxes	$ 33,477.03	$ 48,837.26	45.883%	$ 522,477.72	$ 523,629.51	0.220%
Unclaimed Monies Fund	$ 699.08	$ -	-100.000%	$ 1,199.08	$ 727.00	-39.370%
Total Trust & Agency	**$ 262,061.45**	**$ 274,494.73**	**4.744%**	**$ 1,112,561.85**	**$ 1,152,604.88**	**3.599%**
Total All Funds	**$ 10,351,556.87**	**$ 7,863,224.20**	**-24.038%**	**$ 40,524,005.04**	**$ 36,956,710.41**	**-8.803%**

Note: Above figures are net of advances and transfers.

CITY OF BEACHWOOD
STATEMENT OF EXPENSES
CURRENT YEAR vs PRIOR YEAR
FOR THE PERIOD ENDED DECEMBER 31, 2009

	2009 YTD EXP	2008 YTD EXP	VARIANCE	% CHANGE
GENERAL FUND				
Council				
Wages & Benefits	101,829.46	100,945.41	884.05	0.88%
Operating	52,576.00	55,284.30	(2,708.30)	-4.90%
Equipment	26,000.00	-	26,000.00	N/A
TOTAL Council	180,405.46	156,229.71	24,175.75	15.47%
Mayor's Office				
Wages & Benefits	434,484.94	439,202.39	(4,717.45)	-1.07%
Operating	30,038.36	31,009.50	(971.14)	-3.13%
Equipment	3,441.38	1,512.94	1,928.44	127.46%
TOTAL Mayor's Office	467,964.68	471,724.83	(3,760.15)	-0.80%
Finance Department				
Wages & Benefits	1,242,575.20	1,012,800.26	229,774.94	22.69%
Operating	1,580,085.07	1,706,308.88	(126,223.81)	-7.40%
Equipment	56,101.42	242,917.75	(186,816.33)	-76.91%
TOTAL Finance Department	2,878,761.69	2,962,026.89	(83,265.20)	-2.81%
Law Department				
Wages & Benefits	251,778.58	259,616.92	(7,838.34)	-3.02%
Operating	403,585.17	403,413.86	171.31	0.04%
Equipment	1,119.44	1,178.94	(59.50)	-5.05%
TOTAL Law Department	656,483.19	664,209.72	(7,726.53)	-1.16%
Police Department				
Wages & Benefits	6,851,168.36	6,321,487.90	529,680.46	8.38%
Operating	492,402.93	507,338.14	(14,935.21)	-2.94%
Equipment	113,068.82	463,669.93	(350,601.11)	-75.61%
TOTAL Police Department	7,456,640.11	7,292,495.97	164,144.14	2.25%
Fire Department				
Wages & Benefits	5,420,843.17	4,955,528.03	465,315.14	9.39%
Operating	305,168.65	289,064.23	16,104.42	5.57%
Equipment	135,979.20	286,498.69	(150,519.49)	-52.54%
TOTAL Fire Department	5,861,991.02	5,531,090.95	330,900.07	5.98%
Service Administration				
Wages & Benefits	532,950.77	487,614.39	45,336.38	9.30%
Operating	45,029.18	43,874.59	1,154.59	2.63%
Equipment	615.00	15,335.27	(14,720.27)	-95.99%
TOTAL Service Administration	578,594.95	546,824.25	31,770.70	5.81%
Building and Grounds				
Wages & Benefits	1,038,515.95	991,309.57	47,206.38	4.76%
Operating	1,070,896.29	906,339.31	164,556.98	18.16%
Equipment	106,852.88	81,073.39	25,779.49	31.80%
TOTAL Building and Grounds	2,216,265.12	1,978,722.27	237,542.85	12.00%

CITY OF BEACHWOOD
STATEMENT OF EXPENSES
CURRENT YEAR vs PRIOR YEAR
FOR THE PERIOD ENDED DECEMBER 31, 2009

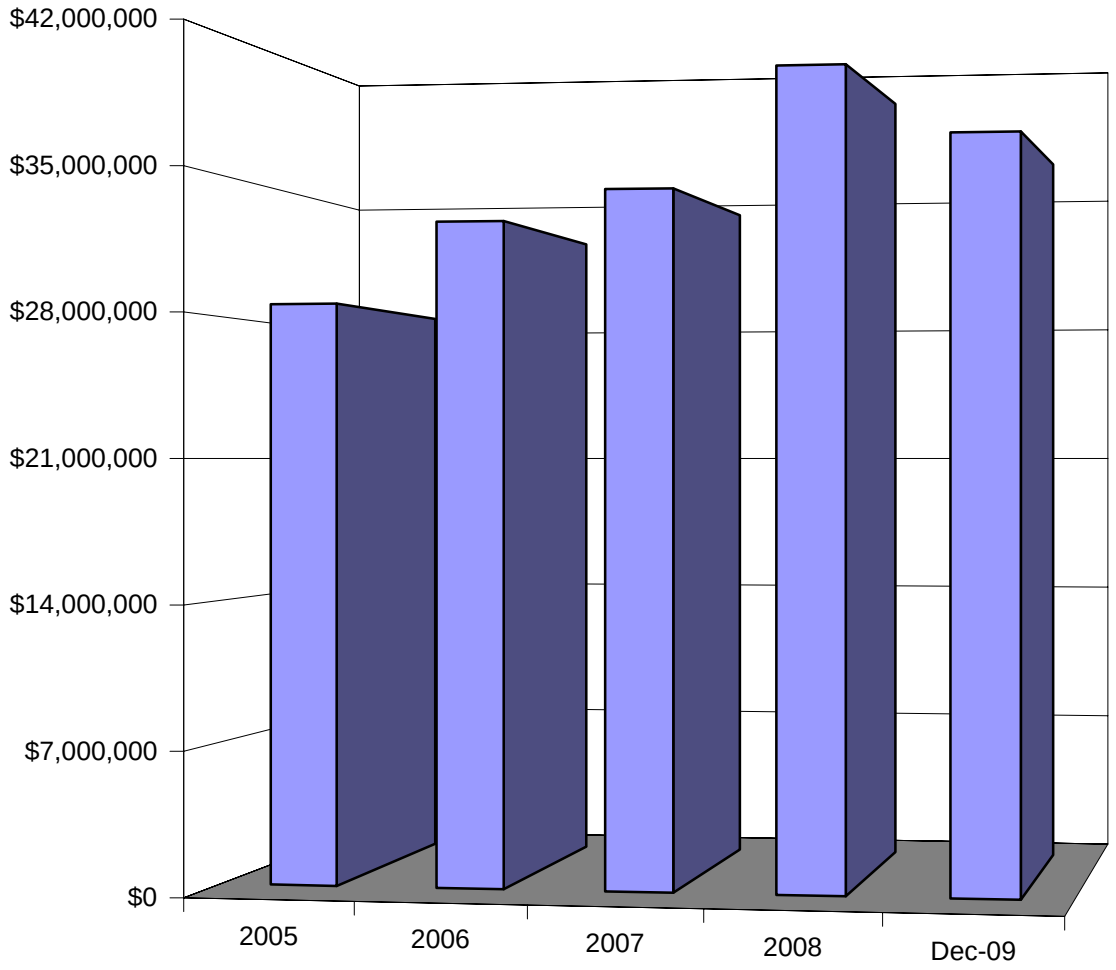
	2009 YTD EXP	2008 YTD EXP	VARIANCE	% CHANGE
Fleet Maintenance				
Wages & Benefits	543,718.22	526,962.63	16,755.59	3.18%
Operating	661,291.70	878,396.35	(217,104.65)	-24.72%
Equipment	590.00	7,031.28	(6,441.28)	-91.61%
TOTAL Fleet Maintenance	1,205,599.92	1,412,390.26	(206,790.34)	-14.64%
Streets, Sidewalks & Sewers				
Wages & Benefits	1,537,304.68	1,572,435.03	(35,130.35)	-2.23%
Operating	628,803.21	926,571.33	(297,768.12)	-32.14%
Equipment	256,947.40	471,418.60	(214,471.20)	-45.49%
TOTAL Streets, Sidewalks & Sewers	2,423,055.29	2,970,424.96	(547,369.67)	-18.43%
Sanitation				
Wages & Benefits	630,736.02	577,651.48	53,084.54	9.19%
Operating	154,315.23	168,059.39	(13,744.16)	-8.18%
Equipment	-	207,561.00	(207,561.00)	-100.00%
TOTAL Sanitation	785,051.25	953,271.87	(168,220.62)	-17.65%
Engineering Department				
Wages & Benefits	129,777.57	151,997.21	(22,219.64)	-14.62%
Operating	20,388.41	38,636.41	(18,248.00)	-47.23%
Equipment	-	24,797.46	(24,797.46)	-100.00%
TOTAL Engineering Department	150,165.98	215,431.08	(65,265.10)	-30.30%
Human Services				
Wages & Benefits	381,760.76	326,875.33	54,885.43	16.79%
Operating	204,345.37	236,792.55	(32,447.18)	-13.70%
Equipment	-	3,957.92	(3,957.92)	-100.00%
TOTAL Human Services	586,106.13	567,625.80	18,480.33	3.26%
Recreation Administration				
Wages & Benefits	648,651.25	574,676.32	73,974.93	12.87%
Operating	468,982.61	385,058.03	83,924.58	21.80%
Equipment	4,796.86	7,727.91	(2,931.05)	-37.93%
TOTAL Recreation Administration	1,122,430.72	967,462.26	154,968.46	16.02%
Recreation Camps				
Wages & Benefits	259,742.27	250,858.19	8,884.08	3.54%
Operating	143,339.03	104,808.15	38,530.88	36.76%
Equipment	-	287.50	(287.50)	-100.00%
TOTAL Recreation Camps	403,081.30	355,953.84	47,127.46	13.24%
Recreation Sport Programs				
Wages & Benefits	32,566.65	30,575.80	1,990.85	6.51%
Operating	129,376.77	118,526.78	10,849.99	9.15%
Equipment	20,524.45	597.25	19,927.20	3336.49%
TOTAL Recreation Sport Programs	182,467.87	149,699.83	32,768.04	21.89%

CITY OF BEACHWOOD
STATEMENT OF EXPENSES
CURRENT YEAR vs PRIOR YEAR
FOR THE PERIOD ENDED DECEMBER 31, 2009

	2009 YTD EXP	2008 YTD EXP	VARIANCE	% CHANGE
Recreation Other Programs				
Wages & Benefits	131,174.77	114,855.45	16,319.32	14.21%
Operating	94,202.07	109,964.06	(15,761.99)	-14.33%
Equipment	-	579.99	(579.99)	-100.00%
TOTAL Recreation Other Programs	225,376.84	225,399.50	(22.66)	-0.01%
Swimming Pools/Parks				
Wages & Benefits	297,178.47	279,814.05	17,364.42	6.21%
Operating	252,468.26	229,891.87	22,576.39	9.82%
Equipment	17,344.54	28,877.21	(11,532.67)	-39.94%
TOTAL Swimming Pools/Parks	566,991.27	538,583.13	28,408.14	5.27%
Building Department				
Wages & Benefits	914,284.79	867,578.43	46,706.36	5.38%
Operating	46,352.55	50,957.99	(4,605.44)	-9.04%
Equipment	8,247.00	27,666.68	(19,419.68)	-70.19%
TOTAL Building Department	968,884.34	946,203.10	22,681.24	2.40%
TOTAL GENERAL FUND	28,916,317.13	28,905,770.22	10,546.91	0.04%

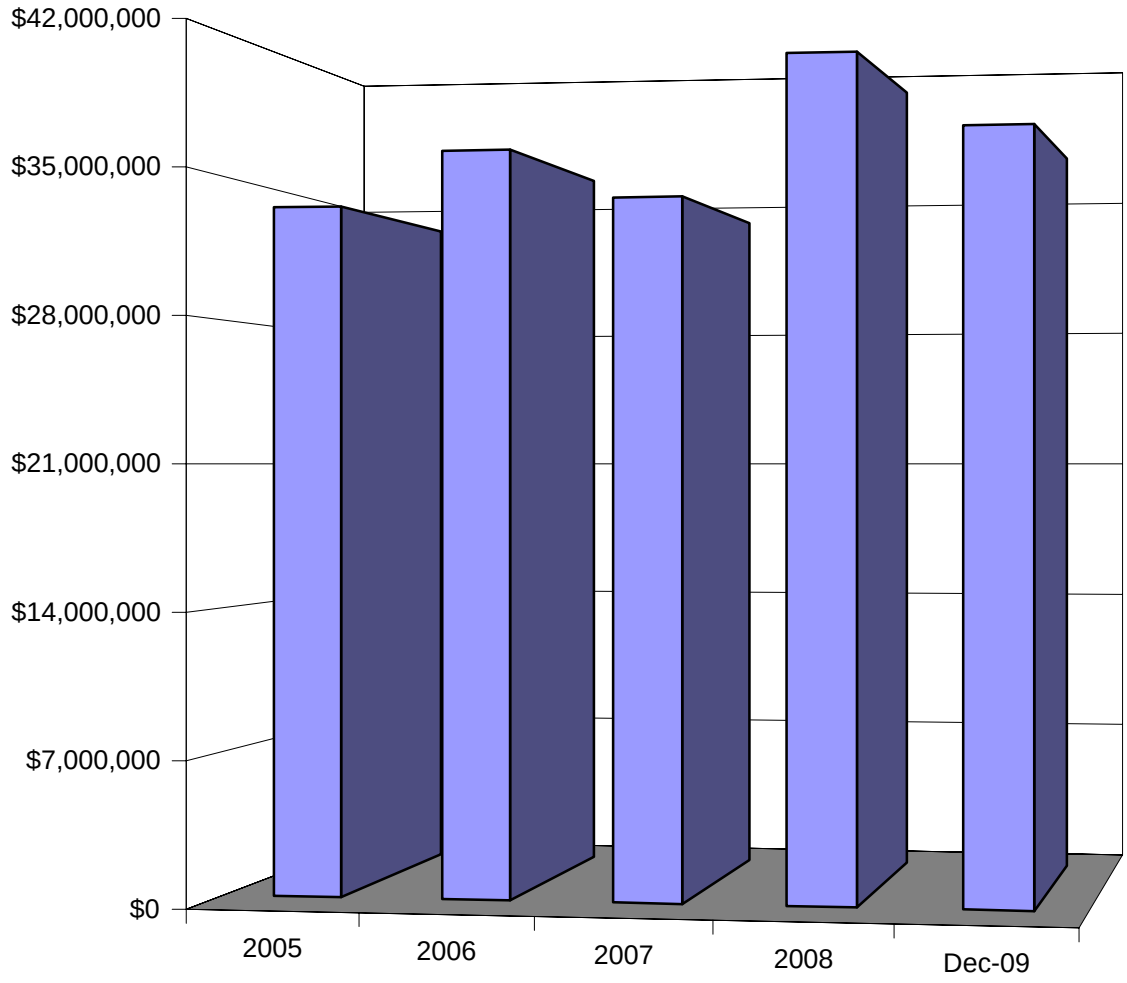
Note: Above figures are net of advances and transfers.

City of Beachwood
Cash Receipts For The Period Ending December 31, 2009
All Funds
Net of Advances and Transfers



YR	$Amount
($000 omitted)	
05	28,610
06	32,582
07	34,067
08	39,919
09	36,564

City of Beachwood
Cash Disbursements For The Period Ending December 31, 2009
All Funds
Net of Advances and Transfers



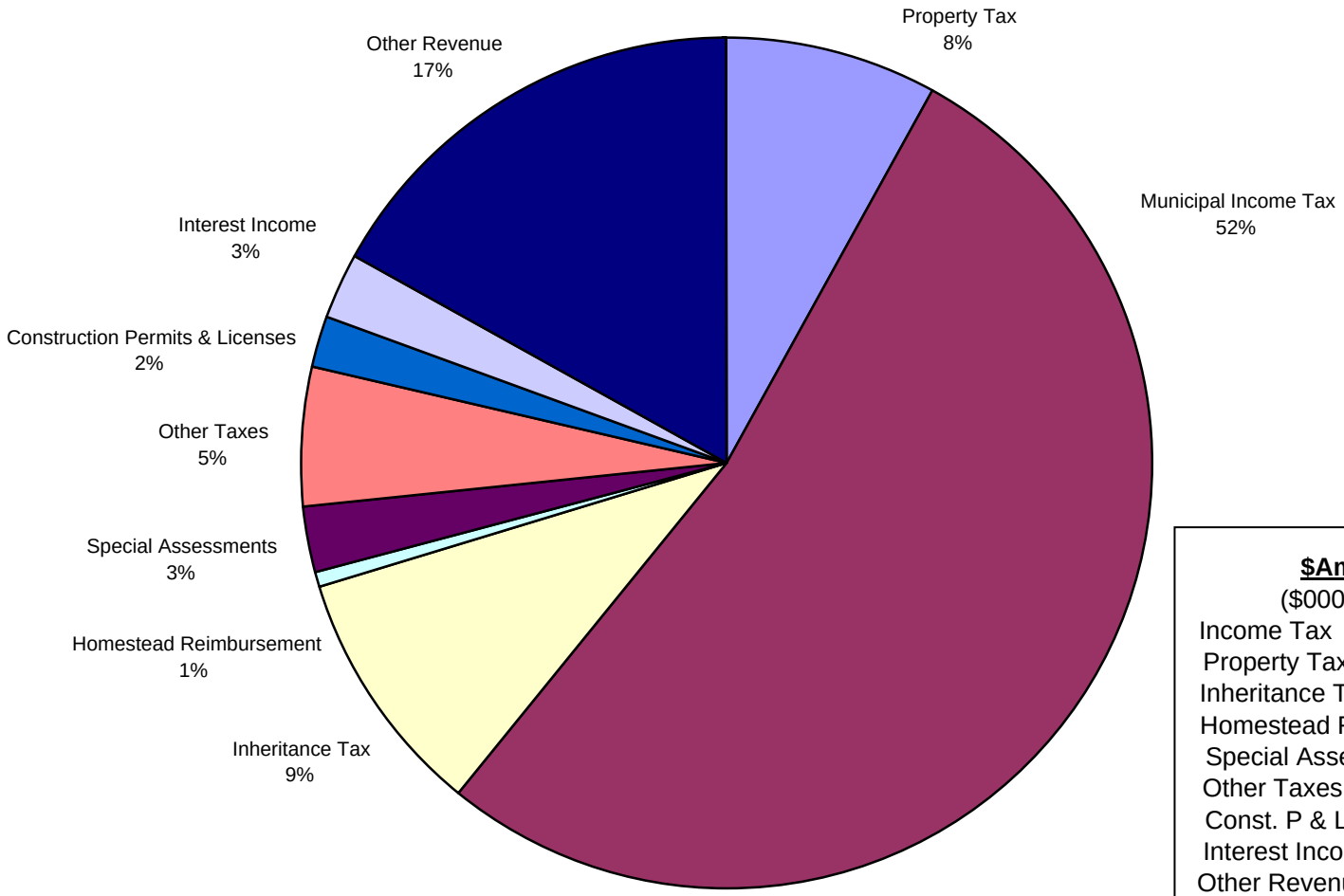
YR	$Amount
($000 omitted)	
05	33,486
06	36,111
07	33,763
08	40,524
09	36,957

City of Beachwood

Cash Receipts Detail by All Fund Types

Year to Date - December 2009

Net of Advances and Transfers



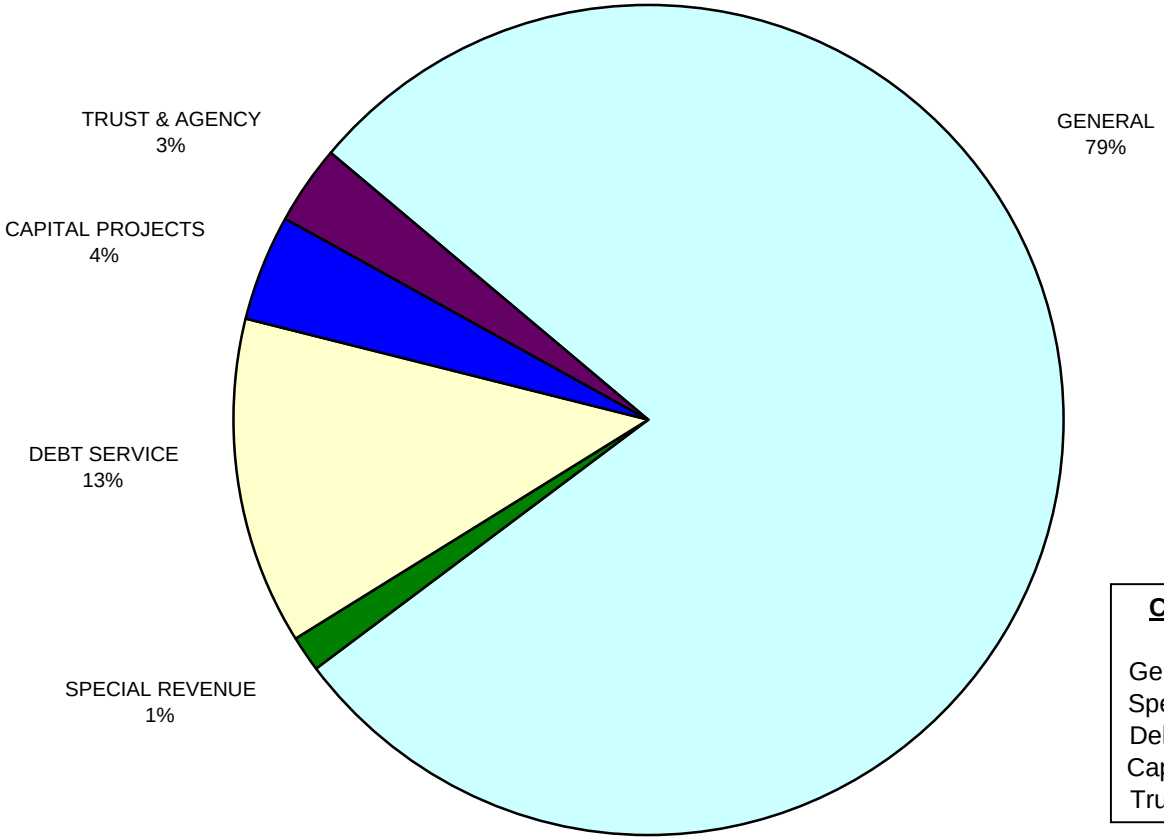
$Amounts ($000 omitted)	
Income Tax	$ 19,378
Property Tax	2,896
Inheritance Tax	3,399
Homestead Reimb.	211
Special Assess.	963
Other Taxes	1,885
Const. P & L	721
Interest Income	929
Other Revenue	6,182

City of Beachwood

Total Expenditures/Encumbrances by Funds

Year to Date - December 2009

Net of Advances and Transfers



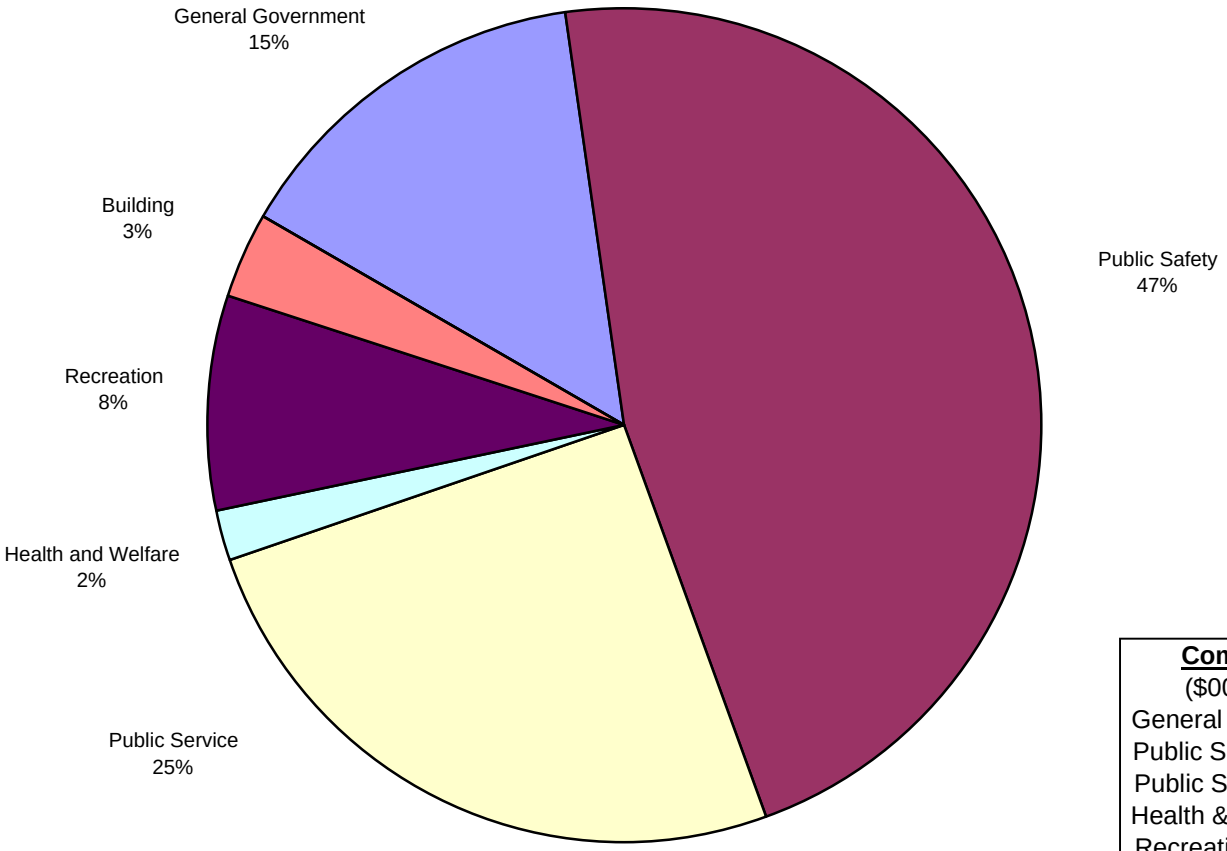
Commitments by Fund ($000 omitted)	
General	$ 30,913
Special Revenue	506
Debt Service	5,058
Capital Projects	1,573
Trust & Agency	1,247

City of Beachwood

General Fund Current Year Expenditures/Encumbrances by Classifications

Year to Date - December 2009

Net of Advances and Transfers



Commitments	
($000 omitted)	
General Gov.	$ 4,249
Public Safety	13,549
Public Service	7,372
Health & Welfare	594
Recreation	2,454
Building	957

CITY OF BEACHWOOD
PAYMENTS FOR DECEMBER 2009

Check Number	DATE	KEYBANK	AMOUNT
99881	12/3/2009	AIM SUPPLY/ACE TOOL	575.45
99882	12/3/2009	AIRGAS GREAT LAKES	162.00
99883	12/3/2009	AUTOMATIC DATA PROCESSING	588.38
99884	12/3/2009	B & C COMMUNICATIONS	1,247.50
99885	12/3/2009	BARBARA IRR	125.00
99886	12/3/2009	BATTERIES PLUS-139	325.44
99887	12/3/2009	BILL CONTI	771.00
99888	12/3/2009	BP PRODUCTS NORTH AMERICA	4,129.40
99889	12/3/2009	BPI INFORMATION SYSTEMS	10,724.00
99890	12/3/2009	BUY RITE OFFICE PRODUCTS	328.66
99891	12/3/2009	CDW GOVERNMENT, INC.	99.00
99892	12/3/2009	CINTAS CORPORATION #259	453.80
99893	12/3/2009	CITY OF CLEVELAND	1,923.75
99894	12/3/2009	CITY OF CLEVELAND DIVISIO	656.68
99895	12/3/2009	CITY OF SHAKER HEIGHTS	2,240.00
99896	12/3/2009	COMPENSATION ANALYSIS, IN	2,500.00
99897	12/3/2009	CUMMINS BRIDGEWAY, LLC	119.20
99898	12/3/2009	CUSTIS INSURANCE SERVICE,	375.00
99899	12/3/2009	DOMINION EAST OHIO	2,233.32
99900	12/3/2009	EROGONMICALLY INTEGRATED	3,895.80
99901	12/3/2009	EXCALIBUR AUTO BODY	7,748.26
99902	12/3/2009	FINLEY FIRE EQUIPMENT	4,501.40
99903	12/3/2009	GASB	368.00
99904	12/3/2009	GEISEL HEATING	880.00
99905	12/3/2009	GINO'S AWARDS INC.	90.00
99906	12/3/2009	GORDON FOOD SERVICE	642.19
99907	12/3/2009	GRAINGER	195.24
99908	12/3/2009	GUA, INC.	171,441.00
99909	12/3/2009	HANS' FREIGHTLINER OF	42.40
99910	12/3/2009	HESS CORPORATION	1,693.59
99911	12/3/2009	INTERNATIONAL ASSOCIATION	102.00
99912	12/3/2009	JACK H. DAVIDSON	120.00
99913	12/3/2009	LADD INDUSTRIES, LLC	71.06
99914	12/3/2009	LAW ADVISORY GROUP, INC.	189.00
99915	12/3/2009	MED GROUP	400.00
99916	12/3/2009	NATIONAL RECREATION & PAR	140.00
99917	12/3/2009	NEXTEL COMMUNICATIONS	174.17
99918	12/3/2009	OHIO CAT	638.68
99919	12/3/2009	OHIO PEACE OFFC TRNG ACAD	150.00
99920	12/3/2009	OHIO POLICE & FIRE PENSIO	400,535.41
99921	12/3/2009	OHIO VALLEY SUPPLY	65.90
99922	12/3/2009	S AND T, INC.	232.50
99923	12/3/2009	SAM'S CLUB DIRECT	398.58
99924	12/3/2009	SIGNAL SERVICE CO	6,144.44
99925	12/3/2009	STAINLESS WORKS	700.00
99926	12/3/2009	STAPLES BUSINESS ADVANTAG	690.32
99927	12/3/2009	SUNRISE SPRINGS WATER COM	199.95
99928	12/3/2009	TECH WISE, LLC	117.00
99929	12/3/2009	THE ACTIVE NETWORK, INC	4,496.25

CITY OF BEACHWOOD
PAYMENTS FOR DECEMBER 2009

Check Number	DATE		AMOUNT
99930	12/3/2009	THE ILLUMINATING CO.	651.80
99931	12/3/2009	THE INSTITUTE OF INTERNAL	75.00
99932	12/3/2009	TRUCKPRO, INC.	138.24
99933	12/3/2009	URS CORPORATION	16,357.02
99934	12/3/2009	WARREN FIRE EQUIPMENT, IN	527.76
99935	12/3/2009	WEST PAYMENT CENTER	110.50
99936	12/3/2009	WHELEN ENGINEERING CO., I	241.20
99937	12/3/2009	b. a. SWEETIE CANDY COMPA	181.00
99938	12/4/2009	CITY OF CLEVELAND	11,628.74
99939	12/4/2009	CITY OF WARRENSVILLE HEIG	9,777.20
99940	12/4/2009	GROWTH CAPITAL CORPORATIO	75.00
99941	12/10/2009	AIM SUPPLY/ACE TOOL	43.24
99942	12/10/2009	AIR RITE SERVICE SUPPLY	34.36
99943	12/10/2009	AL PAUL'S AUTO WASH	16.00
99944	12/10/2009	ANEGADA, LLC	1,750.00
99945	12/10/2009	ANIXTER INC	467.84
99946	12/10/2009	ARGYRIS MOTEN	44.75
99947	12/10/2009	AT&T	1,169.73
99948	12/10/2009	BARBICAS CONSTRUCTION COM	65,637.56
99949	12/10/2009	BEACHWOOD CHAMBER OF COMM	100.00
99950	12/10/2009	BECON TRUCK SERVICE, INC.	1,414.00
99951	12/10/2009	BILL KREMPASKY	425.00
99952	12/10/2009	BIO CLEAN SERVICES	500.00
99953	12/10/2009	BONNIE SPEED DELIVERY INC	58.55
99954	12/10/2009	BOUND TREE MEDICAL, LLC	1,003.87
99955	12/10/2009	BP PRODUCTS NORTH AMERICA	6,375.79
99956	12/10/2009	BPI INFORMATION SYSTEMS	1,457.00
99957	12/10/2009	BUY RITE OFFICE PRODUCTS	412.82
99958	12/10/2009	C.A. AGRESTA CONSTRUCTION	90,444.51
99959	12/10/2009	CASTLE ROCK ELECTRIC LLC	544.56
99960	12/10/2009	CDW GOVERNMENT, INC.	104.00
99961	12/10/2009	CINTAS CORPORATION #259	453.80
99962	12/10/2009	CINTAS FIRST AID & SAFETY	48.05
99963	12/10/2009	CLEVELAND LUMBER CO.	9.82
99964	12/10/2009	CMI	2,918.00
99965	12/10/2009	COMPMANAGEMENT, INC.	4,150.00
99966	12/10/2009	CONCORD ROAD EQUIPMENT IN	24,023.30
99967	12/10/2009	COVERALL NORTH AMERICA, I	5,806.00
99968	12/10/2009	CUSTOM CLUTCH & JOINT	517.09
99969	12/10/2009	DELL MARKETING L.P.	91.99
99970	12/10/2009	FREEWAY LANES OF WICKLIFF	738.00
99971	12/10/2009	GARY SIKON	486.00
99972	12/10/2009	GIMME SHELTER PROPERTIES	1,000.00
99973	12/10/2009	GINO'S AWARDS INC.	44.50
99974	12/10/2009	GPD ASSOCIATES/ACLA	27,364.00
99975	12/10/2009	GT DISTRIBUTORS OF GA, IN	50.65
99976	12/10/2009	GUARDIAN AUTO GLASS	208.07
99977	12/10/2009	HALL PUBLIC SAFETY CO.(HP	2,693.99
99978	12/10/2009	HELEN BERMAN	270.00
99979	12/10/2009	INTERSTATE BATTERY SYSTEM	284.80
99980	12/10/2009	IRON MOUNTAIN RECORDS	150.12

CITY OF BEACHWOOD
PAYMENTS FOR DECEMBER 2009

Check Number	DATE		AMOUNT
99981	12/10/2009	JUMP START SPORTS	4,020.00
99982	12/10/2009	KEVIN M. PRESTON	400.00
99983	12/10/2009	LADD INDUSTRIES, LLC	88.00
99984	12/10/2009	LAMARCA'S MASTER PIZZA LT	84.30
99985	12/10/2009	LET'S DANCE! CLEVELAND	1,008.00
99986	12/10/2009	MAGGIANO'S LITTLE ITALY	3,050.96
99987	12/10/2009	MAYFIELD VILLAGE PARKS &	140.00
99988	12/10/2009	MICHAEL IACOBUCCI	40.00
99989	12/10/2009	MURMAN & ASSOCIATES	618.75
99990	12/10/2009	MUZAK LLC	80.00
99991	12/10/2009	NAPA AUTO PARTS MAYFIELD	416.50
99992	12/10/2009	NEOFPA	115.00
99993	12/10/2009	NORTHEAST LUBRICANTS	1,364.50
99994	12/10/2009	OCE IMAGISTICS INC.	145.95
99995	12/10/2009	OHIO VALLEY SUPPLY	306.00
99996	12/10/2009	OLD DOMINION BRUSH COMPAN	203.49
99997	12/10/2009	OXBOW ENGINEERING, INC.	6,800.00
99998	12/10/2009	PARTS ASSOCIATES INC	308.60
99999	12/10/2009	PIA ALESCI	805.00
100000	12/10/2009	POWER CITY INTERNATIONAL,	9.87
100001	12/10/2009	RED WING SHOES	150.00
100002	12/10/2009	RIC IDEKER	197.62
100003	12/10/2009	RICHARD SAUNDERS CONSTRUC	2,000.00
100004	12/10/2009	RIS PAPER COMPANY, INC.	517.00
100005	12/10/2009	ROBECK FLUID POWER CO.	454.70
100006	12/10/2009	S AND T, INC.	118.00
100007	12/10/2009	SAUL EISEN	30.00
100008	12/10/2009	SCHUMACHER HOMES	4,000.00
100009	12/10/2009	SHUTTLER'S INC.	226.50
100010	12/10/2009	SOUND/COM	380.00
100011	12/10/2009	SOUTH POINTE HOSPITAL	130.77
100012	12/10/2009	STAPLES BUSINESS ADVANTAG	32.52
100013	12/10/2009	TAFT, STETTINIUS & HOLLIS	450.00
100014	12/10/2009	TEZRA BUCHANAN	200.00
100015	12/10/2009	THE ILLUMINATING CO.	13,867.81
100016	12/10/2009	THE PATRONS OF THE ARTS I	150.00
100017	12/10/2009	TIME WARNER CABLE	47.54
100018	12/10/2009	TREASURER, STATE OF OHIO	228.25
100019	12/10/2009	TRUCKPRO, INC.	168.38
100020	12/10/2009	TWO CRAZY KIDS, LLC	360.00
100021	12/10/2009	U.S. POSTAL SERVICE	1,962.00
100022	12/10/2009	UNIVERSITY HOSPITALS	60.00
100023	12/10/2009	WALD & FISHER	6,120.50
100024	12/10/2009	WARD DIESEL FILTER SYSTEM	148.23
100025	12/10/2009	WARREN FIRE EQUIPMENT, IN	69.89
100026	12/10/2009	WASTE MANAGEMENT OF OHIO,	628.03
100027	12/10/2009	WHELEN ENGINEERING CO., I	243.00
100028	12/10/2009	WILDFIRE DANCE LLC	300.00
100029	12/10/2009	WILLO TRANSPORTATION	1,190.00
100030	12/10/2009	WINGFOOT COMMERCIAL TIRE	278.00
100031	12/11/2009	-ANNE BLANK	10.00

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Check Number	DATE		AMOUNT
100032	12/11/2009	-BETTIE NEIDUS	12.00
100033	12/11/2009	-BEVERLY KLEIN	180.00
100034	12/11/2009	-CHARLOTTE FINKENTHAL	10.00
100035	12/11/2009	-DEBY WALDORF	12.00
100036	12/11/2009	-DOROTHY BARRIE	34.00
100037	12/11/2009	-ELAINE PORTMAN	10.00
100038	12/11/2009	-EVELYN GREENE	10.00
100039	12/11/2009	-FLO ANGELO	37.00
100040	12/11/2009	-HARRIET JAYE	10.00
100041	12/11/2009	-HENRIETTA KIRSCHENBAUM	10.00
100042	12/11/2009	-MARILYN GREENBERG	12.00
100043	12/11/2009	-MARJORIE ZEAMAN	20.00
100044	12/11/2009	-MARLENE SOBOL	108.00
100045	12/11/2009	-MARY ANN ROTHSTEIN	34.00
100046	12/11/2009	-MARY MARGARET LYNCH	12.00
100047	12/11/2009	-MAXINE SINGER	20.00
100048	12/11/2009	-MAXINE SLONE	10.00
100049	12/11/2009	-MILLIE MANDEL	10.00
100050	12/11/2009	-NADINE LUKE	12.00
100051	12/11/2009	-NAOMI HERSKOVIC	10.00
100052	12/11/2009	-NATALIE BLUM	12.00
100053	12/11/2009	-NORMA WOLKOV	10.00
100054	12/17/2009	ADVANCE DOOR	104.00
100055	12/17/2009	ANDREW S. WOLFE	1,244.00
100056	12/17/2009	ANIXTER INC	1,149.51
100057	12/17/2009	ARNOLD J. FELTOON, MD, IN	500.00
100058	12/17/2009	AT&T	1,773.99
100059	12/17/2009	AUTOMATIC DATA PROCESSING	1,790.14
100060	12/17/2009	B & W EQUIPMENT CO. INC.	618.80
100061	12/17/2009	BATTERIES PLUS-139	99.84
100062	12/17/2009	BEACHWOOD BUZZ	4,225.00
100063	12/17/2009	BEACHWOOD CHAMBER OF COMM	25.00
100064	12/17/2009	BES OF OHIO LLC	225.00
100065	12/17/2009	BFI GLENWILLOW TRANSFER	9,830.88
100066	12/17/2009	BODY SCULPTING INC.	24.00
100067	12/17/2009	CASTLE ROCK ELECTRIC LLC	204.19
100068	12/17/2009	CDW GOVERNMENT, INC.	432.00
100069	12/17/2009	CHILD ART LLC	240.00
100070	12/17/2009	CINTAS CORPORATION #259	1,070.40
100071	12/17/2009	CITY OF BEACHWOOD	330.19
100072	12/17/2009	CITY OF CLEVELAND	1,247.88
100073	12/17/2009	CITY OF WARRENSVILLE HEIG	1,247.37
100074	12/17/2009	CLEVELAND IGN CO INC	19.98
100075	12/17/2009	CLIFFORD WAYNE HABIAN	125.00
100076	12/17/2009	COMDOC, INC	112.01
100077	12/17/2009	COMMISSION ON ACCREDITATI	130.00
100078	12/17/2009	CUSTIS INSURANCE SERVICE,	375.00
100079	12/17/2009	CUSTOM ELECTRIC	135.00
100080	12/17/2009	CUYAHOGA COUNTY NOTARY PU	60.00
100081	12/17/2009	D. TODD RUSSELL, D.D.S.,	560.00
100082	12/17/2009	DENNIS F WEYN	1,558.00

CITY OF BEACHWOOD
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Check Number	DATE		AMOUNT
100083	12/17/2009	DUNN INDUSTRIAL SUPPLY	394.52
100084	12/17/2009	DYNAMICS ONLINE, INC.	180.00
100085	12/17/2009	FASTSIGNS	59.00
100086	12/17/2009	FEDERAL EXPRESS	12.72
100087	12/17/2009	GARY SIKON	882.00
100088	12/17/2009	GERALD E. FUERST	166.00
100089	12/17/2009	GIANT EAGLE, INC.	602.35
100090	12/17/2009	GOLF DOME	390.00
100091	12/17/2009	GORDON FOOD SERVICE	690.53
100092	12/17/2009	GREAT LAKES BILLING ASSOC	4,937.16
100093	12/17/2009	GREG MILLER	500.00
100094	12/17/2009	HARRIS BATTERY CO., INC	484.91
100095	12/17/2009	HOLTZ INDUSTRIES INC	1,029.76
100096	12/17/2009	RRECT GENERAL REFUND CHEC	-
100097	12/17/2009	HUNTINGTON NATIONAL BANK	300.00
100098	12/17/2009	INSPIRE! LLC	630.00
100099	12/17/2009	JAMES T. PATTI	3,461.00
100100	12/17/2009	JEFF CLUCAS	119.98
100101	12/17/2009	KATE UHLIR	240.00
100102	12/17/2009	LAKESIDE SUPPLY CO.	78.54
100103	12/17/2009	LIBERTY FORD, INC.	1,280.43
100104	12/17/2009	LOWE'S	314.20
100105	12/17/2009	MATRIX SECURITY SYSTEMS,	528.50
100106	12/17/2009	MED GROUP	800.00
100107	12/17/2009	MIDLAND HARDWARE	115.76
100108	12/17/2009	MIRACLE RECREATION EQUIPM	6,130.00
100109	12/17/2009	NETWORK LASER ART	226.50
100110	12/17/2009	NORTHEAST OHIO MARKETING	360.34
100111	12/17/2009	NORTHERN OHIO SERVICE DIR	50.00
100112	12/17/2009	OCE IMAGISTICS INC.	8,191.00
100113	12/17/2009	OHIO AWNING	500.95
100114	12/17/2009	OHIO PEACE OFFC TRNG ACAD	165.00
100115	12/17/2009	OHIO VALLEY SUPPLY	506.05
100116	12/17/2009	OVATION MOVEMENT LLC	400.00
100117	12/17/2009	PACIFIC TELEMANAGEMENT	78.00
100118	12/17/2009	PARTS ASSOCIATES INC	125.73
100119	12/17/2009	PATRICK J. ALLEN	1,000.00
100120	12/17/2009	POWER CITY INTERNATIONAL,	6.27
100121	12/17/2009	RED WING SHOES	150.00
100122	12/17/2009	RUBE ADLER SPORTS	1,204.00
100123	12/17/2009	SCHINDLER ELEVATOR CORPOR	561.00
100124	12/17/2009	SIEMENS BUILDING TECHNOLO	662.36
100125	12/17/2009	SIGNAL SERVICE CO	1,953.58
100126	12/17/2009	STAPLES BUSINESS ADVANTAG	376.28
100127	12/17/2009	STRADIOT SPECIALTY, INC.	675.03
100128	12/17/2009	SUNRISE SPRINGS WATER COM	47.50
100129	12/17/2009	SUPPLIES ON DEMAND, LLC	428.00
100130	12/17/2009	SUSAN CADY	528.00
100131	12/17/2009	TAC COMPUTER	3,074.00
100132	12/17/2009	THE ILLUMINATING CO.	7,204.62
100133	12/17/2009	THE SHERWIN-WILLIAMS CO	60.67

CITY OF BEACHWOOD
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Check Number	DATE		AMOUNT
100134	12/17/2009	TRANS UNION LLC	22.50
100135	12/17/2009	TREASURER, STATE OF OHIO	44.00
100136	12/17/2009	TREASURER, STATE OF OHIO	919.00
100137	12/17/2009	TREASURER, STATE OF OHIO	525.00
100138	12/17/2009	TREASURER, STATE OF OHIO/	1,367.45
100139	12/17/2009	TRUCKPRO, INC.	33.75
100140	12/17/2009	U.S. POSTAL SERVICE	185.00
100141	12/17/2009	USA MOBILITY WIRELESS, IN	8.00
100142	12/17/2009	VERIZON WIRELESS	2,038.67
100143	12/17/2009	VINCENT LIGHTING SYSTEMS,	31.15
100144	12/17/2009	W.W. WILLIAMS	28.42
100145	12/17/2009	WEST GOVERNMENT SERVICES	125.00
100146	12/17/2009	WESTERN RESERVE DIV. I.A.	105.00
100147	12/17/2009	WHELEN ENGINEERING CO., I	1,237.20
100148	12/17/2009	WINGFOOT COMMERCIAL TIRE	831.42
100149	12/17/2009	WINN DOUGLASS	17.50
100150	12/17/2009	WINTER EQUIPMENT COMPANY	4,363.47
100151	12/23/2009	ADVANCE DOOR	967.89
100152	12/23/2009	ANIXTER INC	233.03
100153	12/23/2009	AT&T	3,146.76
100154	12/23/2009	AT&T LONG DISTANCE	138.20
100155	12/23/2009	B & B APPLIANCE	89.90
100156	12/23/2009	BAKER VEHICLE SYSTEMS	463.05
100157	12/23/2009	BEACHWOOD BOARD OF EDUCAT	23,121.25
100158	12/23/2009	BLUM'S PAPER GOODS	198.80
100159	12/23/2009	BOUND TREE MEDICAL, LLC	94.10
100160	12/23/2009	BP PRODUCTS NORTH AMERICA	8,709.72
100161	12/23/2009	BPI INFORMATION SYSTEMS	92.00
100162	12/23/2009	BUSINESS CARD	2,405.74
100163	12/23/2009	BUY RITE OFFICE PRODUCTS	837.36
100164	12/23/2009	CANNETO STUDIOS, INC.	8,000.00
100165	12/23/2009	CDW GOVERNMENT, INC.	1,155.00
100166	12/23/2009	CINTAS CORPORATION #012	110.00
100167	12/23/2009	CINTAS CORPORATION #259	583.30
100168	12/23/2009	CUYAHOGA COUNTY BOARD	1,080.00
100169	12/23/2009	D. TODD RUSSELL, D.D.S.,	395.00
100170	12/23/2009	D.R.S. ENTERPRISES, INC.	1,000.00
100171	12/23/2009	DOMINION EAST OHIO	1,012.16
100172	12/23/2009	DOMINION PRODUCTS AND SER	2,500.00
100173	12/23/2009	DONNA TIROLY	81.00
100174	12/23/2009	DUNN INDUSTRIAL SUPPLY	1,020.71
100175	12/23/2009	DYMPNA FERRANTE	112.00
100176	12/23/2009	EXCALIBUR AUTO BODY	1,134.49
100177	12/23/2009	G. GIFFORD DYER	730.62
100178	12/23/2009	GARY SIKON	426.00
100179	12/23/2009	GIBSON MACHINERY, LLC	135.75
100180	12/23/2009	GPD ASSOCIATES/ACLA	33,901.00
100181	12/23/2009	GREAT LAKES PETROLEUM	7,115.69
100182	12/23/2009	HALL PUBLIC SAFETY CO.(HP	3,032.50
100183	12/23/2009	HANS' FREIGHTLINER OF	231.41
100184	12/23/2009	HANSEN FIRE & SAFETY	569.91

CITY OF BEACHWOOD
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Check Number	DATE		AMOUNT
100185	12/23/2009	HELEN BERMAN	272.00
100186	12/23/2009	HESS CORPORATION	5,859.79
100187	12/23/2009	HOLTZ INDUSTRIES INC	1,750.00
100188	12/23/2009	HORTON EMERGENCY VEHICLES	67.75
100189	12/23/2009	INTEGRATED PRECISION SYST	3,120.00
100190	12/23/2009	INTERNATIONAL ASSOCIATION	102.00
100191	12/23/2009	JAMES R. JONES	600.00
100192	12/23/2009	JEWISH FAMILY SERVICES	200.00
100193	12/23/2009	K.E. ROSE CO.	3,975.00
100194	12/23/2009	KEVIN M. PRESTON	400.00
100195	12/23/2009	LAKESIDE SUPPLY CO.	55.52
100196	12/23/2009	LIBERTY FORD, INC.	385.15
100197	12/23/2009	MARS ELECTRIC COMPANY	102.00
100198	12/23/2009	MAS FINANCIAL ADVISORY SE	4,500.00
100199	12/23/2009	MEDICAL MUTUAL OF OHIO	256,541.76
100200	12/23/2009	MIKE WILDERMUTH	835.00
100201	12/23/2009	NAPA AUTO PARTS MAYFIELD	126.82
100202	12/23/2009	NATIONAL SAFETY COUNCIL	36.00
100203	12/23/2009	NETWORK LASER ART	29.90
100204	12/23/2009	NEWBURY SANDBLASTING/PAIN	375.00
100205	12/23/2009	OHIO DEPT OF JOB & FAMILY	2,054.39
100206	12/23/2009	OHIO PEACE OFFC TRNG ACAD	415.00
100207	12/23/2009	OHIO VALLEY SUPPLY	732.80
100208	12/23/2009	OXBOW ENGINEERING, INC.	5,325.00
100209	12/23/2009	PARKING LOT MAINTENANCE S	2,166.25
100210	12/23/2009	PARTS ASSOCIATES INC	310.10
100211	12/23/2009	POWER CITY INTERNATIONAL,	2,694.35
100212	12/23/2009	S AND T, INC.	52.87
100213	12/23/2009	S.A.W. INC.	453.35
100214	12/23/2009	SCHOTTENSTEIN, ZOX & DUNN	23,801.61
100215	12/23/2009	SHUTTLER'S INC.	40.00
100216	12/23/2009	SIGNAL SERVICE CO	1,419.62
100217	12/23/2009	SOAR	75.00
100218	12/23/2009	SOUTH POINTE HOSPITAL	3,578.48
100219	12/23/2009	SQUIRE, SANDERS, & DEMPSE	5,000.00
100220	12/23/2009	STAPLES BUSINESS ADVANTAG	478.25
100221	12/23/2009	TAFT, STETTINIUS & HOLLIS	4,258.15
100222	12/23/2009	TECH WISE, LLC	236.00
100223	12/23/2009	TERRENCE KORENSEK	800.00
100224	12/23/2009	THE CLEVELAND ORCHESTRA	281.25
100225	12/23/2009	THE ILLUMINATING CO.	17,103.38
100226	12/23/2009	TRIANGLE AUTO PARTS	36.00
100227	12/23/2009	TRUCKPRO, INC.	311.87
100228	12/23/2009	VELOTTA UNIFORM SALES CO	312.96
100229	12/23/2009	WEST PAYMENT CENTER	110.50
100230	12/23/2009	WHELEN ENGINEERING CO., I	129.60
100231	12/23/2009	WILLIAM C. NADEAU	1,169.00
100232	12/23/2009	WILLO TRANSPORTATION	270.00
100233	12/23/2009	-CHARLOTTE WEINSTEIN	48.00
100234	12/23/2009	-HAZEL GROSS	48.00
100235	12/23/2009	-SHIHUA JIN	70.00

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Check Number	DATE		AMOUNT
100236	12/30/2009	AIRGAS GREAT LAKES	281.82
100237	12/30/2009	ALL STAR WINDOW CLEANING,	775.00
100238	12/30/2009	AT&T	54.31
100239	12/30/2009	AUTOMATIC DATA PROCESSING	586.64
100240	12/30/2009	BATTERIES PLUS-139	130.51
100241	12/30/2009	BUY RITE OFFICE PRODUCTS	603.93
100242	12/30/2009	CASTLE ROCK ELECTRIC LLC	1,102.38
100243	12/30/2009	CDW GOVERNMENT, INC.	8,132.00
100244	12/30/2009	CHARLES A. SWANSON	500.00
100245	12/30/2009	CLEVELAND COUNCIL ON WORL	350.00
100246	12/30/2009	CLEVELAND IGN CO INC	22.24
100247	12/30/2009	CLEVELAND JEWISH NEWS	1,086.95
100248	12/30/2009	CONCORD ROAD EQUIPMENT IN	642.00
100249	12/30/2009	CORKY & LENNY'S	960.00
100250	12/30/2009	COVERALL NORTH AMERICA, I	1,794.00
100251	12/30/2009	CRAIN'S CLEVELAND BUSINES	220.00
100252	12/30/2009	CUYAHOGA COUNTY CISM	100.00
100253	12/30/2009	CYNCON EQUIPMENT INC.	235.40
100254	12/30/2009	DELL MARKETING L.P.	54.99
100255	12/30/2009	DRASLER ELECTRIC	7,600.00
100256	12/30/2009	DUNN INDUSTRIAL SUPPLY	269.09
100257	12/30/2009	ELINA OJANEN	4.40
100258	12/30/2009	EMPACO EQUIPMENT CORPORAT	767.67
100259	12/30/2009	FIREHOUSE SERVICES & CONS	390.00
100260	12/30/2009	GARY SIKON	540.00
100261	12/30/2009	GINO'S AWARDS INC.	85.00
100262	12/30/2009	GORDON FOOD SERVICE	625.77
100263	12/30/2009	GUARDIAN AUTO GLASS	50.00
100264	12/30/2009	HANS' FREIGHTLINER OF	141.14
100265	12/30/2009	HOWARD THOMPSON	319.38
100266	12/30/2009	HSBC BUSINESS SOLUTIONS	138.46
100267	12/30/2009	INTERNATIONAL ASSOCIATION	120.00
100268	12/30/2009	INTERSTATE BATTERY SYSTEM	59.95
100269	12/30/2009	ISRAEL-AMERICA CHAMBER OF	500.00
100270	12/30/2009	JOSEPH NICHOLS	300.00
100271	12/30/2009	KESSLERS TEAM SPORTS	1,312.50
100272	12/30/2009	KOVATCH MOBILE EQUIPMENT	77.63
100273	12/30/2009	LANPHEAR SUPPLY	108.00
100274	12/30/2009	LIBERTY FORD, INC.	33.37
100275	12/30/2009	MARS ELECTRIC COMPANY	171.50
100276	12/30/2009	MONROE TRUCK EQUIPMENT, I	11,821.00
100277	12/30/2009	MOORE COUNSELING & MEDIAT	415.00
100278	12/30/2009	MOTORCARS HONDA	10.95
100279	12/30/2009	NAIOP	350.00
100280	12/30/2009	NAPA AUTO PARTS MAYFIELD	85.99
100281	12/30/2009	NETWORK LASER ART	134.00
100282	12/30/2009	NEXTEL COMMUNICATIONS	153.98
100283	12/30/2009	OHIO CAT	893.57
100284	12/30/2009	OHIO PEACE OFFC TRNG ACAD	160.00
100285	12/30/2009	OHIO VALLEY SUPPLY	1,156.57
100286	12/30/2009	OHIO VENTURE ASSOCIATION	25.00

CITY OF BEACHWOOD
PAYMENTS FOR DECEMBER 2009

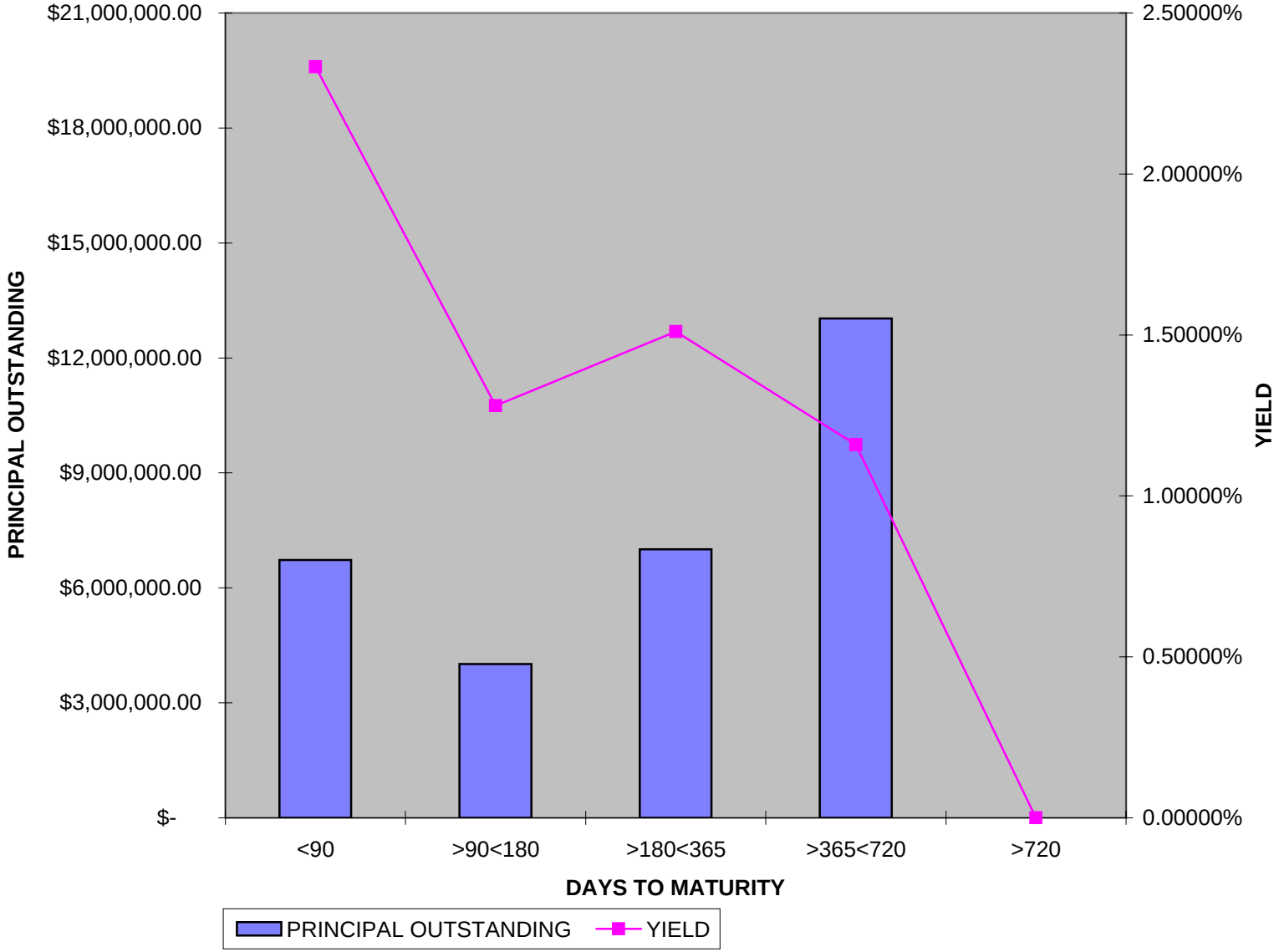
Check Number	DATE		AMOUNT
100287	12/30/2009	PARTS ASSOCIATES INC	309.10
100288	12/30/2009	PLAYHOUSE SQUARE CENTER	765.00
100289	12/30/2009	POWER CITY INTERNATIONAL,	128.48
100290	12/30/2009	RELIAPON POLICE PRODUCTS,	604.37
100291	12/30/2009	RENAISSANCE MANAGEMENT, I	15,265.12
100292	12/30/2009	RUBE ADLER SPORTS	39.00
100293	12/30/2009	S & S WORLDWIDE, INC	399.98
100294	12/30/2009	SCOTT EITMAN	1,500.00
100295	12/30/2009	SOFTWARE SOLUTIONS, INC.	300.00
100296	12/30/2009	STAPLES BUSINESS ADVANTAG	697.74
100297	12/30/2009	STRADIOT SPECIALTY, INC.	71.54
100298	12/30/2009	SUN NEWS	33.80
100299	12/30/2009	SUNRISE SPRINGS WATER COM	27.00
100300	12/30/2009	THE CLEVELAND PLAYHOUSE	140.00
100301	12/30/2009	TIME WARNER CABLE	47.53
100302	12/30/2009	TRUCKPRO, INC.	123.04
100303	12/30/2009	UNIQUE PAVING MATERIALS C	776.00
100304	12/30/2009	VINCE ADAMUS	130.65
100305	12/30/2009	VINCENT J. POLOWY	500.00
100306	12/30/2009	VULCAN INC.	678.75
100307	12/30/2009	WHELEN ENGINEERING CO., I	225.60
100308	12/30/2009	WINGFOOT COMMERCIAL TIRE	3,778.06
ME20091201	12/01/2009	R.I.T.A.	30,479.94
ME20091202	12/01/2009	R.I.T.A.	846.68
ME20091203	12/01/2009	R.I.T.A.	80.17
ME20091204	12/01/2009	PAYROLL (KEY TRANSFER)	556,181.29
ME20091205	12/06/2009	MEDICARE & SOCIAL SECURIT	6,996.36
ME20091206	12/06/2009	MEDICARE & SOCIAL SECURIT	28.62
ME20091208	12/12/2009	FIFTH THIRD	423.96
ME20091209	12/12/2009	FIFTH THIRD	219.05
ME20091210	12/12/2009	R.I.T.A.	2,366.08
ME20091211	12/14/2009	R.I.T.A.	108.02
ME20091212	12/14/2009	R.I.T.A.	0.02
ME20091213	12/20/2009	FIFTH THIRD	10.00
ME20091214	12/20/2009	FIFTH THIRD	5.00
ME20091216	12/22/2009	PAYROLL (KEY TRANSFER)	886,385.55
ME20091217	12/22/2009	MEDICARE & SOCIAL SECURIT	10,372.93
ME20091218	12/22/2009	MEDICARE & SOCIAL SECURIT	28.62
ME20091219	12/20/2009	FIFTH THIRD	55.00
ME20091221	12/20/2009	FIFTH THIRD	55.00
ME20091231	12/20/2009	OHIO PUBLIC EMPLOYEES	77,971.96
		Total Key Bank	3,172,783.46
		FIFTH THIRD BANK	
ME20091220	12/20/2009	FIFTH THIRD	76.58
		Total Fifth Third Bank	76.58

CITY OF BEACHWOOD
PAYMENTS FOR DECEMBER 2009

Check Number	DATE		AMOUNT
		HUNTINGTON BANK	
ME20091215	12/15/2009	HUNTINGTON NATIONAL BANK	146.50
ME20091232	12/1/2009	HUNTINGTON NATIONAL BANK	1,597,695.00
ME20091233	12/3/2009	HUNTINGTON NATIONAL BANK	3,067,312.50
		Total Huntington Bank	4,665,154.00

CITY OF BEACHWOOD
INVESTMENT SUMMARY

AS OF
December 31, 2009



Prepared by: 1/7/2010

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City of Beachwood
Investment Summary

Prepared by:
1/7/2010

DEPOSITS AND INVESTMENT SUMMARY AS OF DECEMBER 31, 2009

DEPOSITS	Balance	Interest Rate
Key Bank	1,041,551	0.250%
Huntington Business Checking	27,535	0.089%
Fifth Third Now Account	1,092,214	0.000%
First Merit	103,001	0.100%
Petty Cash	1,450	
Total Deposits	2,265,751	

OUTSTANDING CHECKS	
Key Bank	153,919
Accounts Payable	0
Total Outstanding Checks/Commitments	153,919

Other Investments — Investment Maturity

Investment Type (Bank)	<90 days	>90<180 days	>181<365 days	>366<720 days	>721 days	Grand Total	% of Total
SO	3,731,450	0	0	0	0	3,731,450	12.1%
FFCB(FT)	994,425	0	0	0	0	994,425	3.2%
FHLB(FT)	0	0	1,002,350	0	0	1,002,350	3.3%
US(FT)	2,000,468	996,701	0	2,008,594	0	5,005,763	16.3%
CD(HT)	0	0	4,000,000	0	0	4,000,000	13.0%
US(HT)	0	3,018,487	0	3,003,125	0	6,021,612	19.6%
FFCB(KEY)	0	0	0	1,010,500	0	1,010,500	3.3%
US(KEY)	0	0	2,002,810	7,009,921	0	9,012,731	29.3%
Grand Total	6,726,343	4,015,188	7,005,160	13,032,140	0	30,778,831	100.0%

TOTAL DEPOSITS AND INVESTMENTS 32,890,663

Note: The above total amount exceeds amount per accounting records by $7,420, this is due to US T-Note purchased from Huntington that matures on 4/15/2010. Security was purchased at a premium of $27,420 which by policy would be written down against interest income at maturity, however the security only has a 4% coupon which will result in $20,000 of interest at maturity, therefore $7,420 had to be written down against Oct. 31st interest payment. Investments software is programed to write down at maturity therefore the current difference in carrying amounts. I will explore options to see if there is an alternative method to avoid showing this difference, although it rarely occurs as I attempt to limit purchasing investments at a high premium.

RETURN ON OTHER INVESTMENTS	Yield
Minimum Return on Investments	0.06%
Maximum Return on Investments	5.16%
Average Return on Investments	1.43%
Weighted Average Maturity (To Maturity)	323
Weighted Average Yield (To Maturity)	1.30%

LEGEND	
CD	Certificate of Deposit
SO	STAR Ohio
US	US Treasury Bills, Notes, Bonds
FFCB	Federal Farm Credit
FHLB	Federal Home Loan Bank
FNMA	Federal National Mortgage Association
FHLM	Federal Home Loan Mortgage Corporation
SLMA	Student Loan Mortgage Association
CO	Charter One Bank
FM	First Merit, First National Bank of Ohio
FT	Fifth Third Bank
HT	Huntington Capital Corp.
KEY	Key Bank/McDonald Investments

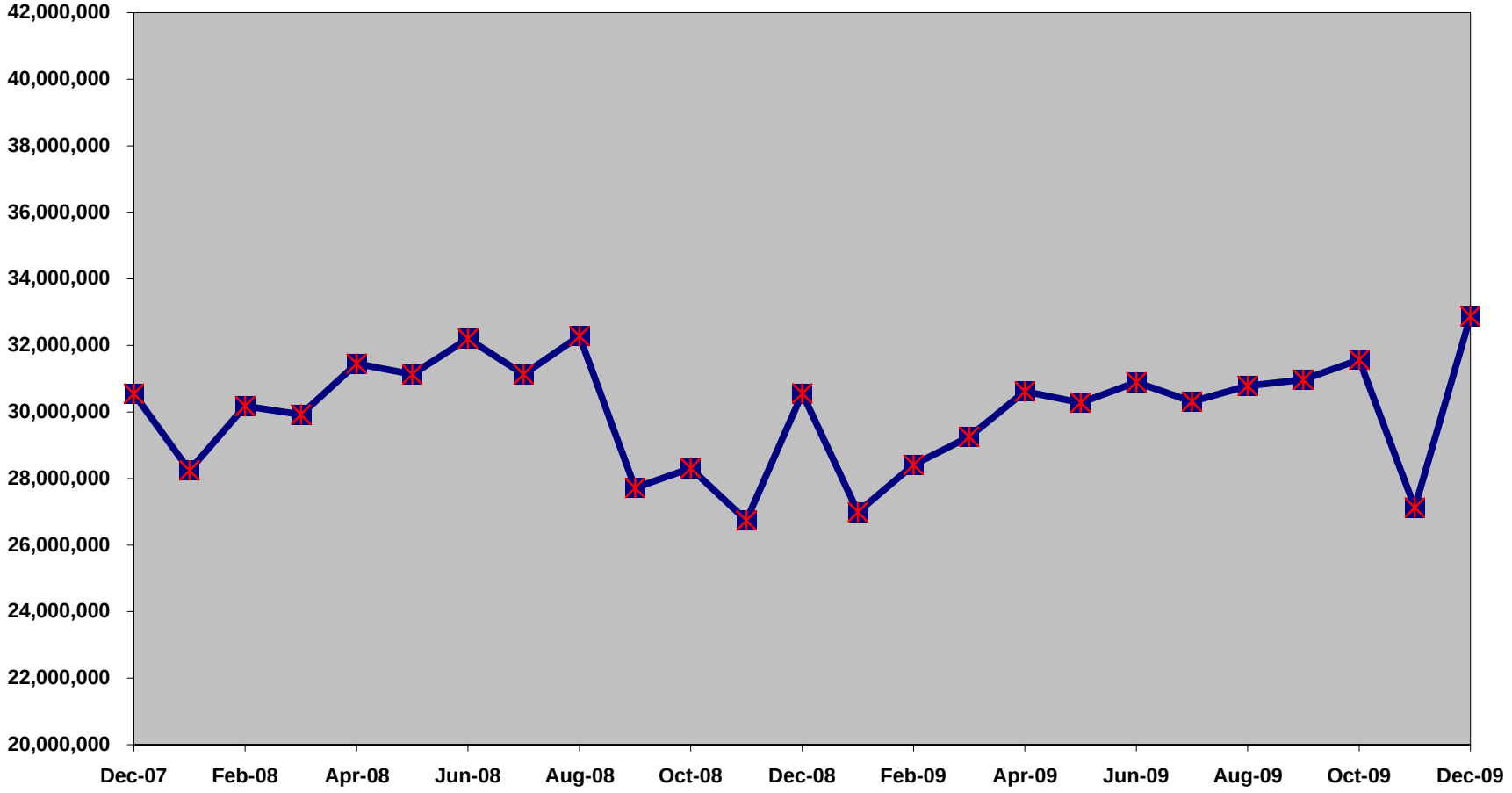
City of Beachwood
Investments
1/7/2010

Prepared by:

Report Date As Of → ***12/31/2009***

Investment Type (Bank)	Purchased Date	Par	Principal/ Amount Paid	(Premium)/ Discount	Accrued Interest Outstanding	Rate	Yield	Terms (Days)	Due Date	Coupon Date	Next Coupon Date	Days Remaining	Investment Maturity	Call Date
SO	12/31/2009	3,731,450.48	3,731,450.48	0.00	0.00	0.060%	0.06000%	0	12/31/2009	N/A	N/A	0	< 90 days	
FFCB(FT)	7/17/2007	1,000,000.00	994,425.00	5,575.00	0.00	4.920%	5.16164%	909	1/11/2010	1/11/2010	N/A	11	< 90 days	
US(FT)	2/13/2008	1,000,000.00	1,003,437.50	(3,437.50)	0.00	2.125%	1.94561%	718	1/31/2010	1/31/2010	N/A	31	< 90 days	
US(FT)	4/24/2008	1,000,000.00	997,031.25	2,968.75	0.00	2.000%	2.16390%	675	2/28/2010	2/28/2010	N/A	59	< 90 days	
US(HT)	4/18/2008	1,000,000.00	993,750.00	6,250.00	0.00	1.750%	2.07837%	712	3/31/2010	3/31/2010	N/A	90	> 91and < 180 days	
US(HT)	8/8/2008	1,000,000.00	1,027,420.00	(27,420.00)	0.00	4.000%	2.33021%	615	4/15/2010	4/15/2010	N/A	105	> 91and < 180 days	
US(HT)	7/17/2009	1,000,000.00	997,314.17	2,685.83	0.00	0.336%	0.33600%	293	5/6/2010	N/A	N/A	126	> 91and < 180 days	
US(FT)	7/17/2009	1,000,000.00	996,700.83	3,299.17	0.00	0.376%	0.37654%	321	6/3/2010	N/A	N/A	154	> 91and < 180 days	
CD(HT)	7/7/2009	1,000,000.00	1,000,000.00	0.00	0.00	1.160%	1.16000%	365	7/7/2010	N/A	N/A	188	>181 and < 365 days	
US(KEY)	8/8/2008	1,000,000.00	1,005,234.38	(5,234.38)	0.00	2.750%	2.47705%	722	7/31/2010	1/31/2010	7/31/2010	212	>181 and < 365 days	
CD(HT)	2/18/2009	1,000,000.00	1,000,000.00	0.00	0.00	1.720%	1.72000%	540	8/12/2010	N/A	N/A	224	>181 and < 365 days	
CD(HT)	9/30/2009	1,000,000.00	1,000,000.00	0.00	0.00	0.810%	0.81000%	365	9/30/2010	N/A	N/A	273	>181 and < 365 days	
US(KEY)	12/4/2009	1,000,000.00	997,576.39	2,423.61	0.00	0.254%	0.25393%	349	11/18/2010	N/A	N/A	322	>181 and < 365 days	
FHLB(FT)	6/2/2008	1,000,000.00	1,002,350.00	(2,350.00)	0.00	3.500%	3.40222%	921	12/10/2010	6/10/2010	12/10/2010	344	>181 and < 365 days	
CD(HT)	12/17/2009	1,000,000.00	1,000,000.00	0.00	0.00	0.750%	0.75000%	365	12/17/2010	N/A	N/A	351	>181 and < 365 days	
US(KEY)	5/21/2009	1,000,000.00	1,002,968.75	(2,968.75)	0.00	0.875%	0.68924%	589	12/31/2010	6/30/2010	12/31/2010	365	>365 days	
US(KEY)	2/4/2009	1,000,000.00	999,375.00	625.00	0.00	0.875%	0.90677%	726	1/31/2011	1/31/2010	7/31/2010	396	>365 days	
US(KEY)	3/6/2009	1,000,000.00	999,296.88	703.12	0.00	0.875%	0.91083%	724	2/28/2011	2/28/2010	8/31/2010	424	>365 days	
US(HT)	4/8/2009	1,000,000.00	999,843.75	156.25	0.00	0.875%	0.88297%	722	3/31/2011	3/31/2010	9/30/2010	455	>365 days	
US(KEY)	5/1/2009	1,000,000.00	999,375.00	625.00	0.00	0.875%	0.90665%	729	4/30/2011	4/30/2010	10/31/2010	485	>365 days	
US(HT)	8/27/2009	1,000,000.00	1,000,312.50	(312.50)	0.00	0.875%	0.85693%	642	5/31/2011	5/31/2010	11/30/2010	516	>365 days	
US(FT)	10/8/2009	1,000,000.00	1,004,765.63	(4,765.63)	1,875.00	1.000%	0.73471%	661	7/31/2011	1/31/2010	7/31/2010	577	>365 days	
FFCB(KEY)	8/31/2007	1,000,000.00	1,010,500.00	(10,500.00)	0.00	5.100%	4.80005%	1,439	8/9/2011	2/9/2010	8/9/2010	586	>365 days	
US(FT)	10/8/2009	1,000,000.00	1,003,828.13	(3,828.13)	1,049.72	1.000%	0.79597%	692	8/31/2011	2/28/2010	8/31/2010	608	>365 days	
US(HT)	10/8/2009	1,000,000.00	1,002,968.75	(2,968.75)	219.78	1.000%	0.84831%	722	9/30/2011	3/31/2010	9/30/2010	638	>365 days	
US(KEY)	11/17/2009	1,000,000.00	1,004,531.25	(4,531.25)	469.61	1.000%	0.76576%	713	10/31/2011	4/30/2010	10/31/2010	669	>365 days	
US(KEY)	12/4/2009	1,000,000.00	1,000,468.75	(468.75)	0.00	0.750%	0.72621%	726	11/30/2011	5/31/2010	11/30/2010	699	>365 days	
US(KEY)	11/17/2009	1,000,000.00	1,003,906.25	(3,906.25)	1,246.57	1.375%	1.23778%	1,063	10/15/2012	4/15/2010	10/15/2010	1,019	>720 days	
		30,731,450.48	30,778,830.64	(47,380.16)	4,860.68		40.087650%							

City of Beachwood
Unencumbered Balance at Month End
All Funds



Dates Through December 31, 2009

City of Beachwood
Daily Cash Balances
All Funds

City of Beachwood
Municipal Income Tax Revenue
For Tax Years 2008-2009

	Jan-09	Jan-08	**Feb-09**	Feb-08	**Mar-09**	Mar-08	**1st Quarter Total - 09**	1st Quarter Total - 08
Withholding	**$ 1,265,066**	$ 1,562,175	**$ 1,348,066**	$ 1,593,849	**$ 1,584,227**	$ 1,560,754	**$ 4,197,359**	$ 4,716,778
Net Profit	**$ 352,463**	$ 451,140	**$ 142,322**	$ 85,538	**$ 112,297**	$ 116,471	**$ 607,083**	$ 653,149
Individual	**$ 97,726**	$ 73,566	**$ 143,508**	$ 659,174	**$ 60,706**	$ 37,185	**$ 301,940**	$ 769,925
Total	**$ 1,715,255**	$ 2,086,881	**$ 1,633,897**	$ 2,338,562	**$ 1,757,230**	$ 1,714,409	**$ 5,106,382**	$ 6,139,852

	Apr-09	Apr-08	**May-09**	May-08	**Jun-09**	Jun-08	**2nd Quarter Total - 09**	2nd Quarter Total - 08
Withholding	**$ 1,268,002**	$ 1,308,876	**$ 1,042,827**	$ 1,382,856	**$ 1,512,447**	$ 1,545,309	**$ 3,823,276**	$ 4,237,041
Net Profit	**$ 334,030**	$ 247,262	**$ 292,952**	$ 413,597	**$ 188,924**	$ 149,992	**$ 815,906**	$ 810,852
Individual	**$ 38,785**	$ 119,978	**$ 207,316**	$ 251,552	**$ 173,853**	$ 136,094	**$ 419,955**	$ 507,625
Total	**$ 1,640,817**	$ 1,676,117	**$ 1,543,095**	$ 2,048,005	**$ 1,875,224**	$ 1,831,396	**$ 5,059,137**	$ 5,555,518

City of Beachwood
Municipal Income Tax Revenue
For Tax Years 2008-2009

	Jul-09	Jul-08	**Aug-09**	Aug-08	**Sep-09**	Sep-08	**3rd Quarter Total - 09**	3rd Quarter Total - 08
Withholding	**$ 1,296,076**	$ 1,290,070	**$ 1,031,083**	$ 1,325,739	**$ 1,358,857**	$ 1,603,317	**$ 3,686,016**	$ 4,219,126
Net Profit	**$ 226,384**	$ 132,487	**$ (1,827)**	$ 150,284	**$ 49,487**	$ 61,373	**$ 274,044**	$ 344,144
Individual	**$ 71,515**	$ 308,618	**$ 124,857**	$ 126,570	**$ 47,278**	$ 47,829	**$ 243,650**	$ 483,017
Total	**$ 1,593,975**	$ 1,731,174	**$ 1,154,113**	$ 1,602,594	**$ 1,455,622**	$ 1,712,519	**$ 4,203,710**	$ 5,046,287

	Oct-09	Oct-08	**Nov-09**	Nov-08	**Dec-09**	Dec-08	**4th Quarter Total - 09**	4th Quarter Total - 08
Withholding	**$ 1,107,893**	$ 1,314,090	**$ 1,073,002**	$ 1,170,883	**$ 1,412,559**	$ 1,395,006	**$ 3,593,454**	$ 3,879,979
Net Profit	**$ 338,540**	$ 324,490	**$ 91,062**	$ 104,043	**$ 166,132**	$ 130,130	**$ 595,734**	$ 558,663
Individual	**$ 57,922**	$ 38,778	**$ 237,589**	$ 187,170	**$ 405**	$ 109,113	**$ 295,915**	$ 335,061
Total	**$ 1,504,355**	$ 1,677,359	**$ 1,401,654**	$ 1,462,095	**$ 1,579,096**	$ 1,634,249	**$ 4,485,104**	$ 4,773,703

City of Beachwood
Municipal Income Tax Revenue
For Tax Years 2008-2009

	YTD 09	YTD 08	***VARIANCE***	***% VAR***
Withholding	**$ 15,300,106**	$ 17,052,924	**$ (1,752,818)**	**-10.28%**
Net Profit	**$ 2,292,767**	$ 2,366,808	**$ (74,040)**	**-3.13%**
Individual	**$ 1,261,460**	$ 2,095,627	**$ (834,168)**	**-39.81%**
Total	**$ 18,854,333**	$ 21,515,359	**$ (2,661,026)**	**-12.37%**

*All collections are net of refunds processed in period and retainer withheld for RITA fees.

* Collections are compared to like periods from previous years, any difference between current month and financials are due to timing differences when actual monies are received from RITA.

City of Beachwood
Zone Income Tax Fund
Joint Economic Development District Summary
For Tax Year 2009

	City of Beachwood		City of Cleveland		City of Warrensville Heights	
	Dec-09	Year-To-Date	Dec-09	Year-To-Date	Dec-09	Year-To-Date
REVENUE						
Withholding	$24,640.38	$259,134.09	$13,274.87	$132,041.97	$11,365.54	$127,092.26
2007 Retainer Refund	$0.00	$5,029.50	$0.00	$2,514.75	$0.00	$2,514.75
Retainer Refund	$221.77	$2,348.82	$119.47	$1,205.04	$102.29	$1,143.95
Total Zone Income	$24,418.61	$261,814.77	$13,155.40	$133,351.68	$11,263.25	$128,463.06
EXPENDITURE						
Income Tax Collection	$517.43	$5,480.69	$278.78	$2,811.67	$238.68	$2,669.18
JEDD Tax Disbursement	$23,901.18	$256,334.08	$12,876.62	$130,540.01	$11,024.57	$125,793.88
Total Zone Expenditure	$24,418.61	$261,814.77	$13,155.40	$133,351.68	$11,263.25	$128,463.06

	Dec-09	YTD 09
TOTAL ZONE INCOME	**$48,837.26**	**$523,629.51**
TOTAL ZONE EXPENDITURE	**$48,837.26**	**$523,629.51**
ZONE INCOME TAX BALANCE	**$0.00**	**$0.00**

*All withholdings are net of refunds processed in period and retainer withheld for RITA fees.

CITY OF EUCLID, OHIO

SINGLE AUDIT REPORT

FOR THE YEAR ENDED DECEMBER 31, 2010

James G. Zupka, CPA, Inc.
Certified Public Accountants

Dave Yost • Auditor of State

City Council
City of Euclid
585 E. 222 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, 2010 through December 31, 2010. 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.

Dave Yost
Auditor of State

August 29, 2011

88 East Broad Street, Fifth Floor, Columbus, Ohio 43215-3506
Phone: 614-466-4514 or 800-282-0370 Fax: 614-466-4490
www. auditor.state.oh.us

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CITY OF EUCLID, OHIO
SINGLE AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2010

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JAMES G. ZUPKA, C.P.A., INC.
Certified Public Accountants
5240 East 98th Street
Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants (216) 475 - 6136 Ohio Society of Certified Public Accountants

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Members of City Council and
Members of the Audit Committee
City of Euclid, Ohio

We have audited 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, 2010, which collectively comprise the City of Euclid, Ohio's basic financial statements and have issued our report thereon dated June 3, 2011, wherein we noted that the City restated its net assets due to a correction in reporting of accounts payable of the Water Line Improvement Fund reported as an enterprise fund. 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. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be a significant deficiency in internal control over financial reporting and is listed as **Item No. 2010-001**. A *significant deficiency* is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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 certain matters that we reported to management of the City of Euclid, Ohio, in a separate letter dated June 3, 2011.

The City of Euclid, Ohio's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the City of Euclid, Ohio's response and, accordingly, we express no opinion on it.

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.

James G. Zupka, CPA, Inc.
Certified Public Accountant

June 3, 2011

JAMES G. ZUPKA, C.P.A., INC.
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5240 East 98th Street
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REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON 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 City of Euclid, Cuyahoga County, Ohio's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Euclid, Ohio's major federal programs for the year ended December 31, 2010. The City of Euclid, Ohio's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs 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 compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010.

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 to determine the 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, 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 and for the year ended December 31, 2010, and have issued our report thereon dated June 3, 2011, 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 the 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.

James G. Zupka, CPA, Inc.
Certified Public Accountants

June 3, 2011

CITY OF EUCLID, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2010

Federal Grantor/ *Pass-Through Grantor/* Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Expenditures
U.S. Department of Housing and Urban Development			
Direct Award			
Community Development Block Grant			
Entitlement Grant	14.218	B-09MC-39-0008	$ 405,593
Entitlement Grant	14.218	B-10MC-39-0006	720,410
Entitlement Grant	14.218	B-08-MN-39-0008	1,382,962
Total U.S. Department of Housing and Urban Development			2,508,965
U.S. Department of Energy			
Direct Award			
ARRA - Energy Efficiency and Conservation Grant	81.128	DE-EE0001561	41,905
Total U.S. Department of Energy			41,905
U.S. Department of Justice			
Direct Award			
Bulletproof Vest Program	16.607		1,045
ARRA - COPS Hiring Recovery Program (CHRP)	16.710	2009RKWX0671	317,798
Justice Assistance Grant	16.738		43,713
Justice Assistance Grant - Victim Assistance	16.738		29,484
Justice Assistance Grant - Law Enforcement	16.738	2008-JG-LLE-5269	10,178
Subtotal CFDA #16.738			83,375
Total U.S. Department of Justice			402,218
Federal Emergency Management Agency			
Direct Award			
Assistance to Firefighters Grant - Fire Prevention and Safety Program	97.044	EMW-2009-FV-03230	600,000
Total Federal Emergency Management Agency			600,000
U.S. Department of Health and Human Services			
Pass-Through Programs from State Department of Aging and the Western Reserve Area Agency on Aging			
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045		65,345
Total U.S. Department of Health and Human Services			65,345
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 3,618,433

See accompanying notes to the Schedule of Expenditures of Federal Awards.

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, 2010

1. SUMMARY OF AUDITOR'S RESULTS

2010(i)	Type of Financial Statement Opinion	Unqualified
2010(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
2010(ii)	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	Yes
2010(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2010(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
2010(iv)	Were there any other significant deficiencies in internal control reported for major federal programs?	No
2010(v)	Type of Major Programs' Compliance Opinions	Unqualified
2010(vi)	Are there any reportable findings under .510?	No
2010(vii)	Major Programs (list):	
	Assistance to Firefighters Grant - Fire Prevention and Safety Program - CFDA #97.044 ARRA - Cops Hiring Recovery Program - CFDA #16.710	
2010(viii)	Dollar Threshold: A/B Programs	Type A: $300,000 Type B: All Others
2010(ix)	Low Risk Auditee?	Yes

2. FINDING RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

Item No. 2010-001 - Significant Deficiency - Evidence Rooms

Statement of Condition/Criteria

While performing audit fieldwork at the City, it was brought to our attention by the City that there was a possibility of missing funds and items from the Police Department's Evidence Room. During our review of the controls for the Police Department's Evidence Room, the following was noted:

Narcotics Evidence Room

1. The room does not have a camera or form of control to monitor who accesses the room and when.
2. Evidence is logged into a handwritten book with no digital copy.
3. Cash is kept along with the rest of the evidence.
4. Multiple individuals have access to the Narcotics Evidence Room.

Regular Evidence Room

1. Lockers are used to store evidence by shift and are not emptied until the employee assigned to the Evidence Room is available. This allows all evidence from that shift to be accessed by anyone working during that shift.
2. A handwritten logbook is used when placing evidence into lockers.
3. Multiple individuals have access to the Regular Evidence Room.

Cause/Effect

Controls are inadequate and allow for the possibility of missing items and funds from the Evidence Room.

2. FINDING RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

Item No. 2010-001 - Significant Deficiency - Evidence Rooms (Continued)

Recommendation

We recommend that the City's Police Department put in place a monitoring system that tracks who goes into and out of the Narcotics Evidence Room. This could include a camera system with search data history storage capabilities (video, digital, or hard-drive storage) that would allow the City to view activity history as necessary. We also recommend the City institute procedures to monitor cash held in the Narcotics Evidence Room and the Regular Evidence Room. For the Regular Evidence Room, we recommend that evidence from each officer be secured immediately, which will limit the numbers of individuals that have access to the evidence, as well as limit the contact other officers have with the evidence. We also recommend that evidence be logged electronically to avoid records tampering.

We did note that the following controls were implemented in 2011:

1. A FOB system was added to the Narcotics Evidence Room to log who goes into the room and when.
2. The Regular Evidence Room is in the process of creating storage units that, once evidence is put into the storage unit, the unit cannot be reopened until the evidence is removed, limiting access to the evidence.

City's Response/Corrective Action Plan

In addition to the FOB system and other procedures mentioned above, the Department is adopting a strict policy for the operations of both the evidence and property, similar to that of other local communities. The City has also engaged the services of the Ohio Association of Police Chiefs to conduct a comprehensive Organizational Evaluation of the entire Euclid Police Department, including the operations of the Property and Evidence rooms.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

The prior audit report, as of December 31, 2009, included no citations or instances of noncompliance. Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

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Comprehensive Annual Financial Report

For the fiscal year ended December 31, 2010

2010

Euclid, Ohio

CITY OF EUCLID, OHIO

EUCLID, OHIO

Comprehensive Annual Financial Report

For the Year Ended December 31, 2010

Issued by: Finance Department
Philip M. Brett, CPA
Director of Finance

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EUCLID
THE LAKEFRONT CITY OF SUPERIOR SERVICES
585 East 222nd Street, Euclid, OH 44123-2099
www.cityofeuclid.com

June 23, 2011

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, 2010, 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. In November, four (4) council members will be elected to four-year terms while the remaining 5 council members will stand for election to two-year terms. Upon expiration of their two year terms, those five council members will stand for four-year terms. 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 Improvement, and the Briardale Greens Golf Course. All are accounted for in the City's enterprise funds. In February 2010, the City entered into a management agreement with Billy Casper 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 using Vectron as the provider for natural gas and electricity. Residents can also obtain electricity from First Energy Solutions 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 had a devastating effect on fund balance reserves. In 2010, the City instituted charges to residents for trash collection and street lighting costs. Extensions of those charges for 2012 have been authorized by City Council.

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. In the final quarter of 2010, national, state and local employment data stabilized. Profits for some of the City's largest employers improved and municipal income tax revenues finished within 1% of 2009 levels and are expected to increase by 2% in 2011. To date, municipal income tax receipts are outpacing the City's projections.

Major industrial companies, such as Lincoln Electric Company and Babcock & Wilcox, developed new products or began research and development of new products. Lincoln Electric acquired several companies overseas and returned to a full forty-hour workweek for its employees. In addition, the company hired 145 new employees; 100 of whom were management level employees. It is hoped that this is the precursor to the hiring of additional manufacturing positions.

The City's commercial/retail sector continues 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 has constructed a 2.5 megawatt Kenersys wind turbine on its Euclid Campus. The turbine is one of the largest constructed in the State to date. The project will serve as a demonstration of wind turbine technology 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 innovative 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 will be completed in 2011, along with the $1.2 million Shore Center Shopping Center renovation. The renovation plans for these east and west anchors of downtown Euclid 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, has located in the center having invested $1.2 million in its store.

Over all, between 2009 and 2010, over $15 million in new investment will have occurred in Downtown Euclid.

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. In 2010, the City received three grants totaling $600,000 from three different state sources: $100,000 from the Nature Works Program, $150,000 from the Recreational Trails Program and $350,000 from the Clean Ohio Fund. Together with financing made possible through its Tax Incremental Financing Projects, the City plans to make more than $1 million in improvements to the Lakefront in 2011. Projects include property acquisition for public improvements such as new access roads and public parking, public trails, boardwalk trails and the extension of the fishing pier.

Long-Term Financial Planning

The City utilizes long-term planning for the funding of capital projects through a Five-Year Capital Plan. The plan is a document through which the major capital projects of the City are identified and subsequently matched to funding sources. The plan is updated annually to include new projects, revise projects listed and remove those completed.

Although the City has not adopted a formal minimum fund balance policy, the City has always tried to maintain a general fund balance that would finance a minimum of three months operations. The Finance Department reviews all monitory transactions on an on-going basis and works diligently to monitor revenues and reprioritize expenditures so that all fund balances, especially the General Fund, maintain optimal balances.

FINANCIAL INFORMATION

Summary of Accounting Policies and Budgetary Control

The City of Euclid's accounting system is organized and operated on a fund basis. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. The types of funds to be used are determined by General Accepted Accounting Principles (GAAP) and the number of individual funds established is determined by sound financial administration. Each fund is a separate accounting entity with its own self-balancing set of accounts, assets, liabilities, and fund balance. The City's governmental funds include the General Fund, Special Revenue funds, Debt Service funds, and Capital Projects funds. The City's Proprietary funds are its Enterprise funds that provide services to the general public, including utilities and recreation, and Internal Service funds that provide services to City departments, divisions, and other governments. The City also maintains Fiduciary funds to account for assets held by the City as an agent, or in a trust capacity for individuals, private organizations, and other governments.

Except for budgetary purposes, the basis of accounting used by the City conforms to GAAP as applicable to governmental units. All governmental funds are accounted for using current financial resources, current assets, and current liabilities measurement focus. The modified accrual basis of accounting is utilized for governmental funds. Revenues are recognized in the accounting period when they become both measurable and available. Expenditures are recognized when the liability is incurred, if measurable, except for interest on general obligation debt, which is recognized when due.

The measurement focus of the City's proprietary funds is on the flow of total economic resources. The accrual basis of accounting is utilized for the proprietary funds. Revenues are recognized when earned and expenses are recognized when incurred.

The City's basis of accounting for budgetary purposes differs from GAAP in that revenues are recognized when received, rather than when susceptible to accrual (measurable and available), and encumbrances are included as expenditures rather than included in fund balances.

For the year ended December 31, 2003, the City changed its financial reporting to comply with GASB Statement No. 34, Basic Financial Statements and Management' 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, 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. On the government fund financial statements, these encumbrances are reported as a reservation of fund balance at December 31, 2010. Unencumbered appropriations lapse at year-end and become available for future appropriations.

Internal Accounting and Reporting Control

The Mayor and administrators are responsible for implementing an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse. The internal control structure ensures that accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. All internal controls are designed within the above framework. Accordingly, we believe the City's system of internal accounting controls is adequate to safeguard assets and provide reasonable assurance of proper recording of transactions.

OTHER INFORMATION

Independent Audit

In accordance with Ohio law, an annual independent audit is required to be performed on all financial operations of the City. The Auditor of the State of Ohio has authorized the audit for 2010 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 James G. Zupka, CPA, Inc. provides information to the City to enable it to maintain and strengthen the City's accounting and budgeting controls.

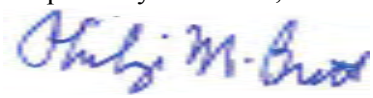
The City of Euclid receives federal financial assistance through various federal grant programs. An audit in accordance with the Single Audit Act of 1996 and U.S. Office of Management and Budget (OMB) Circular A-133, Audits of State and Local Governments and Non-Profit Organizations and Government Auditing Standards, issued by the Comptroller General of the United States, has been performed for the fiscal year ended December 31, 2010. The required reports on supplementary information, compliance, and internal controls, along with various supplementary schedules, are included in a separate report.

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Euclid for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2009. 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,



Philip M. Brett, CPA
Director of Finance

Bill Cervenik, CPA
Mayor

CITY OF EUCLID, OHIO

"A City of Superior Services"

BILL CERVENIK -***Mayor***

Directors & Chiefs

CHRIS FREY-*Law*

PHILIP BRETT-*Finance*

FRANK PIETRAVOIA –*Economic Development*

CHIEF THOMAS COSGRIFF-*Fire*

RANDY SMITH-*Public Service*

KATHY WILL-*Recreation*

CHIEF JAMES REPICKY –*Police*

Municipal Court

DEBORAH LEBARRON –*Judge*

Euclid City Council

KIRSTEN HOLZHEIMER GAIL- *President of Council*

DAVID GILLIHAM – *Ward I*

MADELINE SCARNIENCH – *Ward II*

KANDACE JONES – *Ward III*

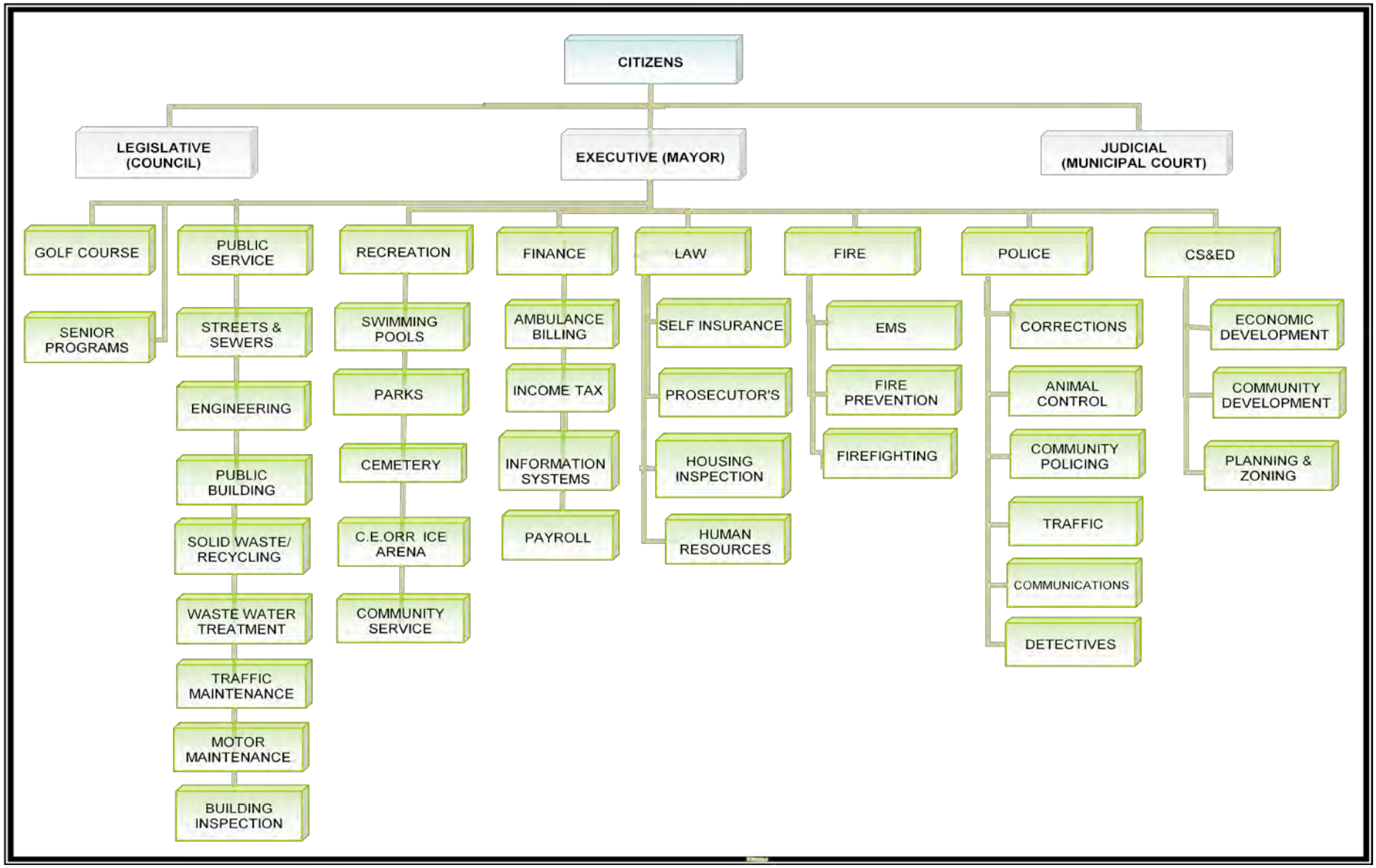
MARY JO MINARIK – *Ward IV*

MICHAEL F. O'NEILL- *Ward V*

JOHN M. WOJTILA – *Ward VI*

DARYL LANGMAN – *Ward VII*

GREG VAN HO – *Ward VIII*


CITIZENS
LEGISLATIVE (COUNCIL)
EXECUTIVE (MAYOR)
JUDICIAL (MUNICIPAL COURT)
GOLF COURSE
SENIOR PROGRAMS
PUBLIC SERVICE
STREETS & SEWERS
ENGINEERING
PUBLIC BUILDING
SOLID WASTE/ RECYCLING
WASTE WATER TREATMENT
TRAFFIC MAINTENANCE
MOTOR MAINTENANCE
BUILDING INSPECTION
RECREATION
SWIMMING POOLS
PARKS
CEMETERY
C.E.ORR ICE ARENA
COMMUNITY SERVICE
FINANCE
AMBULANCE BILLING
INCOME TAX
INFORMATION SYSTEMS
PAYROLL
LAW
SELF INSURANCE
PROSECUTOR'S
HOUSING INSPECTION
HUMAN RESOURCES
FIRE
EMS
FIRE PREVENTION
FIREFIGHTING
POLICE
CORRECTIONS
ANIMAL CONTROL
COMMUNITY POLICING
TRAFFIC
COMMUNICATIONS
DETECTIVES
CS&ED
ECONOMIC DEVELOPMENT
COMMUNITY DEVELOPMENT
PLANNING & ZONING

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, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director

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 Dave Yost
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, 2010, 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, 2010, 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.

As described in Note 4, the City restated its net assets due to a correction in reporting of accounts payable of the Water Line Improvement Fund as an enterprise fund.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 3, 2011, on our consideration of the City of Euclid, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* 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 18 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of 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.

James G. Zupka, CPA, Inc.
Certified Public Accountants

June 3, 2011

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, 2010. 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 2010 are as follows:

- Total assets of the City exceeded liabilities at the close of 2010 by $103,241,247 compared to $95,232,469 at the end of 2009, an increase of $8,008,778 or 8.41 percent. Of these amounts, $13,327,382 (2010) and $14,713,008 (2009) 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 increased by $3,049,782 with governmental activities increasing by $3,427,667 and business-type activities decreasing by $377,885. The governmental activities increase is reflected primarily in special assessment receivables.

- Municipal income tax revenue for 2010 was $22,994,810 versus $22,527,179 in 2009, an increase of $467,631 or 2.08 percent.

- Property taxes for governmental activities increased by $93,754, or 1.85 percent, to $5,162,960.

- Together, municipal income taxes and property taxes accounted for **$**28,157,770 in revenue, or 52.16 percent**,** of all revenues in governmental activities.

- Grants and entitlements not restricted to specific programs increased by $989,339, or 16.81 percent, to $6,874,711.

- Charges for services in business-type activities decreased by $2,772,261, or 20.43 percent, from $13,570,441 in 2009 to $10,798,180 in 2010.

- The City's debt, including compensated absences, decreased by $1,296,036, or 3.09 percent, to $40,699,156 in the governmental activities.

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 19**,** are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business.

The S*tatement 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 2010, Governmental Activities unrestricted net assets rose by $1,692,564 or 50.37 percent. Special Assessment Receivables rose by $2,862,284 or 178.49 percent. The primary reason was the addition of two new special assessments for street lighting and sanitation. In Business-Type Activities unrestricted net assets were reduced by $3,078,190 or 27.11 percent. There were a number of sewer system improvement construction projects that were partially funded by the Wastewater Treatment Fund. The City has also begun negotiations with the EPA to define the necessary steps in the implementation of a Long Term Storm Water Runoff Control Plan.

The S*tatement 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 2010, Business-Type Activities expenses decreased by $1,800,972 or 14.02 percent. This decrease was due to the number of studies completed in the previous year for improvements to the water and sewers, as well as a reduction in the operating expenses of the golf course due to the contracting with a management company to oversee the golf course.

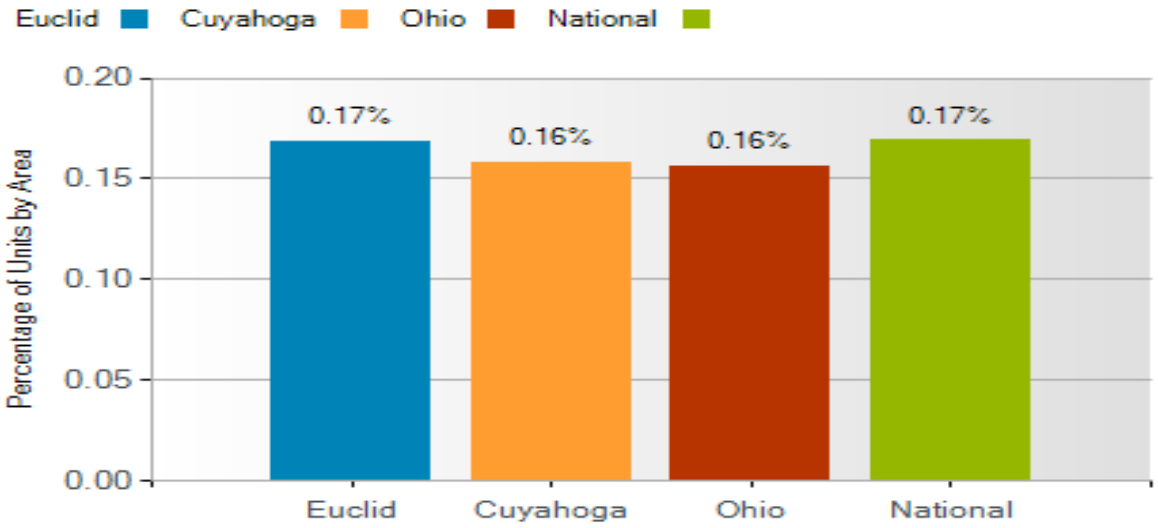
Revenues in Business-Type Activities decreased by $2,047,605 or 13.02 percent. This reflects a decrease in Charges for Services revenue collected by the Golf Course. During 2010, the City contracted with a management company to oversee the golf course, which reduced the amount received from charges for services.

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.

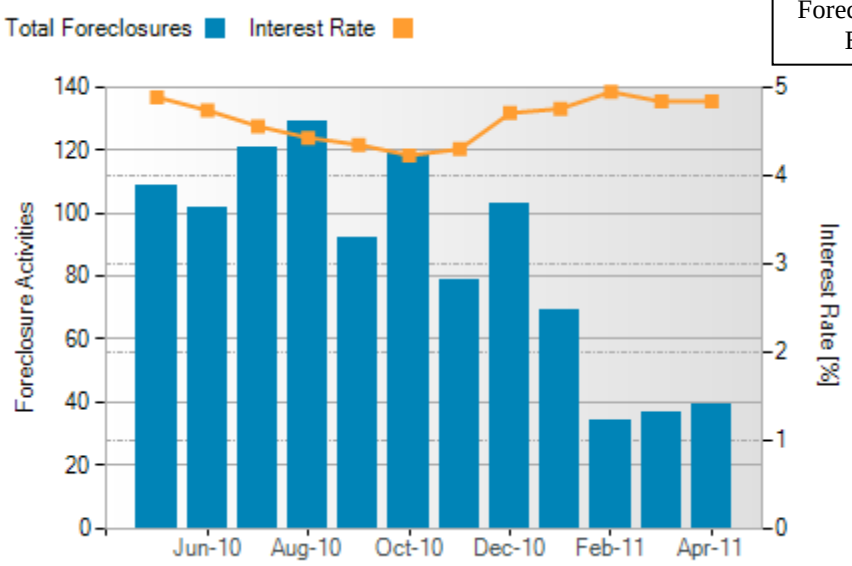
Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and 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.

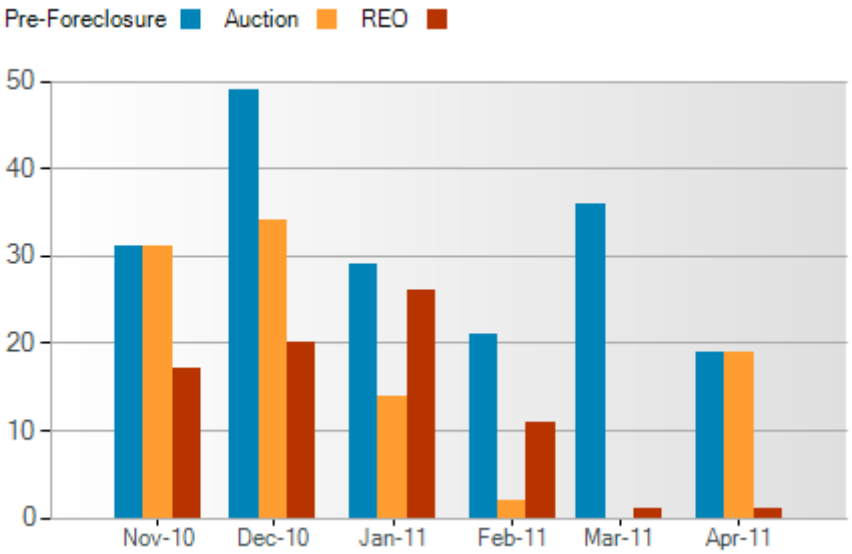
2010 General Fund revenues increased over 2009 revenues but were still almost $1.3 million less than 2008 revenues. 2010 revenues exceeded 2009 revenues by more than $1 million and 2010 expenditures were more than $1 million less than 2009 expenditures. Rather than using cash reserves to meet expenditures, the City was able to increase cash reserves in the General Fund by more than $1.1 million.

During 2010, Euclid experienced home foreclosures at a rate virtually identical to the national average and slightly above the state and county average. During 2010 and early 2011, Ohio had the twelfth highest rate of foreclosure whereas before it was one of the top three states for foreclosures.



Foreclosures in Euclid





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 are provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund, Special Revenue funds, Debt Service Fund, Capital Projects funds, Enterprise funds, and Internal Service Fund. The General Fund budgetary comparison has been provided as a separate financial statement to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 21 through 25 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 26 through 28 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 29 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 30 through 68 of this report.

Government-Wide Financial Analysis

This is the eighth 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 eighth 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	
	2010	2009	2010	2009 Restated	2010	2009 Restated
Assets						
Current and Other Assets	$ 37,201,588	$ 31,607,830	$ 10,792,820	$ 15,720,717	$ 47,994,408	$ 47,328,547
Capital Assets	66,889,885	69,055,976	65,802,975	61,252,963	132,692,860	130,308,939
Total Assets	$ 104,091,473	$ 100,663,806	$ 76,595,795	$ 76,973,680	$ 180,687,268	$ 177,637,486
Liabilities						
Current and Other Liabilities	$ 8,706,251	$ 9,356,455	$ 1,680,159	$ 3,514,906	$ 10,386,410	$ 12,871,361
Long Term Liabilities:						
Due within One Year	7,822,082	7,108,736	9,847,730	10,246,340	17,669,812	17,355,076
Due in More than One Year	32,877,074	34,886,456	16,512,725	17,292,124	49,389,799	52,178,580
Total Liabilities	49,405,407	51,351,647	28,040,614	31,053,370	77,446,021	82,405,017
Net Assets						
Invested in Capital Assets Net of Debt	36,290,780	37,644,890	40,280,422	34,567,361	76,571,202	72,212,251
Restricted	13,342,663	8,307,210	0	0	13,342,663	8,307,210
Unrestricted	5,052,623	3,360,059	8,274,759	11,352,949	13,327,382	14,713,008
Total Net Assets	$ 54,686,066	$ 49,312,159	$ 48,555,181	$ 45,920,310	$ 103,241,247	$ 95,232,469

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 $103,241,247 at the close of the most recent fiscal year.

By far the largest portion of the City's net assets, 74.16 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.

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	
	2010	2009	2010	2009 Restated	2010	2009 Restated
Revenues						
Program Revenues:						
Charges for Services	$ 11,414,708	$ 7,343,412	$ 10,798,180	$ 13,570,441	$ 22,212,888	$ 20,913,853
Operating Grants and Contributions	6,234,538	3,554,378	184,648	227,712	6,419,186	3,782,090
Capital Grants and Contributions	350,000	0	884,306	1,137,213	1,234,306	1,137,213
General Revenues:						
Property Taxes	5,162,960	5,069,206	365,166	465,667	5,528,126	5,534,873
Income Taxes	22,994,810	22,527,179	0	0	22,994,810	22,527,179
Grants and Entitlements	6,874,711	5,885,372	0	0	6,874,711	5,885,372
Investment Earnings	173,483	451,410	9,856	4,339	183,339	455,749
Payment in Lieu of Taxes	174,801	172,310	0	0	174,801	172,310
Miscellaneous	478,952	1,196,228	1,434,192	318,581	1,913,144	1,514,809
Gain on Sale of Capital Assets	128,453	45,431	0	0	128,453	45,431
Total Revenues	53,987,416	46,244,926	13,676,348	15,723,953	67,663,764	61,968,879
Expenses						
General Government	13,105,802	13,389,365	0	0	13,105,802	13,389,365
Security of Persons & Property	20,607,153	21,052,721	0	0	20,607,153	21,052,721
Sanitation	1,916,687	2,251,317	0	0	1,916,687	2,251,317
Public Health	273,641	280,112	0	0	273,641	280,112
Lesiure Time Services	1,766,298	2,095,133	0	0	1,766,298	2,095,133
Community and Economic Development	2,873,059	2,846,921	0	0	2,873,059	2,846,921
Transportation	6,647,276	7,382,963	0	0	6,647,276	7,382,963
Interest and Fiscal Charges	1,418,378	1,406,102	0	0	1,418,378	1,406,102
Briardale Greens Golf Course	0	0	142,248	894,060	142,248	894,060
Waste Water Treatment	0	0	9,938,574	10,920,206	9,938,574	10,920,206
Water Line Improvement	0	0	965,870	1,033,398	965,870	1,033,398
Total Expenses	48,608,294	50,704,634	11,046,692	12,847,664	59,654,986	63,552,298
Increase (Decrease) in Net Assets Before Transfers	5,379,122	(4,459,708)	2,629,656	2,876,289	8,008,778	(1,583,419)
Transfers	(5,215)	0	5,215	0	0	0
Change in Net Assets	5,373,907	(4,459,708)	2,634,871	2,876,289	8,008,778	(1,583,419)
Net Assets at Beginning of Year, as Restated	49,312,159	53,771,867	45,920,310	43,044,021	95,232,469	96,815,888
Net Assets End of Year	$ 54,686,066	$ 49,312,159	$ 48,555,181	$ 45,920,310	$ 103,241,247	$ 95,232,469

Governmental Activities

Several revenue sources fund the City's governmental activities with income tax revenue being the largest source. The City levies a municipal income tax of 2.85 percent on all income earned within the City, as well as on income of residents earned outside the City, of which .2.38 percent is used to finance the City's operations, while the remaining portion is shared with the Euclid City School District. The City allows a credit of 100 percent on the income earned outside of the City and paid to another municipality.

A summary of governmental activity expenses and the net cost of providing these services (excluding general revenues) are presented below.

Table 3 - Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2010	2009	2010	2009
General Government	$ 13,105,802	$ 13,389,365	$ 7,850,818	$ 10,950,639
Security of Persons & Property	20,607,153	21,052,721	15,789,815	17,715,394
Sanitation	1,916,687	2,251,317	579,233	2,251,317
Public Health	273,641	280,112	191,573	201,714
Lesiure Time Services	1,766,298	2,095,133	1,328,884	1,494,497
Community and Economic Development	2,873,059	2,846,921	(1,377,419)	217,909
Transportation	6,647,276	7,382,963	4,827,766	5,569,272
Interest and Fiscal Charges	1,418,378	1,406,102	1,418,378	1,406,102
Total Cost of Services	$ 48,608,294	$ 50,704,634	$ 30,609,048	$ 39,806,844

Security of Persons and Property expenses totaled $20,607,153, or 42.39 percent, of the total 2010 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, 2010, the City employed 98 full time police officers and 76 full time firefighters. General Government expenses totaled $13,105,802 or 26.96 percent, of total 2010 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 2010 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 2010, operating expenses in the fund decreased by $859,529 or 59.47 percent while operating revenues decreased by $223,936 or 9.81 percent. The operating revenue decrease is primarily due to the decrease in the charges for services due to continued conservation effort. The expenses decrease reflects a decrease in the number of outstanding studies relating to the upgrading of the water lines.

Briardale Greens Golf Course Fund: The Briardale Greens Golf Course is a public golf course built upon land that was the site of a World War II housing project and is situated on the north side of the City. For 2010, the firm of Billy Casper Golf Management Company has been contracted to manage and operate the golf course.

Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, 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 $15,305,006, an increase of $2,128,304 from the prior year. Of the total, $7,426,772 is the General Fund's ending fund balance, an $893,615 increase over 2009. The General Obligation Bond Retirement Fund decreased by $380,126 to $3,275,849. All other governmental funds showed an increase in fund balances of $1,614,815 to $4,602,385 over 2009.

The income tax is the largest single source of revenue for the General Fund. In 2010, the City experienced a modest decrease of $130,000 (less than .6 percent) in income tax revenue. The special assessments assessed for refuse collection and street lighting described above, enabled the City to maintain its superior level of service, expand services through the reinstitution of the recycling program and increase the General Fund cash balance by more than $1 million, due to the issuance of internally held debt in anticipation of special assessments.

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 $6,114,271 and total fund balance of $7,426,772 to total fund expenditures of $36,029,306. Unreserved General Fund balance represents 16.97 percent of total General Fund expenditures, while total fund balance represents 20.61 percent of that same amount.

On a cash basis, projected budgetary fund balance in the General Fund, for year ending 2010 was about $1.08 million. Budgetary fund balance increased by $1,048,877 taking budgetary fund balance from $1,679,971 to $2,777,636.

Analysis of General Fund Revenues

Municipal Income Taxes

Ohio law authorizes the levy of a municipal income tax at a rate not to exceed 1 percent by an act of Council, solely, without a vote of the electors. Municipal income taxes in excess of 1 percent must first be approved by a vote of the electors and be for a specified purpose. In 1968, by act of Council, a 1 percent income tax rate was established. In 1979, based upon a vote of the electors, the tax rate was increased to 1.5 percent. In 1982, based upon a vote of the electors, the tax rate was increased to 2 percent.

In 1994 the electors voted to increase the income tax rate to 2.85 percent. The 2.85 percent rate is split between the City and the Euclid Board of Education, with the City receiving income tax at the rate of 2.38 percent and the Euclid Board of Education receiving income tax at the rate of .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.

2010 income tax revenues were down, by .6 percent or $130,000 from 2009. For 2011, we are budgeting an increase of 2 percent, which we believe to be a conservative estimate. For the first quarter of 2011, receipts are in line with these projections. We expect that Euclid City Schools' 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.

Property Taxes

Taxes collected from real property in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year. Taxes collected from tangible personal property in one calendar year are levied in the same calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of the current calendar year, and at the rates determined in the preceding year. Beginning in tax year 2006, tangible personal property tax assessment rates, and therefore revenue, started to be phased out due to legislation passed by the state of Ohio. This phase out results in the reduction in the tax of approximately 25 percent per year. As personal property taxes were being phased out, the City received reimbursements from the state of Ohio to offset the loss of revenue. The original plan was for the City to be made whole the first five years followed by a gradual phase out of the reimbursements from 2011 through 2018. However, faced with a budget crisis of its own, the State begun discussions to phase out the reimbursements immediately or over a much shorter time frame. Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year.

The "assessed valuation" of real property is fixed at 35 percent of true value and is determined pursuant to rules of the State Tax Commissioner. An exception is that real property devoted exclusively to agricultural used to be assessed at not more than 35 percent of its current agricultural use value. Real property devoted exclusively to forestry or timber growing is taxed at 50 percent of the local tax rate multiplied by the assessed value

The details of property tax valuations and tax rates relating to collections for the last three years can be found in the following table:

Table 4 - Tax Rates (Per $1,000 of Assessed Valuation

Purpose	2010	2009	2008
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	15.60	15.60	15.60
Assessed Valuation	$ 746,769,750	$ 749,989,650	$ 837,916,020

Property tax collections have dropped significantly due to a decline in our assessed valuation. This in spite of a charter provision that applies HB 920 reduction factors to charter millage as if they were voted levies. The charter amendment takes its name and acts the same as HB 920 which was enacted by the state in the mid 1970's to freeze the amount of money a voted levy generates over the life of the levy. As property values increase/decrease, property taxes do not change as a result. HB 920 was designed to hold homeowners harmless from the increasing value of their homes and protect them from inflation. At the core of HB 920 is the assumption that home prices will remain stable or, even more likely, increase in value as time passes. In a perverse twist, when the housing bubble burst and there was a universal decrease in the market value of homes—and consequently the assessed valuation of homes—HB 920 served to increase many homeowners' property tax bills even as the value of their homes decreased.

State Local Government Funds and Other Shared Revenues

The State of Ohio shares various tax revenues with the City and other political subdivisions primarily through the State's Local Government Fund (LGF). As part of a new funding mechanism, starting in 2010, 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 (LGRAF) was discontinued. The combination of these programs is the City's largest source of non-tax General Fund revenue. In 2010, using the new funding mechanism, the City received $2,909,087 from the State's LGF for an increase of $44,981 or 1.57 percent.

Pursuant to statutory law in Ohio, State LGF revenues are divided into county and municipal portions. The County portion, the larger of the two, is distributed to each of the State's 88 counties and is allocated based upon a statutory formula utilizing county population and county municipal property values. Once received by a county, the funds can either be distributed to all subdivisions using the statutory formula or the county and its subdivisions may agree upon an alternate method for allocating the funds. Cuyahoga County and its recipient communities have chosen the latter method which is comprised of a base allocation and an excess allocation. The excess allocation takes into account such factors as assessed value per capita, per capita income, population density, and the number of individuals receiving public assistance. The municipal portion of the LGF is distributed directly by the State to those municipalities that collect an income tax. A municipality receives its share of the funds based upon its percentage of total municipal income taxes collected throughout the State in a given year.

In order to meet its own budget needs, the state has elected to dramatically cut LGF revenues to all cities. In essence, the cuts will result in a reduction of 26 percent in 2011 and a further reduction of this amount by approximately 26 percent the following 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, 2010, amounts to $132,692,860. 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, 2010, is reflected in the table which follows.

Table 5 - Capital Assets at December 31, (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	$ 10,560,309	$ 9,058,667	$ 7,428,126	$ 7,428,126	$ 17,988,435	$ 16,486,793
Construction in Progress	1,159,432	3,635,147	9,538,199	5,383,265	10,697,631	9,018,412
Land Improvements	1,737,424	1,947,486	519,833	565,268	2,257,257	2,512,754
Buildings and Improvements	8,776,360	9,146,317	8,243,473	8,552,418	17,019,833	17,698,735
Furniture, Fixtures and Equipment	3,635,764	3,676,581	1,038,810	853,499	4,674,574	4,530,080
Infrastructure:						
Streets	41,020,596	41,591,778	0	0	41,020,596	41,591,778
Sanitary Sewer	0	0	12,530,334	12,867,619	12,530,334	12,867,619
Storm Sewers	0	0	6,669,849	6,881,923	6,669,849	6,881,923
Water Lines	0	0	19,834,351	18,720,845	19,834,351	18,720,845
Totals	$ 66,889,885	$ 69,055,976	$ 65,802,975	$ 61,252,963	$ 132,692,860	$130,308,939

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	
East 222nd Rebuild (Includes Issue 2 payments)	$ 161,474
Street Resurfacing Program	226,950
Downtown Streetscape	14,214
Purchase of 24555 & 24601 Lake Shore Blvd	2,800
Babbitt Road RTA Bus Stop	182,362
Fire Truck Purchase	755,755
Total Governmental Activities	$ 1,343,555

Business-Type Activities	
Dille Rd. & E. 204th Street Project	$ 1,476,095
E. 214th Street & Lakeshore Blvd. Improvements	980,383
St. Clair & Rockwell Fire Hydrant & Street Resurfacing	132,686
Waterline Improvement	183,102
E. 248th Street Sewer Improvements	1,903,299
East 222nd & Tungsten Waterline	21,984
Euclid Avenue Improvement	174,855
East 264th Waterlines & Sanitary Sewer	817,475
Roadway & Utility Improvement	78,330
Total Business-Type Activities	$ 5,768,209

Additional information on the City's capital assets can be found in Note 9.

Debt The City's outstanding General Obligation Debt is currently rated "Aa 2 " 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, 2010, the City's General Obligation Bonded Debt totaled $29,272,939.

A summary of outstanding long-term debt at December 31, 2010 follows.

Table 6 - Outstanding Debt at December 31

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
General Obligation Bonds	$ 23,232,081	$ 25,667,580	$ 6,040,858	$ 6,537,151	$29,272,939	$ 32,204,731
Special Assessment Bonds	995,000	1,080,000	0	0	995,000	1,080,000
Notes Payable	4,311,278	2,340,000	7,072,153	7,040,000	11,383,431	9,380,000
Industrial Revenue Bond	995,000	1,120,000	0	0	995,000	1,120,000
OWDA Loans	0	0	4,790,889	6,779,135	4,790,889	6,779,135
OPWC Loans	1,586,856	1,670,375	7,372,374	5,971,616	8,959,230	7,641,991
	$ 31,120,215	$ 31,877,955	$ 25,276,274	$ 26,327,902	$56,396,489	$ 58,205,857

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 to the financial statements for more information regarding the City's outstanding debt.

Debt Capacity: The City is well within statutory limitations for both voted and unvoted debt. The computation of the legal debt margins at December 31, 2010 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 $58,603,360 and the unvoted debt margin was $21,264,872 at December 31, 2010.

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, 2010 for the City is as follows:

	Amount	Ratio of Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
Net General Obligation Debt (Bonded)	$29,272,939	3.92 %	$ 555.00

In April 2010, the City requested review of short term note issue and received an Aa 2 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 2011 is complete and, although a challenge, the City is committed to taking the steps necessary to restore structural balance to the City's budget. Projected cash balance in the General Fund will be drawn down by $324,000. Taking into consideration the fact that $2,375,468 of cash outflows are in the form of transfers and debt service as opposed to $990,000 of cash inflows from transfers and the sale of debt, the operating revenues actually exceed operating expenditures by more than $1,000,000. The City has an informal fund balance policy of 5 percent of budgeted revenues. In the General Fund, using the unencumbered cash balance mentioned above of $2,777,636 and dividing by the 2010 original budget for General Fund revenues of $39,714,338 results in a percentage 6.99 percent. In 2010, City council adopted legislation authorizing the City to bill residents for rubbish collection and to assess all properties for the cost of street lighting. For 2011, the City is budgeting $1,731,000 for the sanitation charges. The budgeted amount represents 85 percent of the total amount the City intends to bill. The City also instituted a Special Assessment for street lighting. The assessment is expected to generate about $885,000 annually. Because The City could not collect the assessment in 2010, Council authorized an internal cash flow borrowing from our Bond Retirement Fund and the City issued a Special Assessment Anticipation Note that will be held by the Bond Retirement Fund.

In addition to revenue enhancements, the City made significant reductions in operating expenses in 2010. The City eliminated over 25 positions in various departments through lay-offs, attrition, and combining of responsibilities between departments. Private management firms have been engaged to operate the Shore Cultural Centre facility, as well as the municipal-owned golf course, Briardale Greens. The operating performance, as well as the cost savings, has been very satisfactory at both facilities

The two-mill sewer levy was not renewed by the voters and will result in a loss of revenue of approximately $600,000 in 2011 in property taxes that would have been used for maintenance of storm sewers and other preventative maintenance of the City's sewer system. A portion of this revenue will need to be supplemented by increased user fees from the waste water treatment operations.

Labor contracts for all ten collective bargaining units are in effect through December 31, 2011, with salary increases ranging from 2 percent to 3 percent for the year. Preparations are currently being made to begin the negotiation process for the next three-year period.

The City has received over $3.5 million dollars in federal funding to fight the ill effects that the foreclosure situation has had on the City's neighborhoods. Through a combination of rehabilitation, demolition, and public education, as well as strict nuisance abatement policies, much progress is being made on this front. In 2008, there were 600 homes reported in active foreclosure; presently, that number has decreased to fewer than 500.

Lincoln Electric, the City's largest employer, has over 100 new employees, with plans for additional hiring. As of this report, Lincoln Electric was near completion of constructing a 2.5 mega-watt wind turbine to not only generate electric power, but to assist in their new segment of business, the welding, construction, and assembly of wind turbines. At least one other local company has plans to build two wind turbines on their properly as well. It is hoped that these endeavors will entice new alternative energy companies to consider locating in the City of Euclid.

The City of Euclid Lakefront Development Project is moving forward, with property acquisition having taken place and engineering plans being completed, for the extension of the existing fishing pier at Sims Park. The funding for this initial phase of the development plan has been secured. The Lakefront Development Project, although long-term in nature, is expected to not only open up a large segment of public access to the lakefront for the entire region, but it will also provide an economic stimulus to the City's downtown shopping and retain district.

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 the City of Euclid Finance Department at 585 East 222nd Street, Euclid, Ohio 44123, 216-289-2850.

	Governmental Activities	Business-Type Activities	Total	Euclid Development Corporation
ASSETS:				
Equity in Pooled Cash and Cash Equivalents	$ 8,414,590	$ 5,270,009	$ 13,684,599	$ 432,355
Cash and Cash Equivalents in Segregated Accounts	5,106	0	5,106	0
Cash and Cash Equivalents with Fiscal Agents	50,132	0	50,132	0
Materials and Supplies Inventory	180,425	59,605	240,030	0
Accrued Interest Receivable	52,258	0	52,258	0
Accounts Receivable	682,900	5,107,497	5,790,397	15
Intergovernmental Receivable	2,982,216	49,036	3,031,252	0
Prepaid Items	67,642	13,428	81,070	200
Income Taxes Receivable	11,301,088	0	11,301,088	0
Property Taxes Receivable	5,826,951	0	5,826,951	0
Revenue in Lieu of Taxes Receivable	225,937	0	225,937	0
Notes Receivable	1,240,789	0	1,240,789	0
Loans Receivable	0	0	0	1,969,427
Special Assessments Receivable	4,465,888	0	4,465,888	0
Capital Leases Receivable	0	64,826	64,826	0
Deferred Charges	602,374	228,419	830,793	0
Non-Depreciable Capital Assets	11,719,741	16,966,325	28,686,066	0
Depreciable Capital Assets, net	55,170,144	48,836,650	104,006,794	0
Assets Held for Resale	1,103,292	0	1,103,292	0
Total Assets	104,091,473	76,595,795	180,687,268	2,401,997
LIABILITIES:				
Accounts Payable	337,884	257,710	595,594	40
Accrued Wages and Benefits	472,084	129,484	601,568	1,458
Intergovernmental Payable	2,263,327	501,602	2,764,929	0
Accrued Interest Payable	130,002	188,817	318,819	0
Retainage Payable	19,173	602,546	621,719	0
Claims Payable	756,577	0	756,577	0
Deferred Revenue	4,727,204	0	4,727,204	0
Long-Term Liabilities:				
Due Within One Year	7,822,082	9,847,730	17,669,812	0
Due in More Than One Year	32,877,074	16,512,725	49,389,799	0
Total Liabilities	49,405,407	28,040,614	77,446,021	1,498
NET ASSETS:				
Invested in Capital Assets, Net of Related Debt	36,290,780	40,280,422	76,571,202	0
Restricted for Debt Service	8,259,703	0	8,259,703	0
Restricted for Capital Outlay	2,341,761	0	2,341,761	0
Restricted for Other Purposes	882,486	0	882,486	0
Restricted for Transportation	636,461	0	636,461	0
Restricted for Community Development	1,222,252	0	1,222,252	0
Unrestricted	5,052,623	8,274,759	13,327,382	2,400,499
Total Net Assets	$ 54,686,066	$ 48,555,181	$ 103,241,247	$ 2,400,499

See accompanying notes to the basic financial statements.

		Program Revenues			Net(Expense)Revenue and Changes in Net Assets			
					Primary Government			Component Unit
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Euclid Development Corporation
Primary Government:								
Governmental Activities:								
General Government	$ 13,105,802	$ 4,317,024	$ 587,960	$ 350,000	$ (7,850,818)	$ 0	$ (7,850,818)	$ 0
Security of Persons and Property	20,607,153	3,732,402	1,084,936	0	(15,789,815)	0	(15,789,815)	0
Sanitation	1,916,687	1,337,454	0	0	(579,233)	0	(579,233)	0
Public Health	273,641	82,068	0	0	(191,573)	0	(191,573)	0
Leisure Time Services	1,766,298	433,648	3,766	0	(1,328,884)	0	(1,328,884)	0
Community and Economic Development	2,873,059	1,512,112	2,738,366	0	1,377,419	0	1,377,419	0
Transportation	6,647,276	0	1,819,510	0	(4,827,766)	0	(4,827,766)	0
Interest and Fiscal Charges	1,418,378	0	0	0	(1,418,378)	0	(1,418,378)	0
Total Governmental Activities	48,608,294	11,414,708	6,234,538	350,000	(30,609,048)	0	(30,609,048)	0
Business-Type Activities:								
Briardale Greens Golf Course	142,248	8,746	0	98,794	0	(34,708)	(34,708)	0
Waste Water Treatment	9,938,574	9,238,260	184,648	321,351	0	(194,315)	(194,315)	0
Water Line Improvement	965,870	1,551,174	0	464,161	0	1,049,465	1,049,465	0
Total Business-Type Activities	11,046,692	10,798,180	184,648	884,306	0	820,442	820,442	0
Total Primary Government	$ 59,654,986	$ 22,212,888	$ 6,419,186	$ 1,234,306	(30,609,048)	820,442	(29,788,606)	0
Component Units:								
Euclid Development Corporation	157,708	101,956	0	0	0	0	0	(55,752)
Total Component Units	$ 157,708	$ 101,956	$ 0	$ 0	0	0	0	(55,752)
		General Revenues:						
		Property Taxes			5,162,960	365,166	5,528,126	0
		Income Taxes			22,994,810	0	22,994,810	0
		Payments in Lieu of Taxes			174,801	0	174,801	0
		Grants and Entitlements not Restricted to Specific Programs			6,874,711	0	6,874,711	0
		Investment Earnings			173,483	9,856	183,339	0
		Gain on Sale of Capital Assets			128,453	0	128,453	0
		Miscellaneous			478,952	1,434,192	1,913,144	154,708
		Transfers			(5,215)	5,215	0	0
		Total General Revenues and Transfers			35,982,955	1,814,429	37,797,384	154,708
		Change in Net Assets			5,373,907	2,634,871	8,008,778	98,956
		Net Assets Beginning of Year, as Restated			49,312,159	45,920,310	95,232,469	2,301,543
		Net Assets End of Year			$ 54,686,066	$ 48,555,181	$ 103,241,247	$ 2,400,499

See accompanying notes to the basic financial statements.

	General	General Obligation Bond Retirement	All Other Governmental Funds	Total Governmental Funds
ASSETS:				
Equity in Pooled Cash and Cash Equivalents	$ 2,778,579	$ 1,506,111	$ 4,070,113	$ 8,354,803
Cash and Cash Equivalents in Segregated Accounts	5,106	0	0	5,106
Cash and Cash Equivalents with Fiscal Agents	50,132	0	0	50,132
Materials and Supplies Inventory	112,084	0	68,341	180,425
Accrued Interest Receivable	49,239	3,019	0	52,258
Accounts Receivable	312,203	8,346	362,351	682,900
Interfund Receivable	0	1,803,313	0	1,803,313
Intergovernmental Receivable	1,829,571	172,832	979,813	2,982,216
Prepaid Items	64,096	0	3,546	67,642
Income Taxes Receivable	11,301,088	0	0	11,301,088
Property Taxes Receivable	1,874,375	3,115,803	836,773	5,826,951
Revenue in Lieu of Taxes Receivable	0	0	225,937	225,937
Notes Receivable	1,240,789	0	0	1,240,789
Special Assessments Receivable	0	4,225,378	240,510	4,465,888
Assets Held for Resale	0	0	1,103,292	1,103,292
Total Assets	$ 19,617,262	$ 10,834,802	$ 7,890,676	$ 38,342,740
LIABILITIES:				
Accounts Payable	$ 203,977	$ 0	$ 133,907	$ 337,884
Accrued Wages and Benefits	385,346	875	85,863	472,084
Intergovernmental Payable	1,984,036	44,065	234,774	2,262,875
Retainage Payable	0	0	19,173	19,173
Interfund Payable	885,000	0	918,313	1,803,313
Claims Payable	503,002	0	0	503,002
Deferred Revenue	8,229,129	7,514,013	1,896,261	17,639,403
Total Liabilities	12,190,490	7,558,953	3,288,291	23,037,734
FUND BALANCES:				
Reserved:				
Reserved for Encumbrances	28,105	0	869,908	898,013
Reserved for Notes Receivable	1,240,789	0	0	1,240,789
Reserved for Assets Held for Resale	0	0	1,103,292	1,103,292
Reserved for Unclaimed Monies	43,607	0	0	43,607
Unreserved, Undesignated, Reported in:				
General Fund	6,114,271	0	0	6,114,271
Special Revenue Funds	0	0	1,128,722	1,128,722
Debt Service Funds	0	3,275,849	0	3,275,849
Capital Projects Funds	0	0	1,500,463	1,500,463
Total Fund Balances	7,426,772	3,275,849	4,602,385	15,305,006
Total Liabilities and Fund Balances	$ 19,617,262	$ 10,834,802	$ 7,890,676	$ 38,342,740

See accompanying notes to the basic financial statements.

Total Governmental Fund Balances		$ 15,305,006
Amounts reported for governmental activities in the statement of net assets are different because		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds		66,889,885
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Property and Other Taxes	$ 1,325,684	
Municipal Income Tax	5,041,728	
Intergovernmental	2,057,799	
Special Assessments	4,465,888	
Charges for Services	21,100	
Total		12,912,199
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	(195,149)	
Claims, reported as long term	909	
Total		(194,240)
Bond issuance costs will be amortized over the life of the bonds on the statement of net assets.		602,374
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		(130,002)
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	(23,053,000)	
Special Assessment Bonds	(995,000)	
Notes	(4,290,000)	
Industrial Development Revenue Bonds	(995,000)	
Premium on Bonds and Gain on Refunding	(200,359)	
Compensated Absences	(8,229,171)	
Claims	(875,880)	
Capital Leases	(473,890)	
OPWC Loans	(1,586,856)	
Total		(40,699,156)
Net Assets of Governmental Activities		$ 54,686,066

See accompanying notes to the basic financial statements

	General	General Obligation Bond Retirement	All Other Governmental Funds	Total Governmental Funds
REVENUES:				
Property Taxes	$ 1,608,748	$ 2,582,050	$ 718,191	$ 4,908,989
Income Taxes	22,165,312	0	0	22,165,312
Payments in Lieu of Taxes	0	0	174,801	174,801
Special Assessments	0	136,097	199,018	335,115
Charges for Services	5,662,863	0	457,263	6,120,126
Licenses and Permits	148,341	0	0	148,341
Fines and Forfeitures	1,593,077	0	185,371	1,778,448
Intergovernmental	5,514,651	786,015	6,761,114	13,061,780
Interest	192,502	64,135	188	256,825
Rent	80,845	45,500	79,215	205,560
Contributions and Donations	815	0	56,926	57,741
Other	147,691	739	330,522	478,952
Total Revenues	37,114,845	3,614,536	8,962,609	49,691,990
EXPENDITURES:				
Current:				
General Government	11,990,915	254,865	1,658,855	13,904,635
Security of Persons and Property	19,997,562	0	340,002	20,337,564
Sanitation	1,916,687	0	0	1,916,687
Public Health	272,263	0	0	272,263
Leisure Time Services	440,101	0	1,128,444	1,568,545
Community and Economic Development	1,073,460	0	1,789,919	2,863,379
Transportation	0	0	2,109,236	2,109,236
Capital Outlay	0	0	2,547,975	2,547,975
Debt Service:				
Principal Retirements	231,029	4,936,519	73,212	5,240,760
Interest and Fiscal Charges	107,289	1,165,027	38,913	1,311,229
Total Expenditures	36,029,306	6,356,411	9,686,556	52,072,273
Excess of Revenues Over(Under) Expenditures	1,085,539	(2,741,875)	(723,947)	(2,380,283)
OTHER FINANCING SOURCES AND USES:				
Transfers In	110,000	0	443,800	553,800
Notes Issued	0	2,340,000	1,950,000	4,290,000
Premium on Debt Issued	0	21,278	0	21,278
Proceeds from Sale of Capital Assets	3,876	471	192,962	197,309
Transfers Out	(305,800)	0	(248,000)	(553,800)
Total Other Financing Sources and Uses	(191,924)	2,361,749	2,338,762	4,508,587
Net Change in Fund Balance	893,615	(380,126)	1,614,815	2,128,304
Fund Balance at Beginning of Year	6,533,157	3,655,975	2,987,570	13,176,702
Fund Balance at End of Year	$ 7,426,772	$ 3,275,849	$ 4,602,385	$ 15,305,006

See accompanying notes to the basic financial statements

Net Change in Fund Balances - Total Governmental Funds		$ 2,128,304
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 exepense. This is the amount by which depreciation exceeded capital outlays in the current period.		
Capital Asset Additions	$ 3,462,018	
Current Year Depreciation	(5,559,253)	
Total		(2,097,235)
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.		(68,856)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues.		
Delinquent Property Taxes	253,971	
Municipal Income Taxes	829,498	
Intergovernmental	256,386	
Special Assessments	2,862,284	
Charges for Services	(35,166)	
Total		4,166,973
Other financing sources in the governmental funds increase long-term liablities in the statement of net assets.		
Proceeds of General Obligation Notes	(4,290,000)	
Premiums on General Obligation Notes	(21,278)	
Total		(4,311,278)
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 Notes	2,340,000	
Repayment of Bonds	2,638,000	
Repayment of OPWC Loan	83,519	
Repayment of Capital Leases	179,241	
Total		5,240,760
In the statement of activities, interest accrued on outstanding bonds, bond premium and bond issuance costs are amortized over the terms of the bonds, whereas in the governmental funds the expenditure is reported when the bonds are issued.		
Accrued Interest	(70,030)	
Amortization of Bond Premium	22,659	
Amortization of Bond Issuance Costs	(44,618)	
Amortization of Gain on Refunding	(15,160)	
Total		(107,149)
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	247,707	
Claims	111,348	
Total		359,055
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	73,822	
Compensated Absences	(10,374)	
Claims	(115)	
Total		63,333
Change in Net Assets of Governmental Activities		$ 5,373,907

See accompanying notes to the basic financial statements

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Property Taxes	$ 1,589,300	$ 1,476,736	$ 1,608,748	$ 132,012
Income Taxes	22,594,362	20,994,090	21,515,137	521,047
Special Assessments	949,230	0	0	0
Charges for Services	6,089,186	5,757,912	5,737,997	(19,915)
Licenses and Permits	161,380	149,950	148,341	(1,609)
Fines and Forfeitures	1,871,447	1,738,900	1,607,666	(131,234)
Intergovernmental	5,812,083	5,400,435	5,746,227	345,792
Interest	430,490	400,000	178,364	(221,636)
Rent	86,636	80,500	83,628	3,128
Contributions and Donations	1,076	1,000	815	(185)
Other	129,148	120,000	150,668	30,668
Total Revenues	39,714,338	36,119,523	36,777,591	658,068
EXPENDITURES:				
Current:				
General Government	12,707,141	13,078,295	12,440,471	637,824
Security of Persons and Property	20,122,914	20,137,833	19,830,946	306,887
Sanitation	2,126,075	2,126,075	2,105,300	20,775
Public Health	273,595	283,632	278,055	5,577
Leisure Time Services	445,080	457,485	439,633	17,852
Community and Economic Development	1,076,128	1,153,363	1,106,574	46,789
Debt Service:				
Principal Retirements	125,000	125,000	125,000	0
Interest and Fiscal Charges	92,400	92,400	92,400	0
Total Expenditures	36,968,333	37,454,083	36,418,379	1,035,704
Excess of Revenues Over(Under) Expenditures	2,746,005	(1,334,560)	359,212	1,693,772
OTHER FINANCING SOURCES AND USES:				
Transfers In	110,000	110,000	110,000	0
Proceeds from Sale of Capital Assets	1,076	1,000	465	(535)
Advances In	0	882,000	885,000	3,000
Transfers Out	(249,000)	(305,800)	(305,800)	0
Total Other Financing Sources and Uses	(137,924)	687,200	689,665	2,465
Net Change in Fund Balance	2,608,081	(647,360)	1,048,877	1,696,237
Fund Balance at Beginning of Year	1,679,971	1,679,971	1,679,971	0
Prior Year Encumbrances Appropriated	48,788	48,788	48,788	0
Fund Balance at End of Year	$ 4,336,840	$ 1,081,399	$ 2,777,636	$ 1,696,237

See accompanying notes to the basic financial statements.

	Enterprise Funds				Governmental Activities
	Waste Water Treatment	Water Line Improvement	Briardale Greens Golf Course	Totals	Internal Service Fund
ASSETS:					
Current Assets:					
Equity in Pooled Cash and Cash Equivalents	$ 2,522,578	$ 2,728,713	$ 18,718	$ 5,270,009	$ 59,787
Materials and Supplies Inventory	59,605	0	0	59,605	0
Accounts Receivable	4,112,192	995,305	0	5,107,497	0
Intergovernmental Receivable	0	49,036	0	49,036	0
Prepaid Items	13,428	0	0	13,428	0
Capital Leases Receivable	0	0	64,826	64,826	0
Total Current Assets	6,707,803	3,773,054	83,544	10,564,401	59,787
Noncurrent Assets:					
Deferred Charges	106,915	121,504	0	228,419	0
Non-Depreciable Capital Assets	2,241,621	7,453,178	7,271,526	16,966,325	0
Depreciable Capital Assets, net	27,504,528	19,834,351	1,497,771	48,836,650	0
Total Noncurrent Assets	29,853,064	27,409,033	8,769,297	66,031,394	0
Total Assets	36,560,867	31,182,087	8,852,841	76,595,795	59,787
LIABILITIES:					
Current Liabilities:					
Accounts Payable	208,674	49,036	0	257,710	0
Accrued Wages and Benefits	129,484	0	0	129,484	0
Intergovernmental Payable	421,760	70,690	9,152	501,602	452
Accrued Interest Payable	152,169	36,648	0	188,817	0
Retainage Payable	94,869	507,677	0	602,546	0
Claims Payable	36,540	0	5,281	41,821	253,851
Notes Payable	743,379	6,328,774	0	7,072,153	0
Compensated Absences Payable	50,042	0	0	50,042	0
General Obligation Bonds Payable	179,000	330,000	0	509,000	0
Capital Leases Payable	104,267	0	33,617	137,884	0
OPWC Loans Payable	289,412	141,379	0	430,791	0
OWDA Loans Payable	1,606,039	0	0	1,606,039	0
Total Current Liabilities	4,015,635	7,464,204	48,050	11,527,889	254,303
Noncurrent Liabilities:					
Claims Payable - net of current portion	83,855	0	12,119	95,974	633
Compensated Absences Payable - net of current portion	650,065	0	0	650,065	0
General Obligation Bonds Payable - net of current portion	2,135,152	3,396,706	0	5,531,858	0
Capital Leases Payable - net of current portion	77,186	0	31,209	108,395	0
OPWC Loans Payable - net of current portion	4,489,583	2,452,000	0	6,941,583	0
OWDA Loans Payable - net of current portion	3,184,850	0	0	3,184,850	0
Total Noncurrent Liabilities	10,620,691	5,848,706	43,328	16,512,725	633
Total Liabilities	14,636,326	13,312,910	91,378	28,040,614	254,936
NET ASSETS:					
Invested in Capital Assets, Net of Related Debt	16,937,281	14,638,670	8,704,471	40,280,422	0
Unrestricted	4,987,260	3,230,507	56,992	8,274,759	(195,149)
Total Net Assets	$ 21,924,541	$ 17,869,177	$ 8,761,463	$48,555,181	$ (195,149)

See accompanying notes to the basic financial statements.

	Enterprise Funds				Governmental Activities
	Waste Water Treatment	Water Line Improvement	Briardale Greens Golf Course	Totals	Internal Service Fund
OPERATING REVENUES:					
Charges for Services	$ 9,223,232	$ 1,551,174	$ 8,746	$10,783,152	$ 260,000
Tap-In Fees	15,028	0	0	15,028	0
Other	926,211	507,981	0	1,434,192	0
Total Operating Revenues	10,164,471	2,059,155	8,746	12,232,372	260,000
OPERATING EXPENSES:					
Personal Services	4,190,060	0	18,669	4,208,729	25,462
Contractual Services	1,533,516	80,586	6,023	1,620,125	56,380
Materials and Supplies	2,419,501	0	15,781	2,435,282	194
Claims	0	0	229	229	104,142
Depreciation	958,489	499,768	89,846	1,548,103	0
Other	105,958	5,514	11,700	123,172	0
Total Operating Expenses	9,207,524	585,868	142,248	9,935,640	186,178
Operating Income (Loss)	956,947	1,473,287	(133,502)	2,296,732	73,822
NON-OPERATING REVENUES (EXPENSES):					
Interest	5,130	4,726	0	9,856	0
Intergovernmental	184,648	0	0	184,648	0
Property Taxes	365,166	0	0	365,166	0
Interest and Fiscal Charges	(401,593)	(380,002)	0	(781,595)	0
Loss on Sale of Capital Assets	(338,499)	0	0	(338,499)	0
Total Non-Operating Revenues (Expenses)	(185,148)	(375,276)	0	(560,424)	0
Income (Loss) Before Contributions and Transfers	771,799	1,098,011	(133,502)	1,736,308	73,822
Capital Grants and Contributions	321,351	464,161	113,051	898,563	0
Transfers In	310,152	0	0	310,152	0
Transfers Out	0	(310,152)	0	(310,152)	0
Change in Net Assets	1,403,302	1,252,020	(20,451)	2,634,871	73,822
Net Assets (Deficit) at Beginning of Year, As Restated	20,521,239	16,617,157	8,781,914	45,920,310	(268,971)
Net Assets (Deficit) at End of Year	$ 21,924,541	$ 17,869,177	$ 8,761,463	$48,555,181	$ (195,149)

See accompanying notes to the basic financial statements.

	Enterprise Funds				Governmental Activities
	Waste Water Treament	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	$ 9,869,265	$ 1,977,035	$ 8,760	$ 11,855,060	$ 260,000
Cash Payments to Suppliers for Goods and Services	(4,266,180)	(1,880,331)	(13,312)	(6,159,823)	(56,574)
Cash Paid to Employees	(4,155,184)	0	(52,059)	(4,207,243)	(37,052)
Cash Paid for Claims	0	0	(229)	(229)	(155,927)
Other Operating Cash Payments	(59,009)	(5,514)	(11,700)	(76,223)	0
Net Cash Provided by (Used for) Operating Activities	1,388,892	91,190	(68,540)	1,411,542	10,447
Cash Flows from Noncapital Financing Activities					
Receipts for Operating Grants	214,085	0	0	214,085	0
Receipts for Property Taxes	467,652	0	0	467,652	0
Transfers	310,152	(310,152)	0	0	0
Net Cash Provided by (Used for) Noncapital Financing Activities	991,889	(310,152)	0	681,737	0
Cash Flows from Capital and Related Financing Activities					
Payments for Capital Acquisition and Retainage	(2,057,755)	(3,250,763)	0	(5,308,518)	0
Proceeds from OPWC	931,816	899,733	0	1,831,549	0
Proceeds from Notes	1,483,379	12,628,774	0	14,112,153	0
Proceeds from Capital Grants	391,165	398,612	28,464	818,241	0
Principal Paid on Notes	(1,480,000)	(12,600,000)	0	(14,080,000)	0
Principal Paid on General Obligation Bonds	(177,000)	(310,000)	0	(487,000)	0
Interest Paid on General Obligation Bonds	(222,575)	(380,002)	0	(602,577)	0
Principal Paid on OWDA Loans	(1,988,246)	0	0	(1,988,246)	0
Interest Paid on OWDA Loans	(259,278)	0	0	(259,278)	0
Principal Paid on OPWC Loans	(289,412)	(141,379)	0	(430,791)	0
Principal Paid on Capital Leases	(99,532)	0	(33,968)	(133,500)	0
Interest Paid on Capital Leases	(12,061)	0	(4,184)	(16,245)	0
Net Cash (Used for) Capital and Related Financing Activities	(3,779,499)	(2,755,025)	(9,688)	(6,544,212)	0
Cash Flows from Investing Activities					
Investment Earnings	5,130	4,726	0	9,856	0
Total Cash Flow from Investing Activities	5,130	4,726	0	9,856	0
Net Increase (Decrease) in Cash and Cash Equivalents	(1,393,588)	(2,969,261)	(78,228)	(4,441,077)	10,447
Cash and Cash Equivalents Beginning of Year	3,916,166	5,697,974	96,946	9,711,086	49,340
Cash and Cash Equivalents End of Year	$ 2,522,578	$ 2,728,713	$ 18,718	$ 5,270,009	$ 59,787
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used for) Operating Activities					
Operating Income (Loss)	$ 956,947	$ 1,473,287	$ (133,502)	$ 2,296,732	$ 73,822
Adjustments:					
Depreciation	958,489	499,768	89,846	1,548,103	0
(Increase) Decrease in Assets:					
Accounts Receivable	(295,206)	(82,120)	14	(377,312)	0
Prepaid Items	(1,503)	0	3,942	2,439	0
Materials and Supplies Inventory	1,489	0	9,501	10,990	0
Increase (Decrease) in Liabilities:					
Accounts Payable	(359,166)	(1,990,107)	(3,737)	(2,353,010)	0
Retainage Payable	39,814	119,672	0	159,486	0
Compensated Absences Payable	20,935	0	(6,261)	14,674	(10,374)
Accrued Wages	13,941	0	(2,658)	11,283	(338)
Intergovernmental Payable	68,457	70,690	(11,355)	127,792	(763)
Claims Payable	(15,305)	0	(14,330)	(29,635)	(51,900)
Total Adjustments	431,945	(1,382,097)	64,962	(885,190)	(63,375)
Net Cash Provided by (Used for) Operating Activities	$ 1,388,892	$ 91,190	$ (68,540)	$ 1,411,542	$ 10,447

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 $22,080. In addition, the Briardale Golf Course Fund received capital contributions from governmental activities in the amount of $14,257. Waste Water Treatment transferred capital assets, net in the amount of 9,042 to governmental activities. Water Line Improvement received noncash capital contributions in the amount of $464,161

See accompanying notes to the basic financial statements

	Agency Funds
ASSETS:	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	$ 756,797
Total Assets	$ 756,797
LIABILITIES:	
Current Liabilities:	
Deposits Held and Due to Others	$ 756,797
Total Liabilities	$ 756,797

See accompanying notes to the basic financial statements.

NOTE 1: DESCRIPTION OF THE CITY AND REPORTING ENTITY

The City of Euclid, Ohio (the City) was incorporated in 1931 and includes an area of approximately 10.3 square miles. The City operates under an elected Mayor/Council (nine members) administrative/legislative form of government and provides services to its more than 52,000 residents. The City established a formal charter in 1951 which governs its operations.

Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading.

The primary government of the City consists of all funds, departments, boards, and agencies that are not legally separate from the City. For the City of Euclid, this includes police and fire protection, parks and recreation, planning, zoning, public safety, public service, street maintenance, sanitation system, and a staff to provide support (i.e., payroll processing, accounts payable, and revenue collection) to the service providers. The operation of each of these activities and entities is directly controlled by the City Council through the budgetary process.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; (3) the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the City is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the budget, the issuance of debt or the levying of taxes. The City has one component unit, Euclid Development Corporation.

Euclid Development Corporation (EDCOR) The Euclid Development Corporation (EDCOR) is a legally separate, non-profit organization served by a self-appointed board of trustees. Potential board members must work or live within the City. EDCOR was formed under Chapter 1702 of the Ohio Revised Code for the purpose of providing administrative program assistance to the Community Development Department while combating deterioration and lessening the burdens of government by advancing, encouraging, and promoting residential and commercial redevelopment and revitalization in the City. The City subsidizes EDCOR's entire operation from its Community Development Block Grant. Based on the significant services and resources provided by the City to EDCOR and EDCOR's administrative program assistance to the Community Development Program of the City, 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.

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. As a general rule, the activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses. An exception to this general rule is that interfund services provided and used are not eliminated in the process of consolidation.

The Statement of Net 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.

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

A. **Basis of Presentation** (Continued)

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.

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:

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

B. **Fund Accounting** (Continued)

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.

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.

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

C. **Measurement Focus** (Continued)

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.

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 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.

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

D. **Basis of Accounting** (Continued)

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements, and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 7). Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: income tax, state-levied locally shared taxes (including gasoline tax and motor vehicle license fees), fines and forfeitures, interest, grants, 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, 2010, but which were levied to finance year 2011 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.

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."

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.

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

F. **Cash and Cash Equivalents** (Continued)

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 2010, the City invested in Federal Home Loan Bank Securities, Federal Farm Credit Bank Securities, Commercial Paper, 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, 2010.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the General Fund during 2010 amounted to $192,502, which includes $142,653 assigned from other City funds.

G. **Inventory**

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventory consists of expendable supplies.

H. **Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2010, 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.

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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:

Description	Estimated Lives
Land Improvements	20-40 Years
Building and Improvements	20-40 Years
Furniture, Fixtures, and Equipment	3-10 Years
Infrastructure	25-50 Years

For 2010, the City's infrastructure consists of streets, storm sewers, sanitary sewers, and water lines.

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.

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.

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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 $13,342,663 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, law enforcement trust and other grant funds.

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

O. **Operating Revenue and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for sewer services, water services, golf, and self-insurance programs. Operating expenses are necessary costs that have been incurred in order to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating.

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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 receipted in the year the bonds are issued.

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.

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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 AND RESTATEMENT OF PRIOR YEAR'S NET ASSETS**

A. **Change in Accounting Principles**

For fiscal year 2010, the City implemented GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, No. 53, *Accounting and Financial Reporting for Derivative Instruments*, and No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*. GASB Statement No. 51 establishes accounting and financial reporting requirements for intangible assets, such as easements, water rights, patents, trademarks and computer software. GASB Statement No. 53 establishes reporting requirements for derivative investments. GASB Statement No. 58 provides reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code.

The implementation of GASB Statements No. 51, 53, and 58 did not affect the presentation of the financial statements of the City.

B. **Restatement of Prior Year's Net Assets**

During the year ending December 31, 2009, there was a duplication of a payable in the Water Line Improvement Fund. The adjustment had the following effect on the net assets:

	Business-Type Activities	Water Line Improvement
Net Assets at December 31, 2009, as reported	$ 45,167,696	$ 15,864,543
Accounts Payable Adjustment	752,614	752,614
Net Assets at December 31, 2009, as Restated	$ 45,920,310	$ 16,617,157

NOTE 4: COMPLIANCE AND ACCOUNTABILITY

A. Fund Deficit

The following nonmajor funds had deficit fund balances or deficit net assets as of December 31, 2010:

Special Revenue	
Community Development Block Grant	$ 48,472
Recreation Operating	29,989
Animal Shelter	5,590
Capital Projects	
Public Building Construction	354,533
Internal Service	
Self-Insurance Fund	195,149

The deficits in the Special Revenue funds, Capital Projects 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.

B. Appropriations Exceed Certificate of Estimated Resources

Ohio Revised Code Section 5705.39 prohibits appropriations from each fund exceeding the total of the estimated resources. The final appropriations did not exceed the estimated resources at year end for the following funds:

Fund	Estimated Resources	Appropriations	Variance
Original Budget			
Indigent Driver Interlock and Alcohol Monitoring Fund	$ 1,350	$ 1,850	$ (500)
Street Maintenance and Construction Fund	1,913,410	2,007,247	(93,837)
Community Development Block Grant Fund	1,947,291	1,961,593	(14,302)
Other Grant Fund	722,924	1,989,449	(1,266,525)
Law Enforcement Trust Fund	197,228	199,150	(1,922)
General Obligation Bond Retirement Fund	8,762,868	10,691,972	(1,929,104)

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).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund.

GAAP Basis	$	893,615
Net Adjustment for Revenue Accruals		544,335
Net Adjustment for Expenditure Accruals		(351,564)
Encumbrances		(37,509)
Budget Basis	$	1,048,877

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.

NOTE 6: **DEPOSITS AND INVESTMENTS** (Continued)

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Interim monies held by the City can be deposited or invested in the following securities:

•United States Treasury notes, bills, bonds, notes or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;

•Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

•Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;

• Commercial paper notes issued by an entity that has assets exceeding five hundred million dollars;

•Bonds and other obligations of the State of Ohio;

•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;

NOTE 6: **DEPOSITS AND INVESTMENTS** (Continued)

•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 $6,160 in undeposited cash on hand, which is reported on the balance sheet as part of "Equity in Pooled Cash and Cash Equivalents".

Deposits

Custodial Credit Risk Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in possession of an outside party. At year-end, the carrying amount of the City's deposits was $7,916,929 and the bank balance was $8,783,724. Of the bank balance, $2,005,635 was covered by Federal depository insurance and $6,778,089 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.

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.

NOTE 6: **DEPOSITS AND INVESTMENTS** (Continued)

Investments

Investments are reported at fair value. As of December 31, 2010, the City had the following investments:

	Fair Value
Federal Home Loan Bank	$ 2,013,060
Federal Farm Credit Bank	2,861,777
Commercial Paper	998,708
STAROhio	700,000
Total	$ 6,573,545

Interest Rate Risk As a means of limiting its exposure to fair value losses caused by rising interest rates, the City's investment policy requires that operating funds be invested primarily in short-term investments maturing within five years from the date of purchase and that the City's investment portfolio be structured so that the securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity. To date, no investments have been purchased with a life greater than two years.

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Federal Home Loan Bank Bonds, Federal Farm Credit Bank, and Commercial Paper 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.

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.

NOTE 6: **DEPOSITS AND INVESTMENTS** (Continued)

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, 2010:

	Percentage of Total Investments
Federal Home Loan Bank	30.62%
Federal Farm Credit Bank	43.53%
Commercial Paper	15.19%
STAROhio	10.66%

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 $432,355 and the bank balance was $428,781. Of the bank balance, $428,781was covered by Federal depository insurance.

EDCOR has no deposit policy for custodial risk beyond the requirements of the State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with EDCOR or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

NOTE 7: **RECEIVABLES**

Receivables at December 31, 2010, 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, 2010 are $4,465,888, with delinquent special assessments outstanding being $388,979.

No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant.

NOTE 7: **RECEIVABLES** (Continued)

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 2010 for real and public utility property taxes represents collections of 2009 taxes. Property tax payments received during 2010 for tangible personal property (other than public utility property) are for 2010 taxes.

2010 real property taxes are levied after October 1, 2010, on the assessed value as of January 1, 2010, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2010 real property taxes are collected in and intended to finance 2011.

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. 2010 public utility property taxes which become a lien December 31, 2009, are levied after October 1, 2010, and are collected in 2011 with real property taxes.

Tangible personal property tax revenue received during calendar 2010 (other than public utility property) represents the collection of 2010 taxes. Tangible personal property taxes received in calendar year 2010 were levied in after April 1, 2009, on the value as of December 31, 2009. 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 2010 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.

The full tax rate for all City operations for the year ended December 31, 2010, was $15.60 per $1,000 of assessed value. The assessed values of real and tangible personal property upon which 2010 property tax receipts were based are as follows:

Real Property	$ 731,293,280
Public Utility Property	15,476,470
Total Valuation	$ 746,769,750

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.

NOTE 7: **RECEIVABLES** (Continued)

A. **Property Taxes** (Continued)

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, 2010, 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 2010 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.

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.

NOTE 7: **RECEIVABLES** (Continued)

C. **Intergovernmental Receivables**

A summary of the principal items of intergovernmental receivables follows:

Governmental Activities	Amount
Local Government	$1,454,544
Gasoline Tax	650,521
Homestead and Rollback	323,219
Other Taxes	151,950
Estate Tax	107,721
Motor Vehicle Tax	129,744
Various Grants Receivables	133,358
Other Intergovernmental	31,159
Total Governmental Activities	$2,982,216
Business-Type Activities	
OPWC Receivables	$ 49,036
Total Business-Type Activities	$ 49,036

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.

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.

NOTE 8: **CONTINGENCIES** (Continued)

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, 2010, was as follows:

	Balance 12/31/2009	Additions	Deletions	Balance 12/31/2010
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	$ 9,058,667	$ 1,501,642	$ 0	$ 10,560,309
Construction in Progress	3,635,147	1,343,555	3,819,270	1,159,432
Total Capital Assets, Not Being Depreciated	12,693,814	2,845,197	3,819,270	11,719,741
Capital Assets, Being Depreciated				
Land Improvements	6,201,782	35,735	0	6,237,517
Buildings and Improvements	15,866,125	15,760	84,609	15,797,276
Furniture, Fixtures, and Equipment	11,127,225	584,326	373,982	11,337,569
Infrastructure:				
Streets	122,229,366	3,800,270	0	126,029,636
Total Capital Assets, Being Depreciated	155,424,498	4,436,091	458,591	159,401,998
Less Accumulated Depreciation:				
Land Improvements	(4,254,296)	(245,797)	0	(4,500,093)
Buildings and Improvements	(6,719,808)	(332,413)	(31,305)	(7,020,916)
Furniture, Fixtures, and Equipment	(7,450,645)	(609,590)	(358,430)	(7,701,805)
Infrastructure:				
Streets	(80,637,587)	(4,371,453)	0	(85,009,040)
*Total Accumulated Depreciation**	(99,062,336)	(5,559,253)	(389,735)	(104,231,854)
Total Capital Assets, Being Depreciated, Net	56,362,162	(1,123,162)	68,856	55,170,144
Governmental Activities Capital Assets, Net	$ 69,055,976	$ 1,722,035	$ 3,888,126	$ 66,889,885

NOTE 9: **CAPITAL ASSETS** (Continued)

*Depreciation Expense was charged to governmental functions as follows:

General Government	$ 325,233
Security of Persons and Property	332,593
Leisure Time Services	233,804
Community and Economic Development	92,991
Transportation	4,574,632
	$ 5,559,253

	Balance 12/31/2009	Additions	Deletions	Balance 12/31/2010
Business-Type Activities				
Capital Assets, Not Being Depreciated				
Land	7,428,126	0	0	7,428,126
Construction in Progress	5,383,265	5,768,209	1,613,275	9,538,199
Total Capital Assets, Not Being Depreciated	12,811,391	5,768,209	1,613,275	16,966,325
Capital Assets, Being Depreciated				
Land Improvements	1,374,836	9,689	0	1,384,525
Buildings and Improvements	14,527,598	0	0	14,527,598
Furniture, Fixtures, and Equipment	7,584,973	329,260	61,878	7,852,355
Infrastructure:				
Sanitary Sewers	17,530,658	0	0	17,530,658
Storm Sewers	10,721,584	0	0	10,721,584
Waterlines	23,375,159	1,613,275	0	24,988,434
Total Capital Assets, Being Depreciaited	75,114,808	1,952,224	61,878	77,005,154
Less Accumulated Depreciation:				
Land Improvements	(809,568)	(55,124)	0	(864,692)
Buildings and Improvements	(5,975,180)	(308,945)	0	(6,284,125)
Furniture, Fixtures, and Equipment	(6,731,474)	(134,907)	(52,836)	(6,813,545)
Infrastructure:				
Sanitary Sewers	(4,663,039)	(337,285)	0	(5,000,324)
Storm Sewers	(3,839,661)	(212,074)	0	(4,051,735)
Waterlines	(4,654,314)	(499,769)	0	(5,154,083)
Total Accumulated Depreciation	(26,673,236)	(1,548,104)	(52,836)	(28,168,504)
Total Capital Assets, Being Depreciated, Net	48,441,572	404,120	9,042	48,836,650
Business-Type Activities Capital Assets, Net	61,252,963	6,172,329	1,622,317	65,802,975

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
General Obligation Bonds:				
Various Purpose Refunding - 1998	4.8-6.625%	1998	$12,730,000	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
Industrial Development Revenue Bonds				
Lincoln Electric Industrial Development	8.25	1996	2,135,000	2016
Ohio Public Works Commission				
East 222nd Reconstruction -2006	0.00	2006	1,257,200	2029
Special Assessment Bonds with Governmental Commitment				
Heritage Drive Improvements - 1999	4.35-5.60	1999	1,715,000	2019
Long-Term Notes Payable:				
Various Purpose - 2010	4.00	2010	2,340,000	2011
Various Purpose - 2010	4.00	2010	1,950,000	2011
Enterprise General Obligation Bonds:				
Various Purpose Refunding - 2004	3.80-5.125	1998	1,025,000	2018
Waterline Improvement - 2001	2.50-5.00	2004	1,243,000	2025
Various Purpose Refunding - 2008	4.70-5.125	2008	2,660,000	2018
Enterprise OWDA Loans:				
Wastewater Treatment and Collection Systems -1993	5.20	1993	9,842,765	2014
Wastewater Treatment and Collection Systems -1994	4.56	1994	2,397,760	2014
Sewer Improvement - 1991	11.19	1991	6,093,465	2011
Enterprise OPWC Loans:				
Newton Avenue Improvements - 2000	0.00	2000	1,468,836	2019
East 226th Street/Edgecliff - 2003	0.00	2003	1,528,108	2023
East 197th Street - 2001	0.00	2001	759,025	2020
East 255th Street - 2002	0.00	2002	400,534	2022
East 216th Street - 2004	0.00	2004	581,131	2024
Brandywine Pump Station - 2005	0.00	2006	408,000	2028
Chatworth Dr. Sanitary -2006	0.00	2006	240,400	2028
Euclid Ave/Babbit Rd -2006	0.00	2006	540,900	2028
Miller Avenue - 2001	0.00	2001	1,689,900	2020
East 222nd Street -2003	0.00	2003	874,958	2023
East 214th Street - 2001	0.00	2001	262,735	2020
Euclid Avenue Improvement - 2008	0.00	2008	552,000	2028
East 222nd Street/Tungsten Road - 2009	0.00	2009	779,300	2039
Dille Road/East 204th Street - 2009	0.00	2009	950,000	2029
East 264th Street - 2010	0	2010	439,500	2030
East 248th Street/Shoreview - 2010	0	2010	887,600	2040
East 214th Street/Lakeshore - 2010	0	2010	958,500	2030
Enterprise Long-Term Notes Payable:				
Waterline Improvement	4.00	2010	6,300,000	2011
Sewer Improvement	4.00	2010	740,000	2011

NOTE 10: **LONG-TERM OBLIGATIONS** (Continued)

	Principal Outstanding 12/31/2009	Additions	Deletions	Principal Outstanding 12/31/2010	Due Within One Year
Governmental Activities					
General Obligation Bonds:					
Various Purpose Refunding - 1998	$ 465,000	$ 0	$ 225,000	$ 240,000	$ 240,000
Various Purpose - 2001	4,115,000	0	405,000	3,710,000	320,000
Various Purpose - 2004	8,255,000	0	491,000	7,764,000	428,000
Unamortized Premium	68,148	0	4,543	63,605	0
Various Purpose Refunding - 2004	2,911,000	0	447,000	2,464,000	458,000
Unamortized Premium	16,640	0	2,774	13,866	0
Unamortized Gain on Refunding	(90,960)	0	(15,160)	(75,800)	0
Various Purpose Refunding - 2008	2,405,000	0	340,000	2,065,000	345,000
Unamortized Premium	77,396	0	9,106	68,290	0
Various Purpose - 2008	7,330,000	0	520,000	6,810,000	535,000
Unamortized Premium	115,356	0	6,236	109,120	0
Total General Obligation Bonds	25,667,580	0	2,435,499	23,232,081	2,326,000
Special Assessment Bonds with Governmental Commitment					
Heritage Drive Improvements - 1999	1,080,000	0	85,000	995,000	90,000
Notes Payable:					
Various Purpose - 2009	2,340,000	0	2,340,000	0	0
Various Purpose - 2010	0	2,340,000	0	2,340,000	2,340,000
Various Purpose - 2010	0	1,950,000	0	1,950,000	1,950,000
Unamortized Premium	0	21,278	0	21,278	0
Total Notes Payable	2,340,000	4,311,278	2,340,000	4,311,278	4,290,000
Industrial Development Revenue Bonds					
Lincoln Electric Industrial Development	1,120,000	0	125,000	995,000	135,000
Ohio Public Works Commission					
East 222nd Reconstruction -2006	1,670,375	0	83,519	1,586,856	83,519
Other Obligations:					
Capital Leases	653,131	0	179,241	473,890	187,261
Claims	987,228	42,327	153,675	875,880	265,829
Compensated Absences	8,476,878	1,786,025	2,033,732	8,229,171	444,473
Total Other Obligations	10,117,237	1,828,352	2,366,648	9,578,941	897,563
Total Governmental Activities	$ 41,995,192	$ 6,139,630	$ 7,435,666	$ 40,699,156	$ 7,822,082

NOTE 10: **LONG-TERM OBLIGATIONS** (Continued)

	Principal Outstanding 12/31/2009	Additions	Deletions	Principal Outstanding 12/31/2010	Due Within One Year
Business-Type Activities					
General Obligation Bonds:					
Waste Water Fund:					
Various Purpose Refunding - 2008	$ 1,210,000	$ 0	$ 120,000	$ 1,090,000	$ 120,000
Unamortized Premium	37,592	0	4,423	33,169	0
Various Purpose Refunding - 2004	1,239,000	0	57,000	1,182,000	59,000
Unamortized Premium	9,625	0	642	8,983	0
Water Line Fund:					
Waterline Improvement - 2001	2,845,000	0	200,000	2,645,000	210,000
Various Purpose Refunding - 2008	1,160,000	0	110,000	1,050,000	120,000
Unamortized Premium	35,934	0	4,228	31,706	0
Total General Obligation Bonds:	6,537,151	0	496,293	6,040,858	509,000
Notes Payable					
Waterline Improvements - 2010	0	6,300,000	6,300,000	0	0
Sewer Improvements - 2010	0	740,000	740,000	0	0
Waterline Improvements - 2010	0	6,300,000	0	6,300,000	6,300,000
Unamortized Premium	0	28,774	0	28,774	28,774
Sewer Improvements - 2010	0	740,000	0	740,000	740,000
Unamortized Premium	0	3,379	0	3,379	3,379
Sewer Improvements - 2009	740,000	0	740,000	0	0
Waterline Improvements - 2009	6,300,000	0	6,300,000	0	0
	7,040,000	14,112,153	14,080,000	7,072,153	7,072,153
OWDA Loans:					
Waste Water Fund:					
Wastewater Treatment and Collection Systems -1993	4,286,856	0	868,943	3,417,913	914,715
Wastewater Treatment and Collection Systems -1994	1,091,134	0	201,299	889,835	208,183
Sewer Improvement - 1991	1,401,145	0	918,004	483,141	483,141
Total OWDA Loans	6,779,135	0	1,988,246	4,790,889	1,606,039
OPWC Loans:					
Waste Water Fund:					
Newton Avenue Improvements - 2000	734,418	0	73,442	660,976	73,442
East 226th Street/Edgecliff - 2003	1,031,473	0	76,405	955,068	76,406
East 197th Street - 2001	417,465	0	37,952	379,513	37,952
East 255th Street - 2002	250,333	0	20,026	230,307	20,026
East 216th Street - 2004	435,848	0	29,057	406,791	29,056
Brandywine Pump Station - 2006	312,989	0	16,918	296,071	16,918
Chatworth Dr. Sanitary -2006	217,865	0	11,777	206,088	11,777
Euclid Ave/Babbit Rd -2006	464,784	0	23,835	440,949	23,835
Euclid Avenue Improvement -2008	271,416	116,718	0	388,134	0
Dille Road/ East 204 - 2009	0	727,496	0	727,496	0
E. 264th Street - 2010	0	87,602	0	87,602	0
Total Waste Water Fund	4,136,591	931,816	289,412	4,778,995	289,412
Water Line Fund					
Miller Avenue - 2001	929,445	0	84,495	844,950	84,495
East 222nd Street -2003	612,470	0	43,748	568,722	43,748
East 214th Street - 2001	144,503	0	13,136	131,367	13,136
East 222nd/Tungsten Road - 2009	29,436	12,674	0	42,110	0
Dille Road/ East 204 - 2009	119,171	70,829	0	190,000	0
E. 264th Street - 2010	0	21,900	0	21,900	0
E. 248th Street/Shoreview - 2010	0	474,277	0	474,277	0
E. 214 Street/Lake Shore - 2010	0	320,053	0	320,053	0
Total Water Line Fund	1,835,025	899,733	141,379	2,593,379	141,379
Total OPWC Loan	5,971,616	1,831,549	430,791	7,372,374	430,791
Other Obligations					
Capital Leases	357,699	22,080	133,500	246,279	137,884
Claims Payable	155,312	6,659	24,176	137,795	41,819
Compensated Absences	697,551	393,842	391,285	700,108	50,044
Total Other Obligations	1,210,562	422,581	548,961	1,084,181	229,747
Total Business-Type Activities	$ 27,538,464	$ 16,366,283	$ 17,544,291	$ 26,360,455	$ 9,847,730

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.

Governmental capital leases will be paid from the General Fund, the Streets Maintenance and Construction Fund, the Recreation Operating Fund and, Recreation Capital Fund. Business-type capital leases will be paid from the Wastewater Treatment Fund and Briardale Golf Course Fund.

The City participates in the State Worker's 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 Special Projects Fund, the Animal Shelter Fund, the Street Maintenance and Construction Fund, the Community Television Fund, the Recreation Operating Fund, the Community Development Block Grant Fund, the Neighborhood Stabilization Program Fund, the Other Grants Special Revenue Fund, the Recreation Capital Projects Fund, the Bond Retirement Fund, and the Wastewater Treatment Enterprise Fund.

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.

At the end of the year, the City had six outstanding projects from OPWC for the Dille Road/E 204 Street Waterline, East 222nd/Tungsten Waterline, East 264th Street Waterline/Sewer, East 248th/Shoreview Waterline, East 214th/Lake Shore and the Euclid Avenue Sanitary Sewer Improvement. All projects are reported in business-type activities. As of December 31, 2010, the loan amount received for the outstanding project are reported in the following amortization schedules

NOTE 10: **LONG-TERM OBLIGATIONS** (Continued)

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 $1,301,075. Principal and interest paid for the current year were $217,400, and the related revenue received was $109,336. See Note 7(D) for more information on the Industrial Development Revenue Bonds.

Refunded Bonds

In prior years, the City has defeased various bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. Government Securities that were placed in the trust fund. The investment and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the City's government-wide financial statements. As of December 31, 2010, the amount of defeased debt outstanding but removed from the government-wide financial statements amounted to $7,575,000.

Legal Debt Margin

The City's overall legal debt margin was $58,603,360 and the unvoted debt margin was $21,264,872 at December 31, 2010.

Governmetal Activities

	General Obligation Bonds		Special Assessment Bonds		Industrial Development Revenue Bonds		OPWC Loan	Total Governmental Activities	
	Prinicipal	Interest	Prinicipal	Interest	Prinicipal	Interest	Prinicipal	Principal	Interest
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	2,047,000	633,716	110,000	34,160	185,000	31,763	83,519	2,425,519	699,639
2016-2020	7,116,000	2,064,853	500,000	71,960	200,000	16,500	417,594	8,233,594	2,153,313
2021-2025	4,350,000	760,025	0	0	0	0	417,594	4,767,594	760,025
2026-2030	865,000	76,781	0	0	0	0	334,073	1,199,073	76,781
Total	$ 23,053,000	$ 7,074,111	$ 995,000	$ 298,200	$ 995,000	$ 306,077	$ 1,586,856	$ 26,629,856	$ 7,678,388

NOTE 10: **LONG-TERM OBLIGATIONS** (Continued)

Business Type Activities

	General Obligation Bonds		OWDA Loans		OPWC Loans	Total Business-Type Activities	
	Prinicipal	Interest	Prinicipal	Interest	Prinicipal	Prinicipal	Interest
2011	$ 509,000	$ 267,961	$ 1,606,039	$ 258,581	$ 430,791	$ 2,545,830	$ 526,542
2012	516,000	247,071	1,180,683	146,543	543,370	2,240,053	393,614
2013	554,000	227,136	1,241,448	85,777	543,370	2,338,818	312,913
2014	566,000	203,796	762,719	21,856	543,370	1,872,089	225,652
2015	598,000	179,021	0	0	543,369	1,141,369	179,021
2016-2020	2,744,000	470,948	0	0	2,643,407	5,387,407	470,948
2021-2025	480,000	65,200	0	0	1,294,066	1,774,066	65,200
2026-2030	0	0	0	0	718,052	718,052	0
2031	0	0	0	0	112,579	112,579	0
Total	$ 5,967,000	$ 1,661,133	$ 4,790,889	$ 512,757	$ 7,372,374	$ 18,130,263	$ 2,173,890

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.

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:

Years of Service as of January 1, 2005	Upon Retirement Sick Hours Max Out at:
Hired after January 1, 2005	240
5 or less years	320
6-10	480
11-15	640
16-20	800
Over 20 years	960

NOTE 11: **COMPENSATED ABSENCES** (Continued)

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.

During 2010, 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 $54,647 for 2010. 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 $250 deductible.

Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years and there was no significant change in insurance coverage from the prior year.

The claims liability of $254,484 reported in the Self-Insurance Internal Service Fund at December 31, 2010 consists of $253,575 of general liability insurance and $909 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:

NOTE 12: **RISK MANAGEMENT** (Continued)

A. **Property and Liability** (Continued)

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2008	$ 359,430	$ 87,847	$ 90,132	$ 357,145
2009	$ 357,145	$ 99,467	$ 151,252	$ 305,360
2010	$ 305,360	$ 104,142	$ 155,927	$ 253,575

B. **Health Insurance Benefits**

The City provides health insurance coverage for employees of the City through a self-funded program. A third party administrator, Medical Mutual is used to evaluate individual claims and costs. Coverage includes health, prescription drug benefits, and dental care.

The City structured its health care plan through a cost sharing program that includes yearly deductible amounts as well as co-pays. For covered individuals, premiums are to be paid by the employee in the amount of $100 for single coverage and $125 for family coverage per month. The yearly deductible amount is $200 for single coverage, and $300 for family coverage. In addition to this, covered employees or family members have a required co-pay of $20 per office visit or $50 per emergency care visit. If admitted to the hospital, the $50 co-pay is waived. Upon meeting the required employee contributions as well as staying within a Medical Mutual provider, maximum coverage is provided by the plan parameters. However, if an individual seeks care at a non-Medical Mutual provider, then generally 80 percent of the cost is covered. Furthermore, the plan allows for catastrophic (stop-loss) coverage of $150,000 per individual. Employee medical benefits are charged to the respective fund in which the individual's salary is paid.

The claims liability of $503,002 reported in the General Fund at December 31, 2010, 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
2008	$ 397,870	$ 3,348,825	$ 3,094,556	$ 652,139
2009	$ 652,139	$ 3,636,722	$ 3,838,203	$ 450,658
2010	$ 450,658	$ 3,423,533	$ 3,371,189	$ 503,002

NOTE 12: **RISK MANAGEMENT** (Continued)

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 $875,880 reported in governmental activities and $137,795 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:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2008	$ 2,201,106	$ 48,986	$ 1,129,498	$ 1,120,594
2009	$ 1,120,594	$ 49,299	$ 27,353	$ 1,142,540
2010	$ 1,142,540	$ 48,987	$ 177,852	$ 1,013,675

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.

NOTE 13: **PENSION PLANS** (Continued)

A. **Ohio Public Employees Retirement System** (Continued)

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, 2010, 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 8.50 percent from January 1 through February 28, 2010 and 9.00 percent from March 1 through December 31, 2010. The Ohio Revised Code provides statutory authority for member and employer contributions

The City's required contributions for pension obligations to all three plans for the years ended December 31, 2010, 2009, and 2008 were $1,122,584, $1,153,921, and $1,024,197, respectively. 89.65 percent has been contributed for 2010 while 100 percent has been contributed for 2009 and 2008.

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 $857,023 and $914,674 for the year ended December 31, 2010, $890,220 and $912,383 for the year ended December 31, 2009, and $843,281 and $894,648 for the year ended December 31, 2008. The full amount has been contributed for 2009 and 2008. 61.61 percent for police and 62.71 percent for firefighters has been contributed for 2010, 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.

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 2010 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 rat that will be set aside for funding of post employment health care benefits. The portion of employer contributions allocated to health care was 5.50 percent from January 1 through February 28, 2010 and 5.00 percent from March 1 through December 31, 2010. 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 2010, 2009 and 2008 which were used to fund post-employment benefits were $639,978, $827,708, and $827,720, respectively. 89.65 percent has been contributed for 2010, and 100 percent has been contributed for 2009 and 2008.

NOTE 14: **POST-EMPLOYMENT BENEFITS** (Continued)

A. **Ohio Public Employees Retirement System** (Continued)

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 of each year from 2006 to 2008. Rates for law and public safety employers increased over a six year period beginning January 1, 2006 with a final rate increase January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

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.

NOTE 14: **POST-EMPLOYMENT BENEFITS** (Continued)

B. **Ohio Police and Fire Pension Fund** (Continued)

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.

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, 2010, 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, 2010, 2009, and 2008, were $453,718 for police and $357,916 for firefighters, $471,293 for police and $357,019 for firefighters, and $556,206 for police and $426,679 for firefighters, respectively was allocated to the health care plan. The full amount has been contributed for 2009 and 2008. 61.61 percent for police and 62.71 percent for firefighters has been contributed for 2010, with the remainder being reported as a liability

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 part of debt service on the Statement of Revenue, Expenditures, and Changes in Fund Balances.

During 2010, the City entered into a capital lease for equipment relating to the operations of the Briardale Greens Golf Course.

Capital assets acquired by lease have been capitalized and depreciated as follows as of December 31, 2010:

	Governmental Activities	Business-Type Activities
Capital Assets being Depreciated:		
Furniture, Fixtures, and Equipment	$ 1,737,052	$ 1,089,358
Less: Accumulated Depreciation	(455,398)	(452,285)
Total Capital Assets being Depreciated	$ 1,281,654	$ 637,073
Year Ending		
December 31:		
2011	207,640	149,746
2012	152,220	56,322
2013	152,526	56,016
2014	-	5,142
Total Minimum Lease Payaments	512,386	267,226
Less: Amount Representing Interest	(38,496)	(20,947)
Present Value of Minimum Lease Payments	473,890	246,279

NOTE 16: **INTERFUND TRANSFERS AND BALANCES**

A. **Transfers**

Transfers are primarily made from the General Fund typically cover general operating and project costs. Transfers made from Other Governmental Funds (Nuisance Abatement Fund) were due to excess funds, after payment of all obligations of the fund. Transfer made to Waste Water Treatment Fund was for grant funds received to pay for a project that was paid out the fund but recorded into the Water Line Improvement Fund when received. All transfers were made in compliance with Ohio Revised Code. Transfers made during the year ended December 31, 2010, were as follows:

NOTE 16: **INTERFUND TRANSFERS AND BALANCES** (Continued)

A. **Transfers** (Continued)

	Transfer From			
Transfer To	General Fund	Other Governmental Funds	Water Line Improvement	Totals
General Fund	$ 0	$ 110,000	$ 0	$ 110,000
Other Governmental Funds	305,800	138,000	0	443,800
Waste Water Treatment	0	0	310,152	310,152
Totals	$ 305,800	$ 248,000	$ 310,152	$ 863,952

Transfers on the government wide statements reflect non-cash transfer of capital assets in the amount, net of accumulated depreciation, of $9,042 from business-type to governmental activities and $14,257 from governmental to business-type activities.

NOTE 17: **SUBSEQUENT EVENT**

During 2011, the City has issued several bonds. They have refunded the Industrial Revenue Bonds, reducing the interest and length of time. Two separate Various Purpose General Obligation Bonds were issued for $8,930,000 and $9,465,000. These issuances included refunding of special assessment bond, 2001 General Obligation Bond as well as conversions of Bond Anticipation Notes.

Combining Statements
and
Individual Fund Schedules

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 restricted 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.

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.

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.

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.

Downtown District A TIF– This fund is for the redevelopment of the various parcels of real property located in the Downtown Euclid business district.

	Special Revenue	Capital Projects	Total
ASSETS:			
Equity in Pooled Cash and Cash Equivalents	$ 1,242,506	$ 2,827,607	$ 4,070,113
Materials and Supplies Inventory	68,341	0	68,341
Accounts Receivable	12,351	350,000	362,351
Intergovernmental Receivable	953,511	26,302	979,813
Prepaid Items	3,546	0	3,546
Property Taxes Receivable	362,601	474,172	836,773
Revenue in Lieu of Taxes Receivable	0	225,937	225,937
Special Assessments Receivable	240,510	0	240,510
Assets Held for Resale	1,103,292	0	1,103,292
Total Assets	$ 3,986,658	$ 3,904,018	$ 7,890,676
LIABILITIES:			
Accounts Payable	$ 119,381	$ 14,526	$ 133,907
Accrued Wages and Benefits	83,723	2,140	85,863
Intergovernmental Payable	230,457	4,317	234,774
Retainage Payable	3,479	15,694	19,173
Interfund Payable	0	918,313	918,313
Deferred Revenue	1,169,850	726,411	1,896,261
Total Liabilities	1,606,890	1,681,401	3,288,291
FUND BALANCES:			
Reserved:			
Reserved for Encumbrances	147,754	722,154	869,908
Reserved for Assets Held for Resale	1,103,292	0	1,103,292
Unreserved, Undesignated, Reported in:			
Special Revenue Funds	1,128,722	0	1,128,722
Capital Projects Funds	0	1,500,463	1,500,463
Total Fund Balances	2,379,768	2,222,617	4,602,385
Total Liabilities and Fund Balances	$ 3,986,658	$ 3,904,018	$ 7,890,676

	Special Revenue	Capital Projects	Total
REVENUES:			
Property Taxes	$ 311,216	$ 406,975	$ 718,191
Payments in Lieu of Taxes	0	174,801	174,801
Special Assessments	158,252	40,766	199,018
Charges for Services	457,263	0	457,263
Fines and Forfeitures	185,371	0	185,371
Intergovernmental	6,219,486	541,628	6,761,114
Interest	159	29	188
Rent	79,215	0	79,215
Contributions and Donations	56,926	0	56,926
Other	315,317	15,205	330,522
Total Revenues	7,783,205	1,179,404	8,962,609
EXPENDITURES:			
Current:			
General Government	1,658,855	0	1,658,855
Security of Persons and Property	340,002	0	340,002
Leisure Time Services	1,128,444	0	1,128,444
Community and Economic Development	1,789,919	0	1,789,919
Transportation	2,109,236	0	2,109,236
Capital Outlay	0	2,547,975	2,547,975
Debt Service:			
Principal Retirements	23,142	50,070	73,212
Interest and Fiscal Charges	3,250	35,663	38,913
Total Expenditures	7,052,848	2,633,708	9,686,556
Excess of Revenues Over(Under) Expenditures	730,357	(1,454,304)	(723,947)
OTHER FINANCING SOURCES AND USES:			
Transfers In	443,800	0	443,800
Notes Issued	0	1,950,000	1,950,000
Proceeds from Sale of Capital Assets	0	192,962	192,962
Transfers Out	(110,000)	(138,000)	(248,000)
Total Other Financing Sources and Uses	333,800	2,004,962	2,338,762
Net Change in Fund Balance	1,064,157	550,658	1,614,815
Fund Balance at Beginning of Year	1,315,611	1,671,959	2,987,570
Fund Balance at End of Year	$ 2,379,768	$ 2,222,617	$ 4,602,385

	State Highway	Indigent Drivers Alcohol Treatment	Court Computerization	Court Special Projects	Animal Shelter	Nuisance Abatement	Indigent Drivers Interlock and Alcohol Monitoring	Street Maintenance & Construction
ASSETS:								
Equity in Pooled Cash and Cash Equivalents	$ 9,467	$ 94,658	$ 98,971	$ 173,632	$ 7	$ 93,191	$ 6,447	$ 158,824
Materials and Supplies Inventory	0	0	0	0	0	0	0	64,590
Accounts Receivable	0	874	4,619	6,555	0	0	303	0
Intergovernmental Receivable	58,520	0	0	0	0	0	0	741,520
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	240,510	0	0
Assets Held for Resale	0	0	0	0	0	0	0	0
Total Assets	$ 67,987	$ 95,532	$ 103,590	$ 180,187	$ 7	$ 333,701	$ 6,750	$ 964,934
LIABILITIES:								
Accounts Payable	$ 19,680	$ 0	$ 17	$ 0	$ 704	$ 1,250	$ 0	$ 52,451
Accrued Wages and Benefits	0	0	0	3,178	1,557	0	0	35,232
Intergovernmental Payable	0	0	0	4,891	3,336	0	0	75,876
Retainage Payable	0	0	0	0	0	0	0	0
Deferred Revenue	40,997	0	0	0	0	240,510	0	505,629
Total Liabilities	60,677	0	17	8,069	5,597	241,760	0	669,188
FUND BALANCES:								
Reserved:								
Reserved for Encumbrances	0	0	0	0	0	0	0	24,611
Reserved for Assets Held for Resale	0	0	0	0	0	0	0	0
Unreserved, Undesignated, Reported in:								
Special Revenue Funds	7,310	95,532	103,573	172,118	(5,590)	91,941	6,750	271,135
Total Fund Balances	7,310	95,532	103,573	172,118	(5,590)	91,941	6,750	295,746
Total Liabilities and Fund Balances	$ 67,987	$ 95,532	$ 103,590	$ 180,187	$ 7	$ 333,701	$ 6,750	$ 964,934

	Community Television	Recreation Operating	Community Development Block Grant	Neighborhood Stabilization Program	Other Grants	Law Enforcement Trust	Shore Corp	Total Nonmajor Special Revenue
ASSETS:								
Equity in Pooled Cash and Cash Equivalents	$ 11,168	$ 16,874	$ 864	$ 27,241	$ 188,620	$ 221,595	$ 140,947	$ 1,242,506
Materials and Supplies Inventory	0	3,751	0	0	0	0	0	68,341
Accounts Receivable	0	0	0	0	0	0	0	12,351
Intergovernmental Receivable	0	20,113	0	26,266	107,092	0	0	953,511
Prepaid Items	0	3,546	0	0	0	0	0	3,546
Property Taxes Receivable	0	362,601	0	0	0	0	0	362,601
Special Assessments Receivable	0	0	0	0	0	0	0	240,510
Assets Held for Resale	0	0	0	1,103,292	0	0	0	1,103,292
Total Assets	$ 11,168	$ 406,885	$ 864	$ 1,156,799	$ 295,712	$ 221,595	$ 140,947	$ 3,986,658
LIABILITIES:								
Accounts Payable	$ 0	$ 19,815	$ 580	$ 2,103	$ 540	$ 0	$ 22,241	$ 119,381
Accrued Wages and Benefits	1,495	9,300	14,529	1,420	17,012	0	0	83,723
Intergovernmental Payable	3,986	25,045	34,227	56,916	26,180	0	0	230,457
Retainage Payable	0	0	0	3,479	0	0	0	3,479
Deferred Revenue	0	382,714	0	0	0	0	0	1,169,850
Total Liabilities	5,481	436,874	49,336	63,918	43,732	0	22,241	1,606,890
FUND BALANCES:								
Reserved:								
Reserved for Encumbrances	0	0	0	0	56,775	0	66,368	147,754
Reserved for Assets Held for Resale	0	0	0	1,103,292	0	0	0	1,103,292
Unreserved, Undesignated, Reported in:								
Special Revenue Funds	5,687	(29,989)	(48,472)	(10,411)	195,205	221,595	52,338	1,128,722
Total Fund Balances	5,687	(29,989)	(48,472)	1,092,881	251,980	221,595	118,706	2,379,768
Total Liabilities and Fund Balances	$ 11,168	$ 406,885	$ 864	$ 1,156,799	$ 295,712	$ 221,595	$ 140,947	$ 3,986,658

	State Highway	Indigent Drivers Alcohol Treatment	Court Computerization	Court Special Projects	Animal Shelter	Nuisance Abatement	Indigent Drivers Interlock and Alcohol Monitoring	Street Maintenance & Construction
REVENUES:								
Property Taxes	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Special Assessments	0	0	0	0	0	158,252	0	0
Charges for Services	0	0	0	0	23,955	41,929	0	0
Fines and Forfeitures	0	15,491	68,069	96,911	0	0	4,900	0
Intergovernmental	117,190	0	0	0	0	0	0	1,702,364
Interest	0	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	264,950
Total Revenues	117,190	15,491	68,069	96,911	60,951	200,181	4,900	1,967,314
EXPENDITURES:								
Current:								
General Government	0	0	0	0	0	0	0	0
Security of Persons and Property	0	6,133	73,247	118,656	92,786	0	0	0
Leisure Time Services	0	0	0	0	0	0	0	0
Community and Economic Development	0	0	0	0	0	51,468	0	0
Transportation	173,454	0	0	0	0	0	0	1,935,782
Debt Service:								
Principal Retirements	0	0	0	0	0	0	0	6,729
Interest and Fiscal Charges	0	0	0	0	0	0	0	945
Total Expenditures	173,454	6,133	73,247	118,656	92,786	51,468	0	1,943,456
Excess of Revenues Over(Under) Expenditures	(56,264)	9,358	(5,178)	(21,745)	(31,835)	148,713	4,900	23,858
OTHER FINANCING SOURCES AND USES:								
Transfers In	0	0	0	0	20,800	0	0	25,000
Transfers Out	0	0	0	0	0	(110,000)	0	0
Total Other Financing Sources and Uses	0	0	0	0	20,800	(110,000)	0	25,000
Net Change in Fund Balance	(56,264)	9,358	(5,178)	(21,745)	(11,035)	38,713	4,900	48,858
Fund Balance (Deficit) at Beginning of Year	63,574	86,174	108,751	193,863	5,445	53,228	1,850	246,888
Fund Balance (Deficit) at End of Year	$ 7,310	$ 95,532	$ 103,573	$ 172,118	$ (5,590)	$ 91,941	$ 6,750	$ 295,746

	Community Television	Recreation Operating	Community Development Block Grant	Neighborhood Stabilization Program	Other Grants	Law Enforcement Trust	Shore Corp	Total Nonmajor Special Revenue
REVENUES:								
Property Taxes	$ 0	$ 311,216	$ 0	$ 0	$ 0	$ 0	$ 0	$ 311,216
Special Assessments	0	0	0	0	0	0	0	158,252
Charges for Services	550	390,829	0	0	0	0	0	457,263
Fines and Forfeitures	0	0	0	0	0	0	0	185,371
Intergovernmental	0	129,501	1,319,997	1,407,350	1,463,688	79,396	0	6,219,486
Interest	0	0	3	0	0	156	0	159
Rent	0	42,219	0	0	0	0	0	79,215
Contributions and Donations	1,040	3,766	0	0	52,120	0	0	56,926
Other	0	1,051	0	37,198	1,940	10,178	0	315,317
Total Revenues	1,590	878,582	1,320,000	1,444,548	1,517,748	89,730	0	7,783,205
EXPENDITURES:								
Current:								
General Government	0	0	0	0	1,658,855	0	0	1,658,855
Security of Persons and Property	0	0	0	0	0	49,180	0	340,002
Leisure Time Services	3,796	1,065,130	0	0	0	0	59,518	1,128,444
Community and Economic Development	49,903	0	1,327,719	360,790	39	0	0	1,789,919
Transportation	0	0	0	0	0	0	0	2,109,236
Debt Service:								
Principal Retirements	0	16,413	0	0	0	0	0	23,142
Interest and Fiscal Charges	0	2,305	0	0	0	0	0	3,250
Total Expenditures	53,699	1,083,848	1,327,719	360,790	1,658,894	49,180	59,518	7,052,848
Excess of Revenues Over(Under) Expenditures	(52,109)	(205,266)	(7,719)	1,083,758	(141,146)	40,550	(59,518)	730,357
OTHER FINANCING SOURCES AND USES:								
Transfers In	48,000	212,000	0	0	0	0	138,000	443,800
Transfers Out	0	0	0	0	0	0	0	(110,000)
Total Other Financing Sources and Uses	48,000	212,000	0	0	0	0	138,000	333,800
Net Change in Fund Balance	(4,109)	6,734	(7,719)	1,083,758	(141,146)	40,550	78,482	1,064,157
Fund Balance (Deficit) at Beginning of Year	9,796	(36,723)	(40,753)	9,123	393,126	181,045	40,224	1,315,611
Fund Balance (Deficit) at End of Year	$ 5,687	$ (29,989)	$ (48,472)	$ 1,092,881	$ 251,980	$ 221,595	$ 118,706	$ 2,379,768

CITY OF EUCLID, OHIO
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
DECEMBER 31, 2010

	General Permanent Improvement	Recreation Capital	Sidewalk Repair & Replacement	Public Building Construction	Euclid Endowment	Sims Park	Bennington Hamlet	CMP Properties	Harbor Town TIF	Downtown District A TIF	Total Nonmajor Capital Projects
ASSETS:											
Equity in Pooled Cash and Cash Equivalents	$ 2,123,011	$ 67,586	$ 29,085	$ 3,780	$ 136,174	$ 79,908	$ 109,074	$ 83,886	$ 143,964	$ 51,139	$ 2,827,607
Accounts Receivable	0	0	0	0	350,000	0	0	0	0	0	350,000
Intergovernmental Receivable	15,472	10,830	0	0	0	0	0	0	0	0	26,302
Property Taxes Receivable	278,924	195,248	0	0	0	0	0	0	0	0	474,172
Revenue in Lieu of Taxes Receivable	0	0	0	0	0	0	33,896	57,132	83,948	50,961	225,937
Total Assets	$ 2,417,407	$ 273,664	$ 29,085	$ 3,780	$ 486,174	$ 79,908	$ 142,970	$ 141,018	$ 227,912	$ 102,100	$ 3,904,018
LIABILITIES:											
Accounts Payable	8,673	2,305	0	0	0	0	1,774	1,774	0	0	14,526
Accrued Wages and Benefits	0	2,140	0	0	0	0	0	0	0	0	2,140
Intergovernmental Payable	0	4,317	0	0	0	0	0	0	0	0	4,317
Retainage Payable	15,694	0	0	0	0	0	0	0	0	0	15,694
Interfund Payable	560,000	0	0	358,313	0	0	0	0	0	0	918,313
Deferred Revenue	294,396	206,078	0	0	0	0	33,896	57,132	83,948	50,961	726,411
Total Liabilities	878,763	214,840	0	358,313	0	0	35,670	58,906	83,948	50,961	1,681,401
FUND BALANCES:											
Reserved:											
Reserved for Encumbrances	528,304	4,950	0	600	11,900	0	85,825	5,575	85,000	0	722,154
Unreserved, Undesignated, Reported in:											
Capital Projects Funds	1,010,340	53,874	29,085	(355,133)	474,274	79,908	21,475	76,537	58,964	51,139	1,500,463
Total Fund Balances	1,538,644	58,824	29,085	(354,533)	486,174	79,908	107,300	82,112	143,964	51,139	2,222,617
Total Liabilities and Fund Balances	$ 2,417,407	$ 273,664	$ 29,085	$ 3,780	$ 486,174	$ 79,908	$ 142,970	$ 141,018	$ 227,912	$ 102,100	$ 3,904,018

	General Permanent Improvement	Recreation Capital	Sidewalk Repair & Replacement	Public Building Construction	Euclid Endowment	Sims Park	Bennington Hamlet	CMP Properties	Harbor Town TIF	Downtown District A TIF	Total Nonmajor Capital Projects
REVENUES:											
Property Taxes	$ 239,397	$ 167,578	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 406,975
Payments in Lieu of Taxes	0	0	0	0	0	0	25,248	57,287	41,127	51,139	174,801
Special Assessments	327	0	0	0	0	0	0	0	40,439	0	40,766
Intergovernmental	116,699	74,929	0	0	350,000	0	0	0	0	0	541,628
Interest	29	0	0	0	0	0	0	0	0	0	29
Other	28	15,177	0	0	0	0	0	0	0	0	15,205
Total Revenues	356,480	257,684	0	0	350,000	0	25,248	57,287	81,566	51,139	1,179,404
EXPENDITURES:											
Capital Outlay	1,686,224	205,137	0	85,150	379,677	0	40,660	143,730	7,397	0	2,547,975
Debt Service:											
Principal Retirements	0	50,070	0	0	0	0	0	0	0	0	50,070
Interest and Fiscal Charges	22,000	5,350	0	8,313	0	0	0	0	0	0	35,663
Total Expenditures	1,708,224	260,557	0	93,463	379,677	0	40,660	143,730	7,397	0	2,633,708
Excess of Revenues Over(Under) Expenditures	(1,351,744)	(2,873)	0	(93,463)	(29,677)	0	(15,412)	(86,443)	74,169	51,139	(1,454,304)
OTHER FINANCING SOURCES AND USES:											
Notes Issued	1,950,000	0	0	0	0	0	0	0	0	0	1,950,000
Proceeds from Sale of Capital Assets	74,069	0	0	0	118,893	0	0	0	0	0	192,962
Transfers Out	0	0	0	0	(138,000)	0	0	0	0	0	(138,000)
Total Other Financing Sources and Uses	2,024,069	0	0	0	(19,107)	0	0	0	0	0	2,004,962
Net Change in Fund Balance	672,325	(2,873)	0	(93,463)	(48,784)	0	(15,412)	(86,443)	74,169	51,139	550,658
Fund Balance (Deficit) at Beginning of Year	866,319	61,697	29,085	(261,070)	534,958	79,908	122,712	168,555	69,795	0	1,671,959
Fund Balance (Deficit) at End of Year	$ 1,538,644	$ 58,824	$ 29,085	$ (354,533)	$ 486,174	$ 79,908	$ 107,300	$ 82,112	$ 143,964	$ 51,139	$ 2,222,617

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.

	Beginning Balance	Additions	Deductions	Ending Balance
Municipal Court				
ASSETS:				
Equity in Pooled Cash and Cash Equivalents	$ 186,146	$ 4,708,284	$ 4,767,672	$ 126,758
LIABILITIES:				
Deposits Held and Due to Others	186,146	4,708,284	4,767,672	126,758
Employee Flex Spending				
ASSETS:				
Equity in Pooled Cash and Cash Equivalents	25,729	269,445	269,445	25,729
LIABILITIES:				
Deposits Held and Due to Others	25,729	269,445	269,445	25,729
Retirees - Insurance Payments				
ASSETS:				
Equity in Pooled Cash and Cash Equivalents	7,214	23,026	25,049	5,191
LIABILITIES:				
Deposits Held and Due to Others	7,214	23,026	25,049	5,191
Building Deposits				
ASSETS:				
Equity in Pooled Cash and Cash Equivalents	89,045	18,000	34,150	72,895
LIABILITIES:				
Deposits Held and Due to Others	89,045	18,000	34,150	72,895
Street Opening				
ASSETS:				
Equity in Pooled Cash and Cash Equivalents	21,475	27,000	0	48,475
LIABILITIES:				
Deposits Held and Due to Others	21,475	27,000	0	48,475
Revolving				
ASSETS:				
Equity in Pooled Cash and Cash Equivalents	455,920	27,368,028	27,379,254	444,694
LIABILITIES:				
Deposits Held and Due to Others	455,920	27,368,028	27,379,254	444,694
Temporary Suspense				
ASSETS:				
Equity in Pooled Cash and Cash Equivalents	9,999	235,790	212,734	33,055
LIABILITIES:				
Deposits Held and Due to Others	9,999	235,790	212,734	33,055
Totals				
ASSETS:				
Equity in Pooled Cash and Cash Equivalents	$ 795,528	$ 32,649,573	$ 32,688,304	$ 756,797
LIABILITIES:				
Deposits Held and Due to Others	$ 795,528	$ 32,649,573	$ 32,688,304	$ 756,797

Individual Fund Schedules of Revenues, Expenditures/Expenses, and Changes in Fund Balances/Equity – Budget (Non-GAAP Basis) and Actual

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Property Taxes	$ 1,589,300	$ 1,476,736	$ 1,608,748	$ 132,012
Income Taxes	22,594,362	20,994,090	21,515,137	521,047
Special Assessments	949,230	0	0	0
Charges for Services	6,089,186	5,757,912	5,737,997	(19,915)
Licenses and Permits	161,380	149,950	148,341	(1,609)
Fines and Forfeitures	1,871,447	1,738,900	1,607,666	(131,234)
Intergovernmental	5,812,083	5,400,435	5,746,227	345,792
Interest	430,490	400,000	178,364	(221,636)
Rent	86,636	80,500	83,628	3,128
Contributions and Donations	1,076	1,000	815	(185)
Other	129,148	120,000	150,668	30,668
Total Revenues	39,714,338	36,119,523	36,777,591	658,068
EXPENDITURES:				
Current:				
General Government				
Legislative				
Personal Services	157,421	158,272	157,700	572
Materials and Supplies	1,841	1,841	1,696	145
Other	139	139	131	8
Total - Legislative	159,401	160,252	159,527	725
Judicial				
Personal Services	760,281	760,999	749,720	11,279
Contractual Services	38,149	38,149	33,222	4,927
Materials and Supplies	57,045	57,045	49,680	7,365
Other	3,945	3,945	3,432	513
Total - Judicial	859,420	860,138	836,054	24,084
Executive				
Personal Services	242,510	253,603	252,798	805
Materials and Supplies	3,977	3,977	2,514	1,463
Other	473	473	299	174
Total - Executive	246,960	258,053	255,611	2,442
Finance				
Personal Services	906,708	946,043	871,403	74,640
Contractual Services	82,161	82,161	65,108	17,053
Materials and Supplies	86,750	86,750	72,517	14,233
Capital Outlay	3,209	3,209	2,688	521
Other	28,996	28,996	24,218	4,778
Total - Finance	1,107,824	1,147,159	1,035,934	111,225
Law				
Personal Services	464,499	467,436	456,551	10,885
Contractual Services	53,904	53,904	49,477	4,427
Materials and Supplies	26,998	26,998	24,868	2,130
Other	2,488	2,488	2,290	198
Total - Law	547,889	550,826	533,186	17,640

Buildings				
Personal Services	1,407,424	1,425,068	1,402,879	22,189
Contractual Services	133,374	148,372	142,505	5,867
Materials and Supplies	416,875	463,431	442,397	21,034
Other	3,860	4,306	4,255	51
Total - Buildings	1,961,533	2,041,177	1,992,036	49,141
Administration				
Personal Services	285,058	298,337	291,094	7,243
Contractual Services	148,607	148,607	121,729	26,878
Materials and Supplies	19,442	19,442	15,561	3,881
Total - Administration	453,107	466,386	428,384	38,002
Other Department				
Personal Services	4,888,422	4,757,719	4,501,018	256,701
Contractual Services	322,744	368,764	350,956	17,808
Materials and Supplies	1,694,716	1,936,215	1,841,020	95,195
Other	465,125	531,606	506,745	24,861
Total - Other Department	7,371,007	7,594,304	7,199,739	394,565
Total - General Government	12,707,141	13,078,295	12,440,471	637,824
Security of Persons and Property				
Police				
Personal Services	10,651,723	10,509,799	10,395,254	114,545
Contractual Services	108,010	112,958	109,166	3,792
Materials and Supplies	87,787	91,790	88,302	3,488
Capital Outlay	9,244	9,671	9,429	242
Other	37,238	38,960	37,967	993
Total - Police	10,894,002	10,763,178	10,640,118	123,060
Fire				
Personal Services	7,489,511	7,513,958	7,356,084	157,874
Contractual Services	10,287	10,287	8,394	1,893
Materials and Supplies	38,164	38,164	29,348	8,816
Capital Outlay	2,209	2,209	1,811	398
Other	5,783	5,783	4,744	1,039
Total - Fire	7,545,954	7,570,401	7,400,381	170,020
Corrections				
Personal Services	1,282,979	1,378,975	1,374,302	4,673
Contractual Services	130,553	138,811	135,810	3,001
Materials and Supplies	261,706	278,260	272,303	5,957
Capital Outlay	6,760	7,187	7,049	138
Other	960	1,021	983	38
Total - Corrections	1,682,958	1,804,254	1,790,447	13,807
Total - Security of Persons and Property	20,122,914	20,137,833	19,830,946	306,887

Sanitation				
Contractual Services	2,122,825	2,122,825	2,102,050	20,775
Other	3,250	3,250	3,250	0
Total - Sanitation	2,126,075	2,126,075	2,105,300	20,775
Public Health				
Personal Services	38,959	38,996	38,938	58
Contractual Services	191,393	199,547	195,053	4,494
Materials and Supplies	305	321	321	0
Other	42,938	44,768	43,743	1,025
Total - Public Health	273,595	283,632	278,055	5,577
Leisure Time Services				
Personal Services	428,811	435,216	422,883	12,333
Contractual Services	6,656	9,172	7,024	2,148
Materials and Supplies	8,877	12,083	8,950	3,133
Other	736	1,014	776	238
Total - Leisure Time Services	445,080	457,485	439,633	17,852
Community and Economic Development				
Unclaimed Monies				
Other	2,000	2,000	1,250	750
Total - Unclaimed Monies	2,000	2,000	1,250	750
Protective Inspection				
Personal Services	655,081	695,045	692,739	2,306
Contractual Services	45,279	58,607	54,179	4,428
Materials and Supplies	9,843	12,767	11,890	877
Other	17,668	22,916	21,328	1,588
Total - Protective Inspection	727,871	789,335	780,136	9,199
Community Service and Economic Development				
Personal Services	96,909	97,002	96,929	73
Materials and Supplies	2,458	2,458	1,732	726
Other	346	346	250	96
Total - Community Service and Economic Development	99,713	99,806	98,911	895
Economic Opportunity				
Personal Services	179,109	194,787	186,793	7,994
Contractual Services	55,656	55,656	32,539	23,117
Materials and Supplies	7,125	7,125	4,200	2,925
Other	4,654	4,654	2,745	1,909
Total - Economic Opportunity	246,544	262,222	226,277	35,945
Total - Community and Economic Development	1,076,128	1,153,363	1,106,574	46,789

Debt Service:				
Principal Retirement	125,000	125,000	125,000	0
Interest and Fiscal Charges	92,400	92,400	92,400	0
Total - Debt Service	217,400	217,400	217,400	0
Total Expenditures	36,968,333	37,454,083	36,418,379	1,035,704
Excess of Revenues Over(Under) Expenditures	2,746,005	(1,334,560)	359,212	1,693,772
OTHER FINANCING SOURCES AND USES:				
Transfers In	110,000	110,000	110,000	0
Proceeds from Sale of Capital Assets	1,076	1,000	465	(535)
Advances In	0	882,000	885,000	3,000
Transfers Out	(249,000)	(305,800)	(305,800)	0
Total Other Financing Sources and Uses	(137,924)	687,200	689,665	2,465
Net Change in Fund Balance	2,608,081	(647,360)	1,048,877	1,696,237
Fund Balance at Beginning of Year	1,679,971	1,679,971	1,679,971	0
Prior Year Encumbrances Appropriated	48,788	48,788	48,788	0
Fund Balance at End of Year	$ 4,336,840	$ 1,081,399	$ 2,777,636	$ 1,696,237

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Property Taxes	$ 2,661,812	$ 5,936,464	$ 2,582,050	$ (3,354,414)
Special Assessments	140,301	312,904	136,097	(176,807)
Intergovernmental	810,296	1,807,149	786,015	(1,021,134)
Interest	85,753	191,248	83,183	(108,065)
Rent	38,787	86,505	37,625	(48,880)
Other	762	1,699	739	(960)
Total Revenues	3,737,711	8,335,969	3,625,709	(4,710,260)
EXPENDITURES:				
Current:				
General Government				
Personal Services	68,061	100,061	86,802	13,259
Contractual Services	31,088	31,088	31,088	0
Other	135,313	181,313	95,793	85,520
Total - General Government	234,462	312,462	213,683	98,779
Debt Service				
Principal Retirement	4,543,000	6,001,000	4,936,519	1,064,481
Interest and Fiscal Charges	5,914,510	5,884,197	1,165,027	4,719,170
Total - Debt Service	10,457,510	11,885,197	6,101,546	5,783,651
Total Expenditures	10,691,972	12,197,659	6,315,229	5,882,430
Excess of Revenues Over(Under) Expenditures	(6,954,261)	(3,861,690)	(2,689,520)	1,172,170
OTHER FINANCING SOURCES AND USES:				
Notes Issued	2,340,000	2,340,000	2,340,000	0
Premium on Debt Issued	0	21,278	21,278	0
Advances Out	0	(912,313)	(915,313)	(3,000)
Total Other Financing Sources and Uses	2,340,000	1,448,965	1,445,965	(3,000)
Net Change in Fund Balance	(4,614,261)	(2,412,725)	(1,243,555)	1,169,170
Fund Balance at Beginning of Year	2,685,157	2,685,157	2,685,157	0
Fund Balance (Deficit) at End of Year	$ (1,929,104)	$ 272,432	$ 1,441,602	$ 1,169,170

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Charges for Services	$ 13,756,917	$ 15,147,864	$ 8,928,026	$ (6,219,838)
Tap-In Fees	23,156	25,497	15,028	(10,469)
Interest	100	111	65	(46)
Intergovernmental	329,877	363,230	214,085	(149,145)
Property Taxes	720,590	793,448	467,652	(325,796)
Other	1,422,697	1,566,544	926,211	(640,333)
Total Revenues	16,253,337	17,896,694	10,551,067	(7,345,627)
EXPENSES:				
Personal Services	4,459,763	4,445,263	4,181,142	264,121
Contractual Services	4,465,067	4,515,494	2,147,167	2,368,327
Materials and Supplies	4,530,050	4,609,988	2,834,373	1,775,615
Capital Outlay	3,353,258	3,841,653	1,975,035	1,866,618
Other	87,527	95,443	59,009	36,434
Debt Service:				
Principal Retirement	2,255,189	3,934,658	3,934,658	0
Interest and Fiscal Charges	542,926	470,906	470,855	51
Bond Issuance Costs	0	11,582	5,933	5,649
Total Expenses	19,693,780	21,924,987	15,608,172	6,316,815
Excess of Revenue Over(Under) Expenses	(3,440,443)	(4,028,293)	(5,057,105)	(1,028,812)
OTHER FINANCING SOURCES AND USES:				
Capital Grants and Contributions	0	0	391,165	391,165
Notes Issued	0	1,482,903	1,480,000	(2,903)
Proceeds from OPWC Loans	1,322,981	1,322,981	931,816	(391,165)
Premium on Debt Issued	0	3,379	3,379	0
Transfers In	0	310,152	310,152	0
Total Other Finance Sources and Uses	1,322,981	3,119,415	3,116,512	(2,903)
Net Change in Fund Equity	(2,117,462)	(908,878)	(1,940,593)	(1,031,715)
Fund Equity at Beginning of Year	2,823,561	2,823,561	2,823,561	0
Prior Year Encumbrances Appropriated	1,077,690	1,077,690	1,077,690	0
Fund Equity at End of Year	$ 1,783,789	$ 2,992,373	$ 1,960,658	$ (1,031,715)

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Charges for Services	$ 4,936,397	$ 1,900,002	$ 1,469,054	$ (430,948)
Interest	1,673	644	498	(146)
Other	1,623,901	625,034	507,981	(117,053)
Total Revenues	6,561,971	2,525,680	1,977,533	(548,147)
EXPENSES:				
Contractual Services	1,011,879	1,011,394	857,820	153,574
Capital Outlay	6,830,354	6,828,179	5,409,541	1,418,638
Other	5,933	5,931	5,514	417
Debt Service:				
Principal Retirement	1,050,000	13,594,764	13,051,380	543,384
Interest and Fiscal Charges	298,629	349,292	349,292	0
Bond Issuance Costs	0	55,236	50,511	4,725
Total Expenses	9,196,795	21,844,796	19,724,058	2,120,738
Excess of Revenue Over(Under) Expenses	(2,634,824)	(19,319,116)	(17,746,525)	1,572,591
OTHER FINANCING SOURCES AND USES:				
Capital Grants and Contributions	0	0	290,582	290,582
Notes Issued	0	12,624,714	12,600,000	(24,714)
Proceeds from OPWC Loans	1,322,375	1,322,375	1,031,793	(290,582)
Premium on Debt Issued	0	28,774	28,774	0
Transfers Out	0	(310,152)	(310,152)	0
Total Other Finance Sources and Uses	1,322,375	13,665,711	13,640,997	(24,714)
Net Change in Fund Equity	(1,312,449)	(5,653,405)	(4,105,528)	1,547,877
Fund Equity at Beginning of Year	1,515,653	1,515,653	1,515,653	0
Prior Year Encumbrances Appropriated	4,182,322	4,182,322	4,182,322	0
Fund Equity at End of Year	$ 4,385,526	$ 44,570	$ 1,592,447	$ 1,547,877

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Charges for Services	$ 883,611	$ 58,666	$ 8,746	$ (49,920)
Other	1,414	94	14	(80)
Total Revenues	885,025	58,760	8,760	(50,000)
EXPENSES:				
Personal Services	44,917	64,917	52,059	12,858
Contractual Services	4,227	2,855	2,397	458
Materials and Supplies	18,995	12,745	10,915	1,830
Claims	0	280	229	51
Other	37,567	24,909	21,388	3,521
Total Expenses	105,706	105,706	86,988	18,718
Net Change in Fund Equity	779,319	(46,946)	(78,228)	(31,282)
Fund Equity at Beginning of Year	96,856	96,856	96,856	0
Prior Year Encumbrances Appropriated	90	90	90	0
Fund Equity at End of Year	$ 876,265	$ 50,000	$ 18,718	$ (31,282)

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Charges for Services	$ 257,700	$ 260,700	$ 260,000	$ (700)
Total Revenues	257,700	260,700	260,000	(700)
EXPENSES:				
Personal Services	32,008	45,008	37,052	7,956
Contractual Services	62,946	66,925	56,380	10,545
Materials and Supplies	214	228	194	34
Claims	174,105	185,112	155,927	29,185
Total Expenses	269,273	297,273	249,553	47,720
Net Change in Fund Equity	(11,573)	(36,573)	10,447	47,020
Fund Equity at Beginning of Year	49,340	49,340	49,340	0
Fund Equity at End of Year	$ 37,767	$ 12,767	$ 59,787	$ 47,020

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	$ 125,835	$ 125,835	$ 117,040	$ (8,795)
Total Revenues	125,835	125,835	117,040	(8,795)
EXPENDITURES:				
Current:				
Transportation				
Materials and Supplies	171,783	171,783	153,774	18,009
Total Expenditures	171,783	171,783	153,774	18,009
Net Change in Fund Balance	(45,948)	(45,948)	(36,734)	9,214
Fund Balance at Beginning of Year	46,201	46,201	46,201	0
Fund Balance at End of Year	$ 253	$ 253	$ 9,467	$ 9,214

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Fines and Forfeitures	$ 10,666	$ 12,500	$ 15,802	$ 3,302
Total Revenues	10,666	12,500	15,802	3,302
EXPENDITURES:				
Current:				
Security of Persons and Property				
Contractual Services	32,300	32,300	9,417	22,883
Total Expenditures	32,300	32,300	9,417	22,883
Net Change in Fund Balance	(21,634)	(19,800)	6,385	26,185
Fund Balance at Beginning of Year	88,273	88,273	88,273	0
Fund Balance at End of Year	$ 66,639	$ 68,473	$ 94,658	$ 26,185

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Fines and Forfeitures	$ 70,000	$ 70,000	$ 69,348	$ (652)
Total Revenues	70,000	70,000	69,348	(652)
EXPENDITURES:				
Current:				
Security of Persons and Property				
Personal Services	47,913	59,913	42,603	17,310
Contractual Services	63,695	63,695	23,559	40,136
Materials and Supplies	16,346	16,346	6,781	9,565
Capital Outlay	4,037	4,037	1,673	2,364
Total Expenditures	131,991	143,991	74,616	69,375
Net Change in Fund Balance	(61,991)	(73,991)	(5,268)	68,723
Fund Balance at Beginning of Year	97,339	97,339	97,339	0
Prior Year Encumbrances Appropriated	6,900	6,900	6,900	0
Fund Balance at End of Year	$ 42,248	$ 30,248	$ 98,971	$ 68,723

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Fines and Forfeitures	$ 90,000	$ 90,000	$ 98,736	$ 8,736
Total Revenues	90,000	90,000	98,736	8,736
EXPENDITURES:				
Current:				
Security of Persons and Property				
Personal Services	117,353	117,353	104,775	12,578
Materials and Supplies	13,582	13,582	10,107	3,475
Other	989	989	736	253
Total Expenditures	131,924	131,924	115,618	16,306
Net Change in Fund Balance	(41,924)	(41,924)	(16,882)	25,042
Fund Balance at Beginning of Year	190,514	190,514	190,514	0
Fund Balance at End of Year	$ 148,590	$ 148,590	$ 173,632	$ 25,042

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Charges for Services	$ 35,763	$ 25,938	$ 23,955	$ (1,983)
Rent	55,233	40,058	36,996	(3,062)
Total Revenues	90,996	65,996	60,951	(5,045)
EXPENDITURES:				
Current:				
Security of Persons and Property				
Personal Services	63,071	81,071	78,998	2,073
Contractual Services	3,180	4,099	3,805	294
Materials and Supplies	1,943	2,505	2,325	180
Other	4,564	5,883	5,461	422
Total Expenditures	72,758	93,558	90,589	2,969
Excess of Revenues Over(Under) Expenditures	18,238	(27,562)	(29,638)	(2,076)
OTHER FINANCING SOURCES AND USES:				
Transfers In	0	20,800	20,800	0
Total Other Financing Sources and Uses	0	20,800	20,800	0
Net Change in Fund Balance	18,238	(6,762)	(8,838)	(2,076)
Fund Balance at Beginning of Year	8,845	8,845	8,845	0
Fund Balance at End of Year	$ 27,083	$ 2,083	$ 7	$ (2,076)

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Special Assessments	$ 138,345	$ 138,345	$ 158,252	$ 19,907
Charges for Services	36,655	36,655	41,929	5,274
Total Revenues	175,000	175,000	200,181	25,181
EXPENDITURES:				
Current:				
Community and Economic Development				
Contractual Services	68,253	68,253	51,318	16,935
Total Expenditures	68,253	68,253	51,318	16,935
Excess of Revenues Over(Under) Expenditures	106,747	106,747	148,863	42,116
OTHER FINANCING SOURCES AND USES:				
Transfers Out	(110,000)	(110,000)	(110,000)	0
Total Other Financing Sources and Uses	(110,000)	(110,000)	(110,000)	0
Net Change in Fund Balance	(3,253)	(3,253)	38,863	42,116
Fund Balance at Beginning of Year	51,075	51,075	51,075	0
Prior Year Encumbrances Appropriated	3,253	3,253	3,253	0
Fund Balance at End of Year	$ 51,075	$ 51,075	$ 93,191	$ 42,116

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Fines and Forfeitures	$ 0	$ 2,000	$ 5,097	$ 3,097
Total Revenues	0	2,000	5,097	3,097
EXPENDITURES:				
Current:				
Security of Persons and Property				
Other	1,850	1,850	0	1,850
Total Expenditures	1,850	1,850	0	1,850
Net Change in Fund Balance	(1,850)	150	5,097	4,947
Fund Balance at Beginning of Year	1,350	1,350	1,350	0
Fund Balance (Deficit) at End of Year	$ (500)	$ 1,500	$ 6,447	$ 4,947

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	$ 1,599,551	$ 1,685,503	$ 1,700,657	$ 15,154
Other	250,535	263,997	266,371	2,374
Total Revenues	1,850,086	1,949,500	1,967,028	17,528
EXPENDITURES:				
Current:				
Transportation				
Personal Services	1,448,414	1,448,414	1,374,073	74,341
Contractual Services	92,284	96,406	91,315	5,091
Materials and Supplies	473,225	494,101	462,427	31,674
Other	25	27	25	2
Total Expenditures	2,013,948	2,038,948	1,927,840	111,108
Excess of Revenues Over(Under) Expenditures	(163,862)	(89,448)	39,188	128,636
OTHER FINANCING SOURCES AND USES:				
Transfers In	0	25,000	25,000	0
Total Other Financing Sources and Uses	0	25,000	25,000	0
Net Change in Fund Balance	(163,862)	(64,448)	64,188	128,636
Fund Balance at Beginning of Year	63,324	63,324	63,324	0
Prior Year Encumbrances Appropriated	6,701	6,701	6,701	0
Fund Balance (Deficit) at End of Year	$ (93,837)	$ 5,577	$ 134,213	$ 128,636

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Charges for Services	$ 1,023	$ 1,023	$ 675	$ (348)
Contributions and Donations	1,577	1,577	1,040	(537)
Total Revenues	2,600	2,600	1,715	(885)
EXPENDITURES:				
Current:				
Community and Economic Development				
Personal Services	51,032	47,907	44,839	3,068
Contractual Services	5,416	7,266	3,901	3,365
Materials and Supplies	27	36	19	17
Capital Outlay	3,707	4,973	2,671	2,302
Total Expenditures	60,182	60,182	51,430	8,752
Excess of Revenues Over(Under) Expenditures	(57,582)	(57,582)	(49,715)	7,867
OTHER FINANCING SOURCES AND USES:				
Transfers In	48,000	48,000	48,000	0
Total Other Financing Sources and Uses	48,000	48,000	48,000	0
Net Change in Fund Balance	(9,582)	(9,582)	(1,715)	7,867
Fund Balance at Beginning of Year	12,883	12,883	12,883	0
Fund Balance at End of Year	$ 3,301	$ 3,301	$ 11,168	$ 7,867

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Property Taxes	$ 503,081	$ 324,539	$ 311,216	$ (13,323)
Charges for Services	631,776	407,560	390,829	(16,731)
Intergovernmental	209,339	135,045	129,501	(5,544)
Rent	68,247	44,026	42,219	(1,807)
Contributions and Donations	6,088	3,927	3,766	(161)
Other	1,698	1,096	1,051	(45)
Total Revenues	1,420,229	916,193	878,582	(37,611)
EXPENDITURES:				
Current:				
Leisure Time Services				
Personal Services	718,982	719,725	711,103	8,622
Contractual Services	17,277	17,675	15,330	2,345
Materials and Supplies	389,896	399,217	359,194	40,023
Other	22,444	22,982	20,740	2,242
Total Expenditures	1,148,599	1,159,599	1,106,367	53,232
Excess of Revenues Over(Under) Expenditures	271,630	(243,406)	(227,785)	15,621
OTHER FINANCING SOURCES AND USES:				
Transfers In	201,000	212,000	212,000	0
Total Other Financing Sources and Uses	201,000	212,000	212,000	0
Net Change in Fund Balance	472,630	(31,406)	(15,785)	15,621
Fund Balance at Beginning of Year	30,518	30,518	30,518	0
Prior Year Encumbrances Appropriated	2,125	2,125	2,125	0
Fund Balance at End of Year	$ 505,273	$ 1,237	$ 16,858	$ 15,621

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	$ 1,946,427	$ 2,036,956	$ 1,319,997	$ (716,959)
Interest	4	5	3	(2)
Total Revenues	1,946,431	2,036,961	1,320,000	(716,961)
EXPENDITURES:				
Current:				
Community and Economic Development				
Personal Services	803,852	830,285	794,770	35,515
Contractual Services	274,268	286,064	124,440	161,624
Materials and Supplies	151,317	157,825	68,640	89,185
Capital Outlay	15,745	16,422	7,134	9,288
Other	716,411	747,225	325,012	422,213
Total Expenditures	1,961,593	2,037,821	1,319,996	717,825
Net Change in Fund Balance	(15,162)	(860)	4	864
Fund Balance at Beginning of Year	860	860	860	0
Fund Balance (Deficit) at End of Year	$ (14,302)	$ 0	$ 864	$ 864

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	$ 3,788,506	$ 2,650,324	$ 1,381,084	$ (1,269,240)
Other	9,423	6,592	3,435	(3,157)
Total Revenues	3,797,929	2,656,916	1,384,519	(1,272,397)
EXPENDITURES:				
Current:				
Community and Economic Development				
Personal Services	101,921	101,921	98,720	3,201
Contractual Services	1,252,662	1,252,662	623,335	629,327
Materials and Supplies	69,678	69,678	34,690	34,988
Capital Outlay	1,258,340	1,258,340	626,218	632,122
Total Expenditures	2,682,601	2,682,601	1,382,963	1,299,638
Net Change in Fund Balance	1,115,328	(25,685)	1,556	27,241
Fund Balance at Beginning of Year	25,685	25,685	25,685	0
Fund Balance at End of Year	$ 1,141,013	$ 0	$ 27,241	$ 27,241

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	$ 431,029	$ 1,783,751	$ 1,484,935	$ (298,816)
Contributions and Donations	15,129	62,608	52,120	(10,488)
Other	563	2,330	1,940	(390)
Total Revenues	446,721	1,848,689	1,538,995	(309,694)
EXPENDITURES:				
Current:				
General Government				
Personal Services	616,256	631,256	501,203	130,053
Contractual Services	145,421	152,141	125,139	27,002
Capital Outlay	1,227,772	1,284,504	1,057,011	227,493
Total Expenditures	1,989,449	2,067,901	1,683,353	384,548
Net Change in Fund Balance	(1,542,728)	(219,212)	(144,358)	74,854
Fund Balance at Beginning of Year	276,203	276,203	276,203	0
Fund Balance (Deficit) at End of Year	$ (1,266,525)	$ 56,991	$ 131,845	$ 74,854

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	$ 14,025	$ 66,362	$ 79,396	$ 13,034
Interest	28	130	156	26
Other	1,797	8,507	10,178	1,671
Total Revenues	15,850	74,999	89,730	14,731
EXPENDITURES:				
Current:				
Security of Persons and Property				
Personal Services	22,595	36,795	25,224	11,571
Contractual Services	56,974	52,392	7,838	44,554
Capital Outlay	119,581	109,963	16,451	93,512
Total Expenditures	199,150	199,150	49,513	149,637
Net Change in Fund Balance	(183,300)	(124,151)	40,217	164,368
Fund Balance at Beginning of Year	181,378	181,378	181,378	0
Fund Balance (Deficit) at End of Year	$ (1,922)	$ 57,227	$ 221,595	$ 164,368

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Rent	$ 190,000	$ 0	$ 0	$ 0
Total Revenues	190,000	0	0	0
EXPENDITURES:				
Current:				
Leisure Time Services				
Personal Services	0	1,900	1,860	40
Contractual Services	46,663	182,763	108,224	74,539
Total Expenditures	46,663	184,663	110,084	74,579
Excess of Revenues Over(Under) Expenditures	143,337	(184,663)	(110,084)	74,579
OTHER FINANCING SOURCES AND USES:				
Transfers In	0	138,000	138,000	0
Total Other Financing Sources and Uses	0	138,000	138,000	0
Net Change in Fund Balance	143,337	(46,663)	27,916	74,579
Fund Balance at Beginning of Year	46,663	46,663	46,663	0
Fund Balance at End of Year	$ 190,000	$ 0	$ 74,579	$ 74,579

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Property Taxes	$ 410,834	$ 576,142	$ 239,397	$ (336,745)
Special Assessments	561	787	327	(460)
Intergovernmental	200,270	280,852	116,699	(164,153)
Interest	50	70	29	(41)
Other	48	67	28	(39)
Total Revenues	611,763	857,918	356,480	(501,438)
EXPENDITURES:				
Capital Outlay				
Contractual Services	172,998	172,998	111,631	61,367
Materials and Supplies	92,236	92,236	60,652	31,584
Capital Outlay	4,099,269	4,099,269	2,386,221	1,713,048
Other	41,605	41,605	27,635	13,970
Total - Capital Outlay	4,406,108	4,406,108	2,586,139	1,819,969
Debt Service				
Interest and Fiscal Charges	0	22,000	22,000	0
Total - Debt Service	0	22,000	22,000	0
Total Expenditures	4,406,108	4,428,108	2,608,139	1,819,969
Excess of Revenues Over(Under) Expenditures	(3,794,345)	(3,570,190)	(2,251,659)	1,318,531
OTHER FINANCING SOURCES AND USES:				
Notes Issued	1,950,000	1,950,000	1,950,000	0
Proceeds from Sale of Capital Assets	127,111	178,257	74,069	(104,188)
Advances In	0	22,000	22,000	0
Total Other Financing Sources and Uses	2,077,111	2,150,257	2,046,069	(104,188)
Net Change in Fund Balance	(1,717,234)	(1,419,933)	(205,590)	1,214,343
Fund Balance at Beginning of Year	1,311,127	1,311,127	1,311,127	0
Prior Year Encumbrances Appropriated	481,151	481,151	481,151	0
Fund Balance at End of Year	$ 75,044	$ 372,345	$ 1,586,688	$ 1,214,343

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Property Taxes	$ 262,010	$ 149,591	$ 167,578	$ 17,987
Intergovernmental	117,152	66,887	74,929	8,042
Other	23,729	13,548	15,177	1,629
Total Revenues	402,891	230,026	257,684	27,658
EXPENDITURES:				
Capital Outlay				
Personal Services	70,392	72,192	70,019	2,173
Contractual Services	91,386	90,663	78,668	11,995
Materials and Supplies	27,711	27,488	24,263	3,225
Capital Outlay	99,495	98,695	87,124	11,571
Other	6,782	6,728	5,942	786
Total Expenditures	295,766	295,766	266,016	29,750
Net Change in Fund Balance	107,125	(65,740)	(8,332)	57,408
Fund Balance at Beginning of Year	67,395	67,395	67,395	0
Prior Year Encumbrances Appropriated	1,538	1,538	1,538	0
Fund Balance at End of Year	$ 176,058	$ 3,193	$ 60,601	$ 57,408

	Original Budget	Final Budget	Actual	Variance with Final Budget
EXPENDITURES:				
Capital Outlay				
Capital Outlay	$ 29,084	$ 29,084	$ 0	$ 29,084
Total Expenditures	29,084	29,084	0	29,084
Net Change in Fund Balance	(29,084)	(29,084)	0	29,084
Fund Balance at Beginning of Year	29,085	29,085	29,085	0
Fund Balance at End of Year	$ 1	$ 1	$ 29,085	$ 29,084

	Original Budget	Final Budget	Actual	Variance with Final Budget
EXPENDITURES:				
Capital Outlay				
Capital Outlay	$ 88,929	$ 88,929	$ 85,750	$ 3,179
Debt Service				
Interest and Fiscal Charges	0	8,313	8,313	0
Total Expenditures	88,929	97,242	94,063	3,179
Excess of Revenues Over(Under) Expenditures	(88,929)	(97,242)	(94,063)	3,179
OTHER FINANCING SOURCES AND USES:				
Advances In	0	8,313	8,313	0
Total Other Financing Sources and Uses	0	8,313	8,313	0
Net Change in Fund Balance	(88,929)	(88,929)	(85,750)	3,179
Fund Balance at Beginning of Year	86,880	86,880	86,880	0
Prior Year Encumbrances Appropriated	2,050	2,050	2,050	0
Fund Balance at End of Year	$ 1	$ 1	$ 3,180	$ 3,179

	Original Budget	Final Budget	Actual	Variance with Final Budget
EXPENDITURES:				
Capital Outlay				
Contractual Services	$ 86,154	$ 83,210	$ 63,753	$ 19,457
Capital Outlay	472,979	456,815	350,000	106,815
Total Expenditures	559,133	540,025	413,753	126,272
Excess of Revenues Over(Under) Expenditures	(559,133)	(540,025)	(413,753)	126,272
OTHER FINANCING SOURCES AND USES:				
Proceeds from Sale of Capital Assets	2,000	120,892	118,893	(1,999)
Transfers Out	0	(138,000)	(138,000)	0
Total Other Financing Sources and Uses	2,000	(17,108)	(19,107)	(1,999)
Net Change in Fund Balance	(557,133)	(557,133)	(432,860)	124,273
Fund Balance at Beginning of Year	557,134	557,134	557,134	0
Fund Balance at End of Year	$ 1	$ 1	$ 124,274	$ 124,273

	Original Budget	Final Budget	Actual	Variance with Final Budget
EXPENDITURES:				
Capital Outlay				
Contractual Services	$ 79,907	$ 79,907	$ 0	$ 79,907
Total Expenditures	79,907	79,907	0	79,907
Net Change in Fund Balance	(79,907)	(79,907)	0	79,907
Fund Balance at Beginning of Year	79,908	79,908	79,908	0
Fund Balance at End of Year	$ 1	$ 1	$ 79,908	$ 79,907

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Payments in Lieu of Taxes	$ 24,000	$ 24,000	$ 25,248	$ 1,248
Total Revenues	24,000	24,000	25,248	1,248
EXPENDITURES:				
Capital Outlay				
Contractual Services	153,395	153,395	133,169	20,226
Total Expenditures	153,395	153,395	133,169	20,226
Net Change in Fund Balance	(129,395)	(129,395)	(107,921)	21,474
Fund Balance at Beginning of Year	124,595	124,595	124,595	0
Prior Year Encumbrances Appropriated	4,801	4,801	4,801	0
Fund Balance at End of Year	$ 1	$ 1	$ 21,475	$ 21,474

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Payments in Lieu of Taxes	$ 32,000	$ 32,000	$ 57,287	$ 25,287
Total Revenues	32,000	32,000	57,287	25,287
EXPENDITURES:				
Capital Outlay				
Contractual Services	53,301	139,046	130,827	8,219
Materials and Supplies	150,629	64,884	21,853	43,031
Total Expenditures	203,930	203,930	152,680	51,250
Excess of Revenues Over(Under) Expenditures	(171,930)	(171,930)	(95,393)	76,537
Net Change in Fund Balance	(171,930)	(171,930)	(95,393)	76,537
Fund Balance at Beginning of Year	165,722	165,722	165,722	0
Prior Year Encumbrances Appropriated	6,208	6,208	6,208	0
Fund Balance at End of Year	$ 0	$ 0	$ 76,537	$ 76,537

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Payments in Lieu of Taxes	$ 20,169	$ 20,169	$ 41,127	$ 20,958
Special Assessments	19,831	19,831	40,439	20,608
Total Revenues	40,000	40,000	81,566	41,566
EXPENDITURES:				
Capital Outlay				
Contractual Services	111,084	111,084	93,687	17,397
Total Expenditures	111,084	111,084	93,687	17,397
Net Change in Fund Balance	(71,084)	(71,084)	(12,121)	58,963
Fund Balance at Beginning of Year	71,085	71,085	71,085	0
Fund Balance at End of Year	$ 1	$ 1	$ 58,964	$ 58,963

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Payments in Lieu of Taxes	$ 0	$ 50,000	$ 51,139	$ 1,139
Total Revenues	0	50,000	51,139	1,139
EXPENDITURES:				
Capital Outlay				
Capital Outlay	0	50,000	0	50,000
Total Expenditures	0	50,000	0	50,000
Net Change in Fund Balance	0	0	51,139	51,139
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	$ 0	$ 0	$ 51,139	$ 51,139

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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.

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Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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 EIGHT YEARS
(ACCRUAL BASIS OF ACCOUNTING)

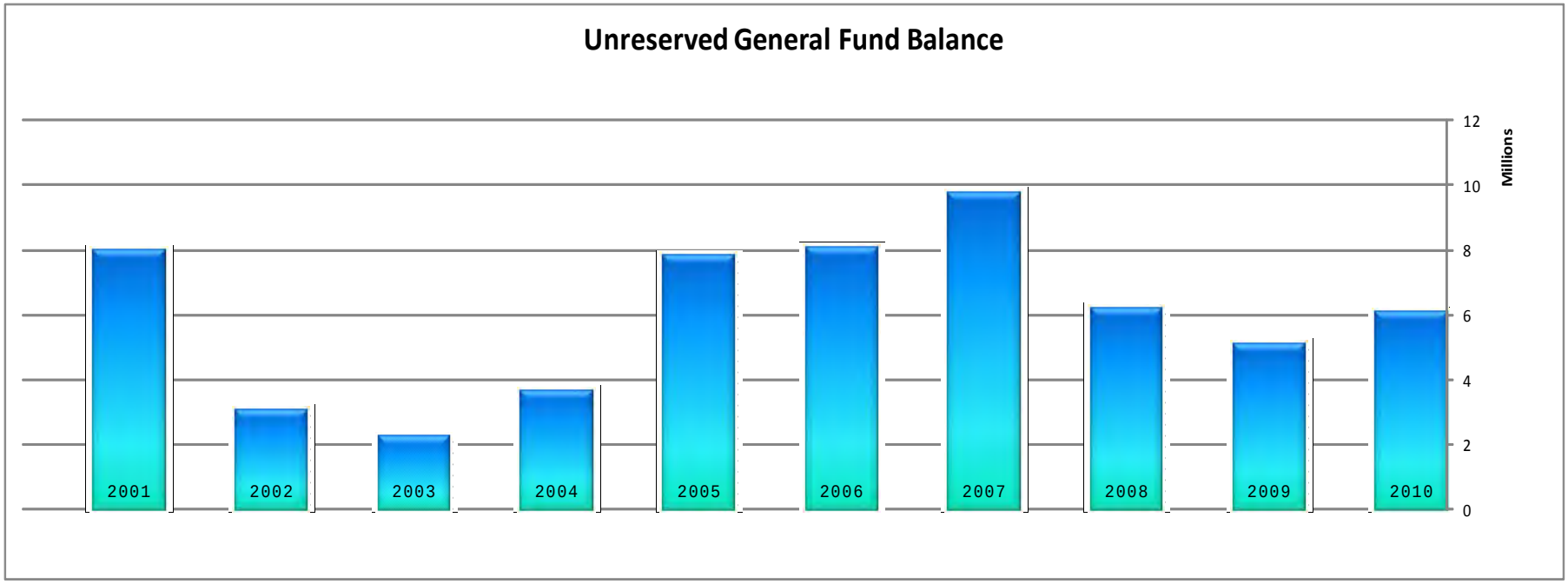
	2010	2009 Restated	2008	2007	2006	2005 Restated	2004	2003
Governmental Activities								
Invested in Capital Assets, Net of Related Debt	$ 36,290,780	$ 37,644,890	$ 39,956,632	$ 41,151,610	$ 12,190,259	$ 13,335,911	$ 9,441,514	$ 16,919,428
Restricted	13,342,663	8,307,210	8,179,008	11,000,386	10,020,313	7,732,966	14,394,303	4,018,418
Unrestricted	5,052,623	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	$ 54,686,066	$ 49,312,159	$ 53,771,867	$ 56,227,401	$ 28,275,845	$ 24,028,610	$ 26,175,324	$ 27,847,879
Business Type - Activities								
Invested in Capital Assets, Net of Related Debt	$ 40,280,422	$ 34,567,361	$ 29,214,805	$ 29,982,118	$ 28,971,722	$ 29,207,199	$ 29,795,176	$ 28,646,313
Restricted	0	0	0	0	0	0	1,200,000	0
Unrestricted	8,274,759	11,352,949	13,829,216	11,908,239	13,304,043	8,390,986	4,378,060	6,786,523
Total Business-Type Activities Net Assets	$ 48,555,181	$ 45,920,310	$ 43,044,021	$ 41,890,357	$ 42,275,765	$ 37,598,185	$ 35,373,236	$ 35,432,836
Primary Government								
Invested in Capital Assets, Net of Related Debt	$ 76,571,202	$ 72,212,251	$ 69,171,437	$ 71,133,728	$ 41,161,981	$ 42,543,110	$ 39,236,690	$ 45,565,741
Restricted	13,342,663	8,307,210	8,179,008	11,000,386	10,020,313	7,732,966	15,594,303	4,018,418
Unrestricted	13,327,382	14,713,008	19,465,443	19,369,316	19,369,316	11,350,719	6,717,567	13,696,556
Total Primary Government Net Assets	$103,241,247	$ 95,232,469	$ 96,815,888	$ 101,503,430	$ 70,551,610	$ 61,626,795	$ 61,548,560	$ 63,280,715

	2010	2009 Restated	2008	2007	2006	2005 Restated	2004	2003
Program Revenues								
Governmental Activities:								
Charges for Services:								
General Government	$ 4,317,024	$ 2,301,388	$ 564,303	$ 1,031,766	$ 1,019,146	$ 1,630,952	$ 2,101,899	$ 2,074,682
Security of Persons and Property	3,732,402	2,845,690	4,073,600	4,999,375	4,975,827	2,897,560	2,150,294	2,645,843
Public Health	82,068	78,398	83,793	91,602	92,922	33,424	85,666	85,730
Leisure Time Services	433,648	590,597	730,006	883,285	796,916	615,674	755,333	660,437
Community and Economic Development	1,512,112	1,413,183	1,554,640	542,492	236,343	532,403	323,664	268,828
Sanitation	1,337,454	0	0	0	0	231,521	942,743	1,083,386
Transportation	0	114,156	39,637	207,307	88,588	191,361	459,799	444,152
Subtotal - Charges for Services	11,414,708	7,343,412	7,045,979	7,755,827	7,209,742	6,132,895	6,819,398	7,263,058
Operating Grants and Contributions:								
General Government	587,960	137,338	0	498,055	428,589	243,965	0	0
Security of Persons and Property	1,084,936	491,637	487,231	18,906	139,422	1,400	91,319	123,014
Leisure Time Services	3,766	10,039	4,327	5,947	43,084	36,744	0	0
Community and Economic Development	2,738,366	1,215,829	1,247,025	889,458	1,123,011	1,116,634	87,740	379,087
Transportation	1,819,510	1,699,535	1,861,667	1,935,960	1,835,670	1,927,988	0	0
Subtotal - Operating Grants and Contributions	6,234,538	3,554,378	3,600,250	3,348,326	3,569,776	3,326,731	179,059	502,101
Capital Grants and Contributions:								
General Government	350,000	0	279,401	0	18,690	31,219	0	0
Community Development	0	0	0	0	0	0	1,320,553	1,435,493
Leisure Time Activities	0	0	0	0	11,170	19,767	0	90,146
Subtotal - Capital Grants and Contributions	350,000	0	279,401	0	29,860	50,986	1,320,553	1,525,639
Total Governmental Activities Program Revenues	17,999,246	10,897,790	10,925,630	11,104,153	10,809,378	9,510,612	8,319,010	9,290,798
Business-Type Activities								
Charges for Services:								
Briardale Greens Golf Course	8,746	939,058	1,035,336	1,019,279	987,636	795,003	786,232	780,200
Waste Water Treatment	9,238,260	10,663,957	10,887,935	10,876,879	11,498,677	9,396,074	9,730,420	12,383,945
Water Line Improvement	1,551,174	1,967,426	1,623,543	1,671,736	1,605,235	840,218	0	0
Operating Grants and Contributions:								
Wastewater Treatment	184,648	227,712	52,675	39,479	814,589	0	0	0
Capital Grants and Contributions								
Briardale Golf Course	98,794	0	0	0	121,449	0	0	250,488
Wastewater Treatment	321,351	94,932	276,000	0	0	0	0	0
Water Line Improvement	464,161	1,042,281	65,348	0	0	0	0	0
Total Business-Type Activities Program Revenues	11,867,134	14,935,366	13,940,837	13,607,373	15,027,586	11,031,295	10,516,652	13,414,633
Total Primary Government Program Revenues	$ 29,866,380	$ 25,833,156	$ 24,866,467	$ 24,711,526	$ 25,836,964	$ 20,541,907	$ 18,835,662	$ 22,705,431

	2010	2009	2008	2007	2006	2005 Restated	2004	2003
Expenses								
Governmental Activities:								
General Government	$ 13,105,802	$ 13,389,365	$ 12,894,864	$ 14,000,128	$ 12,352,031	$ 11,114,592	$ 11,965,470	$ 12,180,369
Security of Persons and Property:	20,607,153	21,052,721	23,445,910	22,884,517	21,466,024	21,544,601	21,147,901	19,842,460
Sanitation	1,916,687	2,251,317	2,506,683	2,219,004	2,013,501	1,777,289	1,912,089	1,848,221
Public Health	273,641	280,112	260,044	277,425	257,280	256,582	234,887	287,591
Leisure Time Services	1,766,298	2,095,133	2,423,707	1,706,870	2,109,410	1,924,054	4,077,885	1,914,797
Community and Economic Development	2,873,059	2,846,921	3,201,584	2,955,795	3,173,312	2,619,435	478,828	965,181
Transportation	6,647,276	7,382,963	6,343,637	7,396,063	2,695,350	4,446,355	1,489,045	1,432,019
Interest and Fiscal Charges	1,418,378	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	48,608,294	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	142,248	894,060	988,166	1,059,840	996,359	1,206,580	770,115	716,146
Wastewater Treatment	9,938,574	10,920,206	11,061,437	10,109,869	9,438,610	10,732,693	10,313,927	12,131,189
Water Line Improvement	965,870	1,033,398	792,165	765,993	915,675	557,637	0	0
Total Business-Type Activities Expenses	11,046,692	12,847,664	12,841,768	11,935,702	11,350,644	12,496,910	11,084,042	12,847,335
Total Primary Government Program Expenses	59,654,986	63,552,298	65,423,592	64,928,806	56,964,140	57,746,593	54,459,495	53,231,209
Net (Expense)/Revenue								
Governmental Actvities	(30,609,048)	(39,806,844)	(41,656,194)	(41,888,951)	(34,804,118)	(35,739,071)	(35,056,443)	(31,093,076)
Business-Type Activities	820,442	2,087,702	1,099,069	1,671,671	3,676,942	(1,465,615)	(567,390)	567,298
Total Primary Government Net Expense	(29,788,606)	(37,719,142)	(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	$ 5,162,960	$ 5,069,206	$ 5,158,520	$ 5,839,560	$ 7,391,165	$ 5,471,671	$ 9,724,482	$ 9,514,574
Municipal Income Taxes	22,994,810	22,527,179	24,124,792	24,286,649	26,227,696	22,004,837	20,213,175	18,311,962
Grants and Entitlements not Restricted to Specific Programs	6,874,711	5,885,372	6,460,923	5,647,600	3,846,566	5,745,954	3,208,030	3,540,576
Payments in Lieu of Taxes	174,801	172,310	123,164	72,269	68,730	59,293	0	0
Investment Income	173,483	451,410	921,534	1,303,442	1,163,865	663,536	398,378	257,951
Gain/Loss on Sale of Capital Assets	128,453	45,431	0	176,305	0	0	0	(48,192)
Miscellaneous	478,952	1,196,228	1,743,907	18,771	66,875	10,827	53,367	0
Transfers	(5,215)	0	667,820	286,456	286,456	(625,806)	286,456	286,456
Total Governmental Activites	35,982,955	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	365,166	465,667	639,606	626,240	767,977	670,778	609,316	776,352
Grants and Entitlements not Restricted to Specific Programs	0	0	0	0	0	614,188	183,912	0
Investment Income	9,856	4,339	56,180	63,583	48,163	351	1,018	987
Miscellaneous	1,434,192	318,581	26,629	294	0	0	0	0
Transfers	5,215	0	(667,820)	(286,456)	(286,456)	625,806	(286,456)	(286,456)
Total Business-Type Activities	1,814,429	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	37,797,384	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	5,373,907	(4,459,708)	(2,455,534)	(4,257,899)	4,247,235	(2,408,759)	(1,172,555)	770,251
Business-Type Activities	2,634,871	2,876,289	1,153,664	2,075,332	4,206,626	445,508	(59,600)	1,058,181
Total Primary Government Change in Net Assets	$ 8,008,778	$ (1,583,419)	$ (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

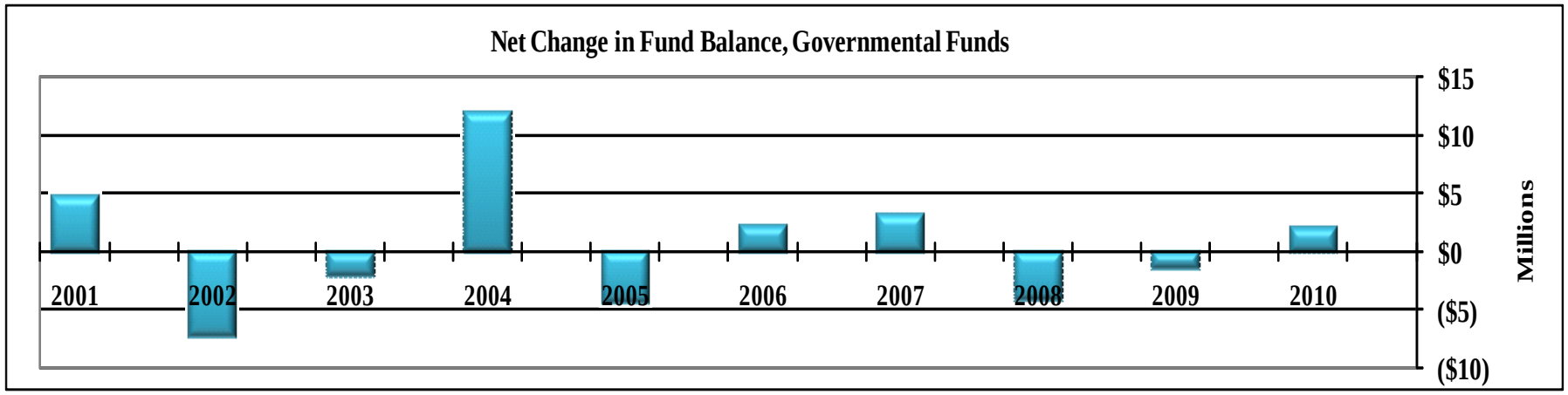
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
General Fund										
Reserved	$ 1,312,501	$ 1,389,906	$ 1,529,833	$ 97,896	$ 99,257	$ 37,934	$ 3,837,679	$ 1,909,424	$ 2,021,963	$ 2,227,337
Unreserved	6,114,271	5,143,251	6,220,960	9,782,186	8,076,295	7,821,849	3,678,477	2,288,627	3,075,721	7,994,663
Total General Fund	7,426,772	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
All Other Governmental Funds										
Reserved	1,973,200	498,970	728,790	1,257,678	346,199	522,175	5,739,842	3,206,235	904,389	1,675,870
Unreserved, Undesignated, Reported in:										
Special Revenue funds	1,128,722	1,281,141	1,425,191	1,787,192	1,684,898	1,520,080	1,180,356	982,576	(365,426)	(51,760)
Debt Service funds	3,275,849	2,767,975	2,708,149	3,775,688	2,947,437	3,056,034	3,008,900	2,764,898	3,024,670	3,533,956
Capital Projects funds	1,500,463	2,095,459	2,081,323	2,131,623	2,499,812	401,209	2,558,005	(3,112,551)	866,054	1,358,973
Total All Other Governmental Funds	7,878,234	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
Total Governmental Funds	$ 15,305,006	$ 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



	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Revenues										
Property and Other Taxes	$ 4,908,989	$ 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
Municipal Income Taxes	22,165,312	22,295,312	23,949,387	25,508,186	23,084,613	23,029,224	0	0	0	0
Charges for Services	6,120,126	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
Licenses and Permits	148,341	136,019	119,297	131,568	45,638	241,899	572,019	436,977	305,921	303,514
Fines and Forfeitures	1,778,448	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
Payments in Lieu of Taxes	174,801	172,310	123,164	72,269	68,730	59,293	0	0	0	0
Intergovernmental	13,061,780	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
Special Assessments	335,115	320,199	505,921	84,684	190,634	88,111	270,469	232,264	287,221	258,963
Rent	205,560	928,741	378,566	438,302	370,186	329,315	300,078	277,330	268,929	1,058,189
Contributions and Donations	57,741	51,034	35,658	27,517	144,696	35,280	0	0	0	0
Interest	256,825	500,049	862,215	1,286,011	1,162,032	663,536	397,135	252,601	246,511	293,649
Miscellaneous	478,952	1,196,228	891,394	18,771	66,875	10,827	186,241	248,911	74,088	251,664
Total Revenues	49,691,990	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
Expenditures										
Current:										
General Government	13,904,635	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
Security of Persons and Property	20,337,564	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
Public Health	272,263	272,496	260,044	277,809	257,651	257,846	235,365	287,592	445,574	482,245
Leisure Time Services	1,568,545	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
Community and Economic Development	2,863,379	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
Sanitation	1,916,687	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
Transportation	2,109,236	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
Capital Outlay	2,547,975	3,015,982	5,376,523	3,579,883	2,780,690	3,227,405	0	0	0	0
Debt Service:										
Principal Retirement	5,240,760	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
Interest and Fiscal Charges	1,311,229	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
Bond Issuance Costs	0	0	275,697	0	0	0	0	0	0	0
Total Expenditures	52,072,273	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
Excess of Revenues Over (Under) Expenditures	(2,380,283)	(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)

CITY OF EUCLID, OHIO
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
LAST TEN YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(CONTINUED)

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Other Financing Sources (Uses)										
Sale of Capital Assets	197,309	52,620	55,191	224,113	0	0	2,800	724,808	0	0
Special Assessment Bonds Issued	0	0	0	0	0	0	0	0	0	0
General Obligation Bonds Issued	0	0	10,625,000	0	0	0	13,097,000	0	0	11,495,000
Premium on Debt Issued	21,278	0	215,765	40,280	0	0	0	0	0	0
OPWC Loan	0	18,267	1,119,127	434,981	98,000	0	0	0	447,179	0
Notes Issued	4,290,000	2,340,000	0	6,846,000	3,816,000	100,000	5,981,000	0	0	0
Inception of Capital Lease	0	0	205,758	0	0	1,077,689	1,583,897	15,780	824,509	149,179
Transfers In	553,800	1,061,859	1,195,820	825,300	1,085,900	918,056	689,115	586,880	1,304,019	2,547,214
Transfers Out	(553,800)	(1,061,859)	(528,000)	(538,844)	(799,444)	(631,600)	(602,659)	(300,424)	(1,149,563)	(1,663,023)
Payment to Refunded Bond Escrow Agent	0	0	(3,489,389)	0	0	0	0	0	0	0
Total Other Financing Sources (Uses)	4,508,587	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
Net Change in Fund Balances	$ 2,128,304	$ (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
Debt Service as a Percentage of Noncapital Expenditures	13.48%	9.70%	19.68%	15.38%	9.79%	20.63%	18.47%	11.41%	9.06%	9.65%



	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
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	6.3560	6.8571	6.5566	6.5540	6.5523	6.8792	6.8787	6.8790	7.1638	7.1631
Commerical/Industrial and Public Utility Effective Rate	9.4690	10.6120	10.3296	10.3634	10.3668	10.3549	9.9554	9.7881	9.9331	9.9603
General Business and Public Utility Personal Property	13.6000	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	54.4667	54.4664	46.1446	39.1132	39.0934	43.0313	37.5124	35.0153	37.9854	37.5787
Commerical/Industrial and Public Utility Effective Rate	72.7342	72.8014	66.1743	59.4467	59.4747	59.3941	51.2261	47.5742	48.8727	48.6599
General Business and Public Utility Personal Property	89.8000	89.9000	85.2000	78.2000	78.2000	78.2000	72.8000	70.3000	70.6000	70.2000
Cuyahoga County										
Residential/Agricultural Effective Rate	13.1866	13.1789	12.6607	11.8688	11.8655	11.7227	10.9754	10.9899	9.7642	9.7718
Commerical/Industrial and Public Utility Effective Rate	12.8412	12.8457	12.8153	12.4535	12.4941	12.5881	11.9846	12.0433	10.1235	10.0506
General Business and Public Utility Personal Property	13.3200	13.3200	13.3200	13.4200	13.4200	13.5200	13.5200	13.5200	11.7200	11.7200
Special Taxing Districts (1)										
Residential/Agricultural Effective Rate	8.9900	7.9811	7.2832	7.2794	7.2761	7.7965	6.3793	5.7037	6.2552	5.1689
Commerical/Industrial and Public Utility Effective Rate	8.8450	7.9119	7.8711	7.8782	7.8962	8.0597	6.7804	6.2102	6.3523	5.5500
General Business and Public Utility Personal Property	9.0800	8.2800	8.2800	8.2800	8.2800	8.2800	7.2800	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)

Collection Year	Real Property Assessed Value Residential/ Agricultural	Real Property Assessed Value Commercial Industrial/PU	Real Property Estimated Actual Value	Tangible Personal Property Public Utility Assessed Value	Tangible Personal Property Public Utility Estimated Actual Value
2010	$ 551,393,850	$ 179,899,430	$ 2,089,409,371	$ 15,476,470	$ 17,586,898
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

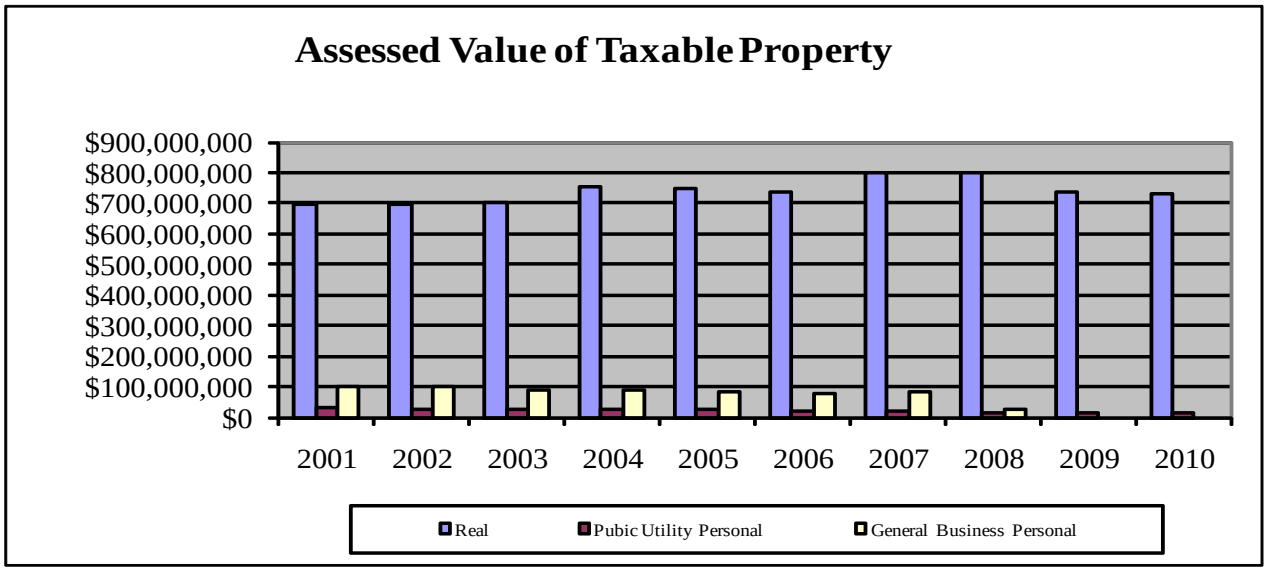
Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

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

Collection Year	Tangible Personal Property General Business Assessed Value	Tangible Personal Property General Business Estimated Actual Value	Total Assessed Value	Total Estimated Actual Value	Ratio	Weighted Average Tax Rate
2010	$ -	$ -	$ 746,769,750	$ 2,106,996,269	35.44%	0.3233
2009	$ -	$ -	$ 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



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
2010	$ 7,526,417	$ 5,778,277	76.77%	$ 457,077	$ 6,235,354	82.85%	$ 496,190	6.59%
2009	$ 7,636,772	$ 5,849,893	76.60%	$ 423,626	$ 6,273,519	82.15%	$ 547,502	7.17%
2008	$ 7,755,667	$ 6,345,313	81.82%	$ 489,718	$ 6,835,031	88.13%	$ 511,356	6.59%
2007	$ 8,248,325	$ 6,773,525	82.12%	$ 362,574	$ 7,136,099	86.52%	$ 426,602	5.17%
2006	$ 8,161,127	$ 6,759,330	82.82%	$ 291,261	$ 7,050,591	86.39%	$ 659,193	8.08%
2005	$ 6,571,871	$ 5,470,854	83.25%	$ 302,983	$ 5,773,837	87.86%	$ 552,594	8.41%
2004	$ 7,102,956	$ 5,765,902	81.18%	$ 416,427	$ 6,182,329	87.04%	$ 773,180	10.89%
2003	$ 6,771,824	$ 5,729,679	84.61%	$ 307,880	$ 6,037,559	89.16%	$ 797,874	11.78%
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%

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.

Taxpayer	2010 Real Property Assessed Valuation (1)	2010 Percentage of Real Assessed Valuation
Cleve Electric Illum Co	$ 12,691,180	1.74 %
Lincoln Electric Co	12,025,410	1.64 %
Niederst Indian Hills, LLC	11,822,510	1.62 %
Northpointe Towers LTD	6,685,000	0.91 %
Harbor Crest LTD.	5,510,970	0.75 %
Willo Arms Euclid LLC	5,017,300	0.69 %
Horizon House LTD	3,638,640	0.50 %
Depot Land Co LTD	3,369,730	0.46 %
AE Portfolio, LLC	2,975,000	0.41 %
Normandy Towers East I & E	2,664,210	0.36 %
Total	$ 66,399,950	9.08 %
Total Assessed Valuation	$ 731,293,280	

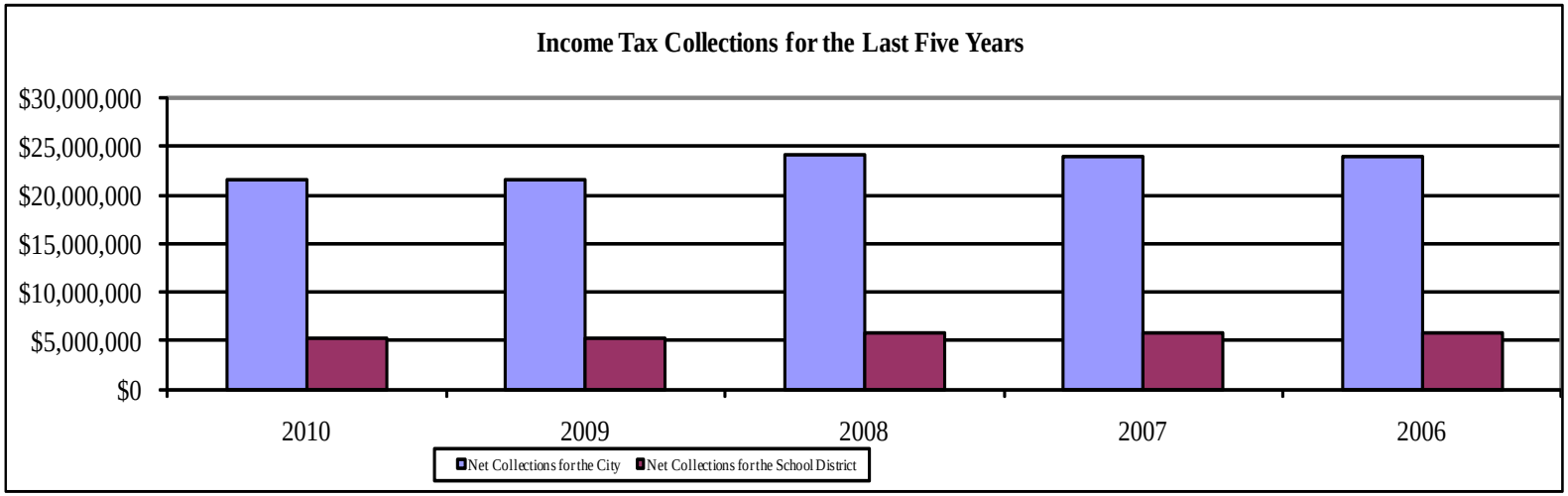
Taxpayer	2001 Real Property Assessed Valuation (1)	2001 Percentage of Real Assessed Valuation
Lincoln Electric Co.	$ 14,112,890	2.03 %
Cleve Electric Illum Co.	12,726,500	1.83 %
Ohio Bell Telephone Co.	9,945,180	1.43 %
Argo Tech Co.	7,728,840	1.11 %
Regency Towers Associates	7,053,800	1.02 %
Americana Apartments	5,265,720	0.76 %
Depot Land Co.	4,944,040	0.71 %
Reliance Electric & Engine Co.	4,909,450	0.71 %
Troy CMBS Property, LLC	4,566,630	0.66 %
Indian Hills Senior Community, Inc.	4,131,750	0.60 %
Total	$ 75,384,800	10.86 %
Total Assessed Valuation	$ 694,216,080	

Source: County Auditor

(1) The amounts presented represent the assessed values upon which 2010 and 2001 collections were based.

Year	Tax Rate	Individual	Net Profit	Payroll Withholding	Penalty and Interest	Miscellaneous Revenue	Gross Collections	Refunds and Adjustments	Net Collections	Net Collections for the City	Net Collections for the School District
2010	2.85%	$5,082,908	$3,567,641	$17,882,748	$586,113	$92,518	$27,211,928	($458,849)	$26,753,079	$21,511,064	$5,242,015
2009	2.85%	$5,571,815	$2,205,169	$19,127,921	$501,077	$139,475	$27,545,457	($710,927)	$26,834,530	$21,570,417	$5,264,113
2008	2.85%	$5,613,660	$3,506,412	$20,750,925	$658,185	$31,777	$30,560,960	($621,987)	$29,938,973	$24,076,487	$5,862,486
2007	2.85%	$5,828,145	$3,057,660	$21,195,076	$562,751	$37,298	$30,680,930	($823,011)	$29,857,919	$24,021,190	$5,836,729
2006	2.85%	$5,875,202	$2,250,314	$21,436,836	$533,447	$103,748	$30,199,547	($515,617)	$29,683,931	$23,914,232	$5,769,698

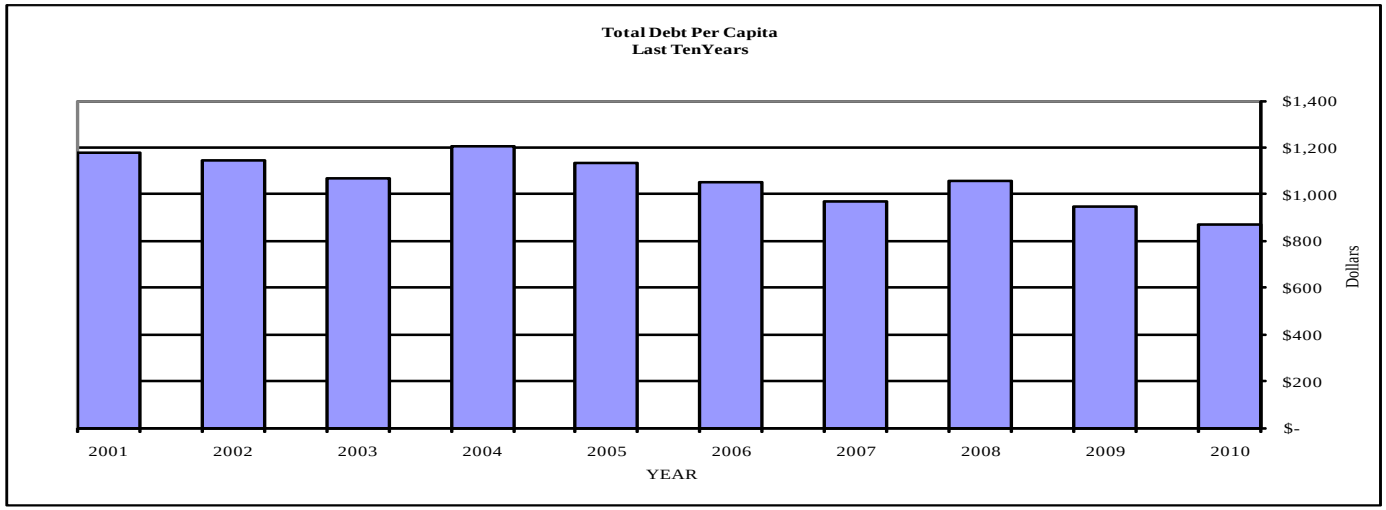
Note:
1. The information provided was determined on a cash basis.
2. As the function of collections and administration of the income tax was transferred from the Central Collection Agency in November 2005, only the years from 2006 forward are presented.
3. The City is prohibited by statute from presenting information regarding individual taxpayers.



	Governmental Activities					Business-Type Activities						
Year	General Obligation Bonds (1)	Special Assessment Bonds	OPWC Loans	Capital Leases	Development Revenue Bonds	General Obligation Bonds (1)	Capital Leases	OWDA Loans	OPWC Loans	Total Debt	Percentage of Personal Income	Per Capita
2010	$ 23,232,081	$ 995,000	$1,586,856	$ 473,890	$ 995,000	$ 6,040,858	$ 246,279	$ 4,790,889	$ 7,372,374	$ 45,733,227	4.41%	$ 868
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

(1) Amounts include assoicated premiums and gains

Note: Population and Personal Income data are presented on page S21.



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
2010	52,717	$ 2,106,996,269	$29,272,939	1.39 %	$ 555
2009	52,717	$ 2,116,829,351	$32,204,731	1.52 %	$ 611
2008	52,717	$ 2,431,714,643	$35,316,523	1.45 %	$ 670
2007	52,717	$ 2,751,264,875	$29,554,050	1.07 %	$ 561
2006	52,717	$ 2,533,338,423	$31,906,848	1.26 %	$ 605
2005	52,717	$ 2,479,708,728	$34,429,648	1.39 %	$ 653
2004	52,717	$ 2,530,992,969	$36,975,000	1.46 %	$ 701
2003	52,717	$ 2,393,549,896	$29,205,000	1.22 %	$ 554
2002	52,717	$ 2,432,496,222	$31,555,000	1.30 %	$ 599
2001	52,717	$ 2,429,726,565	$33,810,000	1.39 %	$ 641

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.

	2010	2009	2008	2007	2006
Total Assessed Property Value	$ 746,769,750	$ 749,989,650	$ 837,916,020	$ 904,734,233	$ 833,249,133
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	78,410,824	78,748,913	87,981,182	94,997,094	87,491,159
Debt Outstanding:					
General Obligation Bonds	$ 23,053,000	$ 25,481,000	$ 28,160,000	$ 23,029,000	$ 25,073,000
General Obligation Bonds - Enterprise	5,967,000	6,454,000	6,870,000	6,536,000	6,852,000
Special Assessment Bonds	995,000	1,080,000	1,160,000	1,235,000	1,305,000
Notes	4,290,000	2,340,000	0	6,846,000	3,816,000
Notes - Enterprise	7,040,000	7,040,000	5,600,000	3,000,000	3,000,000
OPWC Loans	1,586,856	1,670,375	1,652,108	532,981	98,000
OPWC Loans - Enterprise	7,372,374	5,971,616	6,079,837	6,352,551	6,515,556
OWDA Loans	4,790,889	6,779,135	8,620,444	10,328,970	11,915,515
Industrial Development Revenue Bonds	995,000	1,120,000	1,235,000	1,340,000	1,440,000
Total Gross Indebtedness	56,090,119	57,936,126	59,377,389	59,200,502	60,015,071
Less:					
General Obligation Bonds - Enterprise	(5,967,000)	(6,454,000)	(6,870,000)	(6,536,000)	(6,852,000)
Special Assessment Bonds	(995,000)	(1,080,000)	(1,160,000)	(1,235,000)	(1,305,000)
Notes	(4,290,000)	(2,340,000)	0	(6,846,000)	(3,816,000)
Notes - Enterprise	(7,040,000)	(7,040,000)	(5,600,000)	(3,000,000)	(3,000,000)
OPWC Loans	(1,586,856)	(1,670,375)	(1,652,108)	(532,981)	(98,000)
OPWC Loans - Enterprise	(7,372,374)	(5,971,616)	(6,079,837)	(6,352,551)	(6,515,556)
OWDA Loans	(4,790,889)	(6,779,135)	(8,620,444)	(10,328,970)	(11,915,515)
Industrial Development Revenue Bonds	(995,000)	(1,120,000)	(1,235,000)	(1,340,000)	(1,440,000)
General Obligation Bond Retirement Fund Balance	(3,245,536)	(3,596,149)	(3,596,149)	(3,775,688)	(2,947,437)
Total Net Debt Applicable to Debt Limit	19,807,464	21,884,851	24,563,851	19,253,312	22,125,563
Legal Debt Margin Within 10 ½ % Limitations	$ 58,603,360	$ 56,864,062	$ 63,417,331	$ 75,743,782	$ 65,365,596
Legal Debt Margin as a Percentage of the Debt Limit	74.74%	72.21%	72.08%	79.73%	74.71%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	$ 41,072,336	$ 41,249,431	$ 46,085,381	$ 49,760,383	$ 45,828,702
Total Gross Indebtedness	$ 56,090,119	$ 57,936,126	$ 59,377,389	$ 59,200,502	$ 60,015,071
Less:					
General Obligation Bonds - Enterprise	(5,967,000)	(6,454,000)	(6,870,000)	(6,536,000)	(6,852,000)
Special Assessment Bonds	(995,000)	(1,080,000)	(1,160,000)	(1,235,000)	(1,305,000)
Notes	(4,290,000)	(2,340,000)	0	(6,846,000)	(3,816,000)
Notes - Enterprise	(7,040,000)	(7,040,000)	(5,600,000)	(3,000,000)	(3,000,000)
OPWC Loans	(1,586,856)	(1,670,375)	(1,652,108)	(532,981)	(98,000)
OPWC Loans - Enterprise	(7,372,374)	(5,971,616)	(6,079,837)	(6,352,551)	(6,515,556)
OWDA Loans	(4,790,889)	(6,779,135)	(8,620,444)	(10,328,970)	(11,915,515)
Industrial Development Revenue Bonds	(995,000)	(1,120,000)	(1,235,000)	(1,340,000)	(1,440,000)
General Obligation Bond Retirement Fund Balance	(3,245,536)	(3,596,149)	(3,596,149)	(3,775,688)	(2,947,437)
Net Debt Within 5 ½ % Limitations	19,807,464	21,884,851	24,563,851	19,253,312	22,125,563
Unvoted Legal Debt Margin Within 5 ½ % Limitations	$ 21,264,872	$ 19,364,580	$ 21,521,530	$ 30,507,071	$ 23,703,139
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	51.77%	46.95%	46.70%	61.31%	51.72%

Source: City Financial Records

	2005	2004	2003	2002	2001
Total Assessed Property Value	$ 850,325,160	$ 865,435,613	$ 816,485,001	$ 826,000,544	$ 828,468,557
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	89,284,142	90,870,739	85,730,925	86,730,057	86,989,198
Debt Outstanding:					
General Obligation Bonds	$ 27,302,000	$ 34,057,000	$ 27,440,000	$ 29,710,000	$ 31,880,000
General Obligation Bonds - Enterprise	7,153,000	2,918,000	1,765,000	1,845,000	1,930,000
Special Assessment Bonds	1,375,000	1,440,000	1,500,000	1,560,000	1,615,000
Notes	100,000	5,981,000	0	0	0
Notes - Enterprise	1,000,000	1,200,000	0	0	0
OPWC Loans	0	2,393,316	2,534,696	2,606,540	2,256,993
OPWC Loans - Enterprise	6,069,001	4,080,513	4,288,338	4,296,009	3,986,226
OWDA Loans	13,389,914	14,765,846	16,042,064	17,226,034	18,333,990
Industrial Development Revenue Bonds	1,530,000	1,615,000	1,695,000	1,765,000	1,830,000
Total Gross Indebtedness	57,918,915	68,450,675	55,265,098	59,008,583	61,832,209
Less:					
General Obligation Bonds - Enterprise	(7,153,000)	(2,918,000)	(1,765,000)	(1,845,000)	(1,930,000)
Special Assessment Bonds	(1,375,000)	0	0	0	0
Notes	(100,000)	(5,981,000)	0	0	0
Notes - Enterprise	(1,000,000)	(1,200,000)	0	0	0
OPWC Loans	0	(2,393,316)	(2,534,696)	(2,606,540)	(2,256,993)
OPWC Loans - Enterprise	(6,069,001)	(4,080,513)	(4,288,338)	(4,296,009)	(3,986,226)
OWDA Loans	(13,389,914)	(14,765,846)	(16,042,064)	(17,226,034)	(18,333,990)
Industrial Development Revenue Bonds	(1,530,000)	0	0	0	0
General Obligation Bond Retirement Fund Balance	(3,056,034)	(3,008,900)	(2,764,898)	(3,024,670)	(3,533,956)
Total Net Debt Applicable to Debt Limit	24,245,966	34,103,100	27,870,102	30,010,330	31,791,044
Legal Debt Margin Within 10 ½ % Limitations	$ 65,038,176	$ 56,767,639	$ 57,860,823	$ 56,719,727	$ 55,198,154
Legal Debt Margin as a Percentage of the Debt Limit	72.84%	62.47%	67.49%	65.40%	63.45%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	$ 46,767,884	$ 47,598,959	$ 44,906,675	$ 45,430,030	$ 45,565,771
Total Gross Indebtedness	$ 57,918,915	$ 68,450,675	$ 55,265,098	59,008,583	61,832,209
Less:					
General Obligation Bonds - Enterprise	(7,153,000)	(2,918,000)	(1,765,000)	(1,845,000)	(1,930,000)
Special Assessment Bonds	(1,375,000)	0	0	0	0
Notes	(100,000)	(5,981,000)	0	0	0
Notes - Enterprise	(1,000,000)	(1,200,000)	0	0	0
OPWC Loans	0	(2,393,316)	(2,534,696)	(2,606,540)	(2,256,993)
OPWC Loans - Enterprise	(6,069,001)	(4,080,513)	(4,288,338)	(4,296,009)	(3,986,226)
OWDA Loans	(13,389,914)	(14,765,846)	(16,042,064)	(17,226,034)	(18,333,990)
Industrial Development Revenue Bonds	(1,530,000)	0	0	0	0
General Obligation Bond Retirement Fund Balance	(3,056,034)	(3,008,900)	(2,764,898)	(3,024,670)	(3,533,956)
Net Debt Within 5 ½ % Limitations	24,245,966	34,103,100	27,870,102	30,010,330	31,791,044
Unvoted Legal Debt Margin Within 5 ½ % Limitations	$ 22,521,918	$ 13,495,859	$ 17,036,573	$ 15,419,700	$ 13,774,727
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	48.16%	28.35%	37.94%	33.94%	30.23%

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
Direct - City of Euclid			
General Obligation Bonds	$ 23,232,081	100.00%	$ 23,232,081
Special Assessment Bonds	995,000	100.00%	995,000
OPWC Loans	1,586,856	100.00%	1,586,856
Capital Leases	473,890	100.00%	473,890
Development Revenue Bonds	995,000	100.00%	995,000
General Obligation Notes	4,311,278	100.00%	4,311,278
Total Direct Debt	31,594,105		31,594,105
Overlapping			
Euclid City School District			
General Obligation Bonds	48,524,428	100.00%	48,524,428
County			
General Obligation Bonds	319,446,948	2.50%	7,998,075
Regional			
Transit Authority	152,760,000	2.50%	3,824,691
Total Overlapping Debt	520,731,376		60,347,194
Total	$ 552,325,481		$ 91,941,299

Year	Net Revenues (1)	Operating Expenses	Net Revenue Available for Debt Service	Debt Service			Coverage
				Principal	Interest	Total	
2010	$ 109,336	$ 0	$ 109,336	$ 125,000	$ 92,400	$ 217,400	0.50
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

(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

2010

Employer	Number of W-2 Issued	Percentage of Total City Employment
Lincoln Electric	2,207	9.54%
Cleveland Clinic	1,513	6.54%
Euclid Board of Education	1,370	5.92%
City of Euclid	645	2.79%
University Hospital Health System	589	2.55%
Cuyahoga County	518	2.24%
Argo Tech Corporation	406	1.76%
Babcock& Wilcox Nuclear Operations	293	1.27%
Hose Masters	279	1.21%
HC Starck Incorporated	268	1.16%
Total	8,088	34.96%
Total Estimated Employment within the City	23,132	

2006

Employer	Number of W-2 Issued	Percentage of Total City Employment
Lincoln Electric	2,771	11.07%
Euclid Board of Education	1,464	5.85%
Meridia Health Systems	1,282	5.12%
City of Euclid	680	2.72%
Cuyahoga County	598	2.39%
Argo Tech Corporation	437	1.75%
University Hospitals Health System	388	1.55%
Hose Masters	278	1.11%
Marine Mechanical Corp.	261	1.04%
GE Lighting, Inc.	160	0.64%
Total	8,319	33.24%
Total Estimated Employment within the City	25,025	

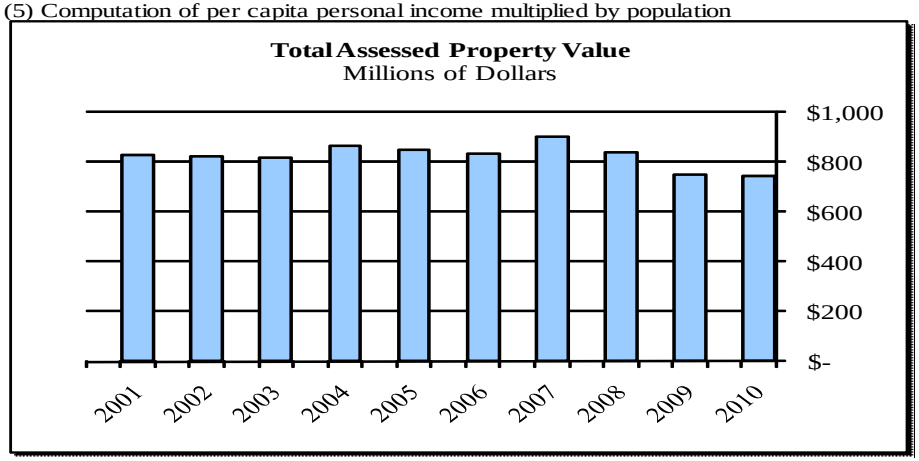
Source: City Income Tax Department

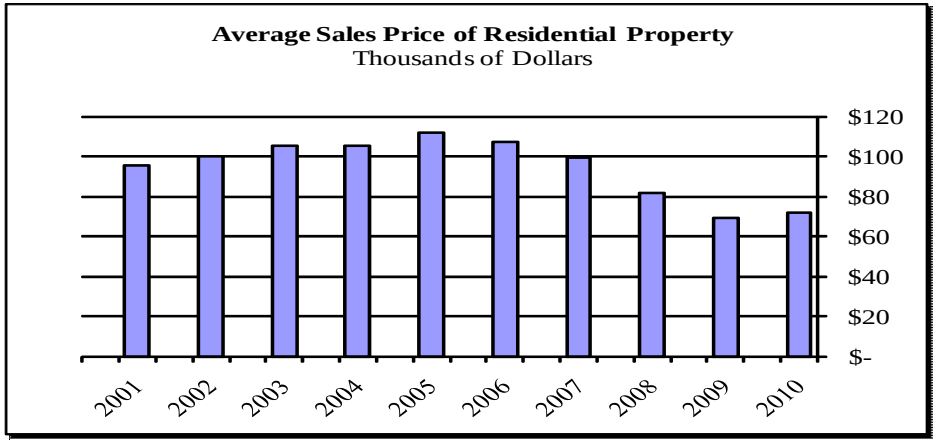
(1) Information prior to 2006 is not available

CITY OF EUCLID, OHIO
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)	Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Cuyahoga County Unemployment Rate (3)	Average Sales Price of Residential Property (4)	Total Assessed Property Value (4)
2010	52,717	$ 1,036,627,088	$ 19,664	$ 35,151	38.9	19.6%	6,168	9.5%	$ 71,632	$ 746,769,750
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

(1) Source: U. S. Census
(a) Years 2001 through 2010 - 2000 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





Function/Program	2010	2009	2008	2007	2006	2005	2004	2003	2002
General Government									
Council	10	11	11	11	11	11	11	11	11
Finance	14	15	16	15	13	13	13	17	20
Tax	8	10	10	10	7	7	0	0	0
Mayor	22	22	24	24	24	24	25	26	29
Law	11	10	9	9	10	8	8	7	10
Municipal Court	28	28	26	26	23	27	26	26	26
Public Service Administration	6	7	6	6	6	6	6	6	8
Engineer	6	2	3	3	3	3	3	3	4
Public Building	8	10	10	10	9	10	10	11	12
Security of Persons and Property									
Police	97	96	99	95	95	95	95	95	98
Police - Administration	11	11	9	7	7	7	7	8	15
Police - Records Room	6	6	6	6	6	5	5	6	7
Police - School Guards	11	11	10	10	10	10	10	13	12
Police - Communications	16	16	17	16	15	14	16	18	19
Police - Corrections	28	28	38	38	36	32	38	40	36
Police - Animal Control	2	2	3	2	2	2	3	4	6
Fire	79	79	82	82	80	77	78	82	83
Leisure Time Activities									
Recreation - Administration	4	4	5	4	4	4	4	4	5
Parks & Rec Maintenance	13	14	15	14	17	16	16	22	26
Recreation - Programs	75	75	75	75	75	75	88	119	129
Shore Cultural Center	0	0	4	4	4	4	4	5	5
Golf Course	0	27	34	34	34	33	31	32	34
Community Development									
Economic Development	6	6	8	7	6	5	7	7	8
Building	4	5	4	4	3	2	2	3	6
Housing	10	12	13	11	10	10	7	10	11
Weatherization	5	5	6	6	6	7	6	7	7
Senior Programs	8	15	23	21	20	21	22	25	29
Transportation									
Motor Maintenance	8	12	12	12	12	12	12	14	14
Traffic Maintenance	0	4	4	4	4	4	4	4	5
Street M&R	26	29	27	25	23	23	24	26	37
Basic Utility Services									
Wastewater	43	43	43	43	44	44	42	44	44
Totals:	565	615	652	634	619	611	623	695	756

Source: Annual Operating Budget - Employee Count (Appendix A)

(1) Information prior to 2002 is not available

Function/Program	2010	2009	2008	2007	2006	2005	2004	2003	2002
General Government									
Council and Clerk									
Number of Ordinances & Resolutions Passed	178	218	250	258	220	202	229	246	242
Finance Department									
Number of checks/ vouchers issued	4,781	6,492	6,966	6,839	6,292	5,258	5,459	5,455	6,210
Amount of checks written	$ 22,146,777	$ 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)	$ 261,703	$ 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	A1	Aa3	Aa3	Aa3
Health Insurance Costs vs General Fund Expenditures %	11.96%	9.89%	8.96%	8.81%	9.19%	9.04%	9.04%	9.19%	7.98%
General Fund Receipts (cash basis)	$ 37,792,896	$ 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)	$ 36,685,422	$ 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	$ 2,796,536	$ 1,689,062	$ 3,625,687	$ 4,027,711	$ 3,042,669	$ 1,909,884	$ 1,098,740	$ 647,842	$ 2,202,957
Income Tax Department									
Number of Individual Returns	24,552	25,487	32,180	28,916	34,128	n/a	n/a	n/a	n/a
Number of Business Returns	2,950	2,958	2,928	2,638	2,853	n/a	n/a	n/a	n/a
Number of Business Withholding Accounts	2,979	3,043	3,050	3,117	3,131	n/a	n/a	n/a	n/a
Amount of Penalties and Interest Collected	$ 586,113	$ 501,077	$ 658,185	$ 562,411	$ 533,448	n/a	n/a	n/a	n/a
Annual number of Corporate withholding forms processed	17,045	17,746	18,434	18,448	17,992	n/a	n/a	n/a	n/a
Annual number of balance due statements forms processed	7,471	6,484	7,779	6,914	7,033	n/a	n/a	n/a	n/a
Annual number of estimated payment forms processed	12,844	14,883	15,916	15,512	20,167	n/a	n/a	n/a	n/a
Annual number of reconciliations of withholdings processed	2,188	3,112	2,230	1,643	2,325	n/a	n/a	n/a	n/a
Municipal Court									
Number of Civil Cases	3,614	4,234	4,937	4,670	4,041	3,246	2,723	2,639	2,234
Number of Traffic/Criminal cases	7,430	7,510	8,718	7,573	6,398	5,908	7,801	8,363	7,942
Vital Statistics									
Certificates Filed									
Number of Births	4	2	1	2	2	4	0	4	na
Number of Deaths	404	430	491	406	440	512	529	553	na
Certificates Issued									
Number of Births	1,482	1,724	1,855	2,401	2,458	2,518	2,469	2,713	na
Number of Deaths	1,703	1,830	2,128	2,080	2,218	2,684	2,769	2,889	na
Burial Permits Issued	625	675	601	579	456	478	550	na	na
Civil Service									
Number of police entry tests administered	1	0	0	0	1	1	(a)	(a)	(a)
Number of fire entry tests administered	1	0	0	1	(a)	1	(a)	(a)	1
Number of police promotional tests administered	3	0	0	4	1	(a)	(a)	(a)	(a)
Number of fire promotional tests administered	3	0	3	0	4	(a)	1	(a)	2
Number of hires of Police Officers from certified lists	4	0	0	3	2	6	(a)	(a)	(a)
Number of hires of Fire/Medics from certified lists	0	0	0	5	(a)	12	(a)	(a)	0
Number of promotions from police certified lists	0	1	0	4	1	(a)	(a)	(a)	(a)
Number of promotions from fire certified lists	3	0	3	1	11	(a)	1	(a)	3

(a) Test Not administered
n/a Information not available

Function/Program	2010	2009	2008	2007	2006	2005	2004	2003	2002
General Government									
Building Department Indicators									
Estimated Value of Construction	$ 22,004,556	$ 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	2,504	2,964	2,430	2,194	2,294	2,291	2,713	2,138	2,100
Amount of Revenue generated from permits	$ 325,992	$ 231,664	$ 221,555	$ 268,817	$ 218,779	$ 203,544	$ 239,570	$ 174,801	$ 192,670
Number of contractor registrations issued	794	969	919	910	808	785	930	990	915
Housing Department Indicators									
Total dwelling / housing units	26,205	26,235	26,235	26,265	26,284	26,284	26,304	26,276	26,280
Number of point of sale inspections	748	859	1,218	1,153	1,288	1,229	1,161	1,227	1,068
Number of rental inspections performed	11,138	10,890	10,435	9,482	9,761	9,017	7,636	7,542	7,778
Revenue generated from Housing Fees	$ 735,200	$ 839,055	$ 876,234	$ 732,683	$ 720,042	$ 579,290	$ 562,178	$ 576,939	$ 555,516
Security of Persons & Property									
Police									
Total Crimes/Offenses	18,130	15,592	17,187	19,789	21,446	16,677	18,320	20,321	20,456
Motor Vehicle Accidents	1,223	1,149	1,315	1,428	1,456	1,516	1,488	1,696	1,667
Fatalities from Motor Vehicle Accidents	2	1	3	3	1	2	4	2	4
Number of criminal arrests	2,988	2,654	3,201	2,942	2,883	2,566	2,986	2,823	2,375
Number of traffic citations issued	10,712	12,373	12,023	10,094	8,498	7,719	10,001	10,545	9,702
Number of parking citations issued	3,208	3,596	5,133	6,311	3,980	3,997	5,430	5,802	6,513
Narcotics & Vice Criminal Charges	1,760	1,798	2,524	2,277	2,710	2,252	1,969	1,543	972
Warrants Processed	1,926	2,669	3,351	4,247	3,335	3,465	4,280	3,723	3,605
Emergency Response Team (ERT) calls for service	13	29	25	14	6	10	6	15	12
Police Dept. Auxiliary hours worked	1,912.75	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	$ 1,807,491	$ 1,665,907	$ 296,910	$ 238,261	$ 296,860	$ 265,784	$ 103,627	$ 128,090	$ 371,521
Prisoners (Total Jail Days)	20,957	19,166	30,364	29,591	29,339	25,416	25,991	23,437	23,514
Prisoner revenue	$ 719,895	$ 469,059	$ 678,661	$ 997,818	$ 519,437	$ 666,896	$ 467,210	$ 546,320	$ 555,704
Juvenile Diversion Program - referred	264	255	165	557	363	347	159	184	106
Juvenile Diversion Program - accepted	114	203	82	456	324	181	115	175	98
Fire									
EMS Calls	6,208	5,636	5,575	5,466	5,544	5,452	5,397	5,217	4,993
Ambulance Billing Collections (net)	$ 1,231,380	$ 1,228,840	$ 1,178,278	$ 1,175,599	$ 1,174,427	$ 1,124,218	$ 979,105	$ 925,934	$ 815,156
Fire Calls	1,225	1,152	1,403	1,259	1,236	1,165	1,086	1,068	1,148
Fire Losses	$ 1,256,000	$ 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	1,460	1,462	1,355	1,433	1,664	2,273	3,142	3,084	3,059
Fire Prevention Bureau Inspections	2,704	2,978	2,614	2,841	2,616	2,763	2,920	2,671	2,838
EMS Training (Man Hours)	1,255.00	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)	6,381.00	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	1	3	1	0	0	3	5	3	7
Cemetery cremations	3	2	4	0	1	1	1	5	0
Cemetery sale of lots	0	0	0	0	0	0	0	0	0
Cemetery receipts	$ 600	$ 1,000	$ 1,000	$ 400	$ 400	$ 1,415	$ 2,300	$ 1,372	$ 1,725

(a) Test Not administered
n/a Information not available

Function/Program	2010	2009	2008	2007	2006	2005	2004	2003	2002
Leisure Time Activities									
Recreation									
Swimming pool receipts	$ 96,334	$ 98,348	$ 98,716	$ 102,644	$ 98,214	$ 100,703	$ 96,681	$ 119,347	$ 149,727
Ice Arena receipts	$ 115,074	$ 141,666	$ 178,106	$ 173,572	$ 174,213	$ 134,925	$ 183,108	$ 180,999	$ 179,539
Youth & Adult Sports receipts	$ 177,020	$ 179,836	$ 210,318	$ 222,765	$ 231,549	$ 232,096	$ 225,916	$ 257,347	$ 259,317
Shore Cultural Facility rentals*	$ 290,623	$ 117,887	$ 211,921	$ 229,676	$ 195,479	$ 178,188	$ 194,067	$ 187,464	$ 213,103
Golf									
Rounds of Golf	31,856	35,118	40,486	44,636	44,742	46,776	50,003	48,679	51,316
Golf/Pro-shop receipts	$ 601,983	$ 623,533	$ 679,953	$ 658,739	$ 673,323	$ 624,760	$ 674,592	$ 668,676	$ 679,600
Food & Beverage receipts	$ 244,397	$ 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.	$ 3,157,430	$ 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	542	544	513	509	501	554	552	556	556
Motor Maintenance - Repair Orders	1,905	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	N/A	239	271	248	265	236	287	292
Snow & Ice Removal - Salt (tons)	6,763.83	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)	$ 311,652	$ 221,330	$ 354,225	$ 313,080	$ 152,509	$ 329,886	$ 236,840	$ 262,568	$ 140,160
Street Repair Maintenance - Cold Patch (tons)	291.27	296.97	577.00	477.43	425.55	382.11	352.46	402.06	227.09
Street Repair Maintenance - Cold Patch (cost)	$ 25,807	$ 29,714	$ 43,432	$ 24,349	$ 21,704	$ 16,813	$ 15,508	$ 18,093	$ 10,219
Street Repair Maintenance - Hot Mix (tons)	904.07	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)	$ 49,451	$ 41,493	$ 29,550	$ 31,450	$ 31,163	$ 18,907	$ 18,402	$ 21,470	$ 29,018
Street Repair Maintenance - Emulsion/Crack Sealer (gallons)	1,898	1,766	1,815	2,442	2,637	1,428	1,714	1,886	1,146
Street Repair Maintenance - Emulsion/Crack Sealer (cost)	$ 5,542	$ 4,681	$ 3,936	$ 4,533	$ 4,199	$ 1,572	$ 1,650	$ 2,460	$ 1,143
Sewer Jet Cleaning - Sanitary Sewers (feet)	250,510	193,475	213,225	223,435	169,100	6,345	3,100	8,605	208,990
Sewer Jet Cleaning - Storm Sewers (feet)	20,390	2,100	5,225	4,635	4,320	2,500	1,450	1,000	19,010
Sewer Repairs (includes Water Department damage)	47	76	71	78	61	68	41	59	59
House Call Sewer Jobs/Residential & Business	1,058	1,185	1,139	1,195	1,595	1,492	1,327	1,732	2,235
Catch Basin Repairs	49	55	66	39	54	45	37	40	72
Catch Basin Cleaning	1,134	1,194	849	569	623	320	75	54	2,274
Man Hole Repairs	20	23	13	30	13	5	11	16	44
Sidewalk Repairs	14	16	9	25	12	19	5	12	18
Curb & Apron Repairs	52	80	31	50	17	25	23	26	54
Leaf Collection - Number of Loads	754	750	691	774	1,139	734	840	745	965
Street Sweeping - Number of Loads (dirt & debris)	381	386	471	321	582	352	301	285	473
Street Sweeping - Number of times whole city sweep	3	4	8	5	6	3	3	2	7
Water Hole Maintenance - New Water Openings	213	250	264	312	190	229	165	220	176
Water Hole Maintenance - Completed (cemented/asphalted)	326	288	265	195	221	279	265	326	153
Water Hole Maintenance - Total not completed	363	538	493	480	355	388	432	496	518
Fire Hydrants Painted	0	0	2,034	103	58	80	634	8	880

Function/Program	2010	2009	2008	2007	2006	2005	2004	2003	2002
Wastewater Department									
Wastewater Rates for Water Consumption Based Customers (per 1000 MCF)									
Euclid	$ 33.01	$ 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	$ 29.05	$ 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	$ 24.16
Wastewater Rates for Wastewater Master Meter Customers (per 1000 Gallons)									
Wickliffe	$ 1.73	$ 1.73	$ 1.73	$ 1.73	$ 1.73	$ 1.73	$ 1.73	$ 1.73	$ 1.73
Willowick	$ 1.73	$ 1.73	$ 1.73	$ 1.73	$ 1.73	$ 1.73	$ 1.73	$ 1.73	$ 1.73
Wastewater Flow MGD									
Euclid	11.70	10.59	13.80	16.74	15.58	14.09	15.19	12.86	12.05
Wickliffe	1.93	1.92	2.14	2.36	2.60	2.51	2.38	2.51	2.15
Willowick	1.70	1.88	2.08	1.85	2.00	1.49	1.26	1.28	1.06
Total	15.33	14.39	18.02	20.95	20.18	18.09	18.83	16.65	15.26
Water Line Construction Fund									
Euclid (charges included with wastewater billing) (per 1000 MCF)	$ 9.00	$ 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	$ 1.39
Capital Costs	0.28	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	0.06
Total	$ 1.73	$ 1.73	$ 1.73	$ 1.73	$ 1.73	$ 1.73	$ 1.73	$ 1.73	$ 1.73
Willoughby Hills (per MCF of water consumption)									
Operating, Maintenance & Repairs	$ 19.60	$ 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	4.08
Satellite Sewer Discharge Program services	0.48	0.48	0.48	0.48	0.48	0.48	0.48	0.48	0.48
Total	$ 24.16	$ 24.16	$ 24.16	$ 24.16	$ 24.16	$ 24.16	$ 24.16	$ 24.16	$ 24.16
Cuyahoga County (So.Euclid, Highland Hts, Richmond Hts)									
Operating, Maintenance & Repairs	$ 19.60	$ 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	4.08
Satellite Sewer Discharge Program services	0.48	0.48	0.48	0.48	0.48	0.48	0.48	0.48	0.48
Equalization under billing (2nd quarter 2000)					0.44	0.44	0.44	0.44	
Equalization under billing (3rd quarter 2000)	1.94	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	1.45	1.15	1.15	0.70
Administrative Expenses (City of Euclid)	1.50	1.50	1.50	1.50	1.50	0.00	0.00	0.00	0.00
Total	$ 29.05	$ 29.05	$ 29.05	$ 29.05	$ 29.49	$ 26.05	$ 25.75	$ 25.75	$ 24.86
Euclid									
Operating, Maintenance & Repairs	$ 19.60	$ 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	4.08
Peterson Construction Fund	7.88	5.88	3.88	3.88	3.88	3.88	3.88	3.88	3.88
Meter Reading/Billing Charges	1.61	1.61	1.45	1.45	1.45	1.45	1.15	1.15	0.70
Total	$ 33.17	$ 31.17	$ 29.01	$ 29.01	$ 29.01	$ 29.01	$ 28.71	$ 28.71	$ 28.26

Source: City Departments

(1) Information prior to 2002 is not available

Function/Program	2010	2009	2008	2007	2006	2005	2004
General Government							
Square Footage Occupied	11,392	11,392	11,392	11,392	11,392	11,392	11,392
Administrative Vehicles	2	1	1	17	21	20	20
Inspection Vehicles	11	12	14	14	13	13	13
Municipal Court Vehicles	1	1	1	1	1	1	1
Lands & Buildings Vehicles	11	11	11	10	9	9	9
Police							
Stations	1	1	1	1	1	1	1
Mini-stations	2	2	2	2	2	1	0
Square Footage of Buildings	58,384	58,384	58,384	58,384	58,384	51,194	49,094
Vehicles	63	64	64	66	69	59	60
Fire							
Stations	3	3	3	3	3	4	4
Square Footage of Buildings	27,389	27,389	27,389	27,389	27,389	34,579	34,579
Vehicles	13	16	18	18	18	18	21
Recreation							
Number of Parks	3	3	3	3	3	3	3
Acres of Parks	106	106	106	106	106	106	106
Acres of Playgrounds/Recreation	254	254	254	254	254	254	254
Number of Playgrounds	14	14	14	14	14	14	14
Number of Tennis Courts	6	6	6	6	6	6	6
Number of Skateboarding Areas	1	1	1	1	1	1	1
Number of Baseball Diamonds	9	19	19	19	19	19	19
Number of Soccer Fields	7	7	7	7	7	7	7
Number of Swimming Pools	5	6	6	6	6	6	6
Number of Ice Rinks	1	1	1	1	1	1	1
Acres of Golf Course	126	126	126	126	126	126	126
Square Footage of Shore Center Building	153,525	153,525	153,525	153,525	153,525	153,525	153,525
Other Public Works							
Streets (miles)	143.065	143.065	143.065	143.065	143.065	143.065	143.065
Service Vehicles	43	43	40	35	35	33	32
Wastewater							
Sanitary Sewers (miles)	262.38	262.38	262.38	262.38	262.38	262.38	262.38
Vehicles	11	10	11	20	13	13	13
Water Department							
Water Lines (miles)	139.65	139.65	139.65	139.65	139.65	139.65	139.65

Source: City Departments

(1) Information prior to 2004 is not available

Welcome
to
Downtown Euclid
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Welcome to
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Dave Yost • Auditor of State

CITY OF EUCLID

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
SEPTEMBER 8, 2011

88 East Broad Street, Fifth Floor, Columbus, Ohio 43215-3506
Phone: 614-466-4514 or 800-282-0370 Fax: 614-466-4490
www.auditor.state.oh.us

Comprehensive Annual Financial Report

For the fiscal year ended December 31, 2009

2009

EUCLID

THE LAKEFRONT CITY OF SUPERIOR SERVICES

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

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Department of Finance
Jack Johnson, Director
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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*

JACK JOHNSON-*Finance*

FRANK PIETRAVOIA –*Economic Development*

CHIEF THOMAS COSGRIFF-*Fire*

RANDY SMITH-*Public Service*

KATHY WILL-*Recreation*

CHIEF JAMES REPICKY –*Police*

Municipal Court

DEBORAH LEBARRON –*Judge*

Euclid City Council

KIRSTEN HOLZHEIMER GAIL- *President of Council*

DAVID GILLIHAM – *Ward I*

MADELINE SCARNIENCH – *Ward II*

KANDACE JONES – *Ward III*

MARY JO MINARIK – *Ward IV*

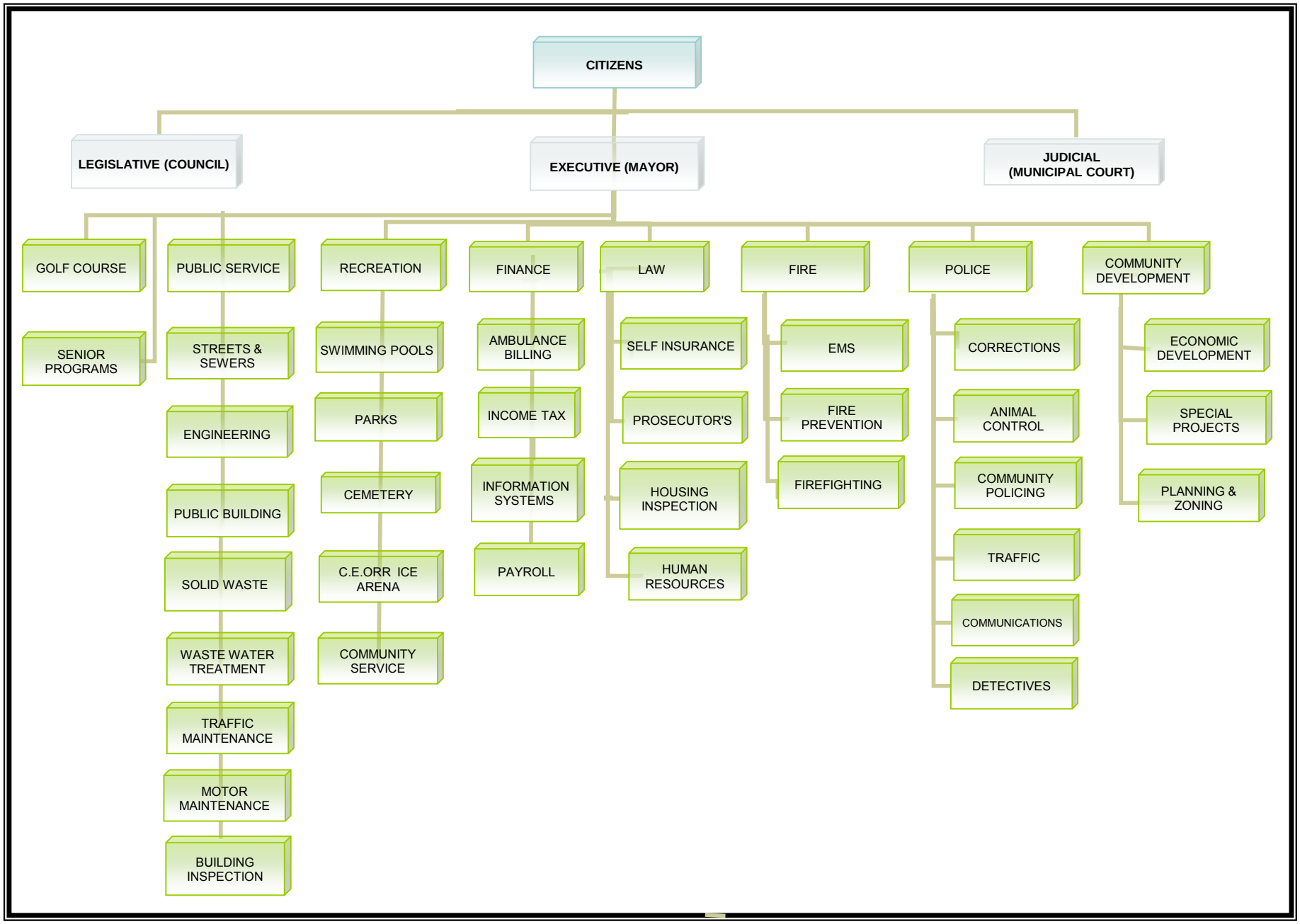
MICHAEL F. O'NEILL- *Ward V*

JOHN M. WOJTILA – *Ward VI*

DARYL LANGMAN – *Ward VII*

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.

President

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.

James G. Zupka, CPA, Inc.
Certified Public Accountants

May 21, 2010

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.

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 S*tatement 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 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 S*tatement 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.

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.

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.

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.

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.

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.

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.

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.

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	15.60	15.60	15.60
Assessed Valuation	$ 749,989,650	$ 837,916,020	$ 904,734,233

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.

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 (LGRAF) 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.

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	$ 69,055,976	$ 72,886,069	$ 61,252,963	$ 57,141,248	$ 130,308,939	$ 130,027,317

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 222nd Rebuild (includes Issue 2 payments)	110,876
2009 Street Resurfacing	345,869
Memorial Park Basketball Court/Pavilion	19,000
*City Hall Parking Lot Resurface	226,052
Total Governmental Activities	$ 766,672
Business-Type Activities	
Euclid Avenue Improvement	$ 305,160
E. 222nd and Tungsten	122,651
St. Clair and Rockwell Fire Hydrant and Street Resurfacing	1,480,589
E. 248th Street Sewer Improvements	329,457
Water Line Road Resurface	124,215
East 264th Street Water and Sanitary Sewer	68,599
Roadway and Utility Improvement	77,353
Dille Road and East 204th Street Project	909,808
E. 214th Street and Lakeshore Blvd. Improvements	1,171,242
Waste Water Treatment Plant Roof	575,437
Driving Range Shelter	24,072
Total Business-Type Activities	$ 5,188,583

* 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.

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
	$ 31,877,955	$ 32,401,187	$ 26,327,902	$27,262,725	$58,205,857	$ 59,663,912

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

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 are 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

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

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Euclid Development Corporation
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	100,663,806	76,973,680	177,637,486	2,302,728
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	51,351,647	31,805,984	83,157,631	1,185
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	$ 49,312,159	$ 45,167,696	$ 94,479,855	$ 2,301,543

See accompanying notes to the basic financial statements.

		Program Revenues			Net(Expense)Revenue and Changes in Net Assets			Component Unit
					Primary Government			
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Euclid Development Corporation
Primary Government								
Governmental Activities:								
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
Business-Type Activities:								
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
Component Units:								
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
	Change in Net Assets				(4,459,708)	2,123,675	(2,336,033)	(23,580)
	Net Assets Beginning of Year				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.

	General	General Obligation Bond Retirement	All Other Governmental Funds	Total Governmental Funds
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	$ 17,163,593	$ 8,317,603	$ 6,318,302	$ 31,799,498
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	10,630,436	4,661,628	3,330,732	18,622,796
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	6,533,157	3,655,975	2,987,570	13,176,702
Total Liabilities and Fund Balances	$ 17,163,593	$ 8,317,603	$ 6,318,302	$ 31,799,498

See accompanying notes to the basic financial statements.

Total Governmental Fund Balances		$ 13,176,702
Amounts reported for governmental activities in the statement of net assets are different because		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds		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

	General	General Obligation Bond Retirement	All Other Governmental Funds	Total Governmental Funds
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	36,035,378	4,187,950	6,188,546	46,411,874
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	37,191,817	4,128,124	9,020,364	50,340,305
Excess of Revenues Over(Under) Expenditures	(1,156,439)	59,826	(2,831,818)	(3,928,431)
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	(61,197)	0	2,472,084	2,410,887
Net Change in Fund Balance	(1,217,636)	59,826	(359,734)	(1,517,544)
Fund Balance at Beginning of Year	7,750,793	3,596,149	3,347,304	14,694,246
Fund Balance at End of Year	$ 6,533,157	$ 3,655,975	$ 2,987,570	$ 13,176,702

See accompanying notes to the basic financial statements.

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 exepense. This is the amount by which depreciation exceeded capital outlays in the current period.		
Capital Asset Additions	$ 2,148,161	
Current Year Depreciation	(5,971,065)	
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	(738,137)	
Total		(235,355)
Other financing sources in the governmental funds increase long-term liablities in the Statement of Net Assets.		
Proceeds of OPWC Loan	(18,267)	
Proceeds of Notes	(2,340,000)	
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	431,944	
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	(15,160)	
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	(18,963)	
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		(20,149)
Change in Net Assets of Governmental Activities		$ (4,459,708)

See accompanying notes to the basic financial statements

	Original Budget	Final Budget	Actual	Variance with Final Budget
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	36,824,836	36,824,836	35,712,390	(1,112,446)
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	37,791,702	38,699,625	37,632,126	1,067,499
Excess of Revenues Over(Under) Expenditures	(966,866)	(1,874,789)	(1,919,736)	(44,947)
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	134,000	(60,859)	(61,197)	(338)
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	$ 2,828,038	$ 1,725,256	$ 1,679,971	$ (45,285)

See accompanying notes to the basic financial statements.

	Enterprise Funds				Governmental Activities
	Waste Water Treatment	Water Line Improvement	Briardale Greens Golf Course	Totals	Internal Service Fund
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.

	Enterprise Funds				Governmental Activities
	Waste Water Treatment	Water Line Improvement	Briardale Greens Golf Course	Totals	Internal Service Fund
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	10,664,198	2,283,091	941,733	13,889,022	317,000
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	10,259,756	1,445,397	890,574	12,595,727	337,711
Operating Income (Loss)	404,442	837,694	51,159	1,293,295	(20,711)
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)	32,929	(336,276)	(3,486)	(306,833)	317
Income (Loss) Before Contributions	437,371	501,418	47,673	986,462	(20,394)
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	19,988,936	14,320,844	8,734,241	43,044,021	(248,577)
Net Assets (Deficit) at End of Year	$ 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 CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Enterprise Funds				Governmental Activities
	Waste Water Treament	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

	Agency Fund
ASSETS:	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	$ 795,528
Total Assets	$ 795,528
LIABILITIES:	
Current Liabilities:	
Deposits Held and Due to Others	$ 795,528
Total Liabilities	$ 795,528

See accompanying notes to the basic financial statements.

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.

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.

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.

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.

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.

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.

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.

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."

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.

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:

Description	Estimated Lives
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.

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.

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.

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 receipted in the year the bonds are issued.

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 Satement 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.

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
Internal Service	
Self-Insurance Fund	268,971

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.

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	$ (1,980,933)

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;

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.

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.

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:

	Percentage of Total Investments
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.

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.

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	15,108,400
Total Valuation	$ 749,989,650

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.

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:

Governmental Activities	
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	$ 2,806,754

Business-Type Activities	
Homestead and Rollback	$ 29,437
OPWC Receivables	406,787
Total Business-Type Activities	$ 436,224

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.

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
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	$ 9,058,667	$ 0	$ 0	$ 9,058,667
Construction in Progress	4,707,457	766,672	1,838,982	3,635,147
Total Capital Assets, Not Being Depreciated	13,766,124	766,672	1,838,982	12,693,814
Capital Assets, Being Depreciated				
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
Total Capital Assets, Being Depreciated	152,785,878	3,220,471	581,851	155,424,498
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)
Total Accumulated Depreciation	(93,665,933)	(5,971,065)	(574,662)	(99,062,336)
Total Capital Assets, Being Depreciated, Net	59,119,945	(2,750,594)	7,189	56,362,162
Governmental Activities Capital Assets, Net	$ 72,886,069	$ (1,983,922)	$ 1,846,171	$ 69,055,976

NOTE 9: **CAPITAL ASSETS** (Continued)

	Balance 12/31/2008	Additions	Deletions	Balance 12/31/2009
Business-Type Activities				
Capital Assets, Not Being Depreciated				
Land	$ 7,428,126	$ 0	$ 0	$ 7,428,126
Construction in Progress	1,041,845	5,188,583	847,163	5,383,265
Total Capital Assets, Not Being Depreciated	8,469,971	5,188,583	847,163	12,811,391
Capital Assets, Being Depreciated				
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
Total Capital Assets, Being Depreciaited	73,892,236	1,298,672	76,100	75,114,808
Less Accumulated Depreciation:				
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)
Waterines	(4,186,811)	(467,503)	0	(4,654,314)
Total Accumulated Depreciation	(25,220,959)	(1,528,377)	(76,100)	(26,673,236)
Total Capital Assets, Being Depreciated, Net	48,671,277	(229,705)	0	48,441,572
Business-Type Activities Capital Assets, Net	$ 57,141,248	$ 4,958,878	$ 847,163	$ 61,252,963

*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
	$ 5,971,065

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
General Obligation Bonds:				
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
Industrial Development Revenue Bonds				
Lincoln Electric Industrial Development	8.25	1996	2,135,000	2016
Ohio Public Works Commission				
East 222nd Reconstruction -2006	0.00	2006	1,257,200	2029
Special Assessment Bonds with Government Commitment				
Heritage Drive Improvements - 1999	4.35-5.60	1999	1,715,000	2019
Long-Term Notes Payable:				
Various Purpose - 2009	1.75	2009	2,340,000	2010
Enterprise General Obligation Bonds:				
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
Enterprise OWDA Loans:				
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
Enterprise OPWC Loans:				
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
Enterprise Long-Term Notes Payable:				
Water Line Improvement	1.75	2009	6,300,000	2010
Sewer Improvement	1.75	2009	740,000	2010

NOTE 10: **LONG-TERM OBLIGATIONS** (Continued)

	Principal Outstanding 12/31/2008	Additions	Deletions	Principal Outstanding 12/31/2009	Due Within One Year
Governmental Activities					
General Obligation Bonds:					
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
Special Assessment Bonds with Governmental Commitment					
Heritage Drive Improvements - 1999	1,160,000	0	80,000	1,080,000	85,000
Notes Payable:					
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
Industrial Development Revenue Bonds					
Lincoln Electric Industrial Development	1,235,000	0	115,000	1,120,000	125,000
Ohio Public Works Commission					
East 222nd Reconstruction -2006	1,652,108	18,267	0	1,670,375	0
Other Obligations:					
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

NOTE 10: **LONG-TERM OBLIGATIONS** (Continued)

	Principal Outstanding 12/31/2008	Additions	Deletions	Principal Outstanding 12/31/2009	Due Within One Year
Business-Type Activities					
General Obligation Bonds:					
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
Total General Obligation Bonds:	6,962,444	0	425,293	6,537,151	487,000
Notes Payable					
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
	5,600,000	7,040,000	5,600,000	7,040,000	7,040,000
OWDA Loans:					
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
Total OWDA Loans	8,620,444	0	1,841,309	6,779,135	1,976,951
OPWC Loans:					
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
Total Waste Water Fund	4,252,039	162,046	277,494	4,136,591	289,412
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
Total Water Line Fund	1,827,798	148,607	141,380	1,835,025	141,379
Total OPWC Loan	6,079,837	310,653	418,874	5,971,616	430,791
Other Obligations					
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
Total Other Obligations	1,377,399	122,700	289,537	1,210,562	311,598
Total Business-Type Activities	$ 28,640,124	$ 7,473,353	$ 8,575,013	$ 27,538,464	$ 10,246,340

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.

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.

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	$ 1,344,846
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.

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:

Years of Service as of January 1, 2005	Upon Retirement Sick Hours Max Out at:
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.

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.

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:

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.

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.

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 rat 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.

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.

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 $358,165for 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.

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
Capital Assets being Depreciated:		
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
Year ending December 31		
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 From		
Transfer To	General Fund	Other Governmental Funds	Totals
General Fund	$ 0	$ 500,000	$ 500,000
Other Governmental Funds	561,859	0	561,859
Totals	$ 561,859	$ 500,000	$ 1,061,859

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

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.

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.

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.

	Special Revenue	Capital Projects	Total
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	$ 2,825,621	$ 3,492,681	$ 6,318,302
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	1,510,010	1,820,722	3,330,732
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	1,315,611	1,671,959	2,987,570
Total Liabilities and Fund Balances	$ 2,825,621	$ 3,492,681	$ 6,318,302

	Special Revenue	Capital Projects	Total
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	5,371,523	817,023	6,188,546
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	5,677,071	3,343,293	9,020,364
Excess of Revenues Over(Under) Expenditures	(305,548)	(2,526,270)	(2,831,818)
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	61,859	2,410,225	2,472,084
Net Change in Fund Balance	(243,689)	(116,045)	(359,734)
Fund Balance at Beginning of Year	1,559,300	1,788,004	3,347,304
Fund Balance at End of Year	$ 1,315,611	$ 1,671,959	$ 2,987,570

	State Highway	Indigent Drivers Alcohol Treatment	Court Computerization	Court Special Projects	Animal Shelter	Nuisance Abatement	Indigent Drivers Interlock and Alcohol Monitoring	Street Maintenance and Construction
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	$ 102,908	$ 89,458	$ 110,137	$ 198,894	$ 8,845	$ 318,891	$ 1,850	$ 878,647
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	39,334	3,284	1,386	5,031	3,400	265,663	0	631,759
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	63,574	86,174	108,751	193,863	5,445	53,228	1,850	246,888
Total Liabilities and Fund Balances	$ 102,908	$ 89,458	$ 110,137	$ 198,894	$ 8,845	$ 318,891	$ 1,850	$ 878,647

	Community Television	Recreation Operating	Community Development Block Grant	Neighborhood Stabilization Program	Other Grants	Law Enforcement Trust	Shore Corp	Total Nonmajor Special Revenue
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	$ 13,008	$ 423,353	$ 860	$ 46,187	$ 404,542	$ 181,378	$ 46,663	$ 2,825,621
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	3,212	460,076	41,613	37,064	11,416	333	6,439	1,510,010
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	9,796	(36,723)	(40,753)	9,123	393,126	181,045	40,224	1,315,611
Total Liabilities and Fund Balances	$ 13,008	$ 423,353	$ 860	$ 46,187	$ 404,542	$ 181,378	$ 46,663	$ 2,825,621

	State Highway	Indigent Drivers Alcohol Treatment	Court Computerization	Court Special Projects	Animal Shelter	Nuisance Abatement	Indigent Drivers Interlock and Alcohol Monitoring	Street Maintenance and Construction
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	111,363	12,122	72,002	102,612	63,323	203,229	1,850	1,905,949
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	143,431	11,376	97,671	91,496	83,055	74,620	0	2,096,909
Excess of Revenues Over(Under) Expenditures	(32,068)	746	(25,669)	11,116	(19,732)	128,609	1,850	(190,960)
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	0	0	0	0	10,000	(440,000)	0	0
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	95,642	85,428	134,420	182,747	15,177	364,619	0	437,848
Fund Balance (Deficit) at End of Year	$ 63,574	$ 86,174	$ 108,751	$ 193,863	$ 5,445	$ 53,228	$ 1,850	$ 246,888

	Community Television	Recreation Operating	Community Development Block Grant	Neighborhood Stabilization Program	Other Grants	Litter Control	Law Enforcement Trust	Shore Corp	Total Nonmajor Special Revenue
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	2,735	917,763	1,076,004	137,990	614,291	0	32,403	117,887	5,371,523
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	79,002	1,188,210	1,068,774	128,867	363,386	11	59,193	191,070	5,677,071
Excess of Revenues Over(Under) Expenditures	(76,267)	(270,447)	7,230	9,123	250,905	(11)	(26,790)	(73,183)	(305,548)
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	69,296	279,563	0	0	0	0	0	143,000	61,859
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	$ 9,796	$ (36,723)	$ (40,753)	$ 9,123	$ 393,126	$ 0	$ 181,045	$ 40,224	$ 1,315,611

	General Permanent Improvement	Recreation Capital	Sidewalk Repair and Replacement	Public Building Construction	Euclid Endowment	Sims Park	Bennington Hamlet	CMP Properties	Harbor Town TIF	Total Nonmajor Capital Projects
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	$ 2,088,749	$ 276,464	$ 29,085	$ 88,930	$ 557,134	$ 79,908	$ 129,396	$ 171,930	$ 71,085	$ 3,492,681
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	1,222,430	214,767	0	350,000	22,176	0	6,684	3,375	1,290	1,820,722
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	866,319	61,697	29,085	(261,070)	534,958	79,908	122,712	168,555	69,795	1,671,959
Total Liabilities and Fund Balances	$ 2,088,749	$ 276,464	$ 29,085	$ 88,930	$ 557,134	$ 79,908	$ 129,396	$ 171,930	$ 71,085	$ 3,492,681

	General Permanent Improvement	Recreation Capital	Sidewalk Repair and Replacement	Public Building Construction	Euclid Endowment	Sims Park	Bennington Hamlet	CMP Properties	Harbor Town TIF	Total Nonmajor Capital Projects
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	368,031	234,777	0	0	1,162	0	28,547	103,020	81,486	817,023
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	2,812,128	262,909	0	63,550	65,964	1,974	19,833	52,435	64,500	3,343,293
Excess of Revenues Over(Under) Expenditures	(2,444,097)	(28,132)	0	(63,550)	(64,802)	(1,974)	8,714	50,585	16,986	(2,526,270)
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	2,408,811	0	0	0	1,414	0	0	0	0	2,410,225
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	$ 866,319	$ 61,697	$ 29,085	$ (261,070)	$ 534,958	$ 79,908	$ 122,712	$ 168,555	$ 69,795	$ 1,671,959

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.

	Beginning Balance	Additions	Deductions	Ending Balance
Municipal Court				
Assets:				
Equity in Pooled Cash and Cash Equivalents	$ 116,998	$ 4,569,272	$ 4,500,124	$ 186,146
Total Assets	$ 116,998	$ 4,569,272	$ 4,500,124	$ 186,146
Liabilities:				
Deposits Held and Due to Others	116,998	4,569,272	4,500,124	186,146
Total Liabilities	$ 116,998	$ 4,569,272	$ 4,500,124	$ 186,146
Employee Flex Spending				
Assets:				
Equity in Pooled Cash and Cash Equivalents	20,861	200,708	195,840	25,729
Total Assets	$ 20,861	$ 200,708	$ 195,840	$ 25,729
Liabilities:				
Deposits Held and Due to Others	20,861	200,708	195,840	25,729
Total Liabilities	$ 20,861	$ 200,708	$ 195,840	$ 25,729
Retirees - Insurance Payments				
Assets:				
Equity in Pooled Cash and Cash Equivalents	1,884	31,358	26,028	7,214
Total Assets	$ 1,884	$ 31,358	$ 26,028	$ 7,214
Liabilities:				
Deposits Held and Due to Others	1,884	31,358	26,028	7,214
Total Liabilities	$ 1,884	$ 31,358	$ 26,028	$ 7,214
Building Deposits				
Assets:				
Equity in Pooled Cash and Cash Equivalents	68,698	62,391	42,044	89,045
Total Assets	$ 68,698	$ 62,391	$ 42,044	$ 89,045
Liabilities:				
Deposits Held and Due to Others	68,698	62,391	42,044	89,045
Total Liabilities	$ 68,698	$ 62,391	$ 42,044	$ 89,045
Street Opening				
Assets:				
Equity in Pooled Cash and Cash Equivalents	27,475	2,000	8,000	21,475
Total Assets	$ 27,475	$ 2,000	$ 8,000	$ 21,475
Liabilities:				
Deposits Held and Due to Others	27,475	2,000	8,000	21,475
Total Liabilities	$ 27,475	$ 2,000	$ 8,000	$ 21,475

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	$ 519,149	$ 27,666,746	$ 27,729,975	$ 455,920
Liabilities:				
Deposits Held and Due to Others	519,149	27,666,746	27,729,975	455,920
Total Liabilities	$ 519,149	$ 27,666,746	$ 27,729,975	$ 455,920
Temporary Suspense				
Assets:				
Equity in Pooled Cash and Cash Equivalents	10,142	80,981	81,124	9,999
Total Assets	$ 10,142	$ 80,981	$ 81,124	$ 9,999
Liabilities:				
Deposits Held and Due to Others	10,142	80,981	81,124	9,999
Total Liabilities	$ 10,142	$ 80,981	$ 81,124	$ 9,999
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	$ 765,207	$ 32,613,456	$ 32,583,135	$ 795,528
Liabilities:				
Deposits Held and Due to Others	765,207	32,613,456	32,583,135	795,528
Total Liabilities	$ 765,207	$ 32,613,456	$ 32,583,135	$ 795,528

Individual Fund Schedules of Revenues, Expenditures/Expenses, and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual

	Original Budget	Final Budget	Actual	Variance with Final Budget
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	36,824,836	36,824,836	35,712,390	(1,112,446)
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	167,920	168,314	164,728	3,586
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	934,828	936,699	870,628	66,071
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	266,917	267,556	266,152	1,404
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	1,168,007	1,202,138	1,168,869	33,269
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	548,586	546,702	518,147	28,555

(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)

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	2,528,362	2,528,362	2,275,462	252,900
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	282,925	277,020	270,931	6,089
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	494,723	495,821	467,623	28,198
Community and Economic Development				
Unclaimed Monies				
Other	8,500	8,500	1,920	6,580
Total Unclaimed Monies	8,500	8,500	1,920	6,580
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	917,958	861,796	845,035	16,761
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	116,800	109,050	105,669	3,381
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	427,583	405,992	392,965	13,027
Total - Community and Economic Development	1,470,841	1,385,338	1,345,589	39,749

(Continued)

Debt Service				
Principal Retirements				
Debt Service				
Principal Retirement	115,000	115,000	115,000	0
Total - Principal Retirements	115,000	115,000	115,000	0
Interest and Fiscal Charges				
Debt Service				
Miscellaneous	101,888	101,888	101,888	0
Total Interest and Fiscal Charges	101,888	101,888	101,888	0
Total Debt Service	216,888	216,888	216,888	0
Total Expenditures	37,791,702	38,699,625	37,632,126	1,067,499
Excess of Revenues Over(Under) Expenditures	(966,866)	(1,874,789)	(1,919,736)	(44,947)
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	134,000	(60,859)	(61,197)	(338)
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 (Deficit) at End of Year	$ 2,828,038	$ 1,725,256	$ 1,679,971	$ (45,285)

	Original Budget	Final Budget	Actual	Variance with Final Budget
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	3,846,168	3,846,168	4,442,884	596,716
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	135,880	156,801	150,571	6,230
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	4,054,152	4,922,531	3,977,268	945,263
Total Expenditures	4,190,032	5,079,332	4,127,839	951,493
Excess of Revenues Over(Under) Expenditures	(343,864)	(1,233,164)	315,045	1,548,209
OTHER FINANCING SOURCES AND USES:				
Notes Issued	7,384,000	7,384,000	0	(7,384,000)
Total Other Financing Sources and Uses	7,384,000	7,384,000	0	(7,384,000)
Net Change in Fund Balance	7,040,136	6,150,836	315,045	(5,835,791)
Fund Balance at Beginning of Year	2,370,112	2,370,112	2,370,112	0
Fund Balance (Deficit) at End of Year	$ 9,410,248	$ 8,520,948	$ 2,685,157	$ (5,835,791)

	Original Budget	Final Budget	Actual	Variance with Final Budget
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	11,296,730	11,296,730	10,230,974	(1,065,756)
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	18,258,284	19,023,284	15,055,849	3,967,435
Excess of Revenues Over(Under) Expenses	(6,961,554)	(7,726,554)	(4,824,875)	2,901,679
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	2,354,100	3,094,100	1,008,676	(2,085,424)
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	$ 2,032,306	$ 2,007,306	$ 2,823,561	$ 816,255

	Original Budget	Final Budget	Actual	Variance with Final Budget
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	1,050,000	1,050,000	1,905,740	855,740
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	11,163,108	14,663,108	13,150,251	1,512,857
Excess of Revenues Over(Under) Expenses	(10,113,108)	(13,613,108)	(11,244,511)	2,368,597
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	5,600,000	9,100,000	7,166,956	(1,933,044)
Net Change in Fund Equity	(4,513,108)	(4,513,108)	(4,077,555)	435,553
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	$ 1,080,100	$ 1,080,100	$ 1,515,653	$ 435,553

	Original Budget	Final Budget	Actual	Variance with Final Budget
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	1,118,350	1,118,350	942,377	(175,973)
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	1,086,432	1,094,430	1,029,393	65,037
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	$ 215,790	$ 207,792	$ 96,856	$ (110,936)

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Charges for Services	$ 242,000	$ 317,000	$ 317,000	$ 0
Interest	1,800	1,800	317	(1,483)
Total Revenues	243,800	318,800	317,317	(1,483)
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	342,655	417,655	404,933	12,722
Net Change in Fund Equity	(98,855)	(98,855)	(87,616)	11,239
Fund Equity at Beginning of Year	136,956	136,956	136,956	0
Fund Equity at End of Year	$ 38,101	$ 38,101	$ 49,340	$ 11,239

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	$ 132,458	$ 132,458	$ 113,414	$ (19,044)
Interest	5,000	5,000	5	(4,995)
Total Revenues	137,458	137,458	113,419	(24,039)
EXPENDITURES:				
Current:				
Transportation				
Personal Services	0	17,320	633	16,687
Materials and Supplies	166,954	149,634	142,798	6,836
Total Expenditures	166,954	166,954	143,431	23,523
Excess of Revenues Over(Under) Expenditures	(29,496)	(29,496)	(30,012)	(516)
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	32,482	32,482	32,482	0
Fund Balance (Deficit) at End of Year	$ 46,717	$ 46,717	$ 46,201	$ (516)

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Fines and Forfeitures	$ 10,000	$ 10,000	$ 11,569	$ 1,569
Total Revenues	10,000	10,000	11,569	1,569
EXPENDITURES:				
Current:				
Security of Persons and Property				
Contractual Services	32,300	32,300	10,302	21,998
Total Expenditures	32,300	32,300	10,302	21,998
Net Change in Fund Balance	(22,300)	(22,300)	1,267	23,567
Fund Balance at Beginning of Year	87,006	87,006	87,006	0
Fund Balance at End of Year	$ 64,706	$ 64,706	$ 88,273	$ 23,567

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Fines and Forfeitures	$ 70,000	$ 70,000	$ 72,826	$ 2,826
Total Revenues	70,000	70,000	72,826	2,826
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	134,797	134,797	104,411	30,386
Total Expenditures	134,797	134,797	104,411	30,386
Net Change in Fund Balance	(64,797)	(64,797)	(31,585)	33,212
Fund Balance at Beginning of Year	128,924	128,924	128,924	0
Fund Balance at End of Year	$ 64,127	$ 64,127	$ 97,339	$ 33,212

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Fines and Forfeitures	$ 80,000	$ 80,000	$ 103,789	$ 23,789
Total Revenues	80,000	80,000	103,789	23,789
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	62,124	98,124	90,370	7,754
Total Expenditures	62,124	98,124	90,370	7,754
Net Change in Fund Balance	17,876	(18,124)	13,419	31,543
Fund Balance at Beginning of Year	177,095	177,095	177,095	0
Fund Balance at End of Year	$ 194,971	$ 158,971	$ 190,514	$ 31,543

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Charges for Services	$ 29,000	$ 29,000	$ 26,327	$ (2,673)
Rent	36,996	36,996	36,996	0
Total Revenues	65,996	65,996	63,323	(2,673)
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	85,747	90,747	86,252	4,495
Total Expenditures	85,747	90,747	86,252	4,495
Excess of Revenues Over(Under) Expenditures	(19,751)	(24,751)	(22,929)	1,822
OTHER FINANCING SOURCES AND USES:				
Transfers In	0	10,000	10,000	0
Total Other Financing Sources and Uses	0	10,000	10,000	0
Net Change in Fund Balance	(19,751)	(14,751)	(12,929)	1,822
Fund Balance at Beginning of Year	21,774	21,774	21,774	0
Fund Balance at End of Year	$ 2,023	$ 7,023	$ 8,845	$ 1,822

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Special Assessments	$ 396,000	$ 396,000	$ 134,653	$ (261,347)
Charges for Services	25,075	25,075	68,576	43,501
Total Revenues	421,075	421,075	203,229	(217,846)
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	124,590	154,590	81,923	72,667
Total Expenditures	124,590	154,590	81,923	72,667
Excess of Revenues Over(Under) Expenditures	296,485	266,485	121,306	(145,179)
OTHER FINANCING SOURCES AND USES:				
Transfers In	0	60,000	60,000	0
Transfers Out	(500,000)	(500,000)	(500,000)	0
Total Other Financing Sources and Uses	(500,000)	(440,000)	(440,000)	0
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	64,490	64,490	64,490	0
Fund Balance at End of Year	$ 166,254	$ 196,254	$ 51,075	$ (145,179)

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Fines and Forfeitures	$ 0	$ 0	$ 1,350	$ 1,350
Total Revenues	0	0	1,350	1,350
EXPENDITURES	0	0	0	0
Net Change in Fund Balance	0	0	1,350	1,350
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	$ 0	$ 0	$ 1,350	$ 1,350

	Original Budget	Final Budget	Actual	Variance with Final Budget
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	2,122,648	2,122,648	1,970,062	(152,586)
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	2,206,120	2,206,120	2,048,441	157,679
Total Expenditures	2,206,120	2,206,120	2,048,441	157,679
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	27,472	27,472	27,472	0
Fund Balance at End of Year	$ 58,231	$ 58,231	$ 63,324	$ 5,093

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Charges for Services	$ 1,100	$ 1,100	$ 775	$ (325)
Contributions and Donations	1,000	1,000	1,835	835
Total Revenues	2,100	2,100	2,610	510
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	87,692	89,988	81,353	8,635
Total Expenditures	87,692	89,988	81,353	8,635
Excess of Revenues Over(Under) Expenditures	(85,592)	(87,888)	(78,743)	9,145
OTHER FINANCING SOURCES AND USES:				
Transfers In	67,000	69,296	69,296	0
Total Other Financing Sources and Uses	67,000	69,296	69,296	0
Net Change in Fund Balance	(18,592)	(18,592)	(9,447)	9,145
Fund Balance at Beginning of Year	22,330	22,330	22,330	0
Fund Balance at End of Year	$ 3,738	$ 3,738	$ 12,883	$ 9,145

	Original Budget	Final Budget	Actual	Variance with Final Budget
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	992,042	992,042	917,763	(74,279)
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	1,198,494	1,210,057	1,189,900	20,157
Total Expenditures	1,198,494	1,210,057	1,189,900	20,157
Excess of Revenues Over(Under) Expenditures	(206,452)	(218,015)	(272,137)	(54,122)
OTHER FINANCING SOURCES AND USES:				
Transfers In	193,000	279,563	279,563	0
Total Other Financing Sources and Uses	193,000	279,563	279,563	0
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	$ 9,640	$ 84,640	$ 30,518	$ (54,122)

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	$ 1,420,000	$ 2,015,404	$ 1,075,936	$ (939,468)
Interest	0	0	68	68
Total Revenues	1,420,000	2,015,404	1,076,004	(939,400)
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	1,351,887	1,947,291	1,076,237	871,054
Total Expenditures	1,351,887	1,947,291	1,076,237	871,054
Net Change in Fund Balance	68,113	68,113	(233)	(68,346)
Fund Balance at Beginning of Year	1,093	1,093	1,093	0
Fund Balance (Deficit) at End of Year	$ 69,206	$ 69,206	$ 860	$ (68,346)

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	$ 2,580,464	$ 2,580,464	$ 137,990	$ (2,442,474)
Other	0	0	33,763	33,763
Total Revenues	2,580,464	2,580,464	171,753	(2,408,711)
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	2,440,464	2,580,464	146,068	2,434,396
Total Expenditures	2,440,464	2,580,464	146,068	2,434,396
Net Change in Fund Balance	140,000	0	25,685	25,685
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	$ 140,000	$ 0	$ 25,685	$ 25,685

	Original Budget	Final Budget	Actual	Variance with Final Budget
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	210,237	1,273,475	544,401	(729,074)
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	275,521	1,338,759	383,005	955,754
Total Expenditures	275,521	1,338,759	383,005	955,754
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	24,759	24,759	24,759	0
Fund Balance at End of Year	$ 49,523	$ 49,523	$ 276,203	$ 226,680

	Original Budget	Final Budget	Actual	Variance with Final Budget
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	$ 0	$ 0	$ 0	$ 0

	Original Budget	Final Budget	Actual	Variance with Final Budget
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	54,500	54,500	32,403	(22,097)
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	112,955	112,955	58,860	54,095
Total Expenditures	112,955	112,955	58,860	54,095
Net Change in Fund Balance	(58,455)	(58,455)	(26,457)	31,998
Fund Balance at Beginning of Year	207,835	207,835	207,835	0
Fund Balance at End of Year	$ 149,380	$ 149,380	$ 181,378	$ 31,998

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Rent	$ 190,000	$ 190,000	$ 117,887	$ (72,113)
Total Revenues	190,000	190,000	117,887	(72,113)
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	296,721	332,721	224,643	108,078
Total Expenditures	296,721	332,721	224,643	108,078
Excess of Revenues Over(Under) Expenditures	(106,721)	(142,721)	(106,756)	35,965
OTHER FINANCING SOURCES AND USES:				
Transfers In	107,000	143,000	143,000	0
Total Other Financing Sources and Uses	107,000	143,000	143,000	0
Net Change in Fund Balance	279	279	36,244	35,965
Fund Balance at Beginning of Year	10,419	10,419	10,419	0
Fund Balance at End of Year	$ 10,698	$ 10,698	$ 46,663	$ 35,965

	Original Budget	Final Budget	Actual	Variance with Final Budget
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	372,476	372,476	368,352	(4,124)
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	4,653,762	4,653,762	3,299,566	1,354,196
Total Expenditures	4,653,762	4,653,762	3,299,566	1,354,196
Excess of Revenues Over(Under) Expenditures	(4,281,286)	(4,281,286)	(2,931,214)	1,350,072
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	2,772,189	2,772,189	2,710,697	(61,492)
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	653,762	653,762	653,762	0
Fund Balance at End of Year	$ 22,547	$ 22,547	$ 1,311,127	$ 1,288,580

	Original Budget	Final Budget	Actual	Variance with Final Budget
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	237,765	237,765	234,777	(2,988)
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	268,090	269,423	265,561	3,862
Total Expenditures	268,090	269,423	265,561	3,862
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	$ 67,854	$ 66,521	$ 67,395	$ 874

	Original Budget	Final Budget	Actual	Variance with Final Budget
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	$ 24,072	$ 24,072	$ 29,085	$ 5,013

	Original Budget	Final Budget	Actual	Variance with Final Budget
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	$ 563	$ 563	$ 86,880	$ 86,317

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Charges for Services	$ 15,000	$ 15,000	$ 0	$ (15,000)
Interest	0	0	1,162	1,162
Total Revenues	15,000	15,000	1,162	(13,838)
EXPENDITURES:				
Current:				
Capital Outlay:				
Contractual Services	86,011	86,011	43,788	42,223
Total Capital Outlay	86,011	86,011	43,788	42,223
Total Expenditures	86,011	86,011	43,788	42,223
Excess of Revenues Over(Under) Expenditures	(71,011)	(71,011)	(42,626)	28,385
OTHER FINANCING SOURCES AND USES:				
Proceeds from Sale of Capital Assets	0	0	1,414	1,414
Total Other Financing Sources and Uses	0	0	1,414	1,414
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	8,600	8,600	8,600	0
Fund Balance at End of Year	$ 527,335	$ 527,335	$ 557,134	$ 29,799

	Original Budget	Final Budget	Actual	Variance with Final Budget
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	$ 35,132	$ 35,132	$ 79,908	$ 44,776

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Payments in Lieu of Taxes	$ 20,000	$ 20,000	$ 28,547	$ 8,547
Total Revenues	20,000	20,000	28,547	8,547
EXPENDITURES:				
Current:				
Capital Outlay				
Contractual Services	85,843	133,843	17,950	115,893
Total Capital Outlay	85,843	133,843	17,950	115,893
Total Expenditures	85,843	133,843	17,950	115,893
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	17,843	17,843	17,843	0
Fund Balance at End of Year	$ 48,155	$ 155	$ 124,595	$ 124,440

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Payments in Lieu of Taxes	$ 32,000	$ 32,000	$ 103,020	$ 71,020
Total Revenues	32,000	32,000	103,020	71,020
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	124,292	149,292	55,268	94,024
Total Expenditures	124,292	149,292	55,268	94,024
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	30,792	30,792	30,792	0
Fund Balance at End of Year	$ 25,678	$ 678	$ 165,722	$ 165,044

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Payments in Lieu of Taxes	$ 0	$ 40,000	$ 40,743	$ 743
Special Assessments	5,000	5,000	40,743	35,743
Total Revenues	5,000	45,000	81,486	36,486
EXPENDITURES:				
Current:				
Capital Outlay				
Contractual Services	0	90,000	63,210	26,790
Total Capital Outlay	0	90,000	63,210	26,790
Total Expenditures	0	90,000	63,210	26,790
Net Change in Fund Balance	5,000	(45,000)	18,276	63,276
Fund Balance at Beginning of Year	52,809	52,809	52,809	0
Fund Balance at End of Year	$ 57,809	$ 7,809	$ 71,085	$ 63,276

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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.

Contents **Page**

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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
Governmental Activities							
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
Business Type - Activities							
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
Primary Government							
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
Program Revenues							
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	7,343,412	7,045,979	7,755,827	7,209,742	6,132,895	6,819,398	7,263,058
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	3,554,378	3,600,250	3,348,326	3,569,776	3,326,731	179,059	502,101
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	0	279,401	0	29,860	50,986	1,320,553	1,525,639
Total Governmental Activities Program Revenues	10,897,790	10,925,630	11,104,153	10,809,378	9,510,612	8,319,010	9,290,798
Business-Type Activities							
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	14,935,366	13,940,837	13,607,373	15,027,586	11,031,295	10,516,652	13,414,633
Total Primary Government Program Revenues	$ 25,833,156	$ 24,866,467	$ 24,711,526	$ 25,836,964	$ 20,541,907	$ 18,835,662	$ 22,705,431

(Continued)

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:	21,052,721	23,445,910	22,884,517	21,466,024	21,544,601	21,147,901	19,842,460
Refuse Collection and Disposal	2,251,317	2,506,683	2,219,004	2,013,501	1,777,289	1,912,089	1,848,221
Public Health and Welfare	280,112	260,044	277,425	257,280	256,582	234,887	287,591
Leisure Time Services	2,095,133	2,423,707	1,706,870	2,109,410	1,924,054	4,077,885	1,914,797
Community and Economic Development	2,846,921	3,201,584	2,955,795	3,173,312	2,619,435	478,828	965,181
Transportation	7,382,963	6,343,637	7,396,063	2,695,350	4,446,355	1,489,045	1,432,019
Interest and Fiscal Charges	1,406,102	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 Actvities	(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 Activites	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

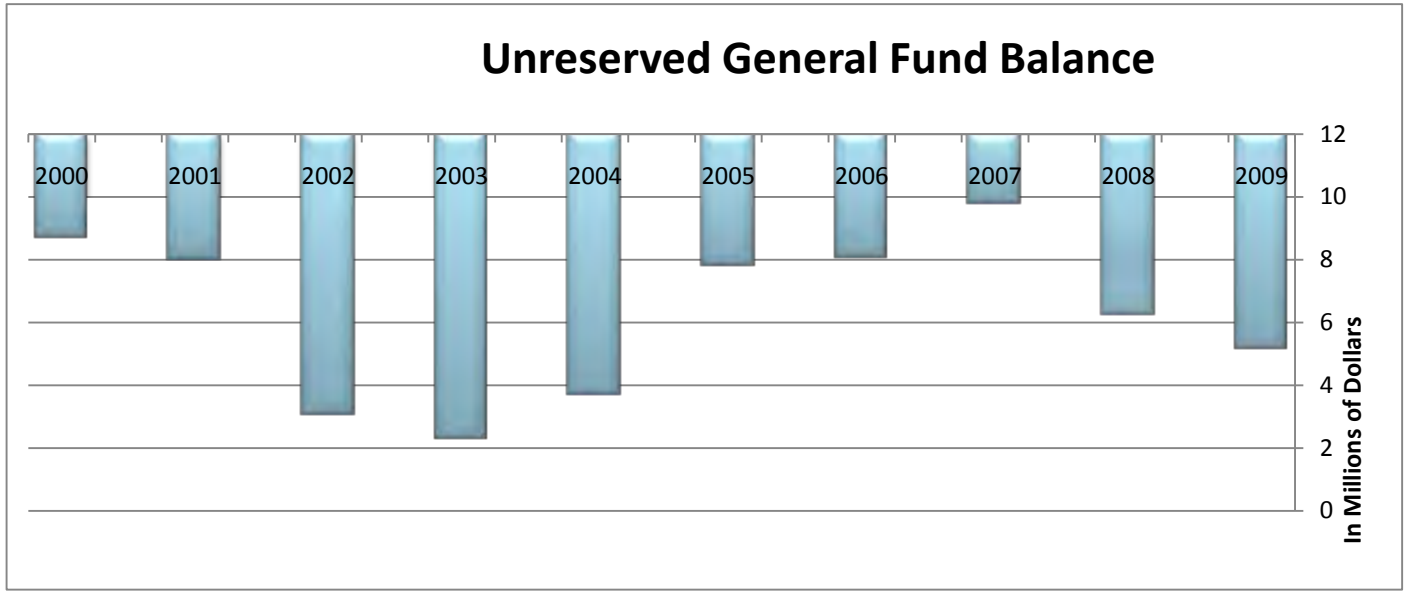
City of Euclid, Ohio

Fund Balances - Governmental Funds

Last Ten Years

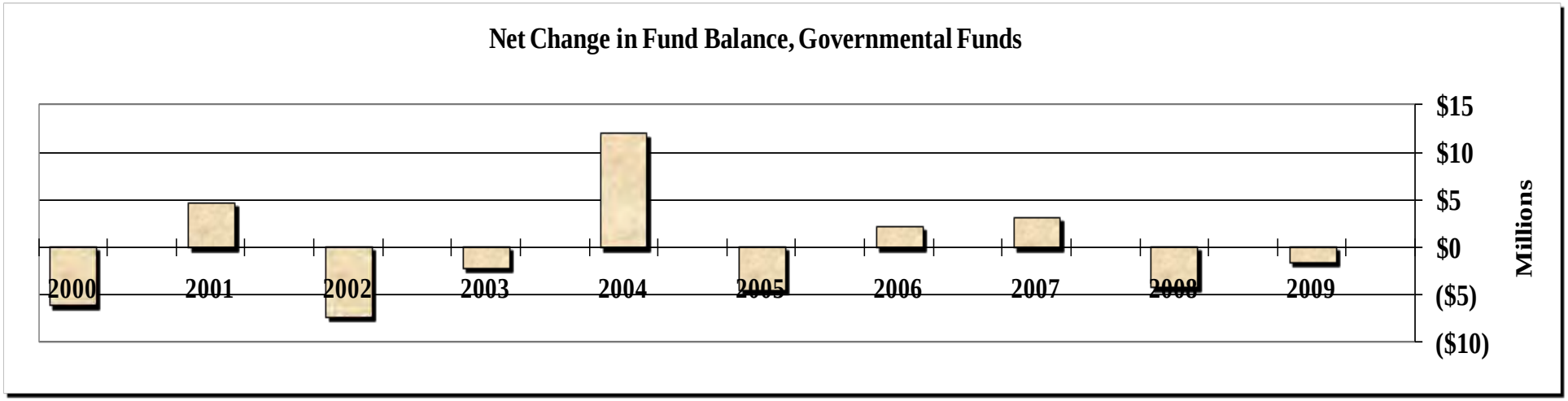
(Modified Accrual Basis of Accounting)

	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



	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)

	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 assesse values presesnted 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 th 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

	Real Property			Tangible Personal Property Public Utility	
	Assessed Value				
Collection Year	Residential/ Agricultural	Commercial Industrial/PU	Estimated Actual Value	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

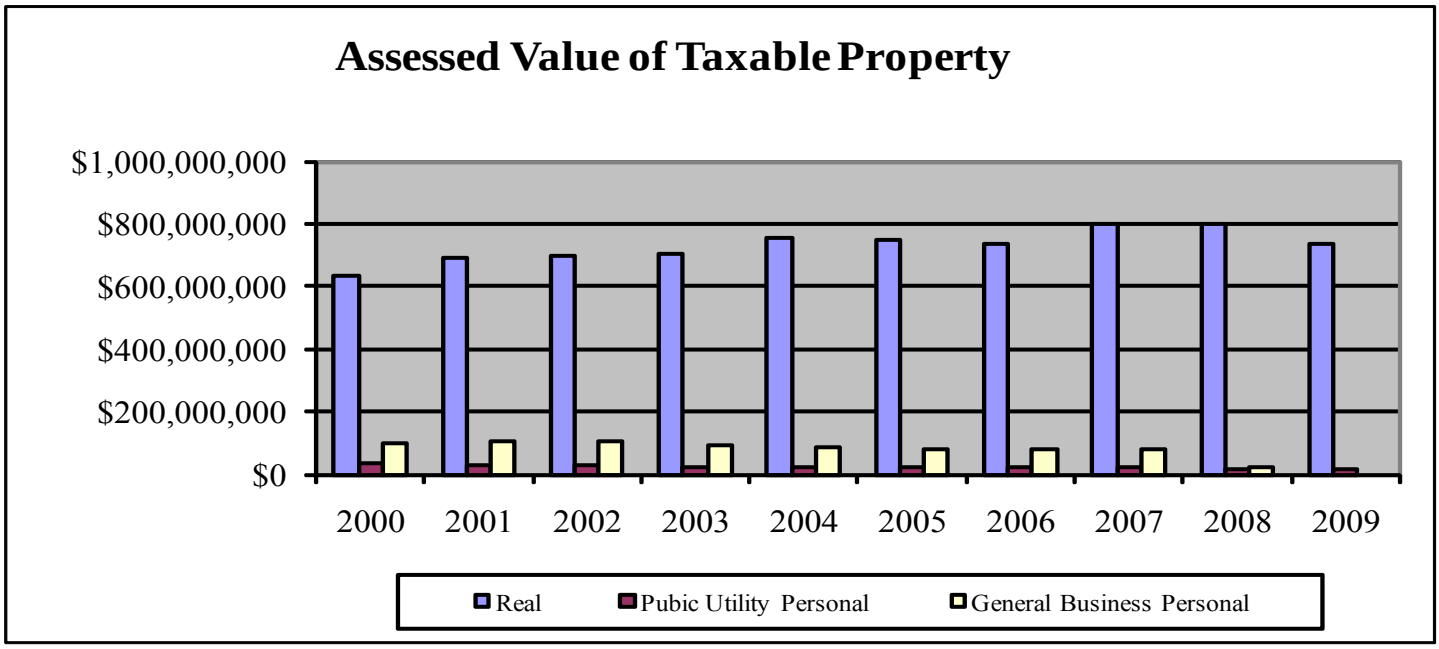
City of Euclid, Ohio

Assessed Valuation and Estimated Actual Values of Taxable Property

Last Ten Years

(Continued)

	Tangible Personal Property					
	General Business		Total			
Collection Year	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio	Weighted Average Tax Rate
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)	2009 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)	2000 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	

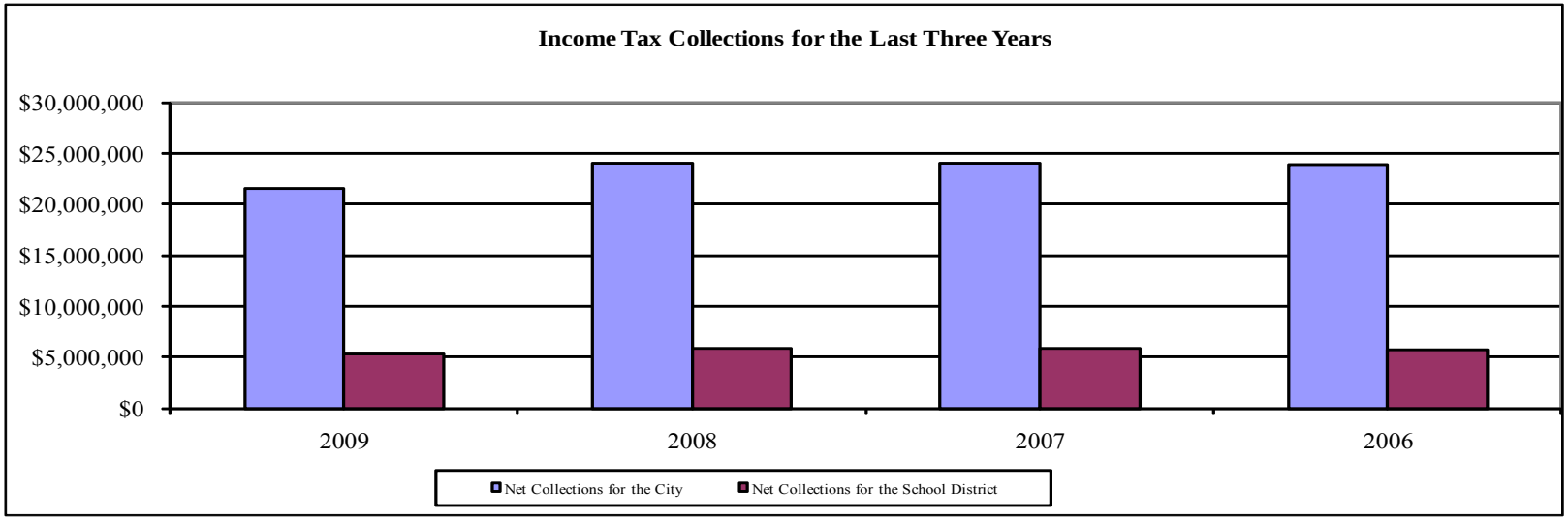
Source: County Auditor

(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

Year	Tax Rate	Individual	Net Profit	Payroll Withholding	Penalty and Interest	Miscellaneous Revenue	Gross Collections	Refunds and Adjustments	Net Collections	Net Collections for the City	Net Collections for the School District
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

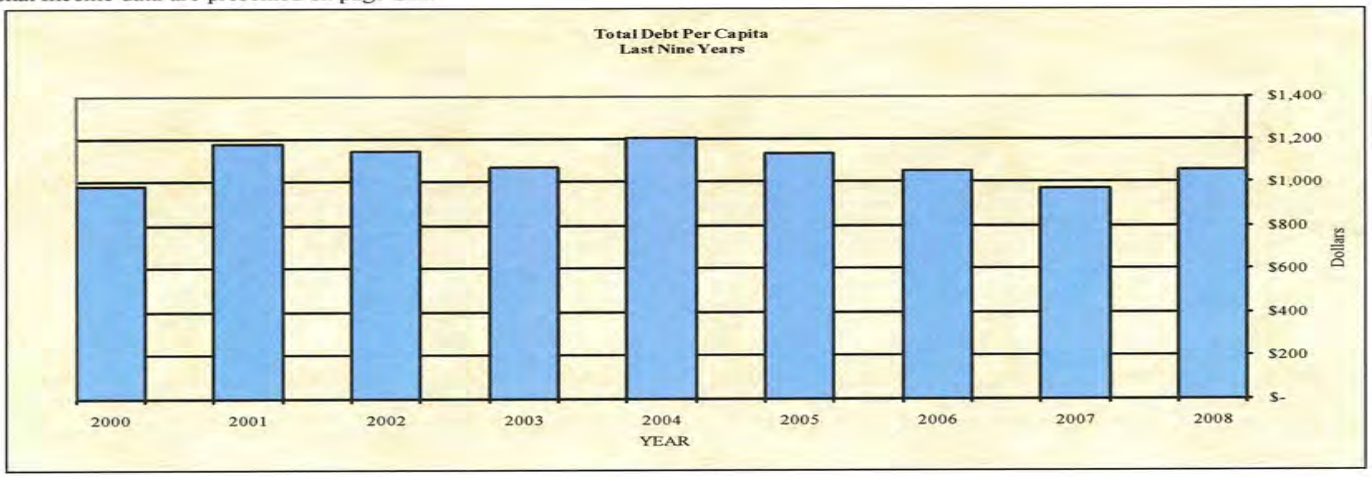
Note:
1. The information provided was determined on a cash basis.
2. As the function of collections and administration of the income tax was transferred from the Centrral Collection Agency in November 2005, only the years from 2006 forward are presented.
3. The City is prohibited by statute from presenting information regarding individual taxpayers.



City of Euclid, Ohio
Ratio of Outstanding Debt to
Total Personal Income and Debt Per Capita
Last Ten Years

	Governmental Activities					Business-Type Activities						
Year	General Obligation Bonds (1)	Special Assessment Bonds	OPWC Loans	Capital Leases	Development Revenue Bonds	General Obligation Bonds (1)	Capital Leases	OWDA Loans	OPWC Loans	Total Debt	Percentage of Personal Income	Per Capita
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 assoicated 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	$ 749,989,650	$ 837,916,020	$ 904,734,233	$ 833,249,133	$ 850,325,160
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	78,748,913	87,981,182	94,997,094	87,491,159	89,284,142
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	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)
Total Net Debt Applicable to Debt Limit	21,884,851	24,563,851	19,253,312	22,125,563	24,245,966
Legal Debt Margin Within 10 ½ % Limitations	$ 56,864,062	$ 63,417,331	$ 75,743,782	$ 65,365,596	$ 65,038,176
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)	$ 41,249,431	$ 46,085,381	$ 49,760,383	$ 45,828,702	$ 46,767,884
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	21,884,851	24,563,851	19,253,312	22,125,563	24,245,966
Unvoted Legal Debt Margin Within 5 ½ % Limitations	$ 19,364,580	$ 21,521,530	$ 30,507,071	$ 23,703,139	$ 22,521,918
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	$ 865,435,613	$ 816,485,001	$ 826,000,544	$ 828,468,557	$ 768,218,306
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	68,450,675	55,265,098	59,008,583	61,832,209	61,339,502
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	34,103,100	27,870,102	30,010,330	31,791,044	31,104,168
Legal Debt Margin Within 10 ½ % Limitations	$ 56,767,639	$ 57,860,823	$ 56,719,727	$ 55,198,154	$ 49,558,754
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)	$ 47,598,959	$ 44,906,675	$ 45,430,030	$ 45,565,771	$ 42,252,007
Total Gross Indebtedness	$ 68,450,675	$ 55,265,098	59,008,583	61,832,209	61,339,502
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	34,103,100	27,870,102	30,010,330	31,791,044	31,104,168
Unvoted Legal Debt Margin Within 5 ½ % Limitations	$ 13,495,859	$ 17,036,573	$ 15,419,700	$ 13,774,727	$ 11,147,839
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	2,340,000	100.00%	2,340,000
Total Direct Debt	32,531,086		32,531,086
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	163,025,000	2.53%	4,125,947
Total Overlapping Debt	509,701,426		22,845,477
Total	$ 542,232,512		$55,376,563

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	8,318	34.96%
Total Estimated Employment within the City	23,790	

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	8,319	34.97%
Total Employment within the City	25,025	

Source: City Income Tax Department

(1) Information prior to 2006 is not available

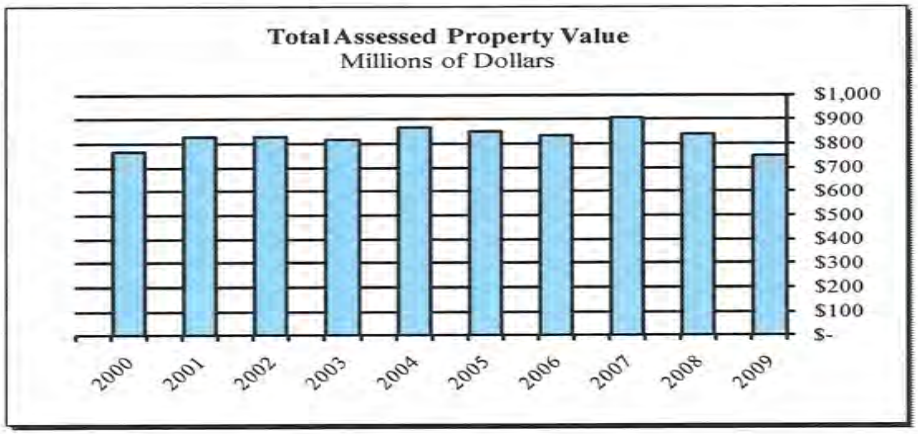
City of Euclid, Ohio

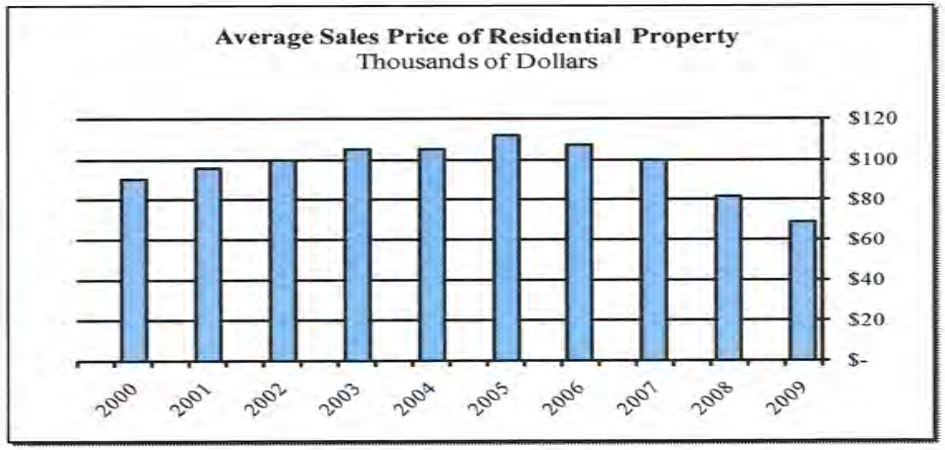
Demographic and Economic Statistics

Last Ten Years

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)	Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Cuyahoga County Unemployment Rate (3)	Average Sales Price of Residential Property (4)	Total Assessed Property Value (4)
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:	615	652	634	619	611	623	695	756

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								
Council and Clerk								
Number of Ordinances & Resolutions Passed	218	250	258	220	202	229	246	242
Finance Department								
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
Income Tax Department								
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
Municipal Court								
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
Vital Statistics								
Certificates Filed								
Number of Births	2	1	2	2	4	0	4	na
Number of Deaths	430	491	406	440	512	529	553	na
Certificates Issued								
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
Civil Service								
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)								
Building Department Indicators								
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
Housing Department Indicators								
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								
Police								
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
Fire								
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								
Recreation								
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
Golf								
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	14.39	18.02	20.95	20.18	18.09	18.83	16.65	15.26
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	$ 1.73	$ 1.73	$ 1.73	$ 1.73	$ 1.73	$ 1.73	$ 1.73	$ 1.73
Willoughby Hills (per MCF of water consumption)								
Operating, Maintenance & Repairs	$ 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	$ 24.16	$ 24.16	$ 24.16	$ 24.16	$ 24.16	$ 24.16	$ 24.16	$ 24.16
Cuyahoga County (So.Euclid, Highland Hts, Richmond Hts)								
Operating, Maintenance & Repairs	$ 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	$ 29.05	$ 29.05	$ 29.05	$ 29.49	$ 26.05	$ 25.75	$ 25.75	$ 24.86
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	$ 31.17	$ 29.01	$ 29.01	$ 29.01	$ 29.01	$ 28.71	$ 28.71	$ 28.26

* 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
Wastewater						
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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CITY OF EUCLID
CUYAHOGA COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2008

Mary Taylor, CPA
Auditor of State

CITY OF EUCLID
CUYAHOGA COUNTY

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CITY OF EUCLID
CUYAHOGA COUNTY

SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2008

Federal Grantor/ Pass Through Grantor Program Title	Federal CFDA Number	Disbursements
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		
Direct Program:		
Community Development Block Grants/Entitlement Grants	14.218	$ 1,244,705
Total U.S. Department of Housing and Urban Development		1,244,705
U.S. DEPARTMENT OF JUSTICE		
Direct Program:		
Bulletproof Vest Program	16.607	2,929
Justice Assistance Grant	16.738	26,000
Weed and Seed	16.595	196,071
Total U.S. Department of Justice		225,000
Federal Ememrgency Management Agency		
Assistance to Firefighters Grant - Fire Prevention and Safety Program	97.044	79,423
Total Federal Emergency Management Agency		79,423
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		
Pass Through the Western Reserve Area Agency on Aging		
Special Program for the Aging Title III, Part C - Nutrition Services	93.045	66,543
Total U.S. Department of Health and Human Services		66,543
Total Expenditures of Federal Awards		**$ 1,615,671**

The accompanying notes to this schedule are an integral part of this schedule.

CITY OF EUCLID
CUYAHOGA COUNTY

NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FISCAL YEAR ENDED DECEMBER 31, 2008

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures (the Schedule) summarizes activity of the City of Euclid's federal award programs. The schedule has been prepared on the cash basis of accounting.

CFDA – Catalog of Federal Domestic Assistance

Mary Taylor, CPA
Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

City of Euclid
Cuyahoga County
585 East 222nd Street
Euclid, Ohio 44123

To the City Council:

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, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements and have issued our report thereon dated July 15, 2009. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the City's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the City's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the City's internal control will not prevent or detect a more than inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the City's internal control will not prevent or detect a material financial statement misstatement.

Lausche Building / 615 Superior Ave., NW / Twelfth Floor / Cleveland, OH 44113-1801
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www.auditor.state.oh.us

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Compliance and Other Matters

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards.*

We intend this report solely for the information and use of the audit committee, management, City Council, and federal awarding agencies and pass-through entities. We intend it for no one other than these specified parties.

Mary Taylor, CPA
Auditor of State

July 15, 2009

Mary Taylor, CPA
Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO ITS MAJOR FEDERAL PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

City of Euclid
Cuyahoga County
585 East 222nd Street
Euclid, Ohio 44123

To the City Council:

Compliance

We have audited the compliance of the City of Euclid, Cuyahoga County, Ohio, (the City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to its major federal program for the year ended December 31, 2008. The summary of auditor's results section of the accompanying schedule of findings identifies the City's major federal program. The City's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its major federal program. Our responsibility is to express an opinion on the City'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 reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City of Euclid complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended December 31, 2008.

Internal Control Over Compliance

The City's management 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's internal control over compliance with requirements that could directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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's internal control over compliance.

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A *control deficiency* in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that the entity's internal control will not prevent or detect more-than-inconsequential noncompliance with a federal program compliance requirement.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the City's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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.

Federal Awards Receipts and Expenditures Schedule

We have also 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 as of and for the year ended December 31, 2008, and have issued our report thereon dated July 15, 2009. Our audit was performed to form opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying federal awards receipts and expenditures schedule provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

We intend this report solely for the information and use of the audit committee, management, City Council, and federal awarding agencies and pass-through entities. It is not intended for anyone other than these specified parties.

Mary Taylor, CPA
Auditor of State

July 15, 2009

CITY OF EUCLID
CUYAHOGA COUNTY

SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2008

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unqualified
(d)(1)(ii)	**Were there any material control weaknesses reported at the financial statement level (GAGAS)?**	No
(d)(1)(ii)	**Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	No
(d)(1)(iv)	**Were there any material internal control weaknesses reported for major federal programs?**	No
(d)(1)(iv)	**Were there any other significant deficiencies in internal control reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unqualified
(d)(1)(vi)	**Are there any reportable findings under § .510?**	No
(d)(1)(vii)	**Major Programs (list):**	CDBG #14.218 Community Development Block Grant
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 300,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee?**	Yes

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

None

3. FINDINGS FOR FEDERAL AWARDS

None

CITY OF EUCLID
CUYAHOGA COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A -133 § .315 (b)
DECEMBER 31, 2008

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; ***Explain***
2007-001	ORC 9.38 Timely Deposit	Yes	Finding No Longer Valid

Comprehensive Annual Financial Report

For the fiscal year ended December

2008

Euclid, Ohio

CITY OF EUCLID, OHIO

EUCLID, OHIO

Comprehensive Annual Financial Report

For the Year ended December 31, 2008

Issued By: Finance Department
Jack Johnson, Director of Finance

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EUCLID
THE LAKEFRONT CITY OF SUPERIOR SERVICES
585 East 222nd Street, Euclid, OH 44123-2099
www.cityofeuclid.com

July 15, 2009

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, 2008, 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 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 of Euclid, 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 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 the City 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.

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. The City 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'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, the primary government, and its potential component units.

The Euclid City School District has not been included in the accompanying financial statement. 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 the 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, an action that should continue to draw new businesses and home buyers to the City.

The City currently maintains an "A 1" long-term bond rating with Moody's Investor Service. 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, a vibrant and diverse local economy, and strong finances.

The City has a large, defined industrial corridor with many of the businesses serving worldwide cliental. During 2008, there was over $55 million of new investment in machinery, equipment, and real property improvements within the City's industrial belt. In addition, 106 new jobs were created with a corresponding payroll of $6.2 million.

The following businesses undertook or completed expansion projects in 2008:

The Lincoln Electric Machine/Robotics Welding Center The City is the location of the world headquarters and main plant of The Lincoln Electric Company. The Company serves as the world leader in the design, development and manufacture of arc welding products, robotic arc welding systems, and plasma and oxyfuel cutting equipment, and holds the leading global position in the brazing and soldering alloys market.

Since 1990, The Lincoln Electric Company, with the help of the City of Euclid, Cuyahoga County, and the State of Ohio, has undertaken four (4) major expansions within the City. As a result, the most recent expansion, which was completed in 2008, Lincoln acquired the adjacent vacant Hitachi building for the retention and expansion of its Machine/Robotics Division.

The 115,000 square-foot Hitachi Construction Truck Manufacturing, Ltd. building was renovated to become a state-of-the-art Machine/Robotics Welding Center. The building will showcase the advanced robotic welding technology developed at The Lincoln Electric Company's Euclid Headquarters Campus and will be marketed to customers worldwide. Total capital expenditures for renovating the facility and other related Campus improvements was in the area of $40 million. The project will retain over 80 highly skilled employment positions and 800 related plant employees.

H.C. Starck, Inc. purchased the former vacant Tri-Turn/Motch building on East 222nd Street with the help of an Enterprise Zone tax abatement. As a result, H.C. Starck, Inc. invested $17.5 million in the project, which includes $2.1 million in building renovations and $14.3 million in new machinery and equipment to expand its manufacturing operations.

H.C. Starck is a global organization providing solutions to manage thermal, electrical, radiation, and chemical challenges facing today's industry through the use of high performance refractory metals.

The Company retained 113 positions and relocated to the City an additional 182 jobs from both the states of New Jersey and Pennsylvania. The new jobs have generated an additional $8.145 million in new payroll.

Hose Master, Inc. expanded by purchasing a vacant building adjacent to their facility. The facility was then upgraded to accommodate their "Expansion Joint Department". The expansion created 40 new jobs and a payroll of $1.2 million.

Ray Fogg Building Methods applied for and received a $4.3 million Ohio Job Ready Sites Grant for the creation of a light industrial park on the former PMX site. In addition to the State grant, Fogg received a $1 million Brownfield Redevelopment Grant from Cuyahoga County which, when combined, will lead to the development of 13 sites and an estimated 1,000 to 1,200 jobs.

Jalousies Restaurant will occupy the former Fairway Lounge property at 830 Babbitt Road upon the spring 2009 completion of an ambitious total renovation. The new owner is investing nearly $60,000 in exterior renovations.

Abston's Restaurant is converting the former Nazzbar property at 317 East 200th Street into the family-oriented Abston's Restaurant. The owners are working with an architect to completely remodel the building and have entered in a Special Storefront Agreement with the City. Improvements to the exterior will include the application of a new fiber-cement panel system, new windows and doors, lighting, and signage. The exterior improvements are estimated to cost $70,000. When completed, the building will be a tremendous asset to the community. Abston's Restaurant is expected to open in late spring 2009.

First Merit Bank opened their first branch in the City at the corner of Lake Shore Boulevard and Sunnycliff Drive. First Merit and the property's developers worked closely with the City in order to prepare the site for First Merit's building. The site was the former home of the Crobaugh-Danaher Funeral Home and required parcels to be consolidated, the rezoning of a portion of the property, and the repeal of a restrictive covenant on the deed.

East 222nd Industrial Corridor - During the 2008 construction season, Phase One of the East 222nd Street Industrial Corridor Realignment Project extending from Lakeland Boulevard to the Norfolk Southern Rail-line was completed. The roadway was completely repaved and striped, utilities were installed, and new signage erected at Lincoln Electric, H.C. Starck, Inc., and Hose Master, Inc.

The nearly $3 million modernization of the East 222nd Street Industrial Corridor included the lowering of the pavement under the CSX railroad bridge, the widening and addition of a turning lane on the southeast side of East 222nd Street and St. Clair Avenue, and the alignment of traffic lanes for better truck and commuter traffic flow. All overhead utility lines were relocated to the west side of the roadway. New mast arms were installed to carry the new traffic signalization system.

FINANCIAL INFORMATION

Summary of Accounting Policies and Budgetary Control

The City'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, guard rails, 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 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, 2008. 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 receives federal financial assistance through various federal grant programs. An audit in accordance with 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, 2008. 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 performed the 2008 audit. The independent accountants' unqualified opinion has been included in this report. The administration plans to continue this audit procedure as required by law as part of the preparation of a Comprehensive Annual Financial Report. The annual audit and management letter submitted by the Auditor of State of Ohio 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, 2007. 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.

Inclosing, 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"

Mayor
BILL CERVENIK

Directors & Chiefs

CHRIS FREY - *Law*

JACK JOHNSON - *Finance & Administration*

FRANK PIETRAVOIA – *Community Services & Economic Development*

HENRY E. GULICH - *Public Service*

KATHY WILL - *Recreation*

CHIEF JAMES REPICKY - *Police*

CHIEF THOMAS COSGRIFF - *Fire*

DEBORAH LEBARRON - *Judge Municipal Court*

Euclid City Council

KIRSTEN HOLZHEIMER-GAIL - *President of Council*

CHRISTOPHER GRUBER - *Ward I*

MADELINE SCARNIENCH - *Ward II*

KANDACE JONES - *Ward III*

MARY JO MINARIK - *Ward IV*

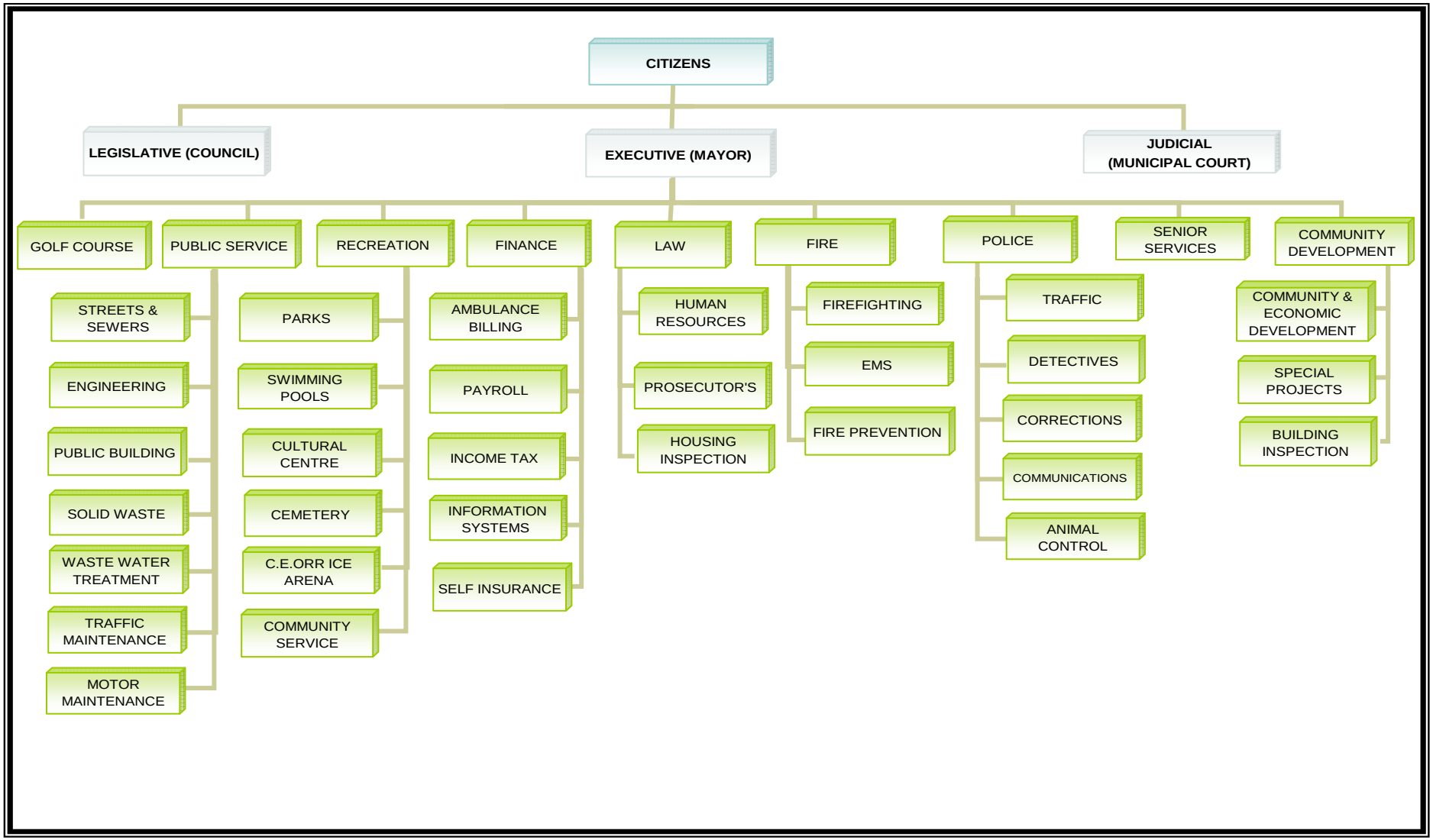
MICHAEL F. O'NEILL – Ward V

JOHN M. WOJTILA – Ward VI

DARYL LANGMAN – Ward VII

GREG VAN HO – Ward VIII

CITY OF EUCLID, OHIO
ORGANIZATIONAL CHART
DECEMBER 31, 2008



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, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director

FINANCIAL SECTION

Mary Taylor, CPA
Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

City of Euclid
Cuyahoga County
585 East 222nd Street
Euclid, Ohio 44123

To the City Council:

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, (the City) as of and for the year ended December 31, 2008, 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'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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe 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, Cuyahoga County, Ohio, as of December 31, 2008, and the respective changes in financial position, and where applicable, cash flows, thereof and the 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 July 15, 2009, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards.* You should read it in conjunction with this report in assessing the results of our audit.

Lausche Building / 615 Superior Ave., NW / Twelfth Floor / Cleveland, OH 44113-1801
Telephone: (216) 787-3665 (800) 626-2297 Fax: (216) 787-3361 www.auditor.state.oh.us

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquires of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund statements and schedules and statistical tables provide additional information and are not a required part of the basic financial statements. We subjected the combining and individual nonmajor fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

Mary Taylor

Mary Taylor, CPA
Auditor of State

July 15, 2009

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, 2008. 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 2008 are as follows:

- Total assets of the City exceeded liabilities at the close of 2008 by $96,815,888 compared to $98,117,758 at the end of 2007, a decrease of $1,301,870 or 1.33 percent. Of this amount, $19,456,391 (2008) and $15,983,644 (2007) 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 increased by $165,930 with governmental activities decreasing by $2,503,139 and business-type activities increasing by $2,669,069. This is reflected primarily in equity in pooled cash and cash equivalents.

- Municipal income tax revenue for 2008 was $24,124,792 versus $24,286,649 in 2007 a decrease of $161,857 or 0.67 percent.

- Property taxes for governmental activities decreased by $681,040, or 11.66 percent, to $5,158,520.

- Together, municipal income taxes and property taxes accounted for **$**29,283,312 in revenue, or 59.21 percent**,** of all revenues in governmental activities.

- Grants and entitlements not restricted to specific programs increased by $813,323, or 14.40 percent, to $6,460,923.

- Charges for services in business-type activities decreased by $21,080, or 0.16 percent, from $13,567,894 in 2007 to $13,546,814 in 2008.

- The City's debt, including compensated absences, decreased by $976,218, or 2.21 percent, to $43,161,824 in the governmental activities.

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 15**,** are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business.

The S*tatement 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.

The S*tatement 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.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 25 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 23 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.

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 17 through 21 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 Plant 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 22 through 24 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 25 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 27 through 69 of this report.

Government-Wide Financial Analysis

This is the sixth 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 sixth 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	
	2008	2007	2008	2007	2008	2007
Assets						
Current and Other Assets	$ 34,011,722	$ 37,023,806	$ 16,754,055	$ 14,545,265	$ 50,765,777	$ 51,569,071
Capital Assets	72,886,069	72,377,124	57,141,248	56,680,969	130,027,317	129,058,093
Total Assets	$ 106,897,791	$ 109,400,930	$ 73,895,303	$ 71,226,234	$ 180,793,094	$ 180,627,164
Liabilities						
Current and Other Liabilities	$ 9,964,100	$ 9,035,487	$ 7,811,158	$ 1,477,040	$ 17,775,258	$ 10,512,527
Long Term Liabilities:						
Due within One Year	5,343,878	11,408,827	2,991,483	5,750,690	8,335,361	17,159,517
Due in More than One Year	37,817,946	32,729,215	20,048,641	22,108,147	57,866,587	54,837,362
Total Liabilities	53,125,924	53,173,529	30,851,282	29,335,877	83,977,206	82,509,406
Net Assets						
Invested in Capital Assets Net of Debt	39,956,632	41,151,610	29,214,805	29,982,118	69,171,437	71,133,728
Restricted for:						
Debt Service	5,160,270	3,322,255	0	0	5,160,270	3,322,255
Capital Projects	1,853,833	5,769,963	0	0	1,853,833	5,769,963
Other Purpose	1,164,905	1,908,168	0	0	1,164,905	1,908,168
Unrestricted (Deficit)	5,636,227	4,075,405	13,829,216	11,908,239	19,465,443	15,983,644
Total Net Assets	$ 53,771,867	$ 56,227,401	$ 43,044,021	$ 41,890,357	$ 96,815,888	$ 98,117,758

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 $96,815,888 at the close of the most recent fiscal year.

By far the largest portion of the City's net assets, 71.4 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.

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	
	2008	2007	2008	2007	2008	2007
Revenues						
Program Revenues:						
Charges for Services	$ 7,045,979	$ 7,755,827	$ 13,546,814	$ 13,567,894	$ 20,592,793	$ 21,323,721
Operating Grants and Contributions	3,600,250	3,348,326	52,675	39,479	3,652,925	3,387,805
Capital Grants and Contributions	279,401	0	341,348	0	620,749	0
General Revenues:						
Property Taxes	5,158,520	5,839,560	639,606	626,240	5,798,126	6,465,800
Income Taxes	24,124,792	24,286,649	0	0	24,124,792	24,286,649
Grants and Entitlements	6,460,923	5,647,600	0	0	6,460,923	5,647,600
Investment Earnings	921,534	1,303,442	56,180	63,583	977,714	1,367,025
Payment in Lieu of Taxes	123,164	72,269	0	0	123,164	72,269
Miscellaneous	1,743,907	18,771	26,629	294	1,770,536	19,065
Proceeds from Sale of Capital Assets	0	176,305	0	0	0	176,305
Total Revenues	49,458,470	48,448,749	14,663,252	14,297,490	64,121,722	62,746,239
Expenses						
General Government	12,894,864	14,000,128	0	0	12,894,864	14,000,128
Security of Persons and Property	23,445,910	22,884,517	0	0	23,445,910	22,884,517
Refuse Collection and Disposal	2,506,683	2,219,004	0	0	2,506,683	2,219,004
Public Health	260,044	277,425	0	0	260,044	277,425
Lesiure Time Services	2,423,707	1,706,870	0	0	2,423,707	1,706,870
Community and Economic Development	3,201,584	2,955,795	0	0	3,201,584	2,955,795
Transportation	6,343,637	7,396,063	0	0	6,343,637	7,396,063
Interest and Fiscal Charges	1,505,395	1,553,302	0	0	1,505,395	1,553,302
Briardale Golf Course	0	0	988,166	1,059,840	988,166	1,059,840
Waste Water Treatment	0	0	11,061,437	10,109,869	11,061,437	10,109,869
Water Line Improvement	0	0	792,165	765,993	792,165	765,993
Total Expenses	52,581,824	52,993,104	12,841,768	11,935,702	65,423,592	64,928,806
Increase (Decrease) in Net Assets Before Transfers	(3,123,354)	(4,544,355)	1,821,484	2,361,788	(1,301,870)	(2,182,567)
Transfers	667,820	286,456	(667,820)	(286,456)	0	0
Change in Net Assets	(2,455,534)	(4,257,899)	1,153,664	2,075,332	(1,301,870)	(2,182,567)
Net Assets at Beginning of Year	56,227,401	60,485,300	41,890,357	39,815,025	98,117,758	100,300,325
Net Assets End of Year	$ 53,771,867	$ 56,227,401	$ 43,044,021	$ 41,890,357	$ 96,815,888	$ 98,117,758

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) is presented below.

Table 3 - Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2008	2007	2008	2007
General Government	$ 12,894,864	$ 14,000,128	$ 12,051,160	$ 12,470,307
Security of Persons and Property	23,445,910	22,884,517	18,885,079	17,866,236
Refuse Collection and Disposal	2,506,683	2,219,004	2,506,683	2,219,004
Public Health	260,044	277,425	176,251	185,823
Lesiure Time Services	2,423,707	1,706,870	1,689,374	817,638
Community and Economic Development	3,201,584	2,955,795	399,919	1,523,845
Transportation	6,343,637	7,396,063	4,442,333	5,252,796
Interest and Fiscal Charges	1,505,395	1,553,302	1,505,395	1,553,302
Total Cost of Services	$ 52,581,824	$ 52,993,104	$ 41,656,194	$ 41,888,951

Security of Persons and Property expenses totaled $23,445,910, or 44.59 percent, of the total 2008 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, 2008, the City employed 100 full time police officers and 80 full time firefighters. General Government expenses totaled $12,894,864 or 24.52 percent, of total 2008 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 Plant 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 Plant Fund: The Waste Water Treatment Plant 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.

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, despite unfavorable weather conditions, continues to operate with a surplus.

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 $14,694,246, a decrease of $4,138,017 from the prior year. Of the total, $7,750,793 is the General Fund's ending fund balance, a $2,129,289 decrease over 2007. The General Obligation Bond Retirement Fund decreased by $179,539 to $3,596,149. All other governmental funds showed a decrease in fund balances of $1,829,189 to $3,347,304 over 2007.

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 $6,220,960 and total fund balance of $7,750,793 to total fund expenditures of $39,962,465. Unreserved General Fund balance represents 15.57 percent of total general fund expenditures, while total fund balance represents 19.40 percent of that same amount.

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.

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	2008	2007	2006
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	15.60	15.60	15.60
Assessed Valuation	$837,916,020	$904,734,233	$833,249,133

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 2008, 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 (LGRAF) was discontinued. The combination of these programs is the City's largest source of non-tax General Fund revenue. In 2007, the City received $3,134,261 from the State's LGF and LGRAF. In 2008, using the new funding mechanism, the City received $3,311,313 from the State's LGF for an increase of $177,052 or 5.65 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 it 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, 2008, amounts to $130,027,317. 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, 2008, is reflected in the table which follows.

Table 5 - Capital Assets at December 31, (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Land	$ 9,058,667	$ 9,058,667	$ 7,428,126	$ 7,428,126	$ 16,486,793	$ 16,486,793
Construction in Progress	4,707,457	1,341,968	1,041,845	0	5,749,302	1,341,968
Land Improvements	2,005,557	2,173,269	627,357	517,916	2,632,914	2,691,185
Buildings and Improvements	8,996,287	9,083,061	7,839,438	8,105,123	16,835,725	17,188,184
Furniture, Fixtures and Equipment	3,329,595	1,244,142	719,686	712,013	4,049,281	1,956,155
Infrastructure:						
Streets	44,788,506	49,476,017	0	0	44,788,506	49,476,017
Sanitary Sewer	0	0	13,202,550	9,827,149	13,202,550	9,827,149
Storm Sewers	0	0	7,093,898	10,434,791	7,093,898	10,434,791
Water Lines	0	0	19,188,348	19,655,851	19,188,348	19,655,851
Totals	$ 72,886,069	$ 72,377,124	$ 57,141,248	$ 56,680,969	$ 130,027,317	$ 129,058,093

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	$ 28,485
East 222nd Rebuild (Includes Issue 2 payments)	2,532,674
*2008 Street Resurfacing & Curbs	301,208
Traffic Resignalization	804,330
Total Governmental Activities	$ 3,666,697
Business-Type Activities	
*Chatworth Drive Sewer Separation - Peterson Truck Line	$ 101,000
*Brandywine Pump Station Replacement	89,671
*Euclid Avenue Improvement	681,949
2008 Waterline Improvement Program	683,606
Dille Rd. & E. 204th Street Project	147,407
E. 214th Street & Lakeshore Blvd. Improvements	10,031
Wastewater Treatment Plant Roof	199,701
Driving Range Shelter	1,100
Total Business-Type Activities	$ 1,914,465

* Project was reported as an addition to Construction-in-Progress and completed during 2008. Additional information on the City's capital assets can be found in Note 9.

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, 2008, the City's General Obligation Bonded Debt totaled $35,316,523.

A summary of outstanding long-term debt at December 31, 2008 follows.

Table 6 - Outstanding Debt at December 31

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
General Obligation Bonds	$ 28,354,079	$ 23,007,141	$ 6,962,444	$ 6,546,909	$ 35,316,523	$ 29,554,050
Special Assessment Bonds	1,160,000	1,235,000	0	0	1,160,000	1,235,000
Notes Payable	0	6,886,280	5,600,000	3,000,000	5,600,000	9,886,280
Industrial Revenue Bond	1,235,000	1,340,000	0	0	1,235,000	1,340,000
OWDA Loans	0	0	8,620,444	10,328,970	8,620,444	10,328,970
OPWC Loans	1,652,108	532,981	6,079,837	6,352,551	7,731,945	6,885,532
	$ 32,401,187	$ 33,001,402	$ 27,262,725	$ 26,228,430	$ 59,663,912	$ 59,229,832

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, 2008 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 $63,417,331 and the unvoted debt margin was $21,521,530 at December 31, 2008.

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, 2008 for the City is as follows:

	Amount	Ratio of Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
Net General Obligation Debt (Bonded)	$35,316,523	4.21 %	$ 670.00

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.

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, 2008

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	Euclid Development Corporation
Assets				
Equity in Pooled Cash and Cash Equivalents	$ 10,396,860	$ 12,474,812	$ 22,871,672	$ 632,858
Cash and Cash Equivalents in Segregated Accounts	6,098	0	6,098	0
Cash and Cash Equivalents with Fiscal Agents	50,132	0	50,132	0
Materials and Supplies Inventory	206,947	69,927	276,874	0
Accrued Interest Receivable	107,051	58,185	165,236	0
Accounts Receivable	1,723,059	3,249,256	4,972,315	184
Intergovernmental Receivable	3,387,049	123,468	3,510,517	0
Prepaid Items	73,804	22,462	96,266	200
Income Taxes Receivable	8,876,085	0	8,876,085	0
Property Taxes Receivable	5,835,719	541,418	6,377,137	0
Notes Receivable	1,404,890	0	1,404,890	0
Loans Receivable	0	0	0	1,693,023
Special Assessments Receivable	1,265,855	0	1,265,855	0
Deferred Charges	678,173	214,527	892,700	0
Non-Depreciable Capital Assets	13,766,124	8,469,971	22,236,095	0
Depreciable Capital Assets, net	59,119,945	48,671,277	107,791,222	0
Total Assets	106,897,791	73,895,303	180,793,094	2,326,265
Liabilities				
Accounts Payable	796,774	651,878	1,448,652	40
Accrued Wages and Benefits	453,997	118,547	572,544	1,102
Intergovernmental Payable	2,523,849	471,702	2,995,551	0
Matured Compensation Absences	0	102,873	102,873	0
Accrued Interest Payable	67,954	277,111	345,065	0
Retainage Payable	141,784	127,996	269,780	0
Claims Payable	1,010,262	0	1,010,262	0
Deferred Revenue	4,969,480	461,051	5,430,531	0
Notes Payable	0	5,600,000	5,600,000	0
Long-Term Liabilities:				
Due Within One Year	5,343,878	2,991,483	8,335,361	0
Due in More Than One Year	37,817,946	20,048,641	57,866,587	0
Total Liabilities	53,125,924	30,851,282	83,977,206	1,142
Net Assets				
Invested in Capital Assets, Net of Related Debt	39,956,632	29,214,805	69,171,437	0
Restricted for Debt Service	5,160,270	0	5,160,270	0
Restricted for Capital Outlay	1,853,833	0	1,853,833	0
Restricted for Other Purposes	1,164,905	0	1,164,905	0
Unrestricted	5,636,227	13,829,216	19,465,443	2,325,123
Total Net Assets	$ 53,771,867	$ 43,044,021	$ 96,815,888	$ 2,325,123

CITY OF EUCLID, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2008

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Unit
					Primary Government			
	Expenses	Charges for Services and Sales	Operating Grants and Contribution	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Euclid Development Corporation
Primary Government								
Governmental Activities								
General Government	$ 12,894,864	$ 564,303	$ 0	$ 279,401	$ (12,051,160)	$ 0	$ (12,051,160)	$ 0
Security of Persons and Property	23,445,910	4,073,600	487,231	0	(18,885,079)	0	(18,885,079)	0
Refuse Collection and Disposal	2,506,683	0	0	0	(2,506,683)	0	(2,506,683)	0
Public Health	260,044	83,793	0	0	(176,251)	0	(176,251)	0
Leisure Time Services	2,423,707	730,006	4,327	0	(1,689,374)	0	(1,689,374)	0
Community and Economic Development	3,201,584	1,554,640	1,247,025	0	(399,919)	0	(399,919)	0
Transportation	6,343,637	39,637	1,861,667	0	(4,442,333)	0	(4,442,333)	0
Interest and Fiscal Charges	1,505,395	0	0	0	(1,505,395)	0	(1,505,395)	0
Total Governmental Activities	52,581,824	7,045,979	3,600,250	279,401	(41,656,194)	0	(41,656,194)	0
Business-Type Activities								
Briardale Greens Golf Course	988,166	1,035,336	0	0	0	47,170	47,170	0
Waste Water Treatment	11,061,437	10,887,935	52,675	276,000	0	155,173	155,173	0
Water Line Improvement	792,165	1,623,543	0	65,348	0	896,726	896,726	0
Total Business-Type Activities	12,841,768	13,546,814	52,675	341,348	0	1,099,069	1,099,069	0
Total Primary Government	$ 65,423,592	$ 20,592,793	$ 3,652,925	$ 620,749	(41,656,194)	1,099,069	(40,557,125)	0
Component Unit								
Euclid Development Corporation	$ 103,342	$ 67,837	$ 0	$ 0	0	0	0	(35,505)
Total Component Unit	$ 103,342	$ 67,837	$ 0	$ 0	0	0	0	(35,505)
General Revenues								
Taxes:								
Property Taxes Levied for General Purposes					1,724,279	0	1,724,279	0
Property Taxes Levied for Debt Service					2,789,707	0	2,789,707	0
Property Taxes Levied for Capital Outlay					228,792	0	228,792	0
Property Taxes Levied for Other Purposes					415,742	639,606	1,055,348	0
Income Taxes					24,124,792	0	24,124,792	0
Payments in Lieu of Taxes					123,164	0	123,164	0
Grants and Entitlements not Restricted to Specific Programs					6,460,923	0	6,460,923	0
Investment Earnings					921,534	56,180	977,714	0
Miscellaneous					1,743,907	26,629	1,770,536	3,145
Transfers					667,820	(667,820)	0	0
Total General Revenues and Transfers					39,200,660	54,595	39,255,255	3,145
Change in Net Assets					(2,455,534)	1,153,664	(1,301,870)	(32,360)
Net Assets at Beginning of Year					56,227,401	41,890,357	98,117,758	2,357,483
Net Assets at End of Year					$ 53,771,867	$ 43,044,021	$ 96,815,888	$ 2,325,123

CITY OF EUCLID, OHIO
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2008

	General	General Obligation Bond Retirement	All Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	$ 3,637,205	$ 2,455,700	$ 4,166,999	$ 10,259,904
Cash and Cash Equivalents in Segregated Accounts	6,098	0	0	6,098
Cash and Cash Equivalents with Fiscal Agents	50,132	0	0	50,132
Materials and Supplies Inventory	75,688	0	131,259	206,947
Accrued Interest Receivable	74,989	23,357	8,705	107,051
Accounts Receivable	1,214,876	0	275,618	1,490,494
Interfund Receivable	0	888,000	0	888,000
Intergovernmental Receivable	2,187,920	403,700	1,027,994	3,619,614
Prepaid Items	69,461	0	4,343	73,804
Income Taxes Receivable	8,876,085	0	0	8,876,085
Property Taxes Receivable	1,819,168	3,204,422	812,129	5,835,719
Notes Receivable	1,404,890	0	0	1,404,890
Special Assessments Receivable	0	1,265,855	0	1,265,855
Total Assets	$ 19,416,512	$ 8,241,034	$ 6,427,047	$ 34,084,593
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	$ 510,705	$ 0	$ 271,315	$ 782,020
Accrued Wages and Benefits	382,227	788	70,664	453,679
Intergovernmental Payable	2,240,781	2,685	279,198	2,522,664
Retainage Payable	0	0	141,784	141,784
Interfund Payable	0	0	888,000	888,000
Claims Payable	652,139	0	0	652,139
Deferred Revenue	7,879,867	4,641,412	1,428,782	13,950,061
Total Liabilities	11,665,719	4,644,885	3,079,743	19,390,347
Fund Balances				
Reserved:	0	0	0	0
Reserved for Encumbrances	89,725	0	728,790	818,515
Reserved for Notes Receivable	1,404,890	0	0	1,404,890
Reserved for Unclaimed Monies	35,218	0	0	35,218
Unreserved, Undesignated, Reported in:				
General Fund	6,220,960	0	0	6,220,960
Special Revenue Funds	0	0	1,425,191	1,425,191
Debt Service Funds	0	3,596,149	0	3,596,149
Capital Projects Funds	0	0	1,193,323	1,193,323
Total Fund Balances	7,750,793	3,596,149	3,347,304	14,694,246
Total Liabilities and Fund Balances	$ 19,416,512	$ 8,241,034	$ 6,427,047	$ 34,084,593

CITY OF EUCLID, OHIO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2008

Total Governmental Fund Balances		$ 14,694,246
Amounts reported for governmental activities in the statement of net assets are different because		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds		72,886,069
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Property and Other Taxes	$ 866,239	
Municipal Income Tax	3,980,363	
Intergovernmental	2,073,721	
Special Assessments	1,265,855	
Charges for Services	794,403	
Total		8,980,581
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	(248,577)	
Compensated Absences	10,149	
Claims	1,004	
Total		(237,424)
Bond issuance costs will be amortized over the life of the bonds on the statement of net assets.		678,173
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		(67,954)
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	(28,053,880)	
Special Assessment Bonds	(1,160,000)	
Industrial Development Revenue Bonds	(1,235,000)	
Premium on Bonds	(300,199)	
Compensated Absences	(8,707,297)	
Claims	(968,265)	
Capital Leases	(1,085,075)	
OPWC Loans	(1,652,108)	
Total		(43,161,824)
Net Assets of Governmental Activities		$ 53,771,867

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, 2008

	General	General Obligation Bond Retirement	All Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	$ 1,777,799	$ 2,871,695	$ 668,428	$ 5,317,922
Income Taxes	23,949,387	0	0	23,949,387
Payments in Lieu of Taxes	0	0	123,164	123,164
Special Assessments	0	279,400	226,521	505,921
Charges for Services	3,794,985	0	673,436	4,468,421
Licenses and Permits	119,297	0	0	119,297
Fines and Forfeitures	1,889,367	0	226,580	2,115,947
Intergovernmental	5,432,014	1,402,830	3,946,915	10,781,759
Interest	663,545	176,265	22,405	862,215
Rent	74,024	35,000	269,542	378,566
Contributions and Donations	860	0	34,798	35,658
Other	659,377	29,885	202,132	891,394
Total Revenues	38,360,655	4,795,075	6,393,921	49,549,651
Expenditures				
Current:				
General Government	12,688,462	138,426	428,931	13,255,819
Security of Persons and Property	22,213,781	0	290,974	22,504,755
Refuse Collection and Disposal	2,506,683	0	0	2,506,683
Public Health	260,044	0	0	260,044
Leisure Time Services	505,009	0	1,637,820	2,142,829
Community and Economic Development	1,473,134	0	1,611,765	3,084,899
Transportation	0	0	2,596,559	2,596,559
Capital Outlay	0	0	5,376,523	5,376,523
Debt Service:				
Principal Retirements	204,802	9,060,000	325,593	9,590,395
Interest and Fiscal Charges	110,550	1,382,187	0	1,492,737
Issuance Costs	0	219,018	56,679	275,697
Total Expenditures	39,962,465	10,799,631	12,324,844	63,086,940
Excess of Revenues Over(Under) Expenditures	(1,601,810)	(6,004,556)	(5,930,923)	(13,537,289)
Other Financing Sources and Uses				
Transfers In	0	667,820	528,000	1,195,820
General Obligation Bonds Issued	0	5,655,000	2,170,000	7,825,000
Refunding Bonds Issued	0	2,800,000	0	2,800,000
Proceeds of OPWC Loans	0	0	1,119,127	1,119,127
Premium on Debt Issued	0	191,586	24,179	215,765
Proceeds from Sale of Capital Assets	521	0	54,670	55,191
Inception of Capital Lease	0	0	205,758	205,758
Transfers Out	(528,000)	0	0	(528,000)
Payment to Refunded Bond Escrow Agent	0	(3,489,389)	0	(3,489,389)
Total Other Financing Sources and Uses	(527,479)	5,825,017	4,101,734	9,399,272
Net Change in Fund Balance	(2,129,289)	(179,539)	(1,829,189)	(4,138,017)
Fund Balance at Beginning of Year	9,880,082	3,775,688	5,176,493	18,832,263
Fund Balance at End of Year	$ 7,750,793	$ 3,596,149	$ 3,347,304	$ 14,694,246

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, 2008

Net Change in Fund Balances - Total Governmental Funds		$ (4,138,017)
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 exepense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital Asset Additions	$ 6,779,758	
Current Year Depreciation	(6,166,373)	
Total		613,385
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.		(104,440)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues.		
Delinquent Property Taxes	(159,402)	
Municipal Income Taxes	175,405	
Intergovernmental	96,269	
Special Assessments	(146,179)	
Charges for Services	(116,593)	
Total		(150,500)
Bond issuance costs are recognized as expenditures in the governmental funds; however, they are amortized over the life or issuance in the statement of activities.		410,086
Other financing sources in the governmental funds increase long-term liablities in the statement of net assets.		
Proceeds of OPWC Loan	(1,119,127)	
Proceeds of General Obligation Bonds	(10,625,000)	
Proceeds of Capital Lease	(205,758)	
Premiums on General Obligation Bonds	(215,765)	
Total		(12,165,650)
Repayment of bond, note 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 Bond and Note	12,520,000	
Repayment of Capital Leases	425,395	
Total		12,945,395
In the statement of activities, interest accrued on outstanding bonds, bond premium and bond issuance costs are amortized over the terms of the bonds, whereas in the governmental funds the expenditure is reported when the bonds are issued.		
Accrued Interest	30,151	
Amortization of Bond Premium	55,267	
Amortization of Bond Issuance Costs	(24,289)	
Amortization of Loss on Refunded Bond	(3,360)	
Amortization of Gain on Refunding	(15,160)	
Total		42,609
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	(759,607)	
Claims	915,973	
Total		156,366
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	(63,099)	
Compensated Absences	345	
Claims	(2,014)	
Total		(64,768)
Change in Net Assets of Governmental Activities		$ (2,455,534)

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, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Property Taxes	$ 1,871,433	$ 1,871,433	$ 1,777,799	$ (93,634)
Income Taxes	24,812,716	24,808,784	24,084,781	(724,003)
Other Local Taxes	15,903	0	0	0
Charges for Services	4,280,935	4,280,257	3,789,771	(490,486)
Licenses and Permits	150,874	150,850	134,552	(16,298)
Fines and Forfeitures	1,694,869	1,694,600	1,848,884	154,284
Intergovernmental	5,262,851	5,277,917	5,639,836	361,919
Interest	950,151	950,000	734,253	(215,747)
Rent	75,512	75,500	56,706	(18,794)
Contributions and Donations	0	0	860	860
Other	622,997	622,900	656,622	33,722
Total Revenues	39,738,241	39,732,241	38,724,064	(1,008,177)
Expenditures				
Current:				
General Government	12,246,484	12,671,768	12,233,877	437,891
Security of Persons and Property	21,794,703	21,809,077	21,485,439	323,638
Refuse Collection and Disposal	2,407,690	2,691,677	2,679,317	12,360
Public Health	278,337	278,337	259,889	18,448
Leisure Time Services	578,171	589,711	542,889	46,822
Community and Economic Development	1,534,631	1,581,495	1,476,824	104,671
Debt Service:				
Principal Retirements	105,000	105,000	105,000	0
Interest and Fiscal Charges	131,633	131,633	110,550	21,083
Total Expenditures	39,076,649	39,858,698	38,893,785	964,913
Excess of Revenues Over(Under) Expenditures	661,592	(126,457)	(169,721)	(43,264)
Other Financing Sources and Uses				
Proceeds from Sale of Capital Assets	0	6,000	521	(5,479)
Transfers Out	(471,000)	(528,000)	(528,000)	0
Total Other Financing Sources and Uses	(471,000)	(522,000)	(527,479)	(5,479)
Net Change in Fund Balance	190,592	(648,457)	(697,200)	(48,743)
Fund Balance at Beginning of Year	3,755,002	3,755,002	3,755,002	0
Prior Year Encumbrances Appropriated	301,803	301,803	301,803	0
Fund Balance at End of Year	$ 4,247,397	$ 3,408,348	$ 3,359,605	$ (48,743)

See accompanying notes to the basic financial statements

CITY OF EUCLID, OHIO
STATEMENT OF FUND NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2008

	Enterprise Funds				Governmental Activities
	Waste Water Treatment	Water Line Improvement	Briardale Greens Golf Course	Totals	Internal Service Funds
Assets					
Current Assets:					
Equity in Pooled Cash and Cash Equivalents	$ 6,697,733	$ 5,593,207	$ 183,872	$ 12,474,812	$ 136,956
Materials and Supplies Inventory	64,413	0	5,514	69,927	0
Accrued Interest Receivable	58,185	0	0	58,185	0
Accounts Receivable	2,712,875	535,723	658	3,249,256	0
Intergovernmental Receivable	110,427	13,041	0	123,468	0
Prepaid Items	17,897	0	4,565	22,462	0
Property Taxes Receivable	541,418	0	0	541,418	0
Total Current Assets	10,202,948	6,141,971	194,609	16,539,528	136,956
Noncurrent Assets:					
Deferred Charges	124,604	89,923	0	214,527	0
Non-Depreciable Capital Assets	356,301	841,044	7,272,626	8,469,971	0
Depreciable Capital Assets, Net	27,943,669	19,188,347	1,539,261	48,671,277	0
Total Noncurrent Assets	28,424,574	20,119,314	8,811,887	57,355,775	0
Total Assets	38,627,522	26,261,285	9,006,496	73,895,303	136,956
Liabilities					
Current Liabilities:					
Accounts Payable	504,769	137,803	9,306	651,878	14,754
Accrued Wages and Benefits	109,778	0	8,769	118,547	318
Intergovernmental Payable	430,983	13,041	27,678	471,702	1,185
Matured Compensation Absences	68,827	0	34,046	102,873	0
Accrued Interest Payable	260,474	16,637	0	277,111	0
Retainage Payable	127,996	0	0	127,996	0
Claims Payable	42,687	0	6,169	48,856	358,445
Deferred Revenue	461,051	0	0	461,051	0
Notes Payable	0	5,600,000	0	5,600,000	0
Compensated Absences Payable	136,999	0	15,778	152,777	7,867
General Obligation Bonds Payable	116,000	300,000	0	416,000	0
Capital Leases Payable	95,015	0	30,570	125,585	0
OPWC Loans Payable	265,577	141,379	0	406,956	0
OWDA Loans Payable	1,841,309	0	0	1,841,309	0
Total Current Liabilities	4,461,465	6,208,860	132,316	10,802,641	382,569
Noncurrent Liabilities:					
Claims Payable - net of current portion	90,406	0	13,066	103,472	682
Compensated Absences Payable - net of current portion	539,975	0	83,127	623,102	2,282
General Obligation Bonds Payable - net of current portion	2,501,282	4,045,162	0	6,546,444	0
Capital Leases Payable - net of current portion	279,861	0	43,746	323,607	0
OPWC Loans Payable - net of current portion	3,986,462	1,686,419	0	5,672,881	0
OWDA Loans Payable - net of current portion	6,779,135	0	0	6,779,135	0
Total Noncurrent Liabilities	14,177,121	5,731,581	139,939	20,048,641	2,964
Total Liabilities	18,638,586	11,940,441	272,255	30,851,282	385,533
Net Assets					
Invested in Capital Assets, Net of Related Debt	12,309,602	8,166,508	8,738,695	29,214,805	0
Unrestricted	7,679,334	6,154,336	(4,454)	13,829,216	(248,577)
Total Net Assets	$ 19,988,936	$ 14,320,844	$ 8,734,241	$ 43,044,021	$ (248,577)

CITY OF EUCLID, OHIO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	Enterprise Funds				Governmental Activities
	Waste Water Treatment	Water Line Improvement	Briardale Greens Golf Course	Totals	Internal Service Fund
Operating Revenues					
Charges for Services	$ 10,863,967	$ 1,623,543	$ 1,035,336	$ 13,522,846	$ 150,000
Tap-In Fees	23,968	0	0	23,968	0
Other	21,917	49	4,663	26,629	0
Total Operating Revenues	10,909,852	1,623,592	1,039,999	13,573,443	150,000
Operating Expenses					
Personal Services	4,238,969	0	614,706	4,853,675	30,652
Contractual Services	2,622,632	28,535	32,508	2,683,675	97,320
Materials and Supplies	2,574,151	0	194,908	2,769,059	354
Claims	0	0	235	235	88,825
Depreciation	940,697	467,503	79,209	1,487,409	0
Other	69,227	0	65,300	134,527	0
Total Operating Expenses	10,445,676	496,038	986,866	11,928,580	217,151
Operating Income (Loss)	464,176	1,127,554	53,133	1,644,863	(67,151)
Non-Operating Revenues (Expenses)					
Interest	48,107	8,073	0	56,180	4,052
Intergovernmental	52,675	0	0	52,675	0
Capital Grants and Contributions	276,000	65,348	0	341,348	0
Property Taxes	639,606	0	0	639,606	0
Interest and Fiscal Charges	(615,761)	(296,127)	(1,300)	(913,188)	0
Total Non-Operating Revenues (Expenses)	400,627	(222,706)	(1,300)	176,621	4,052
Income (Loss) Before Contributions and Transfers	864,803	904,848	51,833	1,821,484	(63,099)
Transfers Out	0	(667,820)	0	(667,820)	0
Change in Net Assets	864,803	237,028	51,833	1,153,664	(63,099)
Net Assets (Deficit) at Beginning of Year	19,124,133	14,083,816	8,682,408	41,890,357	(185,478)
Net Assets (Deficit) at End of Year	$ 19,988,936	$ 14,320,844	$ 8,734,241	$ 43,044,021	$ (248,577)

See accompanying notes to the basic financial statements.

CITY OF EUCLID, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	Waste Water Treament	Water Line	Briardale Greens Golf Course	Totals	Governmental Activities Internal Service Fund
Increase (Decrease) in Cash and Cash Equivalents					
Cash Flows from Operating Activities					
Cash Received from Customers	$ 10,394,093	$ 1,542,163	$ 1,039,341	$ 12,975,597	$ 150,000
Cash Payments to Suppliers for Goods and Services	(4,844,937)	(23,243)	(136,108)	(5,004,288)	(94,303)
Cash Paid to Employees	(4,193,599)	0	(590,146)	(4,783,745)	(31,727)
Cash Paid for Claims	0	0	0	0	(90,132)
Other Operating Cash Payments	(64,839)	0	(135,093)	(199,932)	0
Net Cash Provided by (Used for) Operating Activities	1,290,718	1,518,920	177,994	2,987,632	(66,162)
Cash Flows from Noncapital Financing Activities					
Receipts for Operating Grants	52,675	0	0	52,675	0
Receipts for Property Taxes	655,534	0	0	655,534	0
Transfers Out	0	(667,820)	0	(667,820)	0
Net Cash Provided by Noncapital Financing Activities	708,209	(667,820)	0	40,389	0
Cash Flows from Capital and Related Financing Activities					
Payments for Capital Acquisition	(1,275,102)	(725,165)	(181,262)	(2,181,529)	0
Loss on Sale of Asset	285,931	0	17,703	303,634	0
Proceeds from OPWC	119,896	0	0	119,896	0
Proceeds from Notes	0	5,600,000	0	5,600,000	0
Proceeds from General Obligation Bonds	1,404,227	1,342,276	0	2,746,503	0
Proceeds from Capital Grants	683,166	(50,531)	0	632,635	0
Deferred Charges	(92,166)	(89,923)	0	(182,089)	0
Principal Paid on Notes	0	(3,000,000)	0	(3,000,000)	0
Principal Paid on General Obligation Bonds	(1,441,000)	(885,000)	0	(2,326,000)	0
Interest Paid on General Obligation Bonds	(643,547)	(297,510)	0	(941,057)	0
Principal Paid on OWDA Loans	(1,708,526)	0	0	(1,708,526)	0
Interest Paid on OWDA Loans	(4,916)	0	0	(4,916)	0
Principal Paid on OPWC Loans	(251,230)	(141,380)	0	(392,610)	0
Principal Paid on Capital Leases	(90,704)	0	(32,756)	(123,460)	0
Interest Paid on Capital Leases	(20,899)	0	(1,300)	(22,199)	0
Net Cash provided by (Used for) Capital and Related Financing Activities	(3,034,870)	1,752,767	(197,615)	(1,479,718)	0
Cash Flows from Investing Activities					
Interest on Investments	24,526	19,857	0	44,383	4,052
Total Cash Flow from Investing Activities	24,526	19,857	0	44,383	4,052
Net Increase (Decrease) in Cash and Cash Equivalents	(1,011,417)	2,623,724	(19,621)	1,592,686	(62,110)
Cash and Cash Equivalents Beginning of Year	7,709,150	2,969,483	203,493	10,882,126	199,066
Cash and Cash Equivalents End of Year	$ 6,697,733	$ 5,593,207	$ 183,872	$ 12,474,812	$ 136,956
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used for) Operating Activities					
Operating Income (Loss)	$ 464,176	$ 1,127,554	$ 53,133	$ 1,644,863	$ (67,151)
Adjustments:					
Depreciation	940,697	467,503	79,209	1,487,409	0
(Increase) Decrease in Assets:					
Accounts Receivable	(515,759)	(81,380)	(658)	(597,797)	0
Prepaid Items	(73)	0	927	854	0
Materials and Supplies Inventory	3,412	0	12,783	16,195	0
Increase (Decrease) in Liabilities:					
Accounts Payable	376,495	137,803	8,101	522,399	3,371
Contracts Payable	0	0	0	0	0
Retainage Payable	127,996	(132,560)	0	(4,564)	0
Compensated Absences Payable	(16,391)	0	(18,410)	(34,801)	345
Matured Compensated Absences	28,687	0	34,046	62,733	0
Accrued Wages	37,462	0	4,308	41,770	239
Intergovernmental Payable	0	0	13,111	13,111	355
Claims Payable	(155,984)	0	(8,556)	(164,540)	(3,321)
Total Adjustments	826,542	391,366	124,861	1,342,769	989
Net Cash Provided by (Used for) Operating Activities	$ 1,290,718	$ 1,518,920	$ 177,994	$ 2,987,632	$ (66,162)

Schedule of NonCash Investing, Capital, and Financing Activities

The Briardale Golf Course Fund had capital assets purchased through a capital lease in the amount of $69,793.

See accompanying notes to the basic financial statements

CITY OF EUCLID, OHIO
STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
DECEMBER 31, 2008

	Agency Fund
Assets	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	$ 764,889
Accounts Receivable	318
Total Current Assets	765,207
Total Assets	$ 765,207
Liabilities	
Current Liabilities:	
Deposits Held and Due to Others	$ 765,207
Total Current Liabilities	765,207
Total Liabilities	$ 765,207

See accompanying notes to the basic financial statements

Notes to the Basic Financial Statements

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 of Euclid, this includes police and fire protection, parks and recreation, planning, zoning, public safety, public service, street maintenance, sanitation system, and a staff to provide support (i.e., payroll processing, accounts payable, and revenue collection) to the service providers. The operation of each of these activities and entities is directly controlled by the City Council through the budgetary process.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; (3) the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the City is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the budget, the issuance of debt or the levying of taxes. The City has one component unit, Euclid Development Corporation.

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 self-appointed board of trustees. EDCOR was formed under Chapter 1702 of the Ohio Revised Code for the purpose of providing administrative program assistance to the Community Development Department while combating deterioration and lessening the burdens of government by advancing, encouraging, and promoting residential and commercial redevelopment and revitalization in the City. The City subsidizes EDCOR's entire operation from its Community Development Block Grant. Based on the significant services and resources provided by the City to EDCOR and EDCOR's administrative program assistance to the Community Development Program of the City, 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.

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.

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.

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 reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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 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.

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, 2008, but which were levied to finance year 2009 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.

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.

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

E. **Budgetary Process** (Continued)

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."

The General Fund made an advance to the Community Development Block Grant Special Revenue Fund to cover a deficit cash balance. The Community Development Block Grant Special Revenue Fund has an interfund payable for the amount received from the General Fund and the General Fund has an interfund receivable for the same amount on the balance sheet.

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.

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

F. **Cash and Cash Equivalents** (Continued)

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 2008, the City invested in Federal Home Loan Bank Bonds, Federal Farm Credit Bank, the Federal National Mortgage Association, 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, 2008.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the General Fund during 2008 amounted to $663,545, which includes $516,966 assigned from other City funds.

G. **Inventory**

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventory consists of expendable supplies.

H. **Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2008, 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.

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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:

Description	Estimated Lives
Land Improvements	20-40 Years
Building and Improvements	20-40 Years
Furniture, Fixtures, and Equipment	3-10 Years
Infrastructure	25-50 Years

For 2008, the City's infrastructure consists of streets, storm sewers, and water and sewer lines.

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.

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.

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 $8,179,008 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.

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 receipted in the year the bonds are issued.

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, which is even 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 AND RESTATEMENT OF PRIOR YEAR'S NET ASSETS**

A. **Change in Accounting Principles**

For fiscal year 2008, the City implemented GASB Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*, No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, and No. 50, *Pension Disclosures*. GASB Statement No. 45 provides guidance on all aspects of other post-employment benefit (OPEB) reporting by employers. GASB Statement No. 49 provides guidance on how to calculate and report the costs and obligations associated with pollution cleanup efforts. GASB Statement No. 50 more closely aligns the financial reporting requirements for pensions with those for other post-employment benefits.

The implementation of GASB Statements No. 45, 49, and 50 did not affect the presentation of the financial statements of the City.

NOTE 3: **CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF PRIOR YEAR'S NET ASSETS** (Continued)

B. **Prior Period Adjustment**

In 2007, expenditures were recorded for payments made directly to vendors on behalf of the City, but corresponding revenues were not recorded on a cash basis.

The restatement had the following effect on the nonmajor governmental fund:

	General Permanent Improvement Fund
Budgetary Fund Balance, December 31, 2007	$1,882,831
Adjustment:	
Inclusion of Loan Proceeds	136,682
Budgetary Fund Balance, December 31, 2007	$2,019,513

NOTE 4: **COMPLIANCE AND ACCOUNTABILITY** (Continued)

Fund Deficit

The following nonmajor funds had deficit fund balances or deficit net assets as of December 31, 2008:

Special Revenue	
Community Development Block Grant	$ 49,243
Recreation Operating	46,542
Shore Corporation	29,593
Capital Projects	
Public Building Construction	197,520
Internal Service	
Self-Insurance Fund	248,577

The deficits in the Special Fevenue funds, the Capital Projects 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.

NOTE 5: BUDGETARY BASIS OF ACCOUNTING

While the City is reporting financial position, results of operations, and changes in fund balances/retained earnings 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 operating 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	$(2,129,289)
Net Adjustment for Revenue Accruals	363,409
Net Adjustment for Expenditure Accruals	1,369,979
Encumbrances	(301,299)
Budget Basis	$ (697,200)

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;

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 $11,678 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 $10,831,120 and the bank balance was $12,463,188. Of the bank balance, $1,728,736 was covered by Federal depository insurance and $10,734,452 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.

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, 2008, the City had the following investments:

	Fair Value	Average Maturity
Federal Home Loan Bank Bonds	$ 2,044,625	235 days
Federal National Mortgage Association	2,009,294	293 days
Federal Farm Credit Bank	2,018,991	293 days
STAROhio	2,700,081	23 days
Repurchase Agreement	4,077,002	2 days
Total	$12,849,993	

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 Farm Credit Bank Bonds, Federal Home Loan Bank Bonds, Federal National Mortgage Association Discount Notes, and Federal National Mortgage Association Notes 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.

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, 2008:

	Percentage of Investment Investments
Federal Home Loan Bank Bonds	15.91%
Federal National Mortgage Association	15.64%
Federal Farm Credit Bank	15.71%
STAROhio	21.01%
Repurchase Agreements	31.73%

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 $632,858 and the bank balance was $649,903. Of the bank balance, $364,099 was covered by Federal depository insurance and $285,804 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 EDCOR to a successful claim by the FDIC.

EDCOR has no deposit policy for custodial risk beyond the requirements of the State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with EDCOR or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

NOTE 7: RECEIVABLES

Receivables at December 31, 2008, 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, 2008 are $1,265,855, with delinquent special assessments outstanding being $133,222.

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 2008 for real and public utility property taxes represents collections of 2007 taxes. Property tax payments received during 2008 for tangible personal property (other than public utility property) are for 2008 taxes.

2008 real property taxes are levied after October 1, 2008, on the assessed value as of January 1, 2008, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2008 real property taxes are collected in and intended to finance 2009.

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. 2008 public utility property taxes which become a lien December 31, 2007, are levied after October 1, 2008, and are collected in 2009 with real property taxes.

Tangible personal property tax revenue received during calendar 2008 (other than public utility property) represents the collection of 2008 taxes. Tangible personal property taxes received in calendar year 2008 were levied in after April 1, 2007, on the value as of December 31, 2007. 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 2008 is 6.25 percent. This will be reduced to zero in 2009. 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.

NOTE 7: **RECEIVABLES** (Continued)

A. **Property Taxes** (Continued)

The full tax rate for all City operations for the year ended December 31, 2008, was $15.60 per $1,000 of assessed value. The assessed values of real and tangible personal property upon which 2008 property tax receipts were based are as follows:

Real Property	$ 799,035,130
Public Utility Property	13,964,270
Tangible Personal Property	24,916,620
Total Valuation	$ 837,916,020

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, 2008, 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 2008 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.

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:

Governmental Activities	Amount
Local Government	$ 1,655,657
Gasoline Tax	680,195
Homestead and Rollback	311,662
Estate Tax	299,644
Motor Vehicle Tax	152,138
OPWC Receivables	93,840
Other Intergovernmental	193,913
Total Governmental Activities	$ 3,387,049
Business-Type Activities	
Homestead and Rollback	$ 28,915
OPWC Receivables	94,553
Total Business-Type Activities	$ 123,468

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.

Component unit 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 annual rate of 3 percent. The loans are to be repaid over periods ranging from 5 to 15 years.

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, 2008, was as follows:

	Balance 12/31/2007	Additions	Deletions	Balance 12/31/2008
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	$ 9,058,667	$ 0	$ 0	$ 9,058,667
Construction in Progress	1,341,968	3,666,697	301,208	4,707,457
Total Capital Assets, Not Being Depreciated	10,400,635	3,666,697	301,208	13,766,124
Capital Assets, Being Depreciated				
Land Improvements	6,005,101	110,000	0	6,115,101
Buildings and Improvements	15,165,180	225,873	0	15,391,053
Furniture, Fixtures, and Equipment	8,541,442	2,777,188	655,341	10,663,289
Infrastructure:				
Streets	120,315,227	301,208	0	120,616,435
Total Capital Assets, Being Depreciaited	150,026,950	3,414,269	655,341	152,785,878
Less Accumulated Depreciation:				
Land Improvements	(3,831,832)	(277,712)	0	(4,109,544)
Buildings and Improvements	(6,082,119)	(312,646)	0	(6,394,765)
Furniture, Fixtures, and Equipment	(7,297,300)	(587,297)	(550,901)	(7,333,696)
Infrastructure:				
Streets	(70,839,212)	(4,988,717)	0	(75,827,929)
Total Accumulated Depreciation	(88,050,462)	(6,166,372)	(550,901)	(93,665,933)
Total Capital Assets, Being Depreciated, Net	61,976,488	(2,752,103)	104,440	59,119,945
Governmental Activities Capital Assets, Net	$ 72,377,123	$ 914,594	$ 405,648	$ 72,886,069

NOTE 9: **CAPITAL ASSETS** (Continued)

	Balance 12/31/2007	Additions	Deletions	Balance 12/31/2008
Business-Type Activities				
Capital Assets, Not Being Depreciated				
Land	$ 7,428,126	$ 0	$ 0	$ 7,428,126
Construction in Progress	0	1,914,465	872,620	1,041,845
Total Capital Assets, Not Being Depreciated	7,428,126	1,914,465	872,620	8,469,971
Capital Assets, Being Depreciated				
Land Improvements	1,207,490	167,346	0	1,374,836
Buildings and Improvements	13,527,303	0	0	13,527,303
Furniture, Fixtures, and Equipment	7,350,449	447,447	423,257	7,374,639
Infrastructure:				
Sanitary Sewers	13,795,210	3,723,505	0	17,518,715
Storm Sewers	13,850,406	20,200	3,149,022	10,721,584
Water Lines	23,375,159	0	0	23,375,159
Total Capital Assets, Being Depreciaited	73,106,017	4,358,498	3,572,279	73,892,236
Less Accumulated Depreciation:				
Land Improvements	(689,574)	(57,905)	0	(747,479)
Buildings and Improvements	(5,422,180)	(265,685)	0	(5,687,865)
Furniture, Fixtures, and Equipment	(6,638,436)	(136,141)	(119,624)	(6,654,953)
Infrastructure:				
Sanitary Sewers	(3,968,061)	(348,104)	0	(4,316,165)
Storm Sewers	(3,415,615)	(212,071)	0	(3,627,686)
Water Lines	(3,719,308)	(467,503)	0	(4,186,811)
Total Accumulated Depreciation	(23,853,174)	(1,487,409)	(119,624)	(25,220,959)
Total Capital Assets, Being Depreciated, Net	49,252,843	2,871,089	3,452,655	48,671,277
Business-Type Activities Capital Assets, Net	$56,680,969	$4,785,554	$4,325,275	$ 57,141,248

***** Sanitary Sewer capital assets in the amount of $3,149,022 were recorded in error as Storm Sewer.

Dereciation Expense was charged to governmental functions as follows:

General Government	$ 258,147
Security of Persons and Property	338,648
Lesiure Time Services	268,657
Community and Economic Development	94,114
Transportation	5,206,806
	$ 6,166,372

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
General Obligation Bonds:				
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
Industrial Development Revenue Bonds				
Lincoln Electric Industrial Development	8.25	1996	2,135,000	2016
Ohio Public Works Commission				
East 222nd Reconstruction -2006	0.00	2006	1,257,200	2029
Special Assessment Bonds with Government Commitment				
Heritage Drive Improvements - 1999	4.35-5.60	1999	1,715,000	2019
Long-Term Notes Payable:				
Various Purpose - 2006	4.50	2007	6,846,000	2008
Enterprise General Obligation Bonds:				
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
Waterline Improvement - 1998	3.25-5.50	2001	4,260,000	2020
Waterline Improvement - 2001	2.50-5.00	2004	1,243,000	2025
Various Purpose Refunding - 2008	4.70-5.125	2008	2,660,000	2018
Enterprise OWDA Loans:				
Wastewater Treatment and Collection Systems-1993	5.20	1993	9,842,765	2014
Wastewater Treatment and Collection Systems-1994	4.56	1994	2,397,760	2014
Sewer Improvement - 1991	11.19	1991	6,093,465	2011
Enterprise OPWC Loans:				
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
Enterprise Long-Term Notes Payable:				
Waterline Improvement	4.00	2008	5,600,000	2009

NOTE 10: **LONG-TERM OBLIGATIONS** (Continued)

	Principal Outstanding 1/1/2008	Additions	Deletions	Principal Outstanding 12/31/2008	Due Within One Year
Governmental Activities					
General Obligation Bonds:					
Various Purpose Refunding - 1998	$ 865,000	$ 0	$ 195,000	$ 670,000	$ 205,000
Various Purpose - 1995	1,495,000	0	725,000	770,000	770,000
Various Purpose - 1998	3,650,000	0	3,650,000	0	0
Various Purpose - 2001	4,860,000	0	365,000	4,495,000	380,000
Various Purpose - 2004	8,488,000	0	115,000	8,373,000	118,000
Unamortized Premium	77,234	0	4,543	72,691	0
Various Purpose Refunding - 2004	3,671,000	0	374,000	3,297,000	386,000
Unamortized Premium	22,187	0	2,773	19,414	0
Unamortized Gain on Refunding	(121,280)	0	(15,160)	(106,120)	0
Various Purpose Refunding - 2008	0	2,800,000	70,000	2,730,000	325,000
Unamortized Premium	0	91,055	4,553	86,502	0
Various Purpose - 2008	0	7,825,000	0	7,825,000	495,000
Unamortized Premium	0	124,710	3,118	121,592	0
Total General Obligation Bonds	23,007,141	10,840,765	5,493,827	28,354,079	2,679,000
Special Assessment Bonds with Governmental Commitment					
Heritage Drive Improvements - 1999	1,235,000	0	75,000	1,160,000	80,000
Notes Payable:					
Various Purpose - 2007	6,846,000	0	6,846,000	0	0
Unamortized Premium	40,280	0	40,280	0	0
Total Notes Payable	6,886,280	0	6,886,280	0	0
Industrial Development Revenue Bonds					
Lincoln Electric Industrial Development	1,340,000	0	105,000	1,235,000	115,000
Ohio Public Works Commission					
East 222nd Reconstruction -2006	532,981	1,119,127	0	1,652,108	0
Other Obligations:					
Capital Leases	1,304,712	205,758	425,395	1,085,075	431,944
Claims	1,884,238	42,327	958,300	968,265	310,552
Compensated Absences	7,947,690	3,604,689	2,845,082	8,707,297	1,727,382
Total Other Obligations	11,136,640	3,852,774	4,228,777	10,760,637	2,469,878
Total Governmental Activities	$ 44,138,042	$ 15,812,666	$ 16,788,884	$ 43,161,824	$ 5,343,878

NOTE 10: **LONG-TERM OBLIGATIONS** (Continued)

	Principal Outstanding 1/1/2008	Additions	Deletions	Principal Outstanding 12/31/2008	Due Within One Year
Business-Type Activities					
General Obligation Bonds:					
Wastewater Fund:					
Peterson Waterline -1998	$ 1,405,000	$ 0	$ 1,405,000	$ 0	$ 0
Various Purpose Refunding - 2008	0	1,360,000	35,000	1,325,000	115,000
Unamortized Premium	0	44,227	2,212	42,015	0
Various Purpose Refunding - 2004	1,241,000		1,000	1,240,000	1,000
Unamortized Premium	10,909		642	10,267	
Waterline Fund:					
Waterline Improvement - 1998	675,000	0	675,000	0	0
Waterline Improvement - 2001	3,215,000	0	180,000	3,035,000	190,000
Various Purpose Refunding - 2008	0	1,300,000	30,000	1,270,000	110,000
Unamortized Premium	0	42,276	2,114	40,162	0
Total General Obligation Bonds:	6,546,909	2,746,503	2,330,968	6,962,444	416,000
Notes Payable					
Waterline Improvements - 2008	0	5,600,000	0	5,600,000	5,600,000
Waterline Improvements - 2007	3,000,000	0	3,000,000	0	0
Total Notes Payable	3,000,000	5,600,000	3,000,000	5,600,000	5,600,000
OWDA Loans:					
Wastewater Fund:					
Wastewater Treatment and Collection Systems -1993	5,896,472	0	784,155	5,112,317	825,461
Wastewater Treatment and Collection Systems -1994	1,463,209	0	181,844	1,281,365	190,231
Sewer Improvement - 1991	2,969,289	0	742,527	2,226,762	825,617
Total OWDA Loans	10,328,970	0	1,708,526	8,620,444	1,841,309
OPWC Loans:					
Wastewater Fund:					
Newton Avenue Improvements - 2000	881,302	0	73,442	807,860	73,442
East 226th Street/Edgecliff - 2003	1,184,284	0	76,405	1,107,879	76,406
East 197th Street - 2001	493,367	0	37,951	455,416	37,952
East 255th Street - 2002	290,386	0	20,027	270,359	20,026
East 216th Street - 2004	493,961	0	29,057	464,904	29,056
Brandywine Pump Station - 2006	338,366	0	8,459	329,907	16,918
Chatworth Dr. Sanitary -2006	235,531	0	5,889	229,642	11,777
Euclid Ave/Babbit Rd -2006	466,176	10,526	0	476,702	0
Euclid Avenue Improvement -2008	0	109,370	0	109,370	0
Total Wastewater Fund	4,383,373	119,896	251,230	4,252,039	265,577
Waterline Fund					
Miller Avenue - 2001	1,098,435	0	84,495	1,013,940	84,495
East 222nd Street -2003	699,966	0	43,748	656,218	43,748
East 214th Street - 2001	170,777	0	13,137	157,640	13,136
Total Waterline Fund	1,969,178	0	141,380	1,827,798	141,379
Total OPWC Loan	6,352,551	119,896	392,610	6,079,837	406,956
Other Obligations					
Capital Leases	502,859	69,793	123,460	449,192	125,585
Claims Payable	316,868	6,659	171,198	152,329	48,856
Compensated Absences	810,680	354,472	389,274	775,878	152,777
Total Other Obligations	1,630,407	430,924	683,932	1,377,399	327,218
Total Business-Type Activities	$ 27,858,837	$ 8,897,323	$ 8,116,036	$ 28,640,124	$ 8,591,483

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. The long-term notes payable will be paid from the General Permanent Improvement Capital Projects Fund and the Water Line 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 Worker's 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, he 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.

At the beginning of the year, the City had two outstanding projects from OPWC for the East 222nd Street and the Euclid Avenue/Babbitt Road Sanitary Relief Sewer. The Euclid Avenue/Babbitt Road Sanitary Sewer Relief Sewer was completed during 2008. The East 222nd Street project is recorded in the governmental activities, while the Euclid Avenue/Babbitt Road Sanitary Relief Sewer project is reported in business-type activities. As of December 31, 2008, the loan amount received for the outstanding project is reported in the following amortization schedules.

NOTE 10: **LONG-TERM OBLIGATIONS** (Continued)

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 $1,950,914. Principal and interest paid for the current year were $215,550, 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, 2008, the amount of defeased debt outstanding but removed from the government-wide financial statements amounted to $3,130,000.

Current Year Defeased Debt

On May 28, 2008, the City issued general obligation bonds of $5,460,000 with an interest rate of 4.7-5.125 percent to advance refund the portion of the various purpose bonds, series 1998, stated to mature on December 1, 2018, in the aggregate principal amount of $5,240,000 with an interest rate of 4.8-6.625 percent. Refunding bonds were issued at a premium of $177,558 with issuance costs of $135,500, with the net proceeds being $7,489,066. The net proceeds of $5,502,058 from the issuance of the general obligation bonds were used to purchase U.S. Government securities which were deposited into an irrevocable trust with an escrow agent to provide debt service payments until refunding bonds are called on December 1, 2018. The advance refunding met the requirements of an in-substance debt defeasance and the various 1999 series bonds were removed from the City's government-wide financial statements.

As a result of the advance refunding, the City reduced its total debt service requirements by $280,444, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of $233,045.

Legal Debt Margin

The City's overall legal debt margin was $63,417,331 and the unvoted debt margin was $21,521,530 at December 31, 2008.

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
2009	$ 2,679,000	$ 1,318,456	$ 80,000	$ 64,600	$ 115,000	$ 101,888	$ 0	$ 2,874,000	$ 1,484,944
2010	2,428,000	1,191,966	85,000	60,480	125,000	92,400	82,605	2,720,605	1,344,846
2011	2,326,000	1,092,388	90,000	55,720	135,000	82,088	82,605	2,633,605	1,230,196
2012	2,164,000	905,836	90,000	50,680	145,000	70,950	82,605	2,481,605	1,027,466
2013	2,231,000	816,986	100,000	45,640	160,000	58,988	82,605	2,573,605	921,614
2014-2018	8,646,000	2,321,425	580,000	117,040	555,000	94,050	413,027	10,194,027	2,532,515
2019-2023	5,050,000	991,895	135,000	7,560	0	0	413,028	5,598,028	999,455
2024-2028	2,636,000	257,503	0	0	0	0	413,028	3,049,028	257,503
2029	0	0	0	0	0	0	82,605	82,605	0
Total	$ 28,160,000	$ 8,896,455	$ 1,160,000	$ 401,720	$ 1,235,000	$ 500,364	$ 1,652,108	$ 32,207,108	$ 9,798,539

Business Type Activities

	General Obligation Bonds		OWDA Loans		OPWC Loans	Total Business-Type Activities	
	Principal	Interest	Principal	Interest	Principal	Principal	Interest
2009	$ 416,000	$ 300,128	$ 1,841,309	$ 560,708	$ 418,873	$ 2,676,182	$ 860,836
2010	487,000	285,271	1,985,950	416,066	436,260	2,909,210	701,337
2011	509,000	267,961	1,606,040	258,581	436,260	2,551,300	526,542
2012	516,000	247,071	1,180,683	146,543	436,260	2,132,943	393,614
2013	554,000	227,136	1,241,448	85,777	436,259	2,231,707	312,913
2014-2018	3,104,000	752,764	765,014	21,856	2,181,300	6,050,314	774,620
2019-2023	1,080,000	152,340	0	0	1,412,540	2,492,540	152,340
2024-2028	204,000	13,860	0	0	304,699	508,699	13,860
2029	0	0	0	0	17,386	17,386	0
Total	$ 6,870,000	$ 2,246,531	$ 8,620,444	$ 1,489,531	$ 6,079,837	$ 21,570,281	$ 3,736,062

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.

NOTE 11: COMPENSATED ABSENCES

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:

Years of Service as of January 1, 2005	Upon Retirement Sick Hours Max Out at:
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.

NOTE 12: **RISK MANAGEMENT** (Continued)

A. **Property and Liability** (Continued)

During 2008, 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 $83,422 for 2008. The City carries a commercial package property insurance policy for blanket coverage in excess of $99,000,000. 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 of $3,919,674 with a $1,000 deductible, fire rescue and heavy vehicles coverage of $2,847,307 with a $5,000 deductible, and a crime shield coverage of $25,000 with a $500 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 $359,127 reported in the Self-Insurance Internal Service Fund at December 31, 2008 consists of $357,145 of property insurance and $1,982 of other claims and 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 follow:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2006	$ 462,500	$ 37,509	$ 89,294	$ 410,715
2007	$ 410,715	$ 59,664	$ 110,949	$ 359,430
2008	$ 359,430	$ 87,847	$ 90,132	$ 357,145

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.

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 $652,139 reported in the General Fund at December 31, 2008, 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
2006	$ 571,509	$ 2,928,051	$ 2,870,847	$ 628,713
2007	$ 628,713	$ 2,614,225	$ 2,845,068	$ 397,870
2008	$ 397,870	$ 3,348,825	$ 3,094,556	$ 652,139

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 $968,265 reported in governmental funds and $152,329 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:

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
2006	$ 1,525,124	$ 572,259	$ 429,299	$ 1,668,084
2007	$ 1,668,084	$ 951,500	$ 418,478	$ 2,201,106
2008	$ 2,201,106	$ 48,986	$ 1,129,498	$ 1,120,594

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, 2008, the members of all three plans were required to contribute 10.00 percent of their annual covered salary to fund pension obligations. The City contributed 14.00 percent of covered payroll, of which 7.00 percent was used to fund health care coverage for retirees. The contribution rate is determined actuarially. The Ohio Revised Code provides statutory authority for member and employer contributions.

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, 2008, 2007, and 2006 were $1,024,197, $1,132,017, and $1,171,478, respectively. 89.36 percent has been contributed for 2008 while 100 percent has been contributed for 2007 and 2006.

B. **Ohio Police and Fire Pension Fund**

The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan. The OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

While Plan members are required to contribute 10.00 percent of their annual covered salary, by contract half of this amount is actually paid for by the City. In addition, employers are required to contribute 19.50 percent for police officers and 24.00 percent for firefighters. Contributions are authorized by state statute. The City's contributions to the OP&F for police and firefighters were $843,281 and $894,648 for the year ended December 31, 2008, $853,332 and $915,311 for the year ended December 31, 2007, and $771,903 and $847,543 for the year ended December 31, 2006. The full amount has been contributed for 2007 and 2006. 80.68 percent for police and 77.75 percent for firefighters has been contributed for 2008, with the remainder being reported as a liability.

NOTE 14: **POST-EMPLOYMENT BENEFITS**

A. **Ohio Public Employees Retirement System**

The Ohio Public Employees Retirement System (OPERS) maintains a cost-sharing, multiple-employer defined benefit post-employment health care 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. 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 is considered 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.

The Ohio Revised Code provides the statutory authority requiring public employers to fund post-employment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-employment health care benefits. The 2008 employer rate was 14.00 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.00 percent of covered payroll for State and local employer units. Active members do not make contributions to the OPEB Plan.

OPERS Post-Employment Health Care Plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. For 2008, the portion of employer contributions allocated to health care was 7.00 percent. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

NOTE 14: **POST-EMPLOYMENT BENEFITS** (Continued)

A. **Ohio Public Employees Retirement System** (Continued)

Benefits are advance-funded using the individual entry age actuarial cost method. Significant actuarial assumptions, based on OPERS' latest actuarial review performed as of December 31, 2007, include a rate of return on investments of 6.50 percent, an annual increase in active employee total payroll of 4.00 percent, compounded annually (assuming no change in the number of active employees), and an additional increase in total payroll over and above 4.00 percent, were assumed to range from .50 percent and 6.30 percent. Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from .50 percent to 4.00 percent annually for the next 7 years. In subsequent years (8 and beyond), health care costs were assumed to increase at 4.00 percent (the projected wage inflation rate).

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Under this approach, assets are adjusted to reflect 25.00 percent of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12.00 percent corridor.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs. 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.

NOTE 14: **POST-EMPLOYMENT BENEFITS** (Continued)

B. **Ohio Police and Fire Pension Fund**

The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored health care program, a cost-sharing, multiple-employer defined post-employment health care plan administered by the 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 to 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 two-thirds basis. The health care coverage provided by OP&F is considered an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45. Health care funding and accounting is on a pay-as-you-go basis. The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&F's Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits are codified in Chapter 742 of the Ohio Revised Code.

OP&F maintains funds for health care 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 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, 2008, 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 provision of Sections 115 and 401(h).

NOTE 14: **POST-EMPLOYMENT BENEFITS** (Continued)

B. **Ohio Police and Fire Pension Fund** (Continued)

In addition, since July 1, 1992, most retirees were required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions. The number of OP&F participants eligible to receive health care benefits as of December 31, 2007, the date of the last actuarial valuation, was 14,295 for police and 10,583 for firefighters.

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 period.

The City's actual contributions for the years ending December 31, 2008, 2007, and 2006, were $556,206 for police and $426,679 for firefighters, $451,759 for police and $358,165 for firefighters, and $509,127 for police and $404,117 for firefighters, respectively was allocated to the health care plan. The OP&F's total health care expenses for the year ended December 31, 2007 (the last actuarial valuation available) was $93,205,319, which was net of member contributions of $56,031,875.

NOTE 15: **CAPITAL LEASES**

In prior years, the City entered into leases for the acquisition of postage meter, phone system, Honeywell retroprofits, snow plow truck, a sweeper, office equipment, 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 Statement of Revenue, Expenditures, and Changes in Fund Balances and as part of program expenses on the Statement of Activities.

During 2008, the City entered into a capital lease for equipment relating to the operations of the Briardale Greens Golf Course.

NOTE 15: **CAPITAL LEASES** (Continued)

Capital assets acquired by lease have been capitalized and depreciated as follows as of December 31, 2008:

	Governmental Activities	Business-Type Activities
Capital Assets being Depreciated:		
Furniture, Fixtures, and Equipment	$ 3,414,365	$ 1,183,973
Less Accumulated Depreciation:		
Furniture, Fixtures, and Equipment	(1,607,858)	(656,629)
Total Capital Assets Being Depreciated	$ 1,806,507	$ 527,344
Year Ending December 31		
2009	$ 480,071	$ 145,650
2010	207,640	134,621
2011	207,640	134,621
2012	152,219	41,199
2013	152,219	41,199
Total Minimum Lease Payments	1,199,787	497,290
Less: Amount Representing Interest	(114,714)	(48,098)
Present Value of Minimum Lease Payments	$ 1,085,075	$ 449,192

NOTE 16: **INTERFUND TRANSFERS AND BALANCES**

A. **Transfers**

Transfers are primarily from the General Fund or Wastewater Treatment Plant Fund to various funds within the City. Transfers made from the General Fund typically cover general operating and project costs. Transfers from the Water Line Improvement Fund is for retirement of debt out of the General Bond Retirement Fund, which was refunded in 2008 with proceeds going to the Water Line Improvement Fund.

Transfers made during the year ended December 31, 2008, were as follows:

	Transfer From		
Transfer To	General Fund	Water Line Improvement Fund	Total
General Bond Retirement Fund	$ 0	$ 667,820	$ 667,820
Other Governmental	528,000	0	528,000
Totals	$ 528,000	$ 667,820	$ 1,195,820

NOTE 16: **INTERFUND TRANSFERS AND BALANCES** (Continued)

B. **Interfund Receivable and Payable**

As of December 31, 2008, 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.

NOTE 17: **SUBSEQUENT EVENT**

On May 19, 2009, the City issued $9,380,000 in notes for the following purposes: $5,600,000 for Waterline Improvements, $700,000 for the Peterson Waterline, and $3,080,000 for Capital Improvements. The notes have an interest rate of 1.5 percent and mature on December 19, 2010.

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Combining Statements

and Individual Fund Schedules

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.

Street Construction, Maintenance and Repair 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.

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.

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.

Litter Control Fund - This fund accounts for grants used for recycling and composting activities in the City.

Nonmajor Special Revenue Funds

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.

Other Grant Funds - This fund accounts for grant monies received from the federal and state government.

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.

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, 2008

	Special Revenue	Capital Projects	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	$ 1,382,087	$ 2,784,912	$ 4,166,999
Materials and Supplies Inventory	131,259	0	131,259
Accrued Interest Receivable	0	8,705	8,705
Accounts Receivable	77,006	198,612	275,618
Intergovernmental Receivable	909,577	118,417	1,027,994
Prepaid Items	4,343	0	4,343
Property Taxes Receivable	351,923	460,206	812,129
Total Assets	$ 2,856,195	$ 3,570,852	$ 6,427,047
Liabilities and Fund Balances			
Liabilities:			
Accounts Payable	102,324	168,991	271,315
Accrued Wages and Benefits	69,137	1,527	70,664
Intergovernmental Payable	181,435	97,763	279,198
Retainage Payable	0	141,784	141,784
Interfund Payable	0	888,000	888,000
Deferred Revenue	943,999	484,783	1,428,782
Total Liabilities	1,296,895	1,782,848	3,079,743
Fund Balances:			
Reserved:			
Reserved for Encumbrances	134,109	594,681	728,790
Unreserved, Undesignated, Reported in:			
Special Revenue Funds	1,425,191	0	1,425,191
Capital Projects Funds	0	1,193,323	1,193,323
Total Fund Balances	1,559,300	1,788,004	3,347,304
Total Liabilities and Fund Balances	$ 2,856,195	$ 3,570,852	$ 6,427,047

CITY OF EUCLID, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	Special Revenue	Capital Projects	Total
Revenues			
Property Taxes	$ 289,655	$ 378,773	$ 668,428
Payments in Lieu of Taxes	0	123,164	123,164
Special Assessments	224,968	1,553	226,521
Charges for Services	659,341	14,095	673,436
Fines and Forfeitures	226,580	0	226,580
Intergovernmental	3,737,941	208,974	3,946,915
Interest	6,935	15,470	22,405
Rent	269,542	0	269,542
Contributions and Donations	34,798	0	34,798
Other	202,132	0	202,132
Total Revenues	5,651,892	742,029	6,393,921
Expenditures			
Current:			
General Government	428,931	0	428,931
Security of Persons and Property	290,974	0	290,974
Leisure Time Services	1,637,820	0	1,637,820
Community and Economic Development	1,611,765	0	1,611,765
Transportation	2,596,559	0	2,596,559
Capital Outlay	0	5,376,523	5,376,523
Debt Service:			
Principal Retirements	21,319	304,274	325,593
Issuance Costs	0	56,679	56,679
Total Expenditures	6,587,368	5,737,476	12,324,844
Excess of Revenues Over(Under) Expenditures	(935,476)	(4,995,447)	(5,930,923)
Other Financing Sources and Uses			
Transfers In	528,000	0	528,000
General Obligation Bonds Issued	0	2,170,000	2,170,000
Proceeds of OPWC Loans	0	1,119,127	1,119,127
Premium on Debt Issued	0	24,179	24,179
Proceeds from Sale of Capital Assets	0	54,670	54,670
Inception of Capital Lease	0	205,758	205,758
Total Other Financing Sources and Uses	528,000	3,573,734	4,101,734
Net Change in Fund Balance	(407,476)	(1,421,713)	(1,829,189)
Fund Balance at Beginning of Year	1,966,776	3,209,717	5,176,493
Fund Balance at End of Year	$ 1,559,300	$ 1,788,004	$ 3,347,304

CITY OF EUCLID, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2008

	State Highway	Indigent Drivers Alcohol Treatment	Court Computerization	Court Special Projects	Animal Shelter	Nuisance Abatement	Street Construction, Maintenance, and Repair	Community Television
Assets								
Equity in Pooled Cash and Cash Equivalents	$ 76,213	$ 87,006	$ 128,924	$ 177,095	$ 21,774	$ 369,769	$ 141,703	$ 22,330
Materials and Supplies Inventory	0	0	0	0	0	0	130,064	0
Accounts Receivable	0	632	6,722	9,557	0	0	60,095	0
Intergovernmental Receivable	62,425	0	0	0	0	0	769,908	0
Prepaid Items	0	0	0	0	0	0	0	0
Property Taxes Receivable	0	0	0	0	0	0	0	0
Total Assets	$ 138,638	$ 87,638	$ 135,646	$ 186,652	$ 21,774	$ 369,769	$ 1,101,770	$ 22,330
Liabilities								
Liabilities:								
Accounts Payable	$ 0	$ 2,210	$ 0	$ 0	$ 0	$ 5,150	$ 11,235	$ 0
Accrued Wages and Benefits	0	0	483	1,538	2,233	0	35,112	1,172
Intergovernmental Payable	0	0	743	2,367	4,364	0	87,290	4,391
Deferred Revenue	42,996	0	0	0	0	0	530,285	0
Total Liabilities	42,996	2,210	1,226	3,905	6,597	5,150	663,922	5,563
Fund Balances:								
Reserved:								
Reserved for Encumbrances	32,482	0	0	0	0	64,490	27,472	0
Unreserved, Undesignated, Reported in:								
Special Revenue Funds	63,160	85,428	134,420	182,747	15,177	300,129	410,376	16,767
Total Fund Balances	95,642	85,428	134,420	182,747	15,177	364,619	437,848	16,767
Total Liabilities and Fund Balances	$ 138,638	$ 87,638	$ 135,646	$ 186,652	$ 21,774	$ 369,769	$ 1,101,770	$ 22,330

CITY OF EUCLID, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2008
(CONTINUED)

	Recreation Operating	Community Development Block Grant	Other Grants	Litter Control	Law Enforcement Trust	Shore Corporation	Total Nonmajor Special Revenue
Assets							
Equity in Pooled Cash and Cash Equivalents	$ 23,108	$ 1,093	$ 114,807	$ 11	$ 207,835	$ 10,419	$ 1,382,087
Materials and Supplies Inventory	1,195	0	0	0	0	0	131,259
Accounts Receivable	0	0	0	0	0	0	77,006
Intergovernmental Receivable	18,795	0	58,449	0	0	0	909,577
Prepaid Items	4,343	0	0	0	0	0	4,343
Property Taxes Receivable	351,923	0	0	0	0	0	351,923
Total Assets	$ 399,364	$ 1,093	$ 173,256	$ 11	$ 207,835	$ 10,419	$ 2,856,195
Liabilities							
Liabilities:							
Accounts Payable	$ 30,884	$ 2,065	$ 21,060	$ 0	$ 0	$ 29,720	$ 102,324
Accrued Wages and Benefits	8,433	12,186	3,929	0	0	4,051	69,137
Intergovernmental Payable	35,168	34,825	6,046	0	0	6,241	181,435
Deferred Revenue	370,718	0	0	0	0	0	943,999
Total Liabilities	445,203	49,076	31,035	0	0	40,012	1,296,895
Fund Balances:							
Reserved:							
Reserved for Encumbrances	1,537	0	8,128	0	0	0	134,109
Unreserved, Undesignated, Reported in:							
Special Revenue Funds	(47,376)	(47,983)	134,093	11	207,835	(29,593)	1,425,191
Total Fund Balances	(45,839)	(47,983)	142,221	11	207,835	(29,593)	1,559,300
Total Liabilities and Fund Balances	$ 399,364	$ 1,093	$ 173,256	$ 11	$ 207,835	$ 10,419	$ 2,856,195

CITY OF EUCLID, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	State Highway	Indigent Drivers Alcohol Treatment	Court Computerization	Court Special Projects	Animal Shelter	Nuisance Abatement	Street Construction, Maintenance, and Repair	Community Television
Revenues								
Property Taxes	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Special Assessments	0	0	0	0	0	224,968	0	0
Charges for Services	0	0	0	0	28,638	93,107	39,637	1,500
Fines and Forfeitures	0	10,692	83,197	118,541	0	0	0	0
Intergovernmental	120,454	0	0	0	0	0	1,746,462	0
Interest	2,331	0	0	0	0	0	0	0
Rent	0	0	0	0	36,995	0	0	0
Contributions and Donations	0	0	0	0	250	0	0	2,320
Other	0	0	0	0	0	0	199,912	40
Total Revenues	122,785	10,692	83,197	118,541	65,883	318,075	1,986,011	3,860
Expenditures								
Current:								
General Government	0	0	0	0	0	0	0	2,173
Security of Persons and Property	0	10,840	60,849	60,897	100,081	0	0	0
Leisure Time Services	0	0	0	0	0	0	0	0
Community and Economic Development	0	0	0	0	0	216,514		128,141
Transportation	275,565	0	0	0	0	0	2,320,994	0
Debt Service:								
Principal Retirement	0	0	0	0	0	0	6,199	0
Total Expenditures	275,565	10,840	60,849	60,897	100,081	216,514	2,327,193	130,314
Excess of Revenues Over(Under) Expenditures	(152,780)	(148)	22,348	57,644	(34,198)	101,561	(341,182)	(126,454)
Other Financing Sources and Uses								
Transfers In	0	0	0	0	40,000	0	0	129,000
Total Other Financing Sources and Uses	0	0	0	0	40,000	0	0	129,000
Net Change in Fund Balance	(152,780)	(148)	22,348	57,644	5,802	101,561	(341,182)	2,546
Fund Balance at Beginning of Year	248,422	85,576	112,072	125,103	9,375	263,058	779,030	14,221
Fund Balance (Deficit) at End of Year	$ 95,642	$ 85,428	$ 134,420	$ 182,747	$ 15,177	$ 364,619	$ 437,848	$ 16,767

CITY OF EUCLID, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008
(CONTINUED)

	Recreation Operating	Community Development Block Grant	Other Grants	Litter Control	Law Enforcement Trust	Shore Corporation	Total Nonmajor Special Revenue
Revenues							
Property Taxes	$ 289,655	$ 0	$ 0	$ 0	$ 0	$ 0	$ 289,655
Special Assessments	0	0	0	0	0	0	224,968
Charges for Services	496,459	0	0	0	0	0	659,341
Fines and Forfeitures	0	0	0	0	14,150	0	226,580
Intergovernmental	167,240	1,244,705	384,207	0	74,873	0	3,737,941
Interest	0	37	0	0	4,567	0	6,935
Rent	20,626	0	0	0	0	211,921	269,542
Contributions and Donations	4,327	0	27,901	0	0	0	34,798
Other	2,180	0	0	0	0	0	202,132
Total Revenues	980,487	1,244,742	412,108	0	93,590	211,921	5,651,892
Expenditures							
Current:							
General Government	0	0	426,758	0	0	0	428,931
Security of Persons and Property	0	0	3,929	0	54,378	0	290,974
Leisure Time Services	1,229,306	0	0	0	0	408,514	1,637,820
Community and Economic Development	0	1,267,110	0	0	0	0	1,611,765
Transportation	0	0	0	0	0	0	2,596,559
Debt Service:							
Principal Retirement	15,120	0	0	0	0	0	21,319
Total Expenditures	1,244,426	1,267,110	430,687	0	54,378	408,514	6,587,368
Excess of Revenues Over(Under) Expenditures	(263,939)	(22,368)	(18,579)	0	39,212	(196,593)	(935,476)
Other Financing Sources and Uses							
Transfers In	192,000	0	0	0	0	167,000	528,000
Total Other Financing Sources and Uses	192,000	0	0	0	0	167,000	528,000
Net Change in Fund Balance	(71,939)	(22,368)	(18,579)	0	39,212	(29,593)	(407,476)
Fund Balance at Beginning of Year	26,100	(25,615)	160,800	11	168,623	0	1,966,776
Fund Balance (Deficit) at End of Year	$ (45,839)	$ (47,983)	$ 142,221	$ 11	$ 207,835	$ (29,593)	$ 1,559,300

CITY OF EUCLID, OHIO
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2008

	General Permanent Improvement	Recreation Capital	Sidewalk Repair and Replacement	Public Building Construction	Euclid Endowment
Assets					
Equity in Pooled Cash and Cash Equivalents	$ 1,532,693	$ 98,179	$ 29,085	$ 159,950	$ 598,346
Accrued Interest Receivable	8,705	0	0	0	0
Accounts Receivable	198,612	0	0	0	0
Intergovernmental Receivable	108,297	10,120	0	0	0
Property Taxes Receivable	270,709	189,497	0	0	0
Total Assets	$ 2,119,016	297,796	$ 29,085	$ 159,950	$ 598,346
Liabilities and Fund Balances					
Liabilities:					
Accounts Payable	$ 158,621	2,900	$ 0	$ 7,470	$ 0
Accrued Wages and Benefits	0	1,527	0	0	0
Intergovernmental Payable	93,840	3,923	0	0	0
Retainage Payable	141,784	0	0	0	0
Interfund Payable	538,000	0	0	350,000	0
Deferred Revenue	285,166	199,617	0	0	0
Total Liabilities	1,217,411	207,967	0	357,470	0
Fund Balances:					
Reserved:					
Reserved for Encumbrances	535,358	1,170	0	917	8,600
Unreserved, Undesignated, Reported in:					
Capital Projects Funds	366,247	88,659	29,085	(198,437)	589,746
Total Fund Balances	901,605	89,829	29,085	(197,520)	598,346
Total Liabilities and Fund Balances	$ 2,119,016	$ 297,796	$ 29,085	$ 159,950	$ 598,346

CITY OF EUCLID, OHIO
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2008
(CONTINUED)

	Sims Park	Bennington Hamlet	CMP Properties	Harbor Town TIF	Total Nonmajor Capital Projects
Assets					
Equity in Pooled Cash and Cash Equivalents	$ 81,882	$ 113,998	$ 117,970	$ 52,809	$ 2,784,912
Accrued Interest Receivable	0	0	0	0	8,705
Accounts Receivable	0	0	0	0	198,612
Intergovernmental Receivable	0	0	0	0	118,417
Property Taxes Receivable	0	0	0	0	460,206
Total Assets	$ 81,882	$ 113,998	$ 117,970	$ 52,809	$ 3,570,852
Liabilities and Fund Balances					
Liabilities:					
Accounts Payable	$ 0	$ 0	$ 0	$ 0	$ 168,991
Accrued Wages and Benefits	0	0	0	0	1,527
Intergovernmental Payable	0	0	0	0	97,763
Retainage Payable	0	0	0	0	141,784
Interfund Payable	0	0	0	0	888,000
Deferred Revenue	0	0	0	0	484,783
Total Liabilities	0	0	0	0	1,782,848
Fund Balances:					
Reserved:					
Reserved for Encumbrances	0	17,844	30,792	0	594,681
Unreserved, Undesignated, Reported in:					
Capital Projects Funds	81,882	96,154	87,178	52,809	1,193,323
Total Fund Balances	81,882	113,998	117,970	52,809	1,788,004
Total Liabilities and Fund Balances	$ 81,882	$ 113,998	$ 117,970	$ 52,809	$ 3,570,852

CITY OF EUCLID, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	General Permanent Improvement	Recreation Capital	Sidewalk Repair and Replacement	Public Building Construction	Euclid Endowment
Revenues					
Property Taxes	$ 222,808	$ 155,965	$ 0	$ 0	$ 0
Payments in Lieu of Taxes	0	0	0	0	0
Special Assessments	1,553	0	0	0	0
Charges for Services	0	0	0	0	14,095
Intergovernmental	118,915	90,059	0	0	0
Interest	0	0	0	0	15,470
`	343,276	246,024	0	0	29,565
Expenditures					
Current:					
Capital Outlay	4,661,405	382,458	0	198,757	67,685
Debt Service:					
Principal Retirement	248,854	55,420	0	0	0
Issuance Costs	56,679	0	0	0	0
Total Expenditures	4,966,938	437,878	0	198,757	67,685
Excess of Revenues Over(Under) Expenditures	(4,623,662)	(191,854)	0	(198,757)	(38,120)
Other Financing Sources and Uses					
General Obligation Bonds Issued	2,170,000	0	0	0	0
Proceeds of OPWC Loans	1,119,127	0	0	0	0
Premium on Debt Issued	24,179	0	0	0	0
Proceeds from Sale of Capital Assets	53,864	0	0	0	806
Inception of Capital Lease	0	205,758	0	0	0
Total Other Financing Sources and Uses	3,367,170	205,758	0	0	806
Net Change in Fund Balance	(1,256,492)	13,904	0	(198,757)	(37,314)
Fund Balance at Beginning of Year	2,158,097	75,925	29,085	1,237	635,660
Fund Balance (Deficit) at End of Year	$ 901,605	$ 89,829	$ 29,085	$ (197,520)	$ 598,346

CITY OF EUCLID, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008
(CONTINUED)

	Sims Park	Bennington Hamlet	CMP Properties	Harbor Town TIF	Total Nonmajor Capital Projects
Revenues					
Property Taxes	$ 0	$ 0	$ 0	$ 0	$ 378,773
Payments in Lieu of Taxes	0	23,819	24,786	74,559	123,164
Special Assessments	0	0	0	0	1,553
Charges for Services	0	0	0	0	14,095
Intergovernmental	0	0	0	0	208,974
Interest	0	0	0	0	15,470
Total Revenues	0	23,819	24,786	74,559	742,029
Expenditures					
Current:					
Capital Outlay	40,000	0	4,468	21,750	5,376,523
Debt Service:					
Principal Retirement	0	0	0	0	304,274
Issuance Costs	0	0	0	0	56,679
Total Expenditures	40,000		4,468	21,750	5,737,476
Excess of Revenues Over(Under) Expenditures	(40,000)	23,819	20,318	52,809	(4,995,447)
Other Financing Sources and Uses					
General Obligation Bonds Issued	0	0	0	0	2,170,000
Proceeds of OPWC Loans	0	0	0	0	1,119,127
Premium on Debt Issued	0	0	0	0	24,179
Proceeds from Sale of Capital Assets	0	0	0	0	54,670
Inception of Capital Lease	0	0	0	0	205,758
Total Other Financing Sources and Uses	0	0	0	0	3,573,734
Net Change in Fund Balance	(40,000)	23,819	20,318	52,809	(1,421,713)
Fund Balance at Beginning of Year	121,882	90,179	97,652	0	3,209,717
Fund Balance (Deficit) at End of Year	$ 81,882	$ 113,998	$ 117,970	$ 52,809	$ 1,788,004

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's only trust fund is the Unclaimed Monies private purpose trust. 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 - 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, 2008

	Beginning Balance	Additions	Deductions	Ending Balance
Municipal Court				
Assets				
Equity in Pooled Cash and Cash Equivalents	$ 102,432	$ 4,130,290	$ 4,115,724	$ 116,998
Total Assets	$ 102,432	$ 4,130,290	$ 4,115,724	$ 116,998
Liabilities				
Deposits Held and Due to Others	$ 102,432	$ 4,130,290	$ 4,115,724	116,998
Total Liabilities	$ 102,432	$ 4,130,290	$ 4,115,724	$ 116,998
Employee Flex Spending				
Assets				
Equity in Pooled Cash and Cash Equivalents	$ 67,361	$ 229,591	$ 276,091	$ 20,861
Total Assets	$ 67,361	$ 229,591	$ 276,091	$ 20,861
Liabilities				
Deposits Held and Due to Others	$ 67,361	$ 229,591	$ 276,091	$ 20,861
Total Liabilities	$ 67,361	$ 229,591	$ 276,091	$ 20,861
Retirees - Insurance Payments				
Assets				
Equity in Pooled Cash and Cash Equivalents	$ 10,912	$ 21,705	$ 30,733	$ 1,884
Total Assets	$ 10,912	$ 21,705	$ 30,733	$ 1,884
Liabilities				
Deposits Held and Due to Others	$ 10,912	$ 21,705	$ 30,733	1,884
Total Liabilities	$ 10,912	$ 21,705	$ 30,733	$ 1,884
Building Deposits				
Assets				
Equity in Pooled Cash and Cash Equivalents	$ 75,412	$ 17,815	$ 24,529	$ 68,698
Total Assets	$ 75,412	$ 17,815	$ 24,529	$ 68,698
Liabilities				
Accounts Payable	$ 17,579	$ 0	$ 17,579	$ 0
Deposits Held and Due to Others	57,833	17,815	6,950	68,698
Total Liabilities	$ 75,412	$ 17,815	$ 24,529	$ 68,698
Street Opening				
Assets				
Equity in Pooled Cash and Cash Equivalents	$ 35,475	$ 6,000	$ 14,000	$ 27,475
Total Assets	$ 35,475	$ 6,000	$ 14,000	$ 27,475
Liabilities				
Deposits Held and Due to Others	$ 35,475	$ 6,000	$ 14,000	$ 27,475
Total Liabilities	$ 35,475	$ 6,000	$ 14,000	$ 27,475

(Continued)

CITY OF EUCLID, OHIO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008
(CONTINUED)

	Beginning Balance	Additions	Deductions	Ending Balance
Revolving				
Assets				
Equity in Pooled Cash and Cash Equivalents	$ 596,084	$ 29,905,886	$29,983,139	$ 518,831
Accounts Receivable	3,098	318	3,098	318
Total Assets	$ 599,182	$ 29,906,204	$29,986,237	$ 519,149
Liabilities				
Accounts Payable	$ 50,694	$ 0	$ 50,694	$ 0
Intergovernmental Payable	541,434	0	541,434	0
Deposits Held and Due to Others	7,054	29,906,204	29,394,109	519,149
Total Liabilities	$ 599,182	$ 29,906,204	$29,986,237	$ 519,149
Temporary Suspense				
Assets				
Equity in Pooled Cash and Cash Equivalents	$ 0	$ 105,979	$ 95,837	$ 10,142
Total Assets	$ 0	$ 105,979	$ 95,837	$ 10,142
Liabilities				
Deposits Held and Due to Others	$ 0	$ 105,979	$ 95,837	10,142
Total Liabilities	$ 0	$ 105,979	$ 95,837	$ 10,142
TOTALS				
Assets				
Equity in Pooled Cash and Cash Equivalents	$ 887,676	$ 34,417,266	$34,540,053	$ 764,889
Accounts Receivable	3,098	318	3,098	318
Total Assets	$ 890,774	$ 34,417,584	$34,543,151	$ 765,207
Liabilities				
Accounts Payable	$ 68,273	$ 0	$ 68,273	$ 0
Intergovernmental Payable	541,434	0	541,434	0
Deposits Held and Due to Others	281,067	34,417,584	33,933,444	765,207
Total Liabilities	$ 890,774	$ 34,417,584	$34,543,151	$ 765,207

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 BALANCES - BUDGET (NON-GAAP BASIS) AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Property Taxes	$ 1,871,433	$ 1,871,433	$ 1,777,799	$ (93,634)
Income Taxes	24,812,716	24,808,784	24,084,781	(724,003)
Other Local Taxes	15,903	0	0	0
Charges for Services	4,280,935	4,280,257	3,789,771	(490,486)
Licenses and Permits	150,874	150,850	134,552	(16,298)
Fines and Forfeitures	1,694,869	1,694,600	1,848,884	154,284
Intergovernmental	5,262,851	5,277,917	5,639,836	361,919
Interest	950,151	950,000	734,253	(215,747)
Rent	75,512	75,500	56,706	(18,794)
Contributions and Donations	0	0	860	860
Other	622,997	622,900	656,622	33,722
Total Revenues	39,738,241	39,732,241	38,724,064	(1,008,177)
Expenditures				
Current:				
General Government				
Municipal Court				
Personal Services	761,721	761,721	730,080	31,641
Contractual Services	33,427	38,757	35,938	2,819
Materials and Supplies	57,383	66,784	64,766	2,018
Capital Outlay	237	275	0	275
Other	2,544	2,993	2,993	0
Total Municipal Court	855,312	870,530	833,777	36,753
Mayor				
Personal Services	259,342	263,177	262,983	194
Materials and Supplies	4,016	4,098	2,750	1,348
Other	1,000	1,000	166	834
Total Mayor	264,358	268,275	265,899	2,376
Legislative				
Personal Services	163,044	163,044	162,570	474
Materials and Supplies	2,406	3,630	3,382	248
Other	544	820	382	438
Total Legislative	165,994	167,494	166,334	1,160
Finance				
Personal Services	1,021,036	990,497	943,078	47,419
Contractual Services	36,332	41,241	33,672	7,569
Materials and Supplies	76,292	82,007	74,064	7,943
Capital Outlay	8,660	9,271	1,961	7,310
Other	98,431	120,066	99,312	20,754
Total Finance	1,240,751	1,243,082	1,152,087	90,995

(Continued)

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP BASIS) AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008
(CONTINUED)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Law				
Personal Services	485,518	485,518	472,830	12,688
Contractual Services	59,700	69,746	41,173	28,573
Materials and Supplies	15,700	25,700	24,005	1,695
Other	2,550	2,550	2,156	394
Total Law	563,468	583,514	540,164	43,350
Buildings				
Personal Services	1,592,904	1,599,782	1,560,212	39,570
Contractual Services	133,270	150,312	147,940	2,372
Materials and Supplies	481,690	542,192	520,523	21,669
Capital Outlay	321	357	210	147
Other	2,682	2,980	2,716	264
Total Buildings	2,210,867	2,295,623	2,231,601	64,022
Administration				
Personal Services	262,446	255,206	235,646	19,560
Contractual Services	120,082	144,707	134,568	10,139
Materials and Supplies	18,436	20,764	18,734	2,030
Other	451	500	442	58
Total Administration	401,415	421,177	389,390	31,787
Other Departments				
Personal Services	4,249,957	4,396,697	4,358,337	38,360
Contractual Services	349,774	384,418	374,367	10,051
Materials and Supplies	1,627,374	1,697,121	1,659,307	37,814
Other	317,170	332,593	253,383	79,210
Total Other Departments	6,544,275	6,810,829	6,645,394	165,435
Summer Youth				
Personal Services	44	11,244	9,231	2,013
Total Summer Youth	44	11,244	9,231	2,013
Total - General Government	12,246,484	12,671,768	12,233,877	437,891
Security of Persons and Property				
Police				
Personal Services	11,077,916	11,113,338	11,038,356	74,982
Contractual Services	82,203	102,864	102,864	0
Materials and Supplies	173,947	124,275	123,399	876
Capital Outlay	9,849	8,675	8,554	121
Other	31,135	27,423	26,855	568
Total Police	11,375,050	11,376,575	11,300,028	76,547
Fire				
Personal Services	7,908,903	7,911,178	7,751,435	159,743
Contractual Services	7,093	12,782	12,782	0
Materials and Supplies	44,976	47,826	45,302	2,524
Capital Outlay	1,653	3,463	3,463	0
Other	4,927	5,152	5,152	0
Total - Fire	7,967,552	7,980,401	7,818,134	162,267

(Continued)

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP BASIS) AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008
(CONTINUED)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Corrections				
Personal Services	2,008,446	1,985,846	1,903,219	82,627
Contractual Services	86,907	91,334	90,430	904
Materials and Supplies	344,400	361,944	361,117	827
Capital Outlay	6,207	6,523	6,522	1
Other	6,141	6,454	5,989	465
Total Corrections	2,452,101	2,452,101	2,367,277	84,824
Total Security of Persons and Property	21,794,703	21,809,077	21,485,439	323,638
Refuse Collection and Disposal				
Contractual Services	2,404,570	2,688,427	2,676,067	12,360
Other	3,120	3,250	3,250	0
Total Refuse Collection and Disposal	2,407,690	2,691,677	2,679,317	12,360
Public Health				
Health				
Personal Services	39,856	39,856	30,650	9,206
Contractual Services	189,781	189,781	189,781	0
Materials and Supplies	700	700	351	349
Other	48,000	48,000	39,107	8,893
Total Health	278,337	278,337	259,889	18,448
Total Public Health	278,337	278,337	259,889	18,448
Leisure Time Services				
Parks				
Personal Services	548,671	548,911	507,496	41,415
Contractual Services	13,506	24,301	19,197	5,104
Materials and Supplies	15,444	15,649	15,649	0
Other	550	850	547	303
Total Parks	578,171	589,711	542,889	46,822
Total Leisure Time Services	578,171	589,711	542,889	46,822
Community and Economic Development				
Unclaimed Monies				
Other	10,000	10,000	580	9,420
Total Unclaimed Monies	10,000	10,000	580	9,420
Protective Inspection				
Personal Services	833,866	845,916	831,879	14,037
Contractual Services	42,085	56,555	38,296	18,259
Materials and Supplies	15,677	18,323	15,176	3,147
Other	21,338	25,239	13,870	11,369
Total Protective Inspection	912,966	946,033	899,221	46,812

(Continued)

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET (NON-GAAP BASIS) AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008
(CONTINUED)

	Original Budget	Final Budget	Actual	Variance with Final Budget
Community Service and Economic Development				
Personal Services	174,150	174,150	173,328	822
Contractual Services	0	115	115	0
Materials and Supplies	3,195	3,080	1,855	1,225
Total - Community Service and Economic Development	177,345	177,345	175,298	2,047
Economic Opportunity				
Personal Services	431,555	414,582	377,097	37,485
Contractual Services		13,460	11,217	2,243
Materials and Supplies	2,765	20,075	13,411	6,664
Total Economic Opportunity	434,320	448,117	401,725	46,392
Total Community and Economic Development	1,534,631	1,581,495	1,476,824	104,671
Debt Service:				
Principal Retirement	105,000	105,000	105,000	0
Interest and Fiscal Charges	131,633	131,633	110,550	21,083
Total Debt Service	236,633	236,633	215,550	21,083
Total Expenditures	39,076,649	39,858,698	38,893,785	964,913
Excess of Revenues Over (Under) Expenditures	661,592	(126,457)	(169,721)	(43,264)
Other Financing Sources and Uses				
Proceeds from Sale of Capital Assets	0	6,000	521	(5,479)
Transfers Out	(471,000)	(528,000)	(528,000)	0
Total Other Financing Sources and Uses	(471,000)	(522,000)	(527,479)	(5,479)
Net Change in Fund Balance	190,592	(648,457)	(697,200)	(48,743)
Fund Balance at Beginning of Year	3,755,002	3,755,002	3,755,002	0
Prior Year Encumbrances Appropriated	301,803	301,803	301,803	0
Fund Balance (Deficit) at End of Year	$ 4,247,397	$ 3,408,348	$ 3,359,605	$ (48,743)

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, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Property Taxes	$ 3,225,429	$ 3,225,429	$ 2,871,695	$ (353,734)
Special Assessments	107,773	120,000	279,400	159,400
Intergovernmental	291,563	324,642	1,268,703	944,061
Interest	269,432	300,000	204,169	(95,831)
Rent	31,434	35,000	42,000	7,000
Other	2,245	2,500	29,885	27,385
Total Revenues	3,927,876	4,007,571	4,695,852	688,281
Expenditures				
Current:				
General Government				
Personal Services	68,464	68,464	68,326	138
Contractual Services	152,819	152,819	67,589	85,230
Total General Government	221,283	221,283	135,915	85,368
Debt Service:				
Principal Retirement	9,528,000	9,528,000	9,060,000	468,000
Interest and Fiscal Charges	1,409,415	1,409,415	1,382,187	27,228
Bond Issuance Costs	0	219,018	219,018	0
Total Debt Serivce	10,937,415	11,156,433	10,661,205	495,228
Total Expenditures	11,158,698	11,377,716	10,797,120	580,596
Excess of Revenues Over(Under) Expenditures	(7,230,822)	(7,370,145)	(6,101,268)	1,268,877
Other Financing Sources and Uses				
Transfers In	0	0	667,820	667,820
General Obligation Bonds Issued	7,384,000	7,384,000	5,655,000	(1,729,000)
Refunding Bonds Issued	0	2,800,000	2,800,000	0
Premium on Debt Issued	0	0	191,586	191,586
Advances In	0	0	538,000	538,000
Advances Out	0	0	(888,000)	(888,000)
Payment to Refunded Bond Escrow Agent	0	(3,489,389)	(3,489,389)	0
Total Other Financing Sources and Uses	7,384,000	6,694,611	5,475,017	(1,219,594)
Net Change in Fund Balance	153,178	(675,534)	(626,251)	49,283
Fund Balance at Beginning of Year	2,996,363	2,996,363	2,996,363	0
Fund Balance at End of Year	$ 3,149,541	$ 2,320,829	$ 2,370,112	$ 49,283

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL - WASTE WATER TREATMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
Operating Revenues				
Charges for Services	$ 10,732,462	$ 10,762,400	$ 10,348,208	$ (414,192)
Tap-In Fees	19,938	20,000	23,968	3,968
Interest	0	0	84	84
Intergovernmental	122,981	122,281	47,384	(74,897)
Capital Grants and Contributions	0	0	276,000	276,000
Property Taxes	556,974	556,974	655,534	98,560
Other	0	0	21,917	21,917
Total Operating Revenues	11,432,355	11,461,655	11,373,095	(88,560)
Operating Revenues				
Personal Services	4,366,410	4,401,488	4,265,388	136,100
Contractual Services	3,204,539	4,016,247	2,736,271	1,279,976
Materials and Supplies	2,727,374	3,322,269	2,601,280	720,989
Capital Outlay	2,759,075	3,244,118	1,798,547	1,445,571
Other	59,590	69,600	53,677	15,923
Interest and Fiscal Charges	667,575	667,575	664,446	3,129
Principal Retirement	2,155,388	3,467,365	3,461,233	6,132
Bond Issuance Costs	0	33,751	33,751	0
Total Operating Expenses	15,939,951	19,222,413	15,614,593	3,607,820
Operating Income (Loss)	(4,507,596)	(7,760,758)	(4,241,498)	3,519,260
Non-Operating Revenues (Expenses)				
Refunding Bonds Issued	0	1,360,000	1,360,000	0
Proceeds from OPWC Loans	2,354,100	2,325,230	232,155	(2,093,075)
Premium on Debt Issued	0	0	44,227	44,227
Total Non-Operating Revenues (Expenses)	2,354,100	3,685,230	1,636,382	(2,048,848)
Change in Net Assets	(2,153,496)	(4,075,528)	(2,605,116)	1,470,412
Net Assets at Beginning of Year	7,127,096	7,127,096	7,127,096	0
Prior Year Encumbrances Appropriated	545,669	545,669	545,669	0
Net Assets at End of Year	$ 5,519,269	$ 3,597,237	$ 5,067,649	$ 1,470,412

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL - WATER LINE IMPROVEMENT FUND FOR THE YEAR ENDED DECEMBER 31, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
Operating Revenues				
Charges for Services	$ 1,050,000	$ 1,050,000	$ 1,542,163	$ 492,163
Interest	0	0	1,992	1,992
Capital Grants and Contributions	0	28,870	52,307	23,437
Other	0	0	49	49
Total Operating Revenues	1,050,000	1,078,870	1,596,511	517,641
Operating Expenses				
Contractual Services	0	771,596	746,551	25,045
Capital Outlay	0	4,134,413	821,105	3,313,308
Other	0	15,800	0	15,800
Interest and Fiscal Charges	339,057	269,857	269,757	100
Principal Retirement	3,371,380	4,093,774	4,093,774	0
Bond Issuance Costs	0	32,262	32,262	0
Total Operating Expenses	3,710,437	9,317,702	5,963,449	3,354,253
Operating Income (Loss)	(2,660,437)	(8,238,832)	(4,366,938)	3,871,894
Non-Operating Revenues (Expenses)				
Refunding Bonds Issued	0	1,300,000	1,300,000	0
Notes Issued	5,600,000	5,600,000	5,600,000	0
Premium on Debt Issued	0	0	42,276	42,276
Transfers Out	0	(667,820)	(667,820)	0
Total Non-Operating Revenues (Expenses)	5,600,000	6,232,180	6,274,456	42,276
Change in Net Assets	2,939,563	(2,006,652)	1,907,518	3,914,170
Net Assets at Beginning of Year	2,825,102	2,825,102	2,825,102	0
Prior Year Encumbrances Appropriated	144,227	144,227	144,227	0
Net Assets at End of Year	$ 5,908,892	$ 962,677	$ 4,876,847	$ 3,914,170

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL - BRIARDALE GREENS GOLF COURSE FUND FOR THE YEAR ENDED DECEMBER 31, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
Operating Revenues				
Charges for Services	$ 1,056,808	$ 1,058,508	$ 1,035,336	$ (23,172)
Other	0	900	4,005	3,105
Total Operating Revenues	1,056,808	1,059,408	1,039,341	(20,067)
Operating Expenses				
Personal Services	592,623	596,803	589,911	6,892
Contractual Services	60,135	67,844	64,802	3,042
Materials and Supplies	277,178	310,726	301,925	8,801
Claims	1,784	2,000	235	1,765
Capital Outlay	36,277	37,179	37,179	0
Other	70,245	78,134	65,300	12,834
Total Operating Expenses	1,038,242	1,092,686	1,059,352	33,334
Operating Income (Loss)	18,566	(33,278)	(20,011)	13,267
Net Assets at Beginning of Year	202,885	202,885	202,885	0
Prior Year Encumbrances Appropriated	608	608	608	0
Net Assets at End of Year	$ 222,059	$ 170,215	$ 183,482	$ 13,267

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL - STREET CONSTRUCTION, MAINTENANCE, AND REPAIR FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Charges for Services	$ 5,000	$ 5,000	$ 1,104	$ (3,896)
Intergovernmental	1,924,648	1,924,648	1,763,047	(161,601)
Other	184,000	184,000	202,702	18,702
Total Revenues	2,113,648	2,113,648	1,966,853	(146,795)
Expenditures				
Current:				
Transportation				
Street Maintenance and Repair				
Personal Services	1,558,088	1,592,428	1,561,896	30,532
Contractual Services	58,947	73,408	46,099	27,309
Materials and Supplies	494,345	650,011	562,428	87,583
Capital Outlay	73,948	88,984	88,982	2
Other	316	380	262	118
Total Street Maintenance and Repair	2,185,644	2,405,211	2,259,667	145,544
Total Transportation	2,185,644	2,405,211	2,259,667	145,544
Total Expenditures	2,185,644	2,405,211	2,259,667	145,544
Net Change in Fund Balance	(71,996)	(291,563)	(292,814)	(1,251)
Fund Balance at Beginning of Year	349,278	349,278	349,278	0
Prior Year Encumbrances Appropriated	57,767	57,767	57,767	0
Fund Balance (Deficit) at End of Year	$ 335,049	$ 115,482	$ 114,231	$ (1,251)

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, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Intergovernmental	$ 132,458	$ 132,458	$ 121,765	$ (10,693)
Interest	5,000	5,000	2,331	(2,669)
Total Revenues	137,458	137,458	124,096	(13,362)
Expenditures				
Current:				
Transportation				
Personal Services	23,090	23,090	10,691	12,399
Materials and Supplies	312,320	333,320	297,356	35,964
Total Transportation	335,410	356,410	308,047	48,363
Total Expenditures	335,410	356,410	308,047	48,363
Net Change in Fund Balance	(197,952)	(218,952)	(183,951)	35,001
Fund Balance at Beginning of Year	206,682	206,682	206,682	0
Prior Year Encumbrances Appropriated	21,000	21,000	21,000	0
Fund Balance at End of Year	$ 29,730	$ 8,730	$ 43,731	$ 35,001

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL - INDIGENT DRIVERS FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Fines and Forfeitures	$ 5,000	$ 5,000	$ 10,060	$ 5,060
Total Revenues	5,000	5,000	10,060	5,060
Expenditures				
Current:				
Security of Persons and Property				
Judicial				
Contractual Services	38,000	38,000	8,630	29,370
Total Judicial	38,000	38,000	8,630	29,370
Total Security of Persons and Property	38,000	38,000	8,630	29,370
Total Expenditures	38,000	38,000	8,630	29,370
Net Change in Fund Balance	(33,000)	(33,000)	1,430	34,430
Fund Balance at Beginning of Year	85,576	85,576	85,576	0
Fund Balance at End of Year	$ 52,576	$ 52,576	$ 87,006	$ 34,430

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, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Fines and Forfeitures	$ 70,000	$ 70,000	$ 82,393	$ 12,393
Total Revenues	70,000	70,000	82,393	12,393
Expenditures				
Current:				
Security of Persons and Property				
Judicial				
Personal Services	43,415	43,415	43,044	371
Contractual Services	24,000	24,000	13,975	10,025
Materials and Supplies	5,000	5,000	4,841	159
Total Judicial	72,415	72,415	61,860	10,555
Total Security of Persons and Property	72,415	72,415	61,860	10,555
Total Expenditures	72,415	72,415	61,860	10,555
Net Change in Fund Balance	(2,415)	(2,415)	20,533	22,948
Fund Balance at Beginning of Year	108,391	108,391	108,391	0
Fund Balance at End of Year	$ 105,976	$ 105,976	$ 128,924	$ 22,948

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, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Fines and Forfeitures	$ 80,000	$ 80,000	$ 117,420	$ 37,420
Total Revenues	80,000	80,000	117,420	37,420
Expenditures				
Current:				
Security of Persons and Property				
Judicial				
Personal Services	44,012	44,012	41,510	2,502
Contractual Services	1,854	1,854	1,854	0
Materials and Supplies	13,907	13,907	13,633	274
Capital Outlay	1,761	1,761	1,761	0
Other	291	291	291	0
Total Judicial	61,825	61,825	59,049	2,776
Total Security of Persons and Property	61,825	61,825	59,049	2,776
Total Expenditures	61,825	61,825	59,049	2,776
Net Change in Fund Balance	18,175	18,175	58,371	40,196
Fund Balance at Beginning of Year	118,724	118,724	118,724	0
Fund Balance at End of Year	$ 136,899	$ 136,899	$ 177,095	$ 40,196

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, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Charges for Services	$ 28,000	$ 28,000	$ 28,638	$ 638
Rent	36,996	36,996	36,995	(1)
Contributions and Donations	0	0	250	250
Total Revenues	64,996	64,996	65,883	887
Expenditures				
Current:				
Security of Persons and Property				
Animal Control				
Personal Services	102,588	102,588	88,290	14,298
Contractual Services	1,795	1,795	1,223	572
Materials and Supplies	805	805	802	3
Other	6,200	6,200	4,774	1,426
Total Animal Control	111,388	111,388	95,089	16,299
Total Security of Persons and Property	111,388	111,388	95,089	16,299
Total Expenditures	111,388	111,388	95,089	16,299
Excess of Revenues Over (Under) Expenditures	(46,392)	(46,392)	(29,206)	17,186
Other Financing Sources and Uses				
Transfers In	40,000	40,000	40,000	0
Total Other Financing Sources and Uses	40,000	40,000	40,000	0
Net Change in Fund Balance	(6,392)	(6,392)	10,794	17,186
Fund Balance at Beginning of Year	10,980	10,980	10,980	0
Fund Balance at End of Year	$ 4,588	$ 4,588	$ 21,774	$ 17,186

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, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Special Assessments	$ 75,000	$ 75,000	$ 224,968	$ 149,968
Charges for Services	25,075	25,075	115,531	90,456
Total Revenues	100,075	100,075	340,499	240,424
Expenditures				
Current:				
Community and Economic Development				
Nuisance Abatement				
Contractual Services	300,000	336,325	286,816	49,509
Materials and Supplies	6,000	6,000	1,508	4,492
Total Nuisance Abatement	306,000	342,325	288,324	54,001
Total Community and Economic Development	306,000	342,325	288,324	54,001
Total Expenditures	306,000	342,325	288,324	54,001
Net Change in Fund Balance	(205,925)	(242,250)	52,175	294,425
Fund Balance at Beginning of Year	216,779	216,779	216,779	0
Prior Year Encumbrances Appropriated	36,325	36,325	36,325	0
Fund Balance at End of Year	$ 47,179	$ 10,854	$ 305,279	$ 294,425

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, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Charges for Services	$ 1,018	$ 1,000	$ 1,500	$ 500
Contributions and Donations	4,582	4,500	2,320	(2,180)
Other	0	100	40	(60)
Total Revenues	5,600	5,600	3,860	(1,740)
Expenditures				
Current:				
Community and Economic Development				
Community Television				
Personal Services	119,126	119,886	117,995	1,891
Contractual Services	4,700	4,700	0	4,700
Materials and Supplies	2,407	2,407	918	1,489
Capital Outlay	20,000	20,000	8,174	11,826
Other	350	350	0	350
Total Community Television	146,583	147,343	127,087	20,256
Total Community and Economic Development	146,583	147,343	127,087	20,256
Total Expenditures	146,583	147,343	127,087	20,256
Excess of Revenues Over(Under) Expenditures	(140,983)	(141,743)	(123,227)	18,516
Other Financing Sources and Uses				
Transfers In	129,000	129,000	129,000	0
Total Other Financing Sources and Uses	129,000	129,000	129,000	0
Net Change in Fund Balance	(11,983)	(12,743)	5,773	18,516
Fund Balance at Beginning of Year	16,557	16,557	16,557	0
Fund Balance at End of Year	$ 4,574	$ 3,814	$ 22,330	$ 18,516

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, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Property Taxes	$ 362,034	$ 362,034	$ 289,655	$ (72,379)
Charges for Services	581,123	581,123	496,459	(84,664)
Intergovernmental	24,817	24,817	167,240	142,423
Rent	40,000	40,000	20,626	(19,374)
Contributions and Donations	8,000	8,000	4,327	(3,673)
Other	0	0	2,180	2,180
Total Revenues	1,015,974	1,015,974	980,487	(35,487)
Expenditures				
Current:				
Leisure Time Services				
Recreation Operating				
Personal Services	741,296	742,546	714,123	28,423
Contractual Services	52,502	56,195	55,766	429
Materials and Supplies	392,919	419,002	406,922	12,080
Other	36,150	38,338	32,517	5,821
Total Recreation Operating	1,222,867	1,256,081	1,209,328	46,753
Total Leisure Time Services	1,222,867	1,256,081	1,209,328	46,753
Total Expenditures	1,222,867	1,256,081	1,209,328	46,753
Excess of Revenues Over(Under) Expenditures	(206,893)	(240,107)	(228,841)	11,266
Other Financing Sources and Uses				
Transfers In	170,000	192,000	192,000	0
Total Other Financing Sources and Uses	170,000	192,000	192,000	0
Net Change in Fund Balance	(36,893)	(48,107)	(36,841)	11,266
Fund Balance at Beginning of Year	55,582	55,582	55,582	0
Prior Year Encumbrances Appropriated	2,814	2,814	2,814	0
Fund Balance at End of Year	$ 21,503	$ 10,289	$ 21,555	$ 11,266

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, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Intergovernmental	$ 1,665,008	$ 1,665,008	$ 1,244,705	$ (420,303)
Interest	0	0	37	37
Total Revenues	1,665,008	1,665,008	1,244,742	(420,266)
Expenditures				
Current:				
Community and Economic Development				
Community Development Block Grant				
Personal Services	780,832	801,653	751,559	50,094
Contractual Services	169,001	199,213	100,536	98,677
Materials and Supplies	115,879	115,304	97,484	17,820
Capital Outlay	398,945	409,550	284,460	125,090
Other	200,352	195,634	9,406	186,228
Total Community Development Block Grant	1,665,009	1,721,354	1,243,445	477,909
Total Community and Economic Development	1,665,009	1,721,354	1,243,445	477,909
Total Expenditures	1,665,009	1,721,354	1,243,445	477,909
Net Change in Fund Balance	(1)	(56,346)	1,297	57,643
Fund Balance (Deficit) at Beginning of Year	(56,550)	(56,550)	(56,550)	0
Prior Year Encumbrances Appropriated	56,346	56,346	56,346	0
Fund Balance (Deficit) at End of Year	$ (205)	$ (56,550)	$ 1,093	$ 57,643

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, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
Total Revenues	$ 0	$ 0	$ 0	$ 0
Expenditures				
Current:				
General Government				
Litter				
Materials and Supplies	11	11	0	11
Total Litter	11	11	0	11
Total General Government	11	11	0	11
Total Expenditures	11	11	0	11
Net Change in Fund Balance	(11)	(11)	0	11
Fund Balance at Beginning of Year	11	11	11	0
Fund Balance at End of Year	$ 0	$ 0	$ 11	$ 11

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, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Fines and Forfeitures	$ 0	$ 0	$ 14,150	$ 14,150
Intergovernmental	50,000	50,000	74,873	24,873
Interest	4,500	4,500	4,567	67
Total Revenues	54,500	54,500	93,590	39,090
Expenditures				
Current:				
Security of Persons and Property				
Police				
Contractual Services	5,000	11,519	11,519	0
Materials and Supplies	31,888	33,742	1,018	32,724
Capital Outlay	82,000	78,351	42,518	35,833
Total Police	118,888	123,612	55,055	68,557
Total Security of Persons and Property	118,888	123,612	55,055	68,557
Total Expenditures	118,888	123,612	55,055	68,557
Net Change in Fund Balance	(64,388)	(69,112)	38,535	107,647
Fund Balance at Beginning of Year	164,576	164,576	164,576	0
Prior Year Encumbrances Appropriated	4,724	4,724	4,724	0
Fund Balance at End of Year	$ 104,912	$ 100,188	$ 207,835	$ 107,647

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, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Intergovernmental	$ 450,895	$ 506,585	$ 427,770	$ (78,815)
Contributions and Donations	28,114	31,586	27,901	(3,685)
Total Revenues	479,009	538,171	455,671	(82,500)
Expenditures				
Current:				
General Government				
Other Grants				
Personal Services	231,603	234,802	160,130	74,672
Contractual Services	134,893	185,053	120,012	65,041
Materials and Supplies	14,839	25,453	17,310	8,143
Capital Outlay	125,629	150,907	142,748	8,159
Other	2,768	3,325	2,675	650
Total Other Grants	509,732	599,540	442,875	156,665
Total General Government	509,732	599,540	442,875	156,665
Total Expenditures	509,732	599,540	442,875	156,665
Net Change in Fund Balance	(30,723)	(61,369)	12,796	74,165
Fund Balance at Beginning of Year	46,606	46,606	46,606	0
Prior Year Encumbrances Appropriated	30,646	30,646	30,646	0
Fund Balance at End of Year	$ 46,529	$ 15,883	$ 90,048	$ 74,165

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL - SHORE CORPORATION
FOR THE YEAR ENDED DECEMBER 31, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Rent	$ 240,000	$ 240,000	$ 211,921	$ (28,079)
Total Revenues	240,000	240,000	211,921	(28,079)
Expenditures				
Current:				
Leisure Time Services				
Shore Cultural Centre				
Personal Services	213,100	205,100	180,870	24,230
Contractual Services	29,695	40,299	37,768	2,531
Materials and Supplies	115,624	156,915	146,121	10,794
Other	3,095	4,200	3,743	457
Total Shore Cultural Centre	361,514	406,514	368,502	38,012
Total Leisure Time Services	361,514	406,514	368,502	38,012
Total Expenditures	361,514	406,514	368,502	38,012
Excess of Revenues Over (Under) Expenditures	(121,514)	(166,514)	(156,581)	9,933
Other Financing Sources and Uses				
Transfers In	122,000	167,000	167,000	0
Total Other Financing Sources and Uses	122,000	167,000	167,000	0
Net Change in Fund Balance	486	486	10,419	9,933
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	$ 486	$ 486	$ 10,419	$ 9,933

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, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Property Taxes	$ 278,487	$ 278,487	$ 222,808	$ (55,679)
Special Assessments	75,291	2,000	1,553	(447)
Intergovernmental	1,900,807	50,492	128,651	78,159
Interest	150,583	4,000	3,807	(193)
Other	338,811	9,000	8,303	(697)
Total Revenues	2,743,979	343,979	365,122	21,143
Expenditures				
Current:				
Capital Outlay				
Contractual Services	1,081,286	1,196,039	609,501	586,538
Materials and Supplies	15,748	811,223	811,223	0
Capital Outlay	5,093,107	5,281,328	4,183,818	1,097,510
Other	20,000	20,000	18,700	1,300
Total Capital Outlay	6,210,141	7,308,590	5,623,242	1,685,348
Debt Service:				
Issuance Costs				
Bond Issuance Costs	0	56,679	56,679	0
Total Issuance Costs	0	56,679	56,679	0
Total Expenditures	6,210,141	7,365,269	5,679,921	1,685,348
Excess of Revenues Over (Under) Expenditures	(3,466,162)	(7,021,290)	(5,314,799)	1,706,491
Other Financing Sources and Uses				
General Obligation Bonds Issued	0	2,400,000	2,170,000	(230,000)
Proceeds of OPWC Loans	2,487,200	2,487,200	826,675	(1,660,525)
Premium on Debt Issued	0	0	24,179	24,179
Proceeds from Sale of Capital Assets	20,000	20,000	53,864	33,864
Advances In	0	0	538,000	538,000
Advances Out	0	0	(538,000)	(538,000)
Total Other Financing Sources and Uses	2,507,200	4,907,200	3,074,718	(1,832,482)
Net Change in Fund Balance	(958,962)	(2,114,090)	(2,240,081)	(125,991)
Fund Balance at Beginning of Year	2,019,513	2,019,513	2,019,513	0
Prior Year Encumbrances Appropriated	1,098,450	1,098,450	1,098,450	0
Fund Balance (Deficit) at End of Year	$ 2,159,001	$ 1,003,873	$ 877,882	$ (125,991)

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, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Property Taxes	$ 194,942	$ 194,942	$ 155,965	$ (38,977)
Intergovernmental	25,000	43,044	90,059	47,015
Total Revenues	219,942	237,986	246,024	8,038
Expenditures				
Current:				
Capital Outlay				
Personal Services	63,186	70,874	69,424	1,450
Contractual Services	133,262	131,170	116,321	14,849
Materials and Supplies	7,924	7,800	6,411	1,389
Capital Outlay	76,910	75,703	39,289	36,414
Total Capital Outlay	281,282	285,547	231,445	54,102
Total Expenditures	281,282	285,547	231,445	54,102
Net Change in Fund Balance	(61,340)	(47,561)	14,579	62,140
Fund Balance at Beginning of Year	79,530	79,530	79,530	0
Fund Balance at End of Year	$ 18,190	$ 31,969	$ 94,109	$ 62,140

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL - SIDEWALK REPAIR FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
Total Revenues	$ 0	$ 0	$ 0	$ 0
Expenditures				
Current:				
Capital Outlay				
Contractual Services	$ 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	$ 24,072	$ 24,072	$ 29,085	$ 5,013

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, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Interest	$ 1	$ 1,000	$ 0	$ (1,000)
Total Revenues	1	1,000	0	(1,000)
Expenditures				
Current:				
Capital Outlay				
Contractual Services	0	43,000	9,275	33,725
Capital Outlay	1,237	308,237	190,399	117,838
Total Capital Outlay	1,237	351,237	199,674	151,563
Total Expenditures	1,237	351,237	199,674	151,563
Excess of Revenues Over(Under) Expenditures	(1,236)	(350,237)	(199,674)	150,563
Other Financing Sources and Uses				
Advances In	0	350,000	350,000	0
Total Other Financing Sources and Uses	0	350,000	350,000	0
Net Change in Fund Balance	(1,236)	(237)	150,326	150,563
Fund Balance at Beginning of Year	1,237	1,237	1,237	0
Fund Balance at End of Year	$ 1	$ 1,000	$ 151,563	$ 150,563

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, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Charges for Services	$ 0	$ 0	$ 14,095	$ 14,095
Interest	0	0	15,470	15,470
Other	17,000	17,000	0	(17,000)
Total Revenues	17,000	17,000	29,565	12,565
Expenditures				
Current:				
Capital Outlay				
Contractual Services	37,992	46,592	46,111	481
Materials and Supplies	71,808	71,808	40,816	30,992
Capital Outlay	15,000	15,000	0	15,000
Other	11,272	11,272	11,272	0
Total Capital Outlay	136,072	144,672	98,199	46,473
Total Expenditures	136,072	144,672	98,199	46,473
Excess of Revenues Over(Under) Expenditures	(119,072)	(127,672)	(68,634)	59,038
Other Financing Sources and Uses				
Proceeds from Sale of Capital Assets	0	0	806	806
Total Other Financing Sources and Uses	0	0	806	806
Net Change in Fund Balance	(119,072)	(127,672)	(67,828)	59,844
Fund Balance at Beginning of Year	648,974	648,974	648,974	0
Prior Year Encumbrances Appropriated	8,600	8,600	8,600	0
Fund Balance at End of Year	$ 538,502	$ 529,902	$ 589,746	$ 59,844

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, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
Total Revenues	$ 0	$ 0	$ 0	$ 0
Expenditures				
Current:				
Capital Outlay				
Contractual Services	15,000	15,000	0	15,000
Capital Outlay	40,000	40,000	40,000	0
Total Capital Outlay	55,000	55,000	40,000	15,000
Total Expenditures	55,000	55,000	40,000	15,000
Net Change in Fund Balance	(55,000)	(55,000)	(40,000)	15,000
Fund Balance at Beginning of Year	121,882	121,882	121,882	0
Fund Balance at End of Year	$ 66,882	$ 66,882	$ 81,882	$ 15,000

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, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Payments in Lieu of Taxes	$ 20,000	$ 20,000	$ 23,819	$ 3,819
Total Revenues	20,000	20,000	23,819	3,819
Expenditures				
Current:				
Capital Outlay				
Contractual Services	80,000	105,251	17,843	87,408
Total Capital Outlay	80,000	105,251	17,843	87,408
Total Expenditures	80,000	105,251	17,843	87,408
Net Change in Fund Balance	(60,000)	(85,251)	5,976	91,227
Fund Balance at Beginning of Year	64,928	64,928	64,928	0
Prior Year Encumbrances Appropriated	25,251	25,251	25,251	0
Fund Balance at End of Year	$ 30,179	$ 4,928	$ 96,155	$ 91,227

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, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Payments in Lieu of Taxes	$ 32,000	$ 32,000	$ 24,786	$ (7,214)
Total Revenues	32,000	32,000	24,786	(7,214)
Expenditures				
Current:				
Capital				
Contractual Services	95,000	126,246	35,260	90,986
Total Capital Outlay	95,000	126,246	35,260	90,986
Total Expenditures	95,000	126,246	35,260	90,986
Net Change in Fund Balance	(63,000)	(94,246)	(10,474)	83,772
Fund Balance at Beginning of Year	66,406	66,406	66,406	0
Prior Year Encumbrances Appropriated	31,246	31,246	31,246	0
Fund Balance at End of Year	$ 34,652	$ 3,406	$ 87,178	$ 83,772

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, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Payments in Lieu of Taxes	$ 5,000	$ 42,000	$ 74,559	$ 32,559
Total Revenues	5,000	42,000	74,559	32,559
Expenditures				
Current:				
Capital Outlay				
Contractual Services	0	37,000	21,750	15,250
Total Capital Outlay	0	37,000	21,750	15,250
Total Expenditures	0	37,000	21,750	15,250
Net Change in Fund Balance	5,000	5,000	52,809	47,809
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance (Deficit) at End of Year	$ 5,000	$ 5,000	$ 52,809	$ 47,809

CITY OF EUCLID, OHIO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL - SELF-INSURANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Charges for Services	$ 150,000	$ 150,000	$ 150,000	$ 0
Interest	0	1,800	4,052	2,252
Other	1,800	1,800	0	(1,800)
Total Revenues	151,800	153,600	154,052	452
Expenses				
Personal Services	31,620	32,120	31,727	393
Contractual Services	150,000	150,000	93,949	56,051
Materials and Supplies	1,100	1,100	354	746
Claims	130,000	130,000	90,132	39,868
Total Expenses	312,720	313,220	216,162	97,058
Change in Net Assets	(160,920)	(159,620)	(62,110)	97,510
Net Assets at Beginning of Year	199,066	199,066	199,066	0
Net Assets at End of Year	$ 38,146	$ 39,446	$ 136,956	$ 97,510

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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.

Contents **Page**

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. S2-S8

Revenue Capacity

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. S9-S14

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. S15-S20

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place. S21-S22

Operating Information

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. S23-S28

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 SIX YEARS
(Accrual Basis of Accounting)

	2008	2007	2006	2005 Restated	2004	2003
Governmental Activities						
Invested in Capital Assets, Net of Related Debt	$ 39,956,632	$ 41,151,610	$ 12,190,259	$ 13,335,911	$ 9,441,514	$ 16,919,428
Restricted:						
Capital Outlay	1,853,833	3,322,255	2,882,741	891,816	3,896,532	0
Debt Service	5,160,270	5,769,963	5,166,780	4,617,366	8,899,900	2,764,898
Other Purposes	1,164,905	1,908,168	1,970,792	2,223,784	1,597,871	1,253,520
Unrestricted	5,636,227	4,075,405	6,065,273	2,959,733	2,339,507	6,910,033
Total Governmental Activities Net Assets	$ 53,771,867	$ 56,227,401	$ 28,275,845	$ 24,028,610	$ 26,175,324	$ 27,847,879
Business Type - Activities						
Invested in Capital Assets, Net of Related Debt	$ 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	1,200,000	0
Unrestricted	13,829,216	11,908,239	13,304,043	8,390,986	4,378,060	6,786,523
Total Business-Type Activities Net Assets	$ 43,044,021	$ 41,890,357	$ 42,275,765	$ 37,598,185	$ 35,373,236	$ 35,432,836
Primary Government						
Invested in Capital Assets, Net of Related Debt	$ 69,171,437	$ 71,133,728	$ 41,161,981	$ 42,543,110	$ 39,236,690	$ 45,565,741
Restricted	8,179,008	11,000,386	10,020,313	7,732,966	15,594,303	4,018,418
Unrestricted	19,465,443	19,369,316	19,369,316	11,350,719	6,717,567	13,696,556
Total Primary Government Net Assets	$ 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 SIX YEARS
(Accrual Basis of Accounting)

	2008	2007	2006	2005 Restated	2004	2003
Program Revenues						
Governmental Activities:						
Charges for Services:						
General Government	$ 564,303	$ 1,031,766	$ 1,019,146	$ 1,630,952	$ 2,101,899	$ 2,074,682
Security of Persons and Property	4,073,600	4,999,375	4,975,827	2,897,560	2,150,294	2,645,843
Public Health and Welfare	83,793	91,602	92,922	33,424	85,666	85,730
Leisure Time Services	730,006	883,285	796,916	615,674	755,333	660,437
Community and Economic Development	1,554,640	542,492	236,343	532,403	323,664	268,828
Refuse Collection and Disposal	0	0	0	231,521	942,743	1,083,386
Transportation	39,637	207,307	88,588	191,361	459,799	444,152
Subtotal - Charges for Services	7,045,979	7,755,827	7,209,742	6,132,895	6,819,398	7,263,058
Operating Grants and Contributions:						
General Government	0	498,055	428,589	243,965	0	0
Security of Persons and Property	487,231	18,906	139,422	1,400	91,319	123,014
Leisure Time Services	4,327	5,947	43,084	36,744	0	0
Community and Economic Development	1,247,025	889,458	1,123,011	1,116,634	87,740	379,087
Transportation	1,861,667	1,935,960	1,835,670	1,927,988	0	0
Subtotal - Operating Grants and Contributions	3,600,250	3,348,326	3,569,776	3,326,731	179,059	502,101
Capital Grants and Contributions:						
General Government	279,401	0	18,690	31,219	0	0
Community Development	0	0	0	0	1,320,553	1,435,493
Leisure Time Activities	0	0	11,170	19,767	0	90,146
Subtotal - Capital Grants and Contributions	279,401	0	29,860	50,986	1,320,553	1,525,639
Total Governmental Activities Program Revenues	10,925,630	11,104,153	10,809,378	9,510,612	8,319,010	9,290,798
Business-Type Activities						
Charges for Services:						
Briardale Greens Golf Course	1,035,336	1,019,279	987,636	795,003	786,232	780,200
Waste Water Treatment	10,887,935	10,876,879	11,498,677	9,396,074	9,730,420	12,383,945
Water Line Improvement	1,623,543	1,671,736	1,605,235	840,218	0	0
Operating Grants and Contributions:						
Wastewater Treatment	52,675	39,479	814,589	0	0	0
Capital Grants and Contributions						
Briardale Golf Course	0	0	121,449	0	0	250,488
Wastewater Treatment	276,000	0	0	0	0	0
Waterline Improvement	65,348	0	0	0	0	0
Total Business-Type Activities Program Revenues	13,940,837	13,607,373	15,027,586	11,031,295	10,516,652	13,414,633
Total Primary Government Program Revenues	$ 24,866,467	$ 24,711,526	$ 25,836,964	$ 20,541,907	$ 18,835,662	$ 22,705,431

(Continued)

CITY OF EUCLID, OHIO
CHANGES IN NET ASSETS
LAST SIX YEARS
(Accrual Basis of Accounting)
(CONTINUED)

	2008	2007	2006	2005 Restated	2004	2003
Expenses						
Governmental Activities:						
General Government	$ 12,894,864	$ 14,000,128	$ 12,352,031	$ 11,114,592	$ 11,965,470	$ 12,180,369
Security of Persons and Property:	23,445,910	22,884,517	21,466,024	21,544,601	21,147,901	19,842,460
Refuse Collection and Disposal	2,506,683	2,219,004	2,013,501	1,777,289	1,912,089	1,848,221
Public Health and Welfare	260,044	277,425	257,280	256,582	234,887	287,591
Leisure Time Services	2,423,707	1,706,870	2,109,410	1,924,054	4,077,885	1,914,797
Community and Economic Development	3,201,584	2,955,795	3,173,312	2,619,435	478,828	965,181
Transportation	6,343,637	7,396,063	2,695,350	4,446,355	1,489,045	1,432,019
Interest and Fiscal Charges	1,505,395	1,553,302	1,546,588	1,566,775	2,069,348	1,913,236
Total Governmental Activities Expenses	52,581,824	52,993,104	45,613,496	45,249,683	43,375,453	40,383,874
Business-Type Activities						
Briardale Golf Course	988,166	1,059,840	996,359	1,206,580	770,115	716,146
Wastewater Treatment	11,061,437	10,109,869	9,438,610	10,732,693	10,313,927	12,131,189
Water Line Improvement	792,165	765,993	915,675	557,637	0	0
Total Business-Type Activities Expenses	12,841,768	11,935,702	11,350,644	12,496,910	11,084,042	12,847,335
Total Primary Government Program Expenses	65,423,592	64,928,806	56,964,140	57,746,593	54,459,495	53,231,209
Net (Expense)/Revenue						
Governmental Actvities	(41,656,194)	(41,888,951)	(34,804,118)	(35,739,071)	(35,056,443)	(31,093,076)
Business-Type Activities	1,099,069	1,671,671	3,676,942	(1,465,615)	(567,390)	567,298
Total Primary Government Net Expense	(40,557,125)	(40,217,280)	(31,127,176)	(37,204,686)	(35,623,833)	(30,525,778)

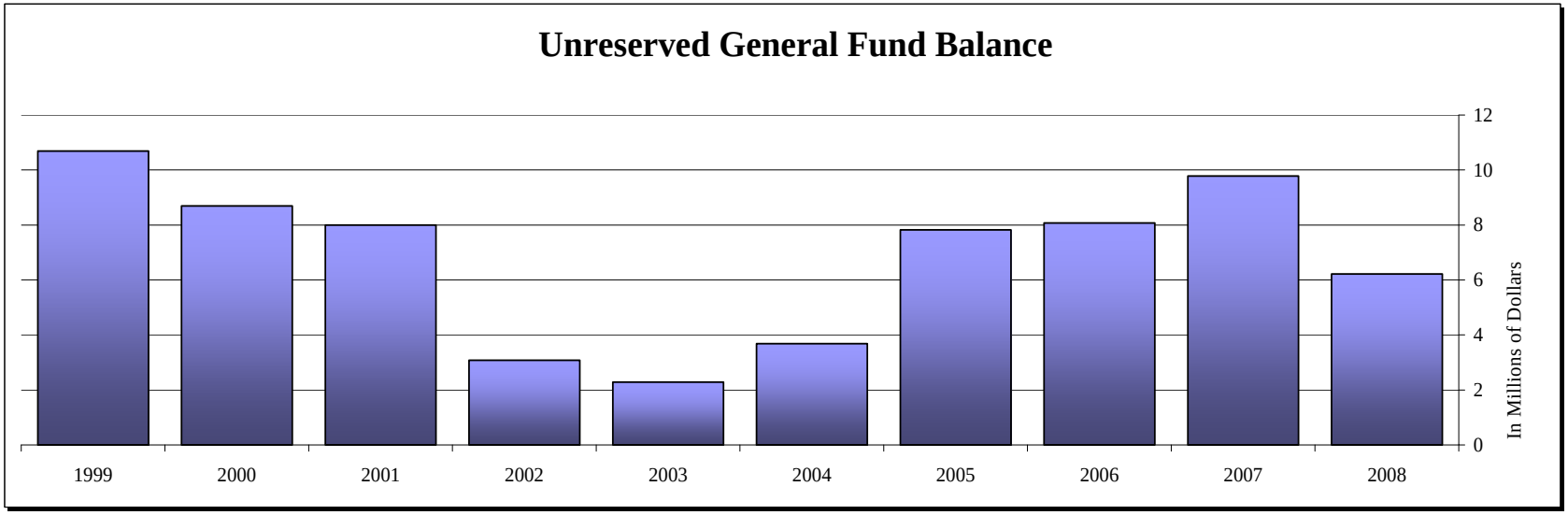
(Continued)

CITY OF EUCLID, OHIO
CHANGES IN NET ASSETS
LAST SIX YEARS
(Accrual Basis of Accounting)
(CONTINUED)

	2008	2007	2006	2005 Restated	2004	2003
General Revenues and Other Changes in Net Assets						
Governmental Activities						
Property Taxes Levied For:						
General Purposes	$ 1,724,279	$ 2,107,973	$ 2,580,406	$ 1,942,869	$ 3,676,438	$ 3,868,351
Other Purposes	415,742	407,031	480,690	378,408	2,729,486	2,543,752
Debt Service	2,789,707	2,792,175	3,677,364	2,657,665	3,318,558	3,102,471
Capital Outlay	228,792	532,381	652,705	492,729	0	0
Municipal Income Taxes levied for:						
General Purposes	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	6,460,923	5,647,600	3,846,566	5,745,954	3,208,030	3,540,576
Payments in Lieu of Taxes	123,164	72,269	68,730	59,293	0	0
Investment Income	921,534	1,303,442	1,163,865	663,536	398,378	257,951
Gain/Loss on Sale of Capital Assets	0	176,305	0	0	0	(48,192)
Miscellaneous	1,743,907	18,771	66,875	10,827	53,367	0
Transfers	667,820	286,456	286,456	(625,806)	286,456	286,456
Total Governmental Activites	39,200,660	37,631,052	39,051,353	33,330,312	33,883,888	31,863,327
Business-Type Activities						
Property Taxes Levied For:						
Other Purposes	639,606	626,240	767,977	670,778	609,316	776,352
Grants and Entitlements not Restricted to Specific Programs	0	0	0	614,188	183,912	0
Investment Income	56,180	63,583	48,163	351	1,018	987
Miscellaneous	26,629	294	0	0	0	0
Transfers	(667,820)	(286,456)	(286,456)	625,806	(286,456)	(286,456)
Total Business-Type Activities	54,595	403,661	529,684	1,911,123	507,790	490,883
Total Primary Government General Revenues and Other Changes in Net Assets	39,255,255	38,034,713	39,581,037	35,241,435	34,391,678	32,354,210
Change in Net Assets						
Governmental Activities	(2,455,534)	(4,257,899)	4,247,235	(2,408,759)	(1,172,555)	770,251
Business-Type Activities	1,153,664	2,075,332	4,206,626	445,508	(59,600)	1,058,181
Total Primary Government Change in Net Assets	$ (1,301,870)	$ (2,182,567)	$ 8,453,861	$ (1,963,251)	$ (1,232,155)	$ 1,828,432

CITY OF EUCLID, OHIO
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS
(Modified Accrual Basis of Accounting)

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
General Fund										
Reserved	$ 1,529,833	$ 97,896	$ 99,257	$ 37,934	$ 3,837,679	$ 1,909,424	$ 2,021,963	$ 2,227,337	$ 2,253,161	$ 2,287,392
Unreserved	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	10,691,840
Total General Fund	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	12,979,232
All Other Governmental Funds										
Reserved	728,790	1,257,678	346,199	522,175	5,739,842	3,206,235	904,389	1,675,870	2,150,041	379,574
Unreserved, Undesignated, Reported in:										
Special Revenue funds	1,425,191	1,787,192	1,684,898	1,520,080	1,180,356	982,576	(365,426)	(51,760)	(1,391,338)	1,204,612
Debt Service funds	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	4,563,786
Capital Projects funds	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)	(891,038)
Total All Other Governmental Funds	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	5,256,934
Total Governmental Funds	$ 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	$ 18,236,166

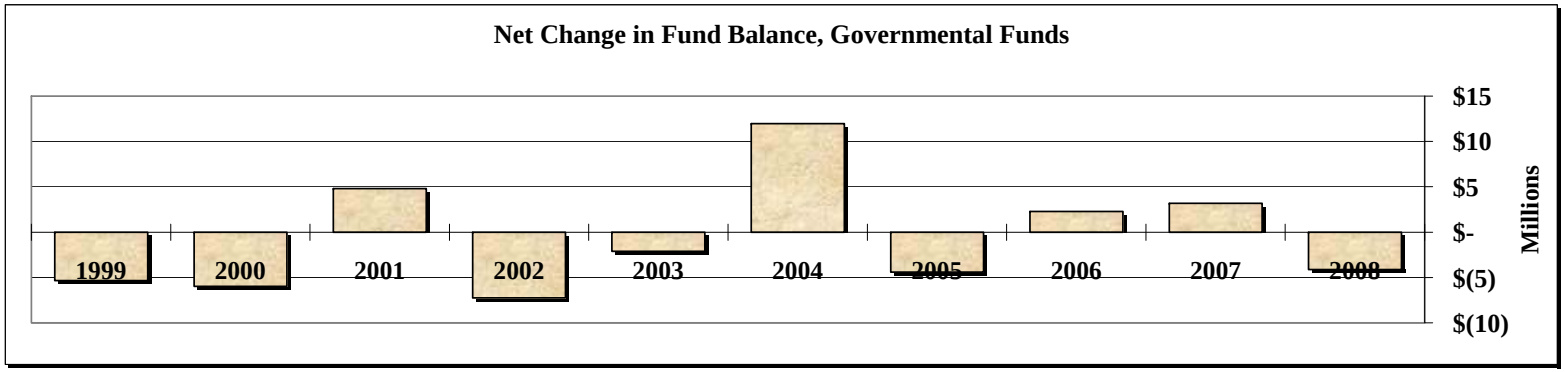


CITY OF EUCLID, OHIO
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS
(Modified Accrual Basis of Accounting)

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Revenues										
Property and Other Taxes	$ 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	23,949,387	25,508,186	23,084,613	23,029,224	0	0	0	0	0	0
Charges for Services	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	119,297	131,568	45,638	241,899	572,019	436,977	305,921	303,514	259,928	240,531
Fines and Forfeitures	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	123,164	72,269	68,730	59,293	0	0	0	0	0	0
Intergovernmental	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	505,921	84,684	190,634	88,111	270,469	232,264	287,221	258,963	342,700	276,387
Rentals	378,566	438,302	370,186	329,315	300,078	277,330	268,929	1,058,189	280,874	220,947
Contributions and Donations	35,658	27,517	144,696	35,280	0	0	0	0	0	0
Interest	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	891,394	18,771	66,875	10,827	186,241	248,911	74,088	251,664	222,102	100,550
Total Revenues	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	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	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
Police										
Fire										
Public Health and Welfare	260,044	277,809	257,651	257,846	235,365	287,592	445,574	482,245	716,270	409,636
Leisure Time Services	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	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	2,506,683	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	2,596,559	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	5,376,523	3,579,883	2,780,690	3,227,405	0	0	0	0	0	0
Debt Service:										
Principal Retirement	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	1,492,737	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	275,697	0	0	0	0	0	0	0	0	0
Total Expenditures	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	(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 OF GOVERNMENTAL FUNDS
LAST TEN YEARS
(Modified Accrual Basis of Accounting)
(Continued)

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Other Financing Sources (Uses)										
Sale of Capital Assets	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	1,715,000
General Obligation Bonds Issued	10,625,000	0	0	0	13,097,000	0	0	11,495,000	0	0
Premium on Debt Issued	215,765	40,280	0	0	0	0	0	0	0	0
OPWC Loan	1,119,127	434,981	98,000	0	0	0	447,179	0	407,526	1,420,569
Notes Issued	0	6,846,000	3,816,000	100,000	5,981,000	0	0	0	0	0
Inception of Capital Lease	205,758	0	0	1,077,689	1,583,897	15,780	824,509	149,179	301,201	0
Transfers In	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	(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	(3,489,389)	0	0	0	0	0	0	0	0	0
Total Other Financing Sources (Uses)	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	$ (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	19.68%	15.38%	9.79%	20.63%	18.47%	11.41%	9.06%	9.65%	8.91%	8.43%



CITY OF EUCLID, OHIO
EUCLID CITY SCHOOL DISTRICT
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER $1,000 OF ASSESSED VALUATION)
LAST TEN YEARS

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
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	6.5566	6.5540	6.5523	6.8792	6.8787	6.8790	7.1638	7.1631	7.1618	7.4763
Commerical/Industrial and Public Utility Effective Rate	10.3296	10.3634	10.3668	10.3549	9.9554	9.7881	9.9331	9.9603	9.9731	10.5918
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	46.1446	39.1132	39.0934	43.0313	37.5124	35.0153	37.9854	37.5787	37.6672	40.7154
Commerical/Industrial and Public Utility Effective Rate	66.1743	59.4467	59.4747	59.3941	51.2261	47.5742	48.8727	48.6599	48.8477	53.2070
General Business and Public Utility Personal Property	85.2000	78.2000	78.2000	78.2000	72.8000	70.3000	70.6000	70.2000	70.3000	70.4000
Cuyahoga County										
Residential/Agricultural Effective Rate	12.6607	11.8688	11.8655	11.7227	10.9754	10.9899	9.7642	9.7718	9.7846	11.4113
Commerical/Industrial and Public Utility Effective Rate	12.8153	12.4535	12.4941	12.5881	11.9846	12.0433	10.1235	10.0506	9.9918	12.3735
General Business and Public Utility Personal Property	13.3200	13.4200	13.4200	13.5200	13.5200	13.5200	11.7200	11.7200	11.7200	13.7500
Special Taxing Districts (1)										
Residential/Agricultural Effective Rate	7.2832	7.2794	7.2761	7.7965	6.3793	5.7037	6.2552	5.1689	5.1747	3.0912
Commerical/Industrial and Public Utility Effective Rate	7.8711	7.8782	7.8962	8.0597	6.7804	6.2102	6.3523	5.5500	5.5322	3.3039
General Business and Public Utility Personal Property	8.2800	8.2800	8.2800	8.2800	7.2800	6.9800	6.9800	6.9800	6.9800	3.3500

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 VALUE AND ESTIMATED ACTUAL VALUES OF TAXABLE PROPERTY
LAST TEN YEARS

	Real Property			Tangible Personal Property Public Utility	
	Assessed Value				
Collection Year	Residential/ Agricultural	Commercial Industrial/PU	Estimated Actual Value	Assessed Value	Estimated Actual Value
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
1999	$ 459,091,630	$ 184,734,180	$ 1,839,502,314	$ 36,010,170	$ 40,920,648

Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

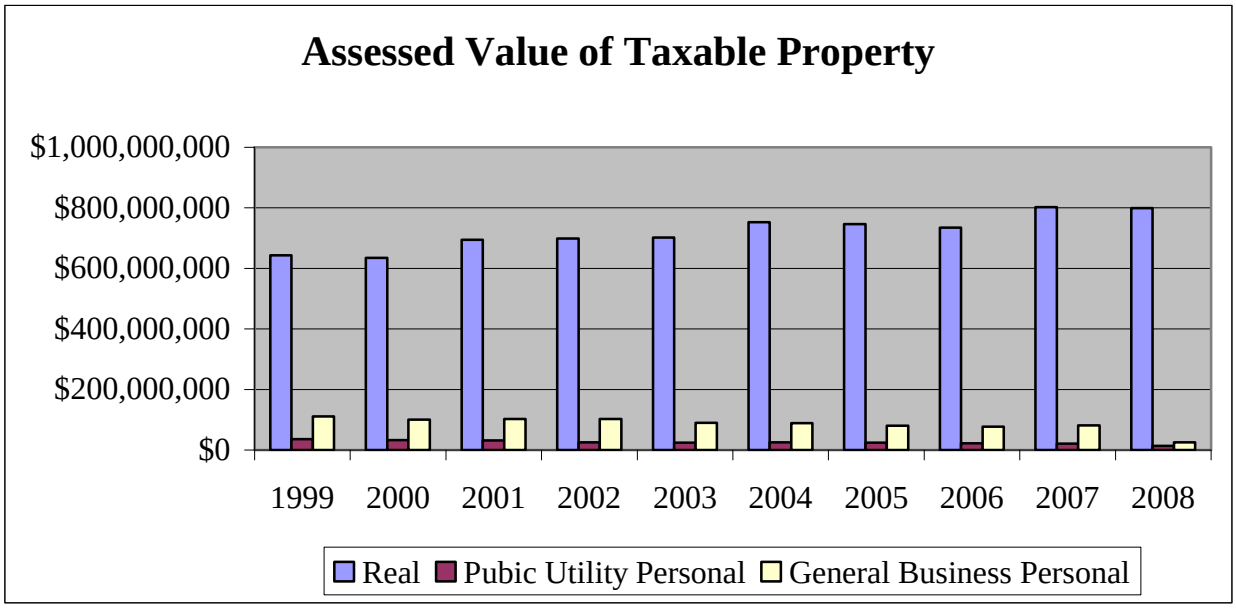
The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General 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 VALUE AND ESTIMATED ACTUAL VALUES OF TAXABLE PROPERTY
LAST TEN YEARS
(CONTINUED)

	Tangible Personal Property					
	General Business		Total			
Collection Year	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio	Weighted Average Tax Rate
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
1999	$ 110,781,356	$ 443,125,424	$ 790,617,336	$ 2,323,548,386	34.03%	9.7126



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
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%
1999	$ 5,990,963	$ 5,340,761	89.15	$ 177,714	$ 5,518,475	92.11	$ 396,693	6.62%

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
2008 AND 1999

	2008	
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Lincoln Electric Co	$ 13,361,130	1.67 %
Niederst Indian Hills, LLC	11,822,510	1.48 %
Cleve Electric Illum Co	11,445,700	1.43 %
Northpointe Towers LTD	6,685,000	0.84 %
Harbor Crest LTD.	5,510,970	0.69 %
Willo Arms Euclid LLC	5,023,630	0.63 %
Horizon House LTD	3,638,640	0.46 %
Depot Land Co LTD	3,255,770	0.41 %
AE Portfolio, LLC	2,975,000	0.37 %
Normandy Towers East I & E	2,664,210	0.33 %
Total	$ 66,382,560	8.31 %
Total Assessed Valuation	$ 799,035,130	

	1999	
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Cleve Electric Illum Co	$ 16,743,610	2.60 %
Ohio Bell Telephone	12,658,930	1.97 %
Lincoln Electric Co	8,662,120	1.35 %
Indian Hills Senior	8,263,500	1.28 %
Aerc-Wataergatae, Inc.	6,975,150	1.08 %
Argo Tech	5,939,990	0.92 %
Harbor Crest LTD	5,285,000	0.82 %
East Ohio Gas Co	5,136,600	0.80 %
Troy CMBS Property, LLC	4,504,610	0.70 %
Reliance Electric & Eng Co	4,258,460	0.66 %
Total	$ 78,427,970	12.18 %
Total Assessed Valuation	$ 643,825,810	

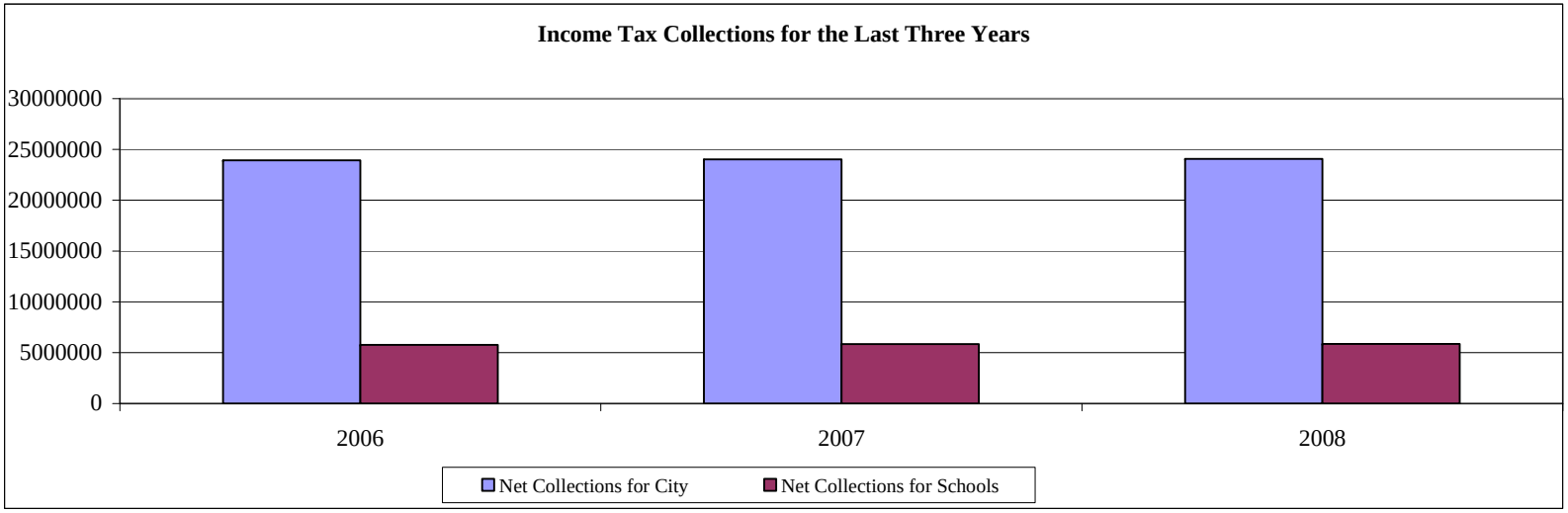
Source: County Auditor

(1) The amounts presented represent the assessed values upon which 2008 and 1999 collections were based.

CITY OF EUCLID, OHIO
INCOME TAX REVENUE BASE AND COLLECTIONS
LAST THREE YEARS

Year	Tax Rate	Individual	Net Profit	Payroll Withholding	Penalty and Interest	Miscellaneous Revenue	Gross Collections	Refunds and Adjustments	Net Collections	Net Collections for the City	Net Collections for the School District
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

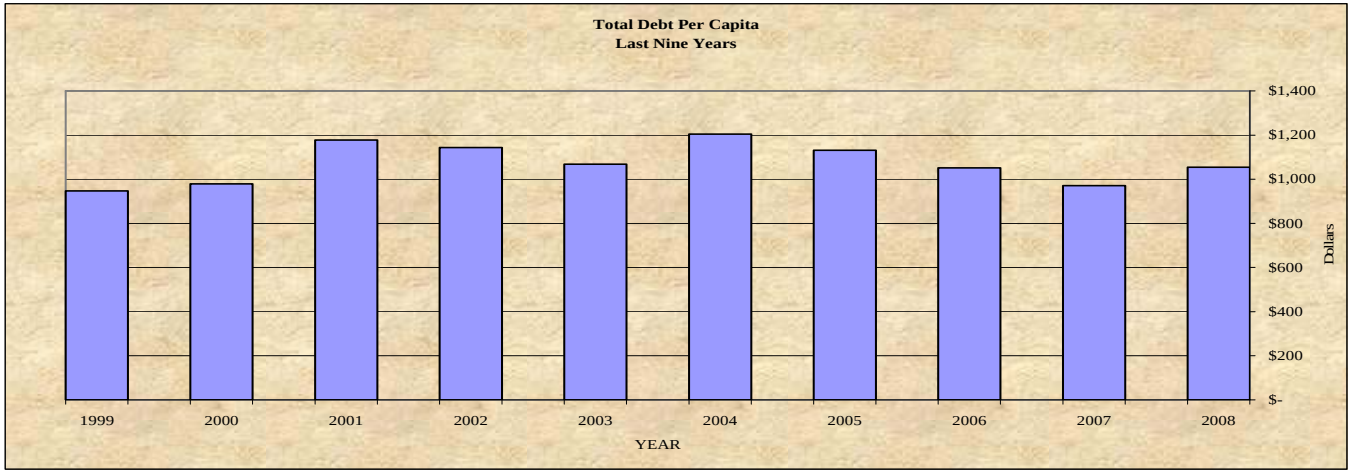
Note:
1. The information provided was determined on a cash basis.
2. As the function of collections and administration of the income tax was transferred from the Centrral Collection Agency in November 2005, only the years from 2006 forward are presented.
3. The City is prohibited by statute from presenting information regarding individual taxpayers.



CITY OF EUCLID, OHIO
RATIOS OF OUTSTANDING DEBT TO TOTAL PERSONAL INCOME AND DEBT PER CAPITA
LAST TEN YEARS

	Governmental Activities					Business-Type Activities						
Year	General Obligation Bonds (1)	Special Assessment Bonds	OPWC Loans	Capital Leases	Development Revenue Bonds	General Obligation Bonds (1)	Capital Leases	OWDA Loans	OPWC Loans	Total Debt	Percentage of Personal Income	Per Capita
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
1999	$ 24,255,000	$ 1,715,000	$ 1,420,569	$ 189,340	$ 1,945,000	$ 2,080,000	$ 26,468	$ 20,303,427	$ 26,468	$ 51,961,272	6.57%	$ 947

(1) Amounts include assoicated 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
2008	52,717	b	$ 837,916,020	$35,316,523	4.21 %	$ 670
2007	52,717	b	$ 904,734,233	$29,554,050	3.27 %	$ 561
2006	52,717	b	$ 833,249,133	$31,906,848	3.83 %	$ 605
2005	52,717	b	$ 850,325,160	$34,429,648	4.05 %	$ 653
2004	52,717	b	$ 865,435,613	$36,975,000	4.27 %	$ 701
2003	52,717	b	$ 816,485,001	$29,205,000	3.58 %	$ 554
2002	52,717	b	$ 826,000,544	$31,555,000	3.82 %	$ 599
2001	52,717	b	$ 828,468,557	$33,810,000	4.08 %	$ 641
2000	52,717	b	$ 768,218,306	$24,280,000	3.16 %	$ 461
1999	54,875	a	$ 790,617,336	$26,335,000	3.33 %	$ 480

Sources:

(1) U. S. Bureau of Census, Census of Population.
(a) 1990 Federal Census
(b) 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 NINE YEARS

	2008	2007	2006	2005	2004
Total Assessed Property Value	$ 837,916,020	$ 904,734,233	$ 833,249,133	$ 850,325,160	$ 865,435,613
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	87,981,182	94,997,094	87,491,159	89,284,142	90,870,739
Debt Outstanding:					
General Obligation Bonds	$ 28,160,000	$ 23,029,000	$ 25,073,000	$ 27,302,000	$ 34,057,000
General Obligation Bonds - Enterprise	6,870,000	6,536,000	6,852,000	7,153,000	2,918,000
Special Assessment Bonds	1,160,000	1,235,000	1,305,000	1,375,000	1,440,000
Notes	0	6,846,000	3,816,000	100,000	5,981,000
Notes - Enterprise	5,600,000	3,000,000	3,000,000	1,000,000	1,200,000
OPWC Loans	1,652,108	532,981	98,000	0	2,393,316
OPWC Loans - Enterprise	6,079,837	6,352,551	6,515,556	6,069,001	4,080,513
OWDA Loans	8,620,444	10,328,970	11,915,515	13,389,914	14,765,846
Industrial Development Revenue Bonds	1,235,000	1,340,000	1,440,000	1,530,000	1,615,000
Total Gross Indebtedness	59,377,389	59,200,502	60,015,071	57,918,915	68,450,675
Less:					
General Obligation Bonds - Enterprise	(6,870,000)	(6,536,000)	(6,852,000)	(7,153,000)	(2,918,000)
Special Assessment Bonds	(1,160,000)	(1,235,000)	(1,305,000)	(1,375,000)	0
Notes	0	(6,846,000)	(3,816,000)	(100,000)	(5,981,000)
Notes - Enterprise	(5,600,000)	(3,000,000)	(3,000,000)	(1,000,000)	(1,200,000)
OPWC Loans	(1,652,108)	(532,981)	(98,000)	0	(2,393,316)
OPWC Loans - Enterprise	(6,079,837)	(6,352,551)	(6,515,556)	(6,069,001)	(4,080,513)
OWDA Loans	(8,620,444)	(10,328,970)	(11,915,515)	(13,389,914)	(14,765,846)
Industrial Development Revenue Bonds	(1,235,000)	(1,340,000)	(1,440,000)	(1,530,000)	0
General Obligation Bond Retirement Fund Balance	(3,596,149)	(3,775,688)	(2,947,437)	(3,056,034)	(3,008,900)
Total Net Debt Applicable to Debt Limit	24,563,851	19,253,312	22,125,563	24,245,966	34,103,100
Legal Debt Margin Within 10 ½ % Limitations	$ 63,417,331	$ 75,743,782	$ 65,365,596	$ 65,038,176	$ 56,767,639
Legal Debt Margin as a Percentage of the Debt Limit	72.08%	79.73%	74.71%	72.84%	62.47%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	$ 46,085,381	$ 49,760,383	$ 45,828,702	$ 46,767,884	$ 47,598,959
Total Gross Indebtedness	$ 59,377,389	$ 59,200,502	$ 60,015,071	$ 57,918,915	$ 68,450,675
Less:					
General Obligation Bonds - Enterprise	(6,870,000)	(6,536,000)	(6,852,000)	(7,153,000)	(2,918,000)
Special Assessment Bonds	(1,160,000)	(1,235,000)	(1,305,000)	(1,375,000)	0
Notes	0	(6,846,000)	(3,816,000)	(100,000)	(5,981,000)
Notes - Enterprise	(5,600,000)	(3,000,000)	(3,000,000)	(1,000,000)	(1,200,000)
OPWC Loans	(1,652,108)	(532,981)	(98,000)	0	(2,393,316)
OPWC Loans - Enterprise	(6,079,837)	(6,352,551)	(6,515,556)	(6,069,001)	(4,080,513)
OWDA Loans	(8,620,444)	(10,328,970)	(11,915,515)	(13,389,914)	(14,765,846)
Industrial Development Revenue Bonds	(1,235,000)	(1,340,000)	(1,440,000)	(1,530,000)	0
General Obligation Bond Retirement Fund Balance	(3,596,149)	(3,775,688)	(2,947,437)	(3,056,034)	(3,008,900)
Net Debt Within 5 ½ % Limitations	24,563,851	19,253,312	22,125,563	24,245,966	34,103,100
Unvoted Legal Debt Margin Within 5 ½ % Limitations	$ 21,521,530	$ 30,507,071	$ 23,703,139	$ 22,521,918	$ 13,495,859
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	46.70%	61.31%	51.72%	48.16%	28.35%

Source: City Financial Records

CITY OF EUCLID, OHIO
LEGAL DEBT MARGIN
LAST NINE YEARS
(CONTINUED)

	2003	2002	2001	2000
Total Assessed Property Value	$ 816,485,001	$ 826,000,544	$ 828,468,557	$ 768,218,306
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	85,730,925	86,730,057	86,989,198	80,662,922
Debt Outstanding:				
General Obligation Bonds	$ 27,440,000	$ 29,710,000	$ 31,880,000	$ 25,835,000
General Obligation Bonds - Enterprise	1,765,000	1,845,000	1,930,000	2,005,000
Special Assessment Bonds	1,500,000	1,560,000	1,615,000	0
Notes	0	0	0	10,025,000
Notes - Enterprise	0	0	0	0
OPWC Loans	2,534,696	2,606,540	2,256,993	1,952,635
OPWC Loans - Enterprise	4,288,338	4,296,009	3,986,226	2,154,420
OWDA Loans	16,042,064	17,226,034	18,333,990	19,367,447
Industrial Development Revenue Bonds	1,695,000	1,765,000	1,830,000	0
Total Gross Indebtedness	55,265,098	59,008,583	61,832,209	61,339,502
Less:				
General Obligation Bonds - Enterprise	(1,765,000)	(1,845,000)	(1,930,000)	(2,005,000)
Special Assessment Bonds	0	0	0	0
Notes	0	0	0	0
Notes - Enterprise	0	0	0	0
OPWC Loans	(2,534,696)	(2,606,540)	(2,256,993)	(1,952,635)
OPWC Loans - Enterprise	(4,288,338)	(4,296,009)	(3,986,226)	(2,154,420)
OWDA Loans	(16,042,064)	(17,226,034)	(18,333,990)	(19,367,447)
Industrial Development Revenue Bonds	0	0	0	0
General Obligation Bond Retirement Fund Balance	(2,764,898)	(3,024,670)	(3,533,956)	(4,755,832)
Total Net Debt Applicable to Debt Limit	27,870,102	30,010,330	31,791,044	31,104,168
Legal Debt Margin Within 10 ½ % Limitations	$ 57,860,823	$ 56,719,727	$ 55,198,154	$ 49,558,754
Legal Debt Margin as a Percentage of the Debt Limit	67.49%	65.40%	63.45%	61.44%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	$ 44,906,675	$ 45,430,030	$ 45,565,771	$ 42,252,007
Total Gross Indebtedness	$ 55,265,098	59,008,583	61,832,209	61,339,502
Less:				
General Obligation Bonds - Enterprise	(1,765,000)	(1,845,000)	(1,930,000)	(2,005,000)
Special Assessment Bonds	0	0	0	0
Notes	0	0	0	0
Notes - Enterprise	0	0	0	0
OPWC Loans	(2,534,696)	(2,606,540)	(2,256,993)	(1,952,635)
OPWC Loans - Enterprise	(4,288,338)	(4,296,009)	(3,986,226)	(2,154,420)
OWDA Loans	(16,042,064)	(17,226,034)	(18,333,990)	(19,367,447)
Industrial Development Revenue Bonds	0	0	0	0
General Obligation Bond Retirement Fund Balance	(2,764,898)	(3,024,670)	(3,533,956)	(4,755,832)
Net Debt Within 5 ½ % Limitations	27,870,102	30,010,330	31,791,044	31,104,168
Unvoted Legal Debt Margin Within 5 ½ % Limitations	$ 17,036,573	$ 15,419,700	$ 13,774,727	$ 11,147,839
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	37.94%	33.94%	30.23%	26.38%

CITY OF EUCLID, OHIO
COMPUTATION OF DIRECT AND OVERLAPPING
GOVERNMENTAL ACTIVITIES DEBT
DECEMBER 31, 2008

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
Direct - City of			
General Obligation Bonds	$ 25,043,297	100.00%	$ 25,043,297
Special Assessment Bonds	1,305,000	100.00%	1,305,000
OPWC Loans	98,000	100.00%	98,000
Capital Leases	1,736,675	100.00%	1,736,675
Police Pension	1,440,000	100.00%	1,440,000
General Obligation Notes	3,816,000	100.00%	3,816,000
Total Direct Debt	33,438,972		33,438,972
Overlapping			
Euclid City School District			
General Obligation Bonds	12,767,954	100.00%	12,767,954
County			
General Obligation Bonds	248,899,326	2.66%	6,615,997
Regional			
Transit Authority	172,765,000	2.66%	4,592,269
Total Overlapping Debt	434,432,280		23,976,220
Total	$ 467,871,252		$ 57,415,192

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		
				Principal	Interest	Total
2008	$ 109,336	$ 0	$ 109,336	$ 105,000	$ 110,550	$ 215,550
2007	$ 109,335	$ 0	$ 109,335	$ 100,000	$ 118,800	$ 218,800
2006	$ 109,336	$ 0	$ 109,336	$ 90,000	$ 126,225	$ 216,225
2005	$ 109,336	$ 0	$ 109,336	$ 85,000	$ 133,238	$ 218,238
2004	$ 109,336	$ 0	$ 109,336	$ 80,000	$ 139,838	$ 219,838
2003	$ 109,336	$ 0	$ 109,336	$ 70,000	$ 145,613	$ 215,613
2002	$ 109,336	$ 0	$ 109,336	$ 65,000	$ 150,975	$ 215,975
2001	$ 109,336	$ 0	$ 109,336	$ 60,000	$ 155,925	$ 215,925
2000	$ 40,000	$ 0	$ 40,000	$ 55,000	$ 160,463	$ 215,463
1999	$ 40,000	$ 0	$ 40,000	$ 55,000	$ 165,000	$ 220,000
1998	$ 40,000	$ 0	$ 40,000	$ 50,000	$ 169,125	$ 219,125

(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
CURRENT YEAR (1)

2008		
Employer	Number of W-2 Issued	Percentage of Total City Employment
Lincoln Electric	2,663	10.86%
Cleveland Clinic	1,454	5.93%
Euclid Board of Education	1,417	5.78%
City of Euclid	712	2.90%
Cuyahoga County	595	2.43%
University Hospitals Health System	521	2.12%
Argo Tech Corp.	448	1.83%
HC Starck Inc.	339	1.38%
Hose Masters	321	1.31%
Nuclear Operations Division	224	0.91%
Total	8,694	35.45%
Total Estimated Employment within the City	24,525	

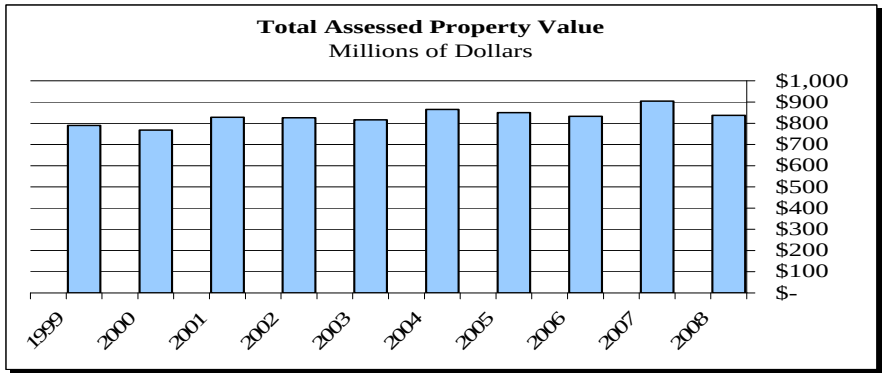
Source: City Income Tax Department

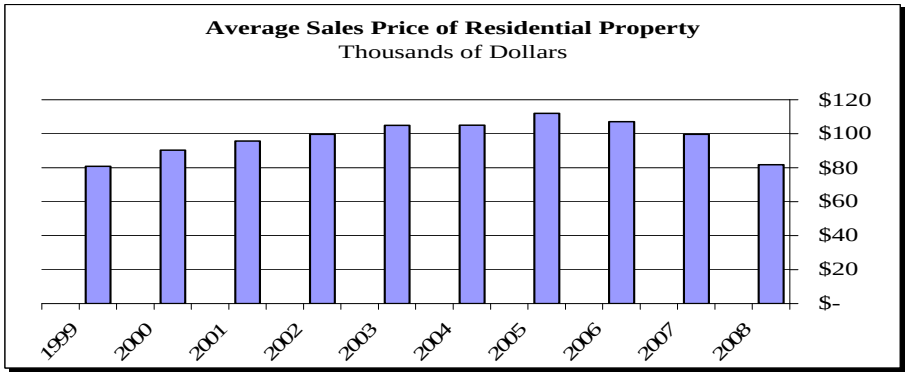
(1) Information prior to 2006 is not available

CITY OF EUCLID, OHIO
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)	Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Cuyahoga County Unemployment Rate (3)	Average Sales Price of Residential Property (4)	Total Assessed Property Value (4)
2008	52,717	$ 1,036,627,088	$ 19,664	$ 35,151	38.9	19.6%	6,117	7.1%	$ 81,777	$ 837,916,020
2007	52,717	$ 1,036,627,088	$ 19,664	$ 35,151	38.9	19.6%	6,833	6.3%	$ 99,664	$ 904,734,233
2006	52,717	$ 1,036,627,088	$ 19,664	$ 35,151	38.9	19.6%	6,466	5.7%	$ 107,011	$ 833,249,133
2005	52,717	$ 1,036,627,088	$ 19,664	$ 35,151	38.9	19.6%	6,572	6.0%	$ 111,934	$ 850,325,160
2004	52,717	$ 1,036,627,088	$ 19,664	$ 35,151	38.9	19.6%	6,503	6.7%	$ 105,056	$ 865,435,613
2003	52,717	$ 1,036,627,088	$ 19,664	$ 35,151	38.9	19.6%	6,420	6.5%	$ 104,931	$ 816,485,001
2002	52,717	$ 1,036,627,088	$ 19,664	$ 35,151	38.9	19.6%	6,140	4.7%	$ 99,723	$ 826,000,544
2001	52,717	$ 1,036,627,088	$ 19,664	$ 35,151	38.9	19.6%	6,179	3.7%	$ 95,643	$ 828,468,557
2000	52,717	$ 1,036,627,088	$ 19,664	$ 35,151	38.9	19.6%	6,125	3.4%	$ 90,300	$ 768,218,306
1999	54,875	$ 791,297,500	$ 14,420	$ 30,056	35.0	17.3%	5,995	3.4%	$ 80,900	$ 790,617,336

(1) Source: U. S. Census
(a) Years 2000 through 2006 - 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 SEVEN YEARS (1)

Function/Program	2008	2007	2006	2005	2004	2003	2002
General Government							
Council	11	11	11	11	11	11	11
Finance	16	15	13	13	13	17	20
Tax	10	10	7	7	0	0	0
Mayor	24	24	24	24	25	26	29
Law	9	9	10	8	8	7	10
Municipal Court	26	26	23	27	26	26	26
Public Service Administration	6	6	6	6	6	6	8
Engineer	3	3	3	3	3	3	4
Public Building	10	10	9	10	10	11	12
Security of Persons and Property							
Police	99	95	95	95	95	95	98
Police - Administration	9	7	7	7	7	8	15
Police - Records Room	6	6	6	5	5	6	7
Police - School Guards	10	10	10	10	10	13	12
Police - Communications	17	16	15	14	16	18	19
Police - Corrections	38	38	36	32	38	40	36
Police - Animal Control	3	2	2	2	3	4	6
Fire	82	82	80	77	78	82	83
Leisure Time Activities							
Recreation - Administration	5	4	4	4	4	4	5
Parks & Rec Maintenance	15	14	17	16	16	22	26
Recreation - Programs	75	75	75	75	88	119	129
Shore Cultural Center	4	4	4	4	4	5	5
Golf Course	34	34	34	33	31	32	34
Community Development							
Economic Development	8	7	6	5	7	7	8
Building	4	4	3	2	2	3	6
Housing	13	11	10	10	7	10	11
Weatherization	6	6	6	7	6	7	7
Senior Programs	23	21	20	21	22	25	29
Transportation							
Motor Maintenance	12	12	12	12	12	14	14
Traffic Maintenance	4	4	4	4	4	4	5
Street M&R	27	25	23	23	24	26	37
Basic Utility Services							
Wastewater	43	43	44	44	42	44	44
Totals:	652	634	619	611	623	695	756

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 SEVEN YEARS (1)

Function/Program	2008	2007	2006	2005	2004	2003	2002
General Government							
Council and Clerk							
Number of Ordinances & Resolutions Passed	250	258	220	202	229	246	242
Finance Department							
Number of checks/ vouchers issued	6,966	6,839	6,292	5,258	5,459	5,455	6,210
Amount of checks written	$ 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)	$ 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	Aa3	Aa3	Aa3
Health Insurance Costs vs General Fund Expenditures %	8.96%	8.81%	9.19%	9.04%	9.04%	9.19%	7.98%
General Fund Receipts (cash basis)	$ 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)	$ 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	$ 3,625,687	$ 4,027,711	$ 3,042,669	$ 1,909,884	$ 1,098,740	$ 647,842	$ 2,202,957
Income Tax Department							
Number of Individual Returns	32,180	28,916	34,128	n/a	n/a	n/a	n/a
Number of Business Returns	2,928	2,638	2,853	n/a	n/a	n/a	n/a
Number of Business Withholding Accounts	3,050	3,117	3,131	n/a	n/a	n/a	n/a
Amount of Penalties and Interest Collected	$ 658,185	$ 562,411	$ 533,448	n/a	n/a	n/a	n/a
Annual number of Corporate withholding forms processed	18,434	18,448	17,992	n/a	n/a	n/a	n/a
Annual number of balance due statements forms processed	7,779	6,914	7,033	n/a	n/a	n/a	n/a
Annual number of estimated payment forms processed	15,916	15,512	20,167	n/a	n/a	n/a	n/a
Annual number of reconciliations of withholdings processed	2,230	1,643	2,325	n/a	n/a	n/a	n/a
Municipal Court							
Number of Civil Cases	4,937	4,670	4,041	3,246	2,723	2,639	2,234
Number of Traffic/Criminal cases	8,718	7,573	6,398	5,908	7,801	8,363	7,942
Vital Statistics							
Certificates Filed							
Number of Births	1	2	2	4	0	4	na
Number of Deaths	491	406	440	512	529	553	na
Certificates Issued							
Number of Births	1,855	2,401	2,458	2,518	2,469	2,713	na
Number of Deaths	2,128	2,080	2,218	2,684	2,769	2,889	na
Burial Permits Issued	601	579	456	478	550	na	na
Civil Service							
Number of police entry tests administered	0	0	1	1	(a)	(a)	(a)
Number of fire entry tests administered	0	1	(a)	1	(a)	(a)	1
Number of police promotional tests administered	0	4	1	(a)	(a)	(a)	(a)
Number of fire promotional tests administered	3	0	4	(a)	1	(a)	2
Number of hires of Police Officers from certified lists	0	3	2	6	(a)	(a)	(a)
Number of hires of Fire/Medics from certified lists	0	5	(a)	12	(a)	(a)	0
Number of promotions from police certified lists	0	4	1	(a)	(a)	(a)	(a)
Number of promotions from fire certified lists	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 SEVEN YEARS (1)
(CONTINUED)

Function/Program	2008	2007	2006	2005	2004	2003	2002
General Government (Continued)							
Building Department Indicators							
Estimated Value of Construction	$ 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	2,430	2,194	2,294	2,291	2,713	2,138	2,100
Amount of Revenue generated from permits	$ 221,555	$ 268,817	$ 218,779	$ 203,544	$ 239,570	$ 174,801	$ 192,670
Number of contractor registrations issued	919	910	808	785	930	990	915
Housing Department Indicators							
Total dwelling / housing units	26,235	26,265	26,284	26,284	26,304	26,276	26,280
Number of point of sale inspections	1,218	1,153	1,288	1,229	1,161	1,227	1,068
Number of rental inspections performed	10,435	9,482	9,761	9,017	7,636	7,542	7,778
Revenue generated from Housing Fees	$ 876,234	$ 732,683	$ 720,042	$ 579,290	$ 562,178	$ 576,939	$ 555,516
Security of Persons & Property							
Police							
Total Crimes/Offenses	17,187	19,789	21,446	16,677	18,320	20,321	20,456
Motor Vehicle Accidents	1,315	1,428	1,456	1,516	1,488	1,696	1,667
Fatalities from Motor Vehicle Accidents	3	3	1	2	4	2	4
Number of criminal arrests	3,201	2,942	2,883	2,566	2,986	2,823	2,375
Number of traffic citations issued	12,023	10,094	8,498	7,719	10,001	10,545	9,702
Number of parking citations issued	5,133	6,311	3,980	3,997	5,430	5,802	6,513
Narcotics & Vice Criminal Charges	2,524	2,277	2,710	2,252	1,969	1,543	972
Warrants Processed	3,351	4,247	3,335	3,465	4,280	3,723	3,605
Emergency Response Team (ERT) calls for service	25	14	6	10	6	15	12
Police Dept. Auxiliary hours worked	2,330.00	2,818.75	2,976.50	3,068.50	3,216.00	2,589.45	2,233.50
Grant Awards	$ 296,910	$ 238,261	$ 296,860	$ 265,784	$ 103,627	$ 128,090	$ 371,521
Prisoners (Total Jail Days)	30,364	29,591	29,339	25,416	25,991	23,437	23,514
Prisoner revenue	$ 678,661	$ 997,818	$ 519,437	$ 666,896	$ 467,210	$ 546,320	$ 555,704
Juvenile Diversion Program - referred	165	557	363	347	159	184	106
Juvenile Diversion Program - accepted	82	456	324	181	115	175	98
Fire							
EMS Calls	5,575	5,466	5,544	5,452	5,397	5,217	4,993
Ambulance Billing Collections (net)	$ 1,178,278	$ 1,175,599	$ 1,174,427	$ 1,124,218	$ 979,105	$ 925,934	$ 815,156
Fire Calls	1,403	1,259	1,236	1,165	1,086	1,068	1,148
Fire Losses	$ 1,585,500	$ 1,119,925	$ 917,200	$ 1,219,400	$ 1,867,400	$ 883,325	$ 3,162,325
Fire Safety Company Inspections	1,355	1,433	1,664	2,273	3,142	3,084	3,059
Fire Prevention Bureau Inspections	2,614	2,841	2,616	2,763	2,920	2,671	2,838
EMS Training (Man Hours)	1334.50	1996.75	1917.75	1071.50	1919.75	1247.25	1501.50
Fire Training (Man Hours)	8591.00	7028.00	6939.75	6784.00	8742.25	8351.50	7960.00
Public Health and Welfare							
Cemetery burials	1	0	0	3	5	3	7
Cemetery cremations	4	0	1	1	1	5	0
Cemetery sale of lots	0	0	0	0	0	0	0
Cemetery receipts	$ 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 SEVEN YEARS (1)
(CONTINUED)

Function/Program	2008	2007	2006	2005	2004	2003	2002
Leisure Time Activities							
Recreation							
Swimming pool receipts	$ 98,716	$ 102,644	$ 98,214	$ 100,703	$ 96,681	$ 119,347	$ 149,727
Ice Arena receipts	$ 178,106	$ 173,572	$ 174,213	$ 134,925	$ 183,108	$ 180,999	$ 179,539
Youth & Adult Sports receipts	$ 210,318	$ 222,765	$ 231,549	$ 232,096	$ 225,916	$ 257,347	$ 259,317
Shore Cultural Facility rentals	$ 211,921	$ 229,676	$ 195,479	$ 178,188	$ 194,067	$ 187,464	$ 213,103
Golf							
Rounds of Golf	40,486	44,636	44,742	46,776	50,003	48,679	51,316
Golf/Pro-shop receipts	$ 679,953	$ 658,739	$ 673,323	$ 624,760	$ 674,592	$ 668,676	$ 679,600
Food & Beverage receipts	$ 359,389	$ 326,050	$ 305,959	$ 153,072	$ 111,636	$ 111,525	$ 113,906
Community Development							
Grant amounts received due to Economic Development Dept.	$ 1,244,705	$ 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	513	509	501	554	552	556	556
Motor Maintenance - Repair Orders	2,332	2,437	3,031	2,994	3,271	3,852	4,211
Traffic Maintenance - No. of responses to EPD Signals/Signs	239	271	248	265	236	287	292
Snow & Ice Removal - Salt (tons)	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)	$ 354,225	$ 313,080	$ 152,509	$ 329,886	$ 236,840	$ 262,568	$ 140,160
Street Repair Maintenance - Cold Patch (tons)	577.00	477.43	425.55	382.11	352.46	402.06	227.09
Street Repair Maintenance - Cold Patch (cost)	$ 43,432	$ 24,349	$ 21,704	$ 16,813	$ 15,508	$ 18,093	$ 10,219
Street Repair Maintenance - Hot Mix (tons)	657.00	1,036.73	1,072.37	781.30	762.05	793.00	1,075.46
Street Repair Maintenance - Hot Mix (cost)	$ 29,550	$ 31,450	$ 31,163	$ 18,907	$ 18,402	$ 21,470	$ 29,018
Street Repair Maintenance - Emulsion/Crack Sealer (gallons)	1,815	2,442	2,637	1,428	1,714	1,886	1,146
Street Repair Maintenance - Emulsion/Crack Sealer (cost)	$ 3,936	$ 4,533	$ 4,199	$ 1,572	$ 1,650	$ 2,460	$ 1,143
Sewer Jet Cleaning - Sanitary Sewers (feet)	213,225	223,435	169,100	6,345	3,100	8,605	208,990
Sewer Jet Cleaning - Storm Sewers (feet)	5,225	4,635	4,320	2,500	1,450	1,000	19,010
Sewer Repairs (includes Water Department damage)	71	78	61	68	41	59	59
House Call Sewer Jobs/Residential & Business	1,139	1,195	1,595	1,492	1,327	1,732	2,235
Catch Basin Repairs	66	39	54	45	37	40	72
Catch Basin Cleaning	849	569	623	320	75	54	2,274
Man Hole Repairs	13	30	13	5	11	16	44
Sidewalk Repairs	9	25	12	19	5	12	18
Curb & Apron Repairs	31	50	17	25	23	26	54
Leaf Collection - Number of Loads	691	774	1,139	734	840	745	965
Street Sweeping - Number of Loads (dirt & debris)	471	321	582	352	301	285	473
Street Sweeping - Number of times whole city sweep	8	5	6	3	3	2	7
Water Hole Maintenance - New Water Openings	264	312	190	229	165	220	176
Water Hole Maintenance - Completed (cemented/asphalted)	265	195	221	279	265	326	153
Water Hole Maintenance - Total not completed	493	480	355	388	432	496	518
Fire Hydrants Painted	2,034	103	58	80	634	8	880

(Continued)

CITY OF EUCLID, OHIO
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST SEVEN YEARS (1)
(CONTINUED)

Function/Program	2008	2007	2006	2005	2004	2003	2002
Wastewater Department							
Wastewater Rates for Water Consumption Based Customers (per 1000 MCF)							
Euclid	$ 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	$ 29.49	$ 26.05	$ 25.75	$ 25.75	$ 24.86
Willoughby Hills	$ 24.16	$ 24.16	$ 24.16	$ 24.16	$ 24.16	$ 24.16	$ 24.16
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
Willowick	$ 1.73	$ 1.73	$ 1.73	$ 1.73	$ 1.73	$ 1.73	$ 1.73
Wastewater Flow MGD							
Euclid	13.80	16.74	15.58	14.09	15.19	12.86	12.05
Wickliffe	2.14	2.36	2.60	2.51	2.38	2.51	2.15
Willowick	2.08	1.85	2.00	1.49	1.26	1.28	1.06
Total	18.02	20.95	20.18	18.09	18.83	16.65	15.26
Water Line Construction Fund							
Euclid (charges included with wastewater billing) (per 1000 MCF)	$ 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
Capital Costs	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
Total	$ 1.73	$ 1.73	$ 1.73	$ 1.73	$ 1.73	$ 1.73	$ 1.73
Willoughby Hills (per MCF of water consumption)							
Operating, Maintenance & Repairs	$ 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
Satellite Sewer Discharge Program services	0.48	0.48	0.48	0.48	0.48	0.48	0.48
Total	$ 24.16	$ 24.16	$ 24.16	$ 24.16	$ 24.16	$ 24.16	$ 24.16
Cuyahoga County (So.Euclid, Highland Hts, Richmond Hts)							
Operating, Maintenance & Repairs	$ 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
Satellite Sewer Discharge Program services	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				
Meter Reading/Billing Charges (City of Cleveland)	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	0.00	0.00	0.00	0.00
Total	$ 29.05	$ 29.05	$ 29.49	$ 26.05	$ 25.75	$ 25.75	$ 24.86
Euclid							
Operating, Maintenance & Repairs	$ 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
Peterson Construction Fund	3.88	3.88	3.88	3.88	3.88	3.88	3.88
Meter Reading/Billing Charges	1.45	1.45	1.45	1.45	1.15	1.15	0.70
Total	$ 29.01	$ 29.01	$ 29.01	$ 29.01	$ 28.71	$ 28.71	$ 28.26

CITY OF EUCLID, OHIO
CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM
LAST FIVE YEARS

Function/Program	2008	2007	2006	2005	2004
General Government					
Square Footage Occupied	11,392	11,392	11,392	11,392	11,392
Administrative Vehicles	1	17	21	20	20
Inspection Vehicles	14	14	13	13	13
Municipal Court Vehicles	1	1	1	1	1
Lands & Buildings Vehicles	11	10	9	9	9
Police					
Stations	1	1	1	1	1
Mini-stations	2	2	2	1	0
Square Footage of Buildings	58,384	58,384	58,384	51,194	49,094
Vehicles	64	66	69	59	60
Fire					
Stations	3	3	3	4	4
Square Footage of Buildings	27,389	27,389	27,389	34,579	34,579
Vehicles	18	18	18	18	21
Recreation					
Number of Parks	3	3	3	3	3
Acres of Parks	106	106	106	106	106
Acres of Playgrounds/Recreation	254	254	254	254	254
Number of Playgrounds	18	18	18	18	18
Number of Tennis Courts	6	6	6	6	6
Number of Skateboarding Areas	1	1	1	1	1
Number of Baseball Diamonds	19	19	19	19	19
Number of Soccer Fields	7	7	7	7	7
Number of Swimming Pools	6	6	6	6	6
Number of Ice Rinks	1	1	1	1	1
Acres of Golf Course	126	126	126	126	126
Square Footage of Shore Center Building	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
Service Vehicles	40	35	35	33	32
Wastewater					
Sanitary Sewers (miles)	262.38	262.38	262.38	262.38	262.38
Vehicles	11	20	13	13	13
Water Department					
Water Lines (miles)	139.65	139.65	139.65	139.65	139.65

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 24, 2009

88 E. Broad St. / Fourth Floor / Columbus, OH 43215-3506
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www.auditor.state.oh.us

CITY OF SHAKER HEIGHTS
CUYAHOGA COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2010

Dave Yost · Auditor of State

CITY OF SHAKER HEIGHTS
CUYAHOGA COUNTY

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CITY OF SHAKER HEIGHTS, OHIO
CUYAHOGA COUNTY

FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED 2010

FEDERAL GRANTOR ***Pass Through Grantor*** Program Title	Pass Through Entity Number/ Grant	Federal CFDA Number	Disbursements
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Direct Program:			
Fair Housing and Assistance Program (2008)	N/A	14.401	$19,782
Fair Housing and Assistance Program (2009)	N/A	14.401	13,000
Fair Housing and Assistance Program (2010)	N/A	14.401	3,530
Total U.S. Department of Housing and Urban Development			36,312
U.S. DEPARTMENT OF JUSTICE			
Direct Program:			
Bullet Proof Vest Program	N/A	16.607	2,475
Passed Through: The City of Cleveland			
ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program	2009-SB-B9-2875	16.804	99,504
Total U.S. Department of Justice			101,979
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed Through: Ohio Department on Aging and Western Reserve Area Agency on Aging			
Title III Part B - Grants for Supportive Services and Senior Centers	N/A	93.044	37,605
Direct Program:			
Drug Free Community Support Program	5H79SP014298-09	93.276	106,967
Total U.S. Department of Health and Human Services			144,572
EXECUTIVE OFFICE OF THE PRESEIDENT- OFFICE OF NATIONAL DRUG CONTROL POLICY			
Direct Program:			
High Intensity Drug Trafficking Areas - Ohio (2008)	I8POH501Z	95.001	75,197
High Intensity Drug Trafficking Areas - Ohio (2009)	G09OH0001A	95.001	2,175,058
High Intensity Drug Trafficking Areas - Ohio (2010)	G10OH0001A	95.001	1,303,785
Total Executive Office of the President - Office of National Drug Control Policy			3,554,040
U.S. DEPARTMENT OF THE INTERIOR - NATIONAL PARK SERVICES			
Passed Through: Ohio Historical Society			
Certified Local Government Program	39-10-21942 HP 9120	15.904	6,850
Total U.S. Department of the Interior - National Park Services			6,850
Total Federal Expenditures			$3,843,753

The accompanying notes are an integral part of this schedule.

CITY OF SHAKER HEIGHTS
CUYAHOGA COUNTY

NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR YEAR ENDED DECEMBER 31, 2010

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Expenditures Schedule (the Schedule) reports the City of Shaker Heights' (the City's) Federal award programs' disbursements. The schedule has been prepared on the cash basis of accounting.

NOTE B - MATCHING REQUIREMENTS

Certain Federal programs require the City to contribute non-Federal funds (matching funds) to support the Federally-funded program. The City has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

City of Shaker Heights
Cuyahoga County
3400 Lee Road
Shaker Heights, Ohio 44120

To the Members of City Council:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Shaker Heights, Cuyahoga County, Ohio (the City) as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 22, 2011. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the City's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the City'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, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency or combination of deficiencies in internal control such that there is a reasonable possibility that material financial statement misstatements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings that we consider a significant deficiency in internal control over financial reporting. We consider finding 2010-01 a significant deficiency. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Compliance and Other Matters

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain matters not requiring inclusion in this report that we reported to the City's management in a separate letter dated June 22, 2011.

The City's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the City's response and, accordingly, we express no opinion on it.

We intend this report solely for the information and use of City Council, the Finance Committee, management, federal awarding agencies and pass-through entities and others within the City. We intend it for no one other than these specified parties.

Dave Yost
Auditor of State

June 22, 2011

Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM, ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND ON THE FEDERAL AWARDS EXPENDITURES SCHEDULE

City of Shaker Heights
Cuyahoga County
3400 Lee Road
Shaker Heights, Ohio 44120

To the Members of City Council:

Compliance

We have audited the compliance of the City of Shaker Heights, Cuyahoga County, Ohio (the City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the City's major federal program for the year ended December 31, 2010. The summary of auditor's results section of the accompanying schedule of findings identifies the City's major federal program. The City's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the City'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 included in the Comptroller General of the United States' *Government Auditing Standards*; 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 reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City of Shaker Heights complied, in all material respects, with the requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2010.

Lausche Building, 615 Superior Ave., NW, Twelfth Floor, Cleveland, Ohio 44113-1801
Phone: 216-787-3665 or 800-626-2297 Fax: 216-787-3361
www.auditor.state.oh.us

Internal Control Over Compliance

The City's management 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's internal control over compliance with the requirements that could directly and materially affect a major federal program, 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 opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the City'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, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. 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 federal program compliance requirement will not be prevented, or timely detected and corrected.

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.

Federal Awards Expenditures Schedule

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the City of Shaker Heights (the City) as of and for the year ended December 31, 2010, and have issued our report thereon dated June 22, 2011. Our audit was performed to form opinions on the financial statements that collectively comprise the City's basic financial statements taken as a whole. The accompanying federal awards expenditures schedule provides additional information required by the 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 basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

We intend this report solely for the information and use of the Finance Committee, management, the City Council, others within the City, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.

Dave Yost
Auditor of State

June 22, 2011

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CITY OF SHAKER HEIGHTS
CUYAHOGA COUNTY

SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2010

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unqualified
(d)(1)(ii)	**Were there any material control weaknesses reported at the financial statement level (GAGAS)?**	No
(d)(1)(ii)	**Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	Yes
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	No
(d)(1)(iv)	**Were there any material internal control weaknesses reported for major federal programs?**	No
(d)(1)(iv)	**Were there any significant deficiencies in internal control reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unqualified
(d)(1)(vi)	**Are there any reportable findings under § .510(a)?**	No
(d)(1)(vii)	**Major Programs (list):**	High Intensity Drug Trafficking Area Grant – CFDA# 95.001
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 300,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee?**	No

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

FINDING NUMBER 2010-01

Capital Asset Depreciation – Significant Deficiency

A capital asset management system is a system of methods, policies and procedures that addresses the acquisition, use, control, protection, maintenance and disposal of capital assets. Accurate accounting and control over capital assets is important for correct and complete presentation of capital assets and financial statements.

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (CONTINUED)

FINDING NUMBER 2010-01 (Continued)

Capital Asset Depreciation – Significant Deficiency (Continued)

The City's Capital Assets Policy states "all assets except for land and construction in progress will have salvage values assigned to them equaling five percent of each asset's historical cost. Depreciation will begin on the actual date of acquisition for all capital assets." Depreciation expense will equal the difference of historical cost and salvage value divided by estimated useful life.

During our testing of capital asset depreciation, we noted 56 of 60 assets examined were not accurately depreciated during fiscal year 2010. Through further examination of all capital assets, we noted the total depreciation expense and corresponding accumulated depreciation was overstated by $769,945. This was due to an inputting error in the City's accounting system which is used to calculate depreciation expense on each asset for the year.

Failure to properly calculate depreciation may result in the overstatement or understatement of capital asset records and an inaccurate presentation of the City's financial statements.

We recommend the City make the necessary adjustments to its capital asset depreciation calculations for 2010 to ensure all assets have the correct depreciation amounts and book values at year end. In addition, we recommend the City work with its system administrators to update the values in the accounting system so that these miscalculations do not continue moving forward.

Officials' Response: The problem was created when assets were manually entered into MUNIS during the conversion in 2008. The formula to calculate annual depreciation cost in MUNIS is: (Depreciable Basis – Life to Date Accumulated Depreciation) / (Estimated Useful Life – Periods Taken). For many of the assets entered in 2008 these factors were incorrect. Not all factors for each asset were incorrect. For example, one asset might have been missing the salvage value and another might have had the incorrect accumulated depreciation figure. If any one of these factors were incorrect it would cause the calculation for the current year depreciation expense to be incorrect. To rectify this, all assets will be reviewed in 2011 and corrections will be made to ensure for each asset, that the salvage value has been entered, the accumulated depreciation is correct, the useful life is correct for the asset type and the periods taken up through 12/31/10 are appropriate. This should correct the errors in calculating the current year depreciation.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

CITY OF SHAKER HEIGHTS
CUYAHOGA COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A -133 § .315 (b)
DECEMBER 31, 2010

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; ***Explain***
2009-1	ORC 5705.39 – Original appropriations exceeded original estimated resources in several funds.	Yes	

SHAKER HEIGHTS

Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2010
City of Shaker Heights, Ohio

INTRODUCTORY SECTION

City of Shaker Heights, Ohio

Comprehensive Annual Financial Report
For the Year Ended December 31, 2010

Issued by: Finance Department
Robert H. Baker, Director of Finance

City of Shaker Heights, Ohio

Comprehensive Annual Financial Report
For The Year Ended December 31, 2010

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SHAKERHEIGHTS

June 22, 2011

Mayor Earl M. Leiken,
Members of City Council and
Citizens of the City of Shaker Heights, Ohio
Shaker Heights City Hall
3400 Lee Road
Shaker Heights, Ohio 44120

Re: **Submission of 2010 Comprehensive Annual Financial Report**

Dear Mayor Leiken, Members of Council, and Citizens of Shaker Heights:

We are pleased to submit for your review the City's 2010 Comprehensive Annual Financial Report. Commonly referred to as a "CAFR", this report is the City's official annual report for the fiscal year ended December 31, 2010. This CAFR is a more extensive report than the basic financial statements, and we believe that it demonstrates the City's ongoing commitment to be accountable not only to its citizenry but also to excellence in financial reporting. Ohio law requires that the City of Shaker Heights annually publish a complete set of financial statements for the results of its fiscal operations, presented in conformity with generally accepted accounting principles (GAAP). The Finance Department is responsible for the accuracy of the data and the completeness and fairness of its presentation, including disclosures. We believe that the information presented is accurate in all material respects and reported in a manner designed to show the financial position and operating results of the City.

This CAFR consists of management's representations concerning the finances of the City of Shaker Heights. Consequently, the management of the City assumes full responsibility for the completeness and reliability of all of the information presented in this report. In order to provide a reasonable basis for making these representations, the management of the City has established a comprehensive internal control framework. This internal control system has been designed to both protect the City's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As the management of the City of Shaker Heights, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Shaker Heights' financial statements have been audited by the Auditor of State of Ohio, Dave Yost, an independent auditor. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of Shaker Heights for the year ended December 31, 2010, are free of material misstatement. An independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. Based upon the results of the audit, the independent auditor concluded that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the year ended December 31, 2010 are fairly presented in conformity with GAAP. The independent accountants' report is presented as the first component of the financial section of this report.

CITY OF SHAKER HEIGHTS I FINANCE DEPARTMENT
3400 LEE ROAD I SHAKER HEIGHTS, OH 44120 I TEL 216.491.1420 I FAX 216.491.1465 I OHIO RELAY SERVICE 711 I WEB shakeronline.com

The independent audit of the financial statements of the City of Shaker Heights was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal grant awards. These reports are available in the City's separately issued Single Audit Report.

GAAP requires that city management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the independent accountants' report.

Profile of the City of Shaker Heights, Ohio

The City of Shaker Heights, covering approximately 6.3 square miles and a population of 28,488, (2010 Census) is located approximately ten miles southeast of downtown Cleveland in Cuyahoga County in northeastern Ohio. Incorporated under Ohio law as a village in 1912, Shaker Heights became a city in 1931. As provided by Ohio law, the City operates under the auspices of its own charter, which was adopted by the voters in 1931. The Charter provides for the City to operate under the Mayor-Council form of government with the Mayor serving as the President of Council. The Mayor serves as the City's Chief Executive Officer and appoints, subject to confirmation by City Council, and removes the City's Chief Administrative Officer and appoints and removes all department heads. The City is empowered by state statute to levy a property tax on both real and personal properties located with its boundaries. It is also empowered to levy a tax on the income and net profits of all individuals and businesses earned within the boundaries of the City as well as the income of City residents, regardless of where earned.

Legislative authority is vested in a seven member Council. All council members are elected at-large and serve for four-year terms. Council terms are staggered with four members being elected in one election and three members being elected in the next election two years following. City Council holds its regular monthly council meeting on the fourth Monday of the month. In addition, the Council holds a work session meeting on the second Monday of the month. The various committees of council meet on at least a monthly basis at various times throughout the month. The Mayor appoints all Council committees. The Chief Administrative Officer serves as the Clerk of Council with the Director of Law and the Assistant Director of Law serving as the Clerk of Council Pro-Tem. The City department heads attend all regular council meetings and attend council work sessions whenever required.

Primarily considered to be a residential community, Shaker Heights is the nation's oldest completely planned community and is recognized in the National Register as the Shaker Village Historical District. Combining the "Garden City" movement with comprehensive planning, the City was initially planned and developed to include housing that was diverse in style and in price, large parcels of land for public and private schools and churches, lakes, parks and a golf course. The City is served by a rail transit system to downtown Cleveland. Originally City-owned and operated, the rail system is now owned and operated by the Greater Cleveland Regional Transit Authority.

The City provides a variety of City services to its citizens, including: Police and Fire Protection, Emergency Medical Service, Refuse Collection, Street Maintenance, Recreation, Municipal Court, Public Health, Planning, Economic Development, Inspectional Services, Public Improvements and General Administrative Services. First Energy and the Dominion East Ohio Gas Company, both of which are independent, publicly owned utilities regulated by the State of Ohio, provide the City's residents with electricity and natural gas, respectively. The City also provides a natural gas aggregation program for its residents with Interstate Gas Supply, Inc. which is used by about 4,000 households in the City. The City of Cleveland and the Northeast Ohio Regional Sewer

District provide water and sewage service to the City's residents. In addition to fees paid to the Northeast Ohio Regional Sewer District, City residents also pay a local surcharge based upon water consumption that is used by the City for the maintenance and replacement of the sewer lines within the City.

In addition to the basic services, the City continues to make available superior recreational facilities and programs to its residents. The Thornton Park city recreation center is situated on a 13-acre campus and its facilities include an indoor ice arena that provides year-round service, an Olympic size outdoor pool, tot pool, spray pad, sand volleyball court, outdoor tennis courts, skate-park, basketball court, walking trail and sledding hill. Phase I of the Horseshoe Lake Park Master Plan has been completed; adding new trails, picnic pavilions, ADA accessible parking, and children's playground amenities to the park. There is a multipurpose trail in the Shaker Boulevard median from Warrensville Center Road to the City of Beachwood border, connecting with Beachwood's own multipurpose trail, and a new soccer field is located on the Shaker Boulevard median near Warrensville Center Road.

Through a Neighborhood Stabilization Grant, the City was able to complete improvements to existing parks and add new pocket parks. An expansion of Chelton Park with play equipment and landscaping of the Ashby Play Lot will be complete in 2011. The new Menlo Tot Lot is also nearing completion and includes ADA accessibility and a small play structure.

In addition to these facilities, a comprehensive range of recreational programs is offered for children and adults. The City also maintains the Shaker Lakes, a 190-acre area that includes four lakes.

The City offers a high level of public service to its residents as exemplified by its back yard refuse collection program. Included in this program is the City's recycling sub-program which allows the co-mingling of glass, plastic and cans. In addition, the City also offers large item drop off and recycling of corrugated cardboard, magazines and other materials at its service center, as well as recycling of old computers and electronic equipment.

The annual operating and capital budgets serve as the basis for the City's financial planning and control. The City's Charter requires the Mayor, with the assistance of the Director of Finance, to submit a draft of the following year's proposed budget not less than forty-five days (November 16th) prior to the end of each fiscal year. The Chief Administrative Officer is responsible for preparing the budget based upon information submitted by each department director. Council is required to adopt either an annual budget for the ensuing year or a temporary budget covering the first ninety days of the ensuing year, by no later than December 31st of the current year. If a temporary budget is adopted, a permanent budget must be adopted by no later than the ninetieth day of the budget year, normally March 31st. In recent years, Council has adopted an annual budget prior to December 31 of the preceding year.

The appropriated budget is prepared by fund, department, and category (personal services and all other expenditures). Council must authorize transfers between departments and between categories within departments and transfers or advances of moneys between funds. Operating budgets expire on December 31st. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented as part of the basic financial statements for the governmental funds. For governmental funds, other than the General Fund, with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report.

Economic Condition and Outlook

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Shaker Heights operates.

Local Economy – The City of Shaker Heights is an inner ring suburb of the City of Cleveland, Ohio. Primarily residential in nature, the City of Shaker Heights has a diverse base of residents working in many professions and industries. The City's economic strength is directly linked to this diversity and the strength of northeast Ohio's economy.

While downtown Cleveland is only twenty minutes by car from the heart of the City, the rapid transit, a light rail public transit system, provides even more accessibility to downtown Cleveland's business community and attractions. The Greater Cleveland Regional Transit System has extended the original rapid transit rail line to serve not only downtown Cleveland and Cleveland Hopkins International Airport but also the Cleveland waterfront area including the recreational/entertainment area known as the "Flats", the Rock & Roll Hall of Fame and Museum, the Great Lakes Science Museum, Quicken Loans Arena (home of the NBA Cleveland Cavilers), Progressive Field (home of the MLB Cleveland Indians) and Cleveland Browns Stadium. Another contributor to the City's economic strength is its proximity to the University Circle area of Cleveland. University Circle is the home to major cultural, educational and medical facilities including Severance Hall, the home of the world-renown Cleveland Orchestra, the Cleveland Museum of Art, Case Western Reserve University, University Hospitals of Cleveland and the Cleveland Clinic, both world-renowned for medical research, teaching and treatment facilities and are the two largest employers in Cuyahoga County.

Educational institutions contribute significantly to the fabric of the community. Of the principal employers in 2010, four of the top six are schools: the Shaker Heights City School District; Hathaway Brown School; Laurel School; and University School.

In addition, the City of Shaker Heights residents place a noteworthy value on public education. Of the total millage in the City of Shaker Heights for all entities, approximately 73% of residential property taxes support the Shaker Heights City School District. From 2001 to 2010, City residents approved levies increasing the Shaker Heights City School District total millage by 19.69%. In May 2010, voters approved an additional levy of 9.9 mills for operating expenses of the Shaker Heights City School District.

All of these factors have contributed to the continuing economic strength of the community. According to the Cuyahoga County Auditor, the total real property assessed valuation for the 2010 tax year was $821,284,520. For the 2001 tax year the total real property assessed valuation was $738,205,013. This was an increase during the ten year period from 2001 to 2010 of 11.25%.

City income tax revenue grew 4.82% during the ten year period from 2001 to 2010. While there was a 6.87% decline in income tax revenue in 2009 compared to 2008 as a result of the recession, income tax revenue increased 1.68% in 2010 compared to 2009. Despite the recession, as a result of the relocation of the University Hospitals Health System administrative and corporate offices, the largest employer in the City, to the former Office Max headquarters building in the City, the income tax revenue from University Hospital employees exceeded the income tax revenue paid by the former Office Max employees. The growth in income tax revenues in 2010 offset declines in other revenue sources so that from continuing revenue sources, not counting the estate tax, 2010 revenue slightly exceeded 2009 revenues despite the recession.

Major Initiatives

Strategic Investment Plan – The City is continuing to implement redevelopment projects pursuant to its Strategic Investment Plan. The City's portion of public infrastructure construction activities for two major projects, Sussex Court and Shaker Towne Centre, including the Avalon Station housing development, and the privately-owned retail shopping center was financed by the issuance in 2003 of $15.4 million in tax increment financing bonds. Beginning in 2001, the City each year issued Temporary Urban Renewal Bonds with one year maturities that funded additional costs of the Shaker Towne Center project. Beginning in 2005, the principal amount of these Temporary Urban Renewal Bonds was $6,845,000. In April 2009, $4,600,000 of these

Temporary Urban Renewal Bonds were converted to long term debt and the balance of the Temporary Urban Renewal Bonds were paid from other funds available to the City. Work was completed on the Sussex Courts tax increment financing redevelopment project in 2003, with 100% occupancy of all 46 townhouse units. This project is located on the north and south sides of Chagrin Boulevard, one of the City's main east/west thoroughfares. Construction has been completed for Phase 1 of the Avalon Station project, and sales are underway. Due to the problems in the housing market, slightly over 50% of the units had been sold or leased by December 31, 2010, and sales are continuing. However, the owner of the project has defaulted on the mortgage, and the project has been put into receivership. The debt issued by the City for these projects is being retired using 75% of the additional revenue generated from the new property value created by the projects although all of the debt issued for these projects is a general obligation of the City in addition to being secured by the tax increment payments. It is currently forecasted that for some period of time, the tax increment payments will not be sufficient to pay all of the debt service on the urban renewal bonds, and the City's Capital Projects fund will be needed to support debt service on the outstanding urban renewal bonds.

As part of its Strategic Investment Plan, the City acquired approximately 60% of the retail property located on the south side of Chagrin Boulevard in the Shaker Towne Centre shopping district. The City sold the property to Shaker Commons LLC, who renovated these retail and commercial properties. This redevelopment complements the redevelopment on the north side of the street, with the renovation of storefronts and interiors which is upgrading existing retail and commercial tenants and attracting new tenants.

In 2007, the City worked jointly with the Greater Cleveland Regional Transit Authority (GCRTA) to develop the transit-oriented development plan for the RTA rapid transit station at Van Aken and Lee next to City Hall. A design consultant was selected in 2008 for GCRTA's rehabilitation of this station, including ADA improvements. Construction is slated for the fall of 2011.

The City employed a consultant and initiated a series of public meetings to create a redevelopment plan for the Warrensville – Van Aken – Chagrin – Northfield intersection. This project included input from GCRTA, and Ohio Department of Transportation, among others. The plan was completed and adopted in 2008. The goal is to transform this district into an exciting, urban, pedestrian-friendly district; design a safer and more efficient street layout; increase the visibility and use of the rapid transit line that terminates in the district; and redevelop the existing area with expanded retail, residential, and commercial properties. Planning and engineering work is underway for the road reconfiguration that is expected to begin construction in 2013 with right of way acquisition beginning in 2012. Funding for this $17.4 million project has been secured with Federal, State and City funding.

Economic Development Strategy – In November 2010, City Council adopted an Economic Development Strategy which is an update to the Strategic Investment Plan. It proposes a variety of action items and policy interventions that are designed to enhance the City's level of office-oriented and business activities. The goals of the strategy are to: 1) enhance the climate for commercial investment; 2) put Shaker Heights in a position to recruit new and expand existing businesses; 3) set the stage for sharing regional growth in next-generation job growth; and 4) strengthen the market support for additional "lifestyle" uses. The strategy envisions both a strategic and tactical response that includes: financial incentives for commercial property owners; financial incentives to businesses seeking to expand or locate in Shaker Heights; investment in upgrading programs and operations that address business and commercial properties; and an aggressive marking, branding, and business recruitment effort. The Strategy is intended to significantly increase the City's ability to diversify its tax base.

One of the initial projects of the Economic Development Strategy is the Shaker Launch House which is an innovative new public-private partnership that fosters entrepreneurial success and job creation through seed capital, education and innovation. Shaker Launch House connects new entrepreneurs with proven business leaders in a grassroots, for-profit model. The public-private partnership has enabled the City to revitalize a former car dealership owned by the City which helped bring new activity to the Lee Road commercial district.

The Launch House facility will open in mid 2011 and both the facility and the programming will be operated by Shaker Launch House, a private entity.

Housing – The City has long been a leader in housing preservation, given its residential tax base and its desire to preserve the architectural beauty and the housing stock of its neighborhoods. In the context of the current mortgage and foreclosure crisis in the region, and the U.S. generally, the City's efforts in these areas have been refocused. The Housing Inspection Department encourages reinvestment in the City's housing stock through vigorous point-of-sale inspections and a point-of-sale escrow requirement. In 2010, the point-of-sale escrow program resulted in an additional $1.3 million of private investment in housing. The Housing Inspection Department also works to improve the quality of rental housing for safety and habitability by requiring an annual Certificate of Occupancy for each rental property as well as a complete interior and exterior inspection every three years. Owner-occupied single-family homes receive an exterior inspection every five years, which assists in maintaining and improving the quality of housing in the City.

Foreclosures and properties sold at Sheriff's sales are monitored regularly, and instances of suspected fraud are referred to the City's Police Department for investigation. The City's Vacant Property Ordinance mandates that vacant homes be secured and maintained, and each vacant property is checked monthly by a dedicated Housing Inspector to ensure that it is kept secure and maintained to community standards. Nuisance abatement orders were issued on 31 properties in 2010 for items such as removal of boarded windows, replacement of broken windows, removal of litter and debris, holes in roofs, and demolition of 15 dwelling structures.

In 2010, the Neighborhood Revitalization Department assisted 104 property owners with housing improvement projects through technical and financial assistance, providing exterior maintenance grants of up to $2,000 and free paint to eligible homeowners. The City continued its comprehensive services to landlords providing access to discounted tenant screening and providing 162 landlords with technical assistance and training. The City began the extensive renovation of a house in the Winslow Road historic district as a demonstration of how two family houses can be updated to meet the demands of today's marketplace. The Winslow Road house will be ready for occupancy in spring 2011. Also underway is the $6 million Library Court Senior Apartment project, which will provide 44 units of affordable housing for adults 55 and older. This is expected to be ready for occupancy in fall 2011.

As part of its land banking program the City acquired and demolished 14 vacant and deteriorated properties. These properties are being attractively landscaped and then actively marketed to neighboring owners through the side yard program and to developers for infill housing. Using Federal Neighborhood Stabilization Program funds, the City invested $500,000 in several vacant lots, turning them into vibrant public spaces – parks, community gardens, play areas and an orchard.

The Certified Shaker program aimed at encouraging quality rental properties continues to be a highly popular program. Of rental units, 15% are Certified, representing 101 rental home units and 21 apartment buildings. On average, Certified owners invest $1,300 in their units to meet Certified standards. The City continues to see a healthy investment in apartment buildings including upgrades/improvements, landscaping, signage and even custom built elevators to achieve Certified Shaker status.

The City's Landlord Training program, which complements its Tenant Screening program and Certified Shaker program, continues to grow in popularity. The goal of the program is to make Shaker the first choice of potential two-family owner-occupant buyers, by distinguishing the City in the marketplace by the landlord support services offered. To date, 121 landlords have taken advantage of the program.

Attract and Retain Strategy – The City's Communications and Outreach Department leads the City's efforts to attract and retain residents through marketing, communications, advertising and public relations. A

marketing plan that distinguishes Shaker Heights as a desirable destination for retention of and relocation by a population capable of and willing to commit to its preservation and future includes:

- An annual advertising campaign in print, electronic and other media;
- Publishing "Shaker Contemporary Living" magazine to showcase Shaker's homes and residents;
- Maintaining an active website shakeronline.com;
- Outreach to prospective residents and area employees;
- Publishing bi-monthly issues of Shaker Life magazine; and
- E-mailing messages and "e-news" to a list of 500 subscribers.

Awards and Acknowledgements

GFOA Certificate of Achievement Award: The City of Shaker Heights was awarded the Government Finance Officers Association of the United States and Canada (GFOA) Certificate of Achievement for Excellence in Financial Reporting (CAFR) for its comprehensive annual financial report for the fiscal years ended December 31, 1996 through 2004. Due to a significant transition of Finance Department personnel in 2006, application for the CAFR for the fiscal year ending December 31, 2005 was waived. For the fiscal years ended December 31, 2006 through 2009, the City was again awarded the Certificate of Achievement for Excellence in Financial Reporting for its comprehensive annual financial report.

A Certificate of Achievement is valid for a period of only one-year. We believe that the City's submission for the fiscal year ended December 31, 2010 continues to conform to the Certificate of Achievement program's requirements and, as such, it will be submitted to the GFOA for review, evaluation and consideration.

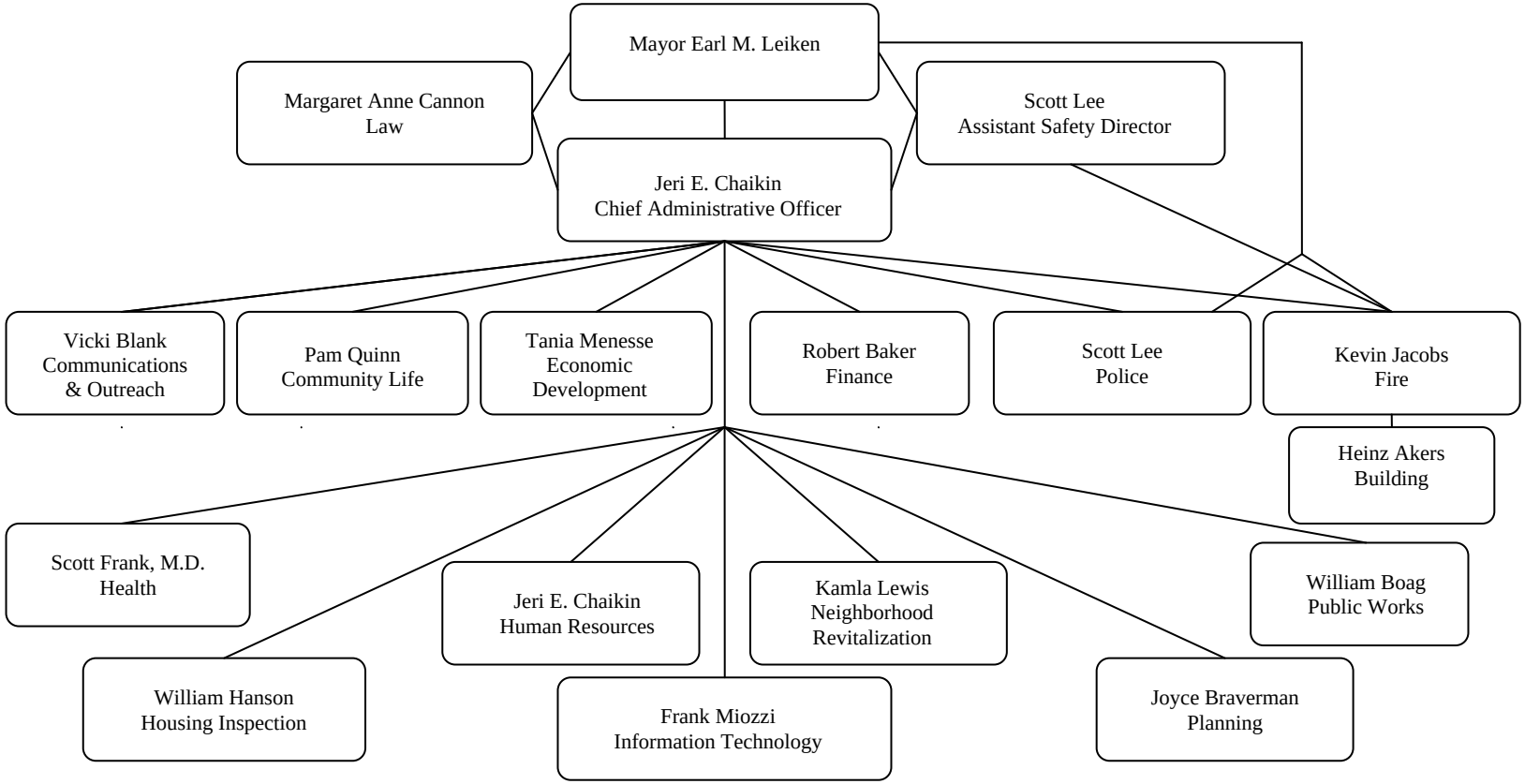
Acknowledgements: The successful completion of a report of this scope depends upon the dedicated contributions of many employees. The sincere appreciation of those primarily responsible for the completion of this CAFR is extended to all contributors, but especially those employees in the Finance Department, particularly Assistant Director of Finance Renee Mahoney, Accountants Paul Beckwith and Lorraine Miller, Accounting Specialist Carolyn Barnes-Hatcher, Accounting Clerks Cheryl Archie and Chris Gordon, Senior Administrative Assistant Gail Little and Accounting Technician Janet Jones. Without the dedicated assistance of the Finance Department employees, this report would not have been possible. Finally, the Staff wishes to extend its appreciation to the Mayor, City Council, and the Finance Committee for their support and commitment to responsible fiscal reporting.

Respectfully submitted,

Jeri E. Chaikin
Chief Administrative Officer

Robert H. Baker
Director of Finance

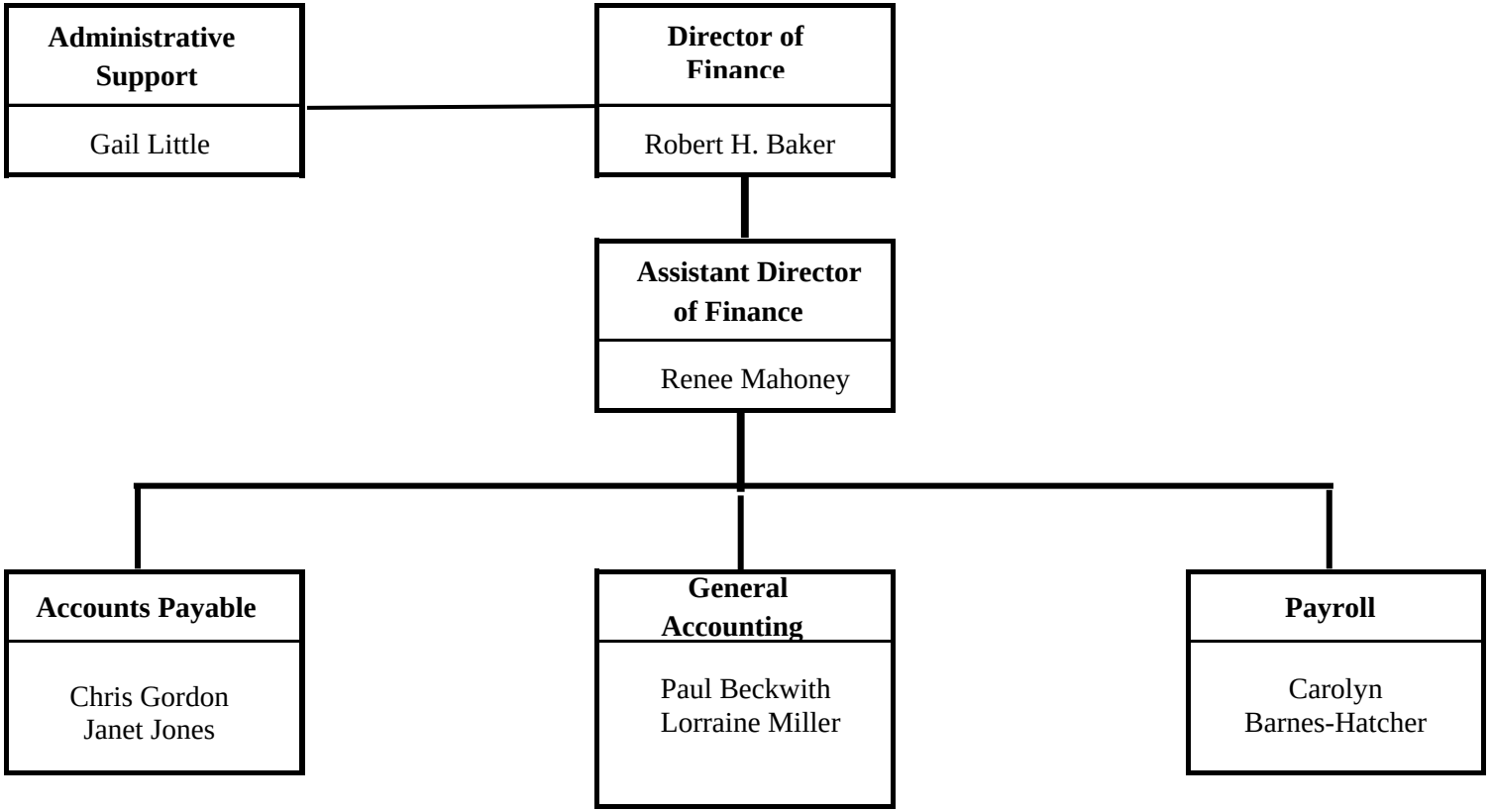
City of Shaker Heights, Ohio
Administrative Organizational Chart
December 31, 2010



City of Shaker Heights, Ohio

Finance Department Organizational Chart

December 31, 2010



City of Shaker Heights, Ohio

Listing of Principal City Officials

December 31, 2010

Mayor ..... Earl M. Leiken
Council Member/Vice Mayor ..... Earl Williams, Jr.
Council Member ..... James Brady
Council Member ..... Allen Foster
Council Member ..... Brian S. Gleisser
Council Member ..... Nancy R. Moore
Council Member ..... Lynn Ruffner
Council Member ..... Robert Zimmerman

APPOINTED OFFICIALS

Chief Administrative Officer ..... Jeri E. Chaikin
Director of Finance ..... Robert Baker
Building Commissioner ..... Heinz Akers
Director of Community Life ..... Pamela Quinn
Director of Economic Development ..... Tania Menesse
Chief of Fire/Director of Building ..... Kevin Jacobs
Director of Health ..... Dr. Scott H. Frank
Director of Housing Inspection ..... William E. Hanson
Director of Human Resources ..... Jeri E. Chaikin
Director of Law ..... Margaret Anne Cannon
Director of Planning and Development ..... Joyce G. Braverman
Chief of Police ..... Scott Lee
Director of Public Works ..... William W. Boag
Director of Neighborhood Revitalization ..... Kamla Lewis
Manager of Communications and Outreach ..... Vicki Blank
Director of Information Technology ..... Frank Miozzi

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Shaker Heights
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director

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FINANCIAL SECTION

Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

City of Shaker Heights
Cuyahoga County
3400 Lee Road
Shaker Heights, Ohio 44120

To the Members of City Council:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Shaker Heights, Cuyahoga County, Ohio (the City), as of and for the year ended December 31, 2010, 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'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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Shaker Heights, Cuyahoga County, Ohio, as of December 31, 2010, and the respective changes in financial position and where applicable, cash flows**,** thereof and the 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 June 22, 2011, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

We conducted our audit to opine on the financial statements that collectively comprise the City's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information provide additional analysis and are not a required part of the basic financial statements. The financial section's combining statements, individual fund statements and schedules are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These statements and schedules were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Dave Yost
Auditor of State

June 22, 2011

Lausche Building, 615 Superior Ave., NW, Twelfth Floor, Cleveland, Ohio 44113-1801
Phone: 216-787-3665 or 800-626-2297 Fax: 216-787-3361
www.auditor.state.oh.us

City of Shaker Heights, Ohio

Management's Discussion and Analysis (Unaudited)

For the Year Ended December 31, 2010

The discussion and analysis of the City of Shaker Heights' financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2010. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers are encouraged to consider the information presented here in conjunction with the additional information contained in the transmittal letter, the basic financial statements and the accompanying notes to those financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2010 are as follows:

- The assets of the City of Shaker Heights exceeded its liabilities at the close of the most recent fiscal year by $102,710,056. Of this amount, $20,655,757 may be used to meet the City's ongoing obligations to citizens and creditors.

- Total assets decreased by $612,051, which represents a decrease of less than one-half percent from 2009. The biggest changes were a $1.8 million decrease in cash and cash equivalents resulting from a drawdown of cash balances in several funds, not including the General fund, offset by a $955,011 increase in capital assets.

- Total liabilities increased by $1,566,190 which represents an increase of 3.7 percent from 2009. The main factors contributing to this change include a $740,538 increase in long-term debt and a $571,565 increase in unearned revenue.

- In total, net assets in governmental activities decreased by $2,178,241 during 2010. This represents a 2.1 percent decrease from 2009.

Using this Annual Financial Report

This discussion and analysis is intended to serve as an introduction to the City of Shaker Heights' basic financial statements. The City of Shaker Heights' 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 themselves.

Government-wide financial statements – Reporting the City of Shaker Heights as a Whole

Statement of Net Assets and the Statement of Activities

The Statement of Net Assets presents information on all the City of Shaker Heights' assets and liabilities, with the difference between the two reported as *net assets.* Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Shaker Heights is improving or deteriorating. However, in evaluating the overall position of the City, non-financial factors such as the City's tax base, change in property and income tax laws, and the condition of the capital assets should also be considered. Both the Statement of Net Assets and the Statement of Activities use the *accrual basis of accounting* similar to the accounting used by most private-sector companies.

This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

Fund Financial Statements - Reporting the City of Shaker Heights' Most Significant Funds

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 objects. The City of Shaker Heights, 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 of Shaker Heights 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 the balance 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. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all *other financial assets* that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Both the governmental funds balance sheet and the government funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate a comparison between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds.

The City of Shaker Heights maintains 28 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances, for the General Fund and Capital Projects Fund, both of which are considered to be major funds. Data from the other governmental funds are combined into single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Shaker Heights adopts an annual appropriated budget for each of its funds, except for the Capital Projects Fund. A budgetary comparison statement (non-GAAP basis) has been provided for each governmental and proprietary fund annually budgeted to demonstrate budgetary compliance.

Proprietary Funds

There are two 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 has no activity that fits this category. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City maintains four individual internal service funds. Because these activities benefit governmental rather than business functions, they have 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 combined information for the self-insurance, central purchasing, printing and garage operations. Individual fund data for each of these nonmajor proprietary funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found starting on page 21 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources are not available to support the City's own programs. The City of Shaker Heights has only agency funds to report within the Fiduciary Fund category. Agency funds are reported on a full accrual basis and only present a statement of assets and liabilities.

Notes to the Basic Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found starting on page 25 of this report.

Government-wide Financial Analysis - City of Shaker Heights as a Whole

As noted earlier, the Statement of Net Assets looks at the City as a whole and can prove to be a useful indicator of the City's financial position.

The Statement of Net Assets and the Statement of Activities are divided into the following categories:

- Assets
- Liabilities
- Net Assets (Assets minus Liabilities)
- Program Expenses and Revenues
- General Revenues
- Net Assets Beginning and End of Year

Table 1 provides a summary of the City's net assets for 2010 as compared to 2009:

Table 1
Net Assets

	Governmental Activities	
	2010	2009
Assets		
Current and Other Asset	$ 62,131,421	$ 63,698,483
Capital Assets, Net	84,686,379	83,731,368
Total Assets	146,817,800	147,429,851
Liabilities		
Current Liabilities and Other Liabilities	10,123,675	9,298,023
Long-term Liabilities:		
Due Within One Year	3,526,765	3,596,055
Due In More Than One Year	30,457,304	29,647,476
Total Liabilities	44,107,744	42,541,554
Net Assets		
Invested in Capital Assets, Net of Related Debt	61,134,899	61,712,406
Restricted for:		
Capital Projects	16,187,786	18,947,218
Debt Service	1,838,464	1,237,432
Streets	690,153	724,281
Public Safety	1,492,645	1,714,262
Judicial Services	710,352	647,737
Unrestricted	20,655,757	19,904,961
Total Net Assets	$ 102,710,056	$ 104,888,297

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. For the City of Shaker Heights, assets exceed liabilities by $102,710,056 as of December 31, 2010. The largest portion of the City's net assets (59.5%) reflects investments in capital assets (e.g. land, buildings, infrastructure, machinery and equipment), net of any related debt to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently these net assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be planned for and provided from taxes or other revenues since the capital assets themselves cannot be used to liquidate these liabilities.

Total assets decreased by $612,051 from 2009 to 2010 and total liabilities increased by $1,566,190. The most significant changes were found in cash and cash equivalents and capital assets. Cash and cash equivalents decreased $1.8 million from the previous year. Capital assets increased $955,011 during the fiscal year, offsetting the decrease in cash and cash equivalents. The increase in liabilities was mainly due to the increase in unearned revenue and long-term liabilities. The unearned revenue increased due to an increase in intergovernmental receivables. The increase in long-term liabilities was caused by OPWC loan proceeds for the Hildana-Ludgate Sanitary Sewer Project and the issuance of long-term notes to improve streets within the City that needed to be resurfaced or reconstructed. Please see page 14 for the Statement of Net Assets, a detailed version of the above summary of the City's net assets.

In order to further understand what makes up the changes in net assets for the current year, the following table gives readers further details regarding the results of activities for the current year.

Table 2 provides a summary of the City's change in net assets for 2010 as compared to 2009:

Table 2
Changes in Net Assets

	2010	2009
Program Revenues		
Charges for Services	$ 10,267,001	$ 10,100,630
Operating Grants and Contributions	4,398,389	4,661,710
Capital Grants and Contributions	53,673	492,845
Total Program Revenues	14,719,063	15,255,185
General Revenues		
Property Taxes	6,990,638	7,921,337
Income and Other Local Taxes	19,777,714	19,523,078
Grants, Entitlements and Estate Taxes	6,721,784	8,030,613
Interest Earnings	528,639	289,963
Miscellaneous Income	485,557	441,178
Total General Revenues	34,504,332	36,206,169
Total Revenues	49,223,395	51,461,354
Program Expenses		
General Government	7,169,311	6,729,574
Security of Persons and Property	21,919,064	23,988,819
Public Health Services	590,758	692,906
Leisure Time Activities	3,847,435	4,039,556
Housing and Community Development	6,381,587	7,441,799
Sanitation and Sewer Services	4,737,490	4,024,723
Street Maintenance and Repair	2,923,298	2,388,186
Public Works – Other	2,913,412	2,971,552
Interest and Fiscal Charges	919,281	928,950
Total Program Expenses	51,401,636	53,206,065
Change in Net Assets	(2,178,241)	(1,744,711)
Net Assets at Beginning of Year	104,888,297	106,633,008
Net Assets at End of Year	$ 102,710,056	$ 104,888,297

Governmental Activities

Comparing 2010 to 2009, the City's net assets for Governmental Activities decreased $2,178,241. The 2010 revenues were reduced by lowered assessed values as a result of a revaluation of property values in Cuyahoga County and a drop of $1.29 million in estate tax collections. While expenses were reduced in 2010 from 2009, the City still experienced a government-wide deficit that was funded by using beginning fund balances. On the other hand, the City's General Fund revenues exceeded General Fund expenses in 2010.

Several revenue sources serve as the primary funding sources for the City's governmental activities, with the income tax being the biggest contributor followed by revenue from charges for services, property taxes and grants, entitlements and estate taxes. The City's income tax rate was 1.75% for 2010. The City's tax rate has been stable since the voters last increased it in 1981. Both residents of the City and non-residents who work inside the City are subject to the income tax. The City grants an income tax credit to residents who work in a locality that has a municipal income tax. The City provides a credit of up to one-half of one percent of the tax rate of the resident's workplace community's income tax rate. City Council could by ordinance choose to vary that income tax credit thereby creating additional revenue for the City. Due to the City's recent history of significant cash reserves, the City has been able to fund the recent decrease in net assets without making a tax credit change; however, a rate increase or credit change are future options, if needed.

Income and other tax revenue for 2010 was $19,777,714, accounting for 40.2% of the City's total 2010 revenue of $49,223,395. Charges for Services of $10,267,001 account for 20.9% of total revenues. Property taxes of $6,990,638 account for 14.2% of total revenues. Unrestricted Grants, Entitlements, and Estate Taxes of $6,721,784 account for 13.6% of total revenue, of which $2,718,165 relates to estate taxes. Capital grants of $53,673 account for 0.1% of total revenues. All other revenue of $5,412,585 accounts for the remaining 11.0% of the City's 2010 revenue. The City monitors its sources of revenue very closely for fluctuations throughout the year, especially income tax.

During 2010, City expenses continued to be dominated by its three largest departments, Police, Fire and Public Works. These three departments account for approximately 63.2% of the City's total 2010 program expenses of $51,401,636. Expenses for Security of Persons and Property (primarily the City's Police and Fire Departments) accounted for 42.6% of the City's 2010 expense total. Expenses for Sanitation and Sewer Services (9.2%), Street Maintenance (5.7%) and other Public Works activities (5.7%) accounted for 20.6% of the City's 2010 expense total. The next largest expense category was General Government, which accounted for 14.0% of the City's expense total. 12.4% of City expenses were for Housing and Community Development activities (building and housing inspection, planning, economic development and neighborhood revitalization activities) while expenses for Leisure Time Activities (primarily recreation and parks maintenance activities) account for 7.5% of total expenses. Public Health and Interest and Fiscal Charges account for the remaining 2.9% of the City's total expenses for 2010.

No City employee had a wage increase in 2010 following the renegotiation of union contracts in 2009. Costs were further controlled by not filling a number of vacant positions. While the cost of health insurance increased by slightly more than 3% in 2010, this increase was below prior increases and the unions agreed to use the City's less costly health care coverage for non-bargaining employees. While the City has lowered the rate of health care cost increases in 2010, the trend of health care cost increases is expected to continue into the future. Despite the cost reductions, there has been very little impact on services to residents.

The City's Funds

Governmental Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Information about the City's major governmental funds starts on page 16. 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 the City's net resources available for spending at the end of the fiscal year. Governmental funds use the modified accrual basis of accounting to account for their assets, liabilities, revenues and expenditures.

As of December 31, 2010, the City's governmental funds reported a combined ending fund balance of $38,300,759 of which $32,279,543 constitutes unreserved fund balances. The City's unreserved fund balance is available for spending at the City's discretion, subject to contractual or legal constraints. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchases of the prior period or ongoing appropriations. As of December 31, 2010, $6,021,216 of the total governmental fund balance was reserved for purchase commitments or capital project appropriations.

For the period ending December 31, 2010, all governmental funds had total revenues and other financing sources of $56,421,827 and expenditures and transfers-out totaling $58,407,023 resulting in a decrease in fund balance of $1,985,196. This decrease in fund balance is primarily due to reduced property taxes and lower estate tax intergovernmental revenues in 2010 compared to the amounts the City received in 2009.

The General Fund is the primary operating fund of the City. As of December 31, 2010, the total fund balance of the General Fund on a GAAP basis was $11,960,652, of which $635,380 (5.3%) was reserved for encumbrances and $11,325,272 (94.7%) was unreserved. As a measure of the General Fund's liquidity and the City's ability to react to unanticipated economic events, it may be useful to compare the unreserved fund balance to total fund expenditures. As of December 31, 2010, the City's unreserved fund balance was equal to 29.4% of its total operating 2010 expenditures of $34,989,654 plus its transfers to other funds of $3,494,480.

During 2010, the fund balance of the General Fund on a GAAP basis increased by $455,445. Included in this amount are interfund transfers-out of $3,494,480. Excluding these transfers, the General Fund revenues would exceed General Fund expenditures in 2010 and other uses by $3,949,925. The excess of revenues over expenditures is due to a decrease in transfers-out from the 2009 amount.

During 2010, the fund balance of the Capital Projects Fund decreased by $2,759,432. The decrease can be attributed to the City's decision to use the beginning fund balance to fund some of the costs of 2010 projects as the revenues decreased 82 percent while the expenses only decreased 18 percent. As a result, the cash balance of the Capital Projects Fund decreased approximately $2.8 million during the year.

General Fund Budgeting Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on the basis of cash receipts, disbursements and encumbrances. An annual appropriation budget is legally required to be prepared for all funds of the City other than agency funds. Council is provided with a detailed line item budget for all departments and has discussions at several regularly held council meetings and work sessions, which are open to the public. The budget is adopted by City Council at the fund level by department and within each department, broken out between personal services and other expenses. Appropriations by department may be transferred between departments and between personal services and other expenses within a department with the approval of Council. Council must also approve any revisions in the budget that alter the fund totals or require the transfer of moneys between funds. Recommendations for budget revisions are reviewed by the Finance Committee of City Council before being presented to the Council for consideration for enactment by ordinance.

The most significant budgeted fund is the General Fund. During the course of 2010, the City used this process to amend its General Fund budget on seven occasions. The differences between the General Fund's original and final amended budget were minor in nature. The Chief Administrative Officer and the Finance Department monitor all departmental budgets closely to monitor compliance with allocated budgets and provide quarterly reports to City Council and its Finance Committee depicting monthly and year-to-date activity. The net result of the seven budget amendments was to increase General Fund appropriations by $57,949. At the end of 2010 the actual expenditures were $1,670,913 less than those authorized by the final budget. The decrease in actual expenditures was due to a decrease in personnel and overtime. While the final budget had assumed a decrease in General Fund budgetary fund balance of $987,602, the actual General Fund budgetary fund balance increased by $409,523 in 2010.

The original and final budgeted revenues for the General Fund were $39,910,133. The City's ending unencumbered fund balance, computed on a budgetary basis of accounting, was $8,406,132 which was $2,359,846 more than the final budgeted fund balance of $6,046,286. In recognition of the importance of maintaining an adequate level of fund equity, the City Council has adopted a fund balance policy for the General Fund that requires maintaining a fund balance exceeding 15% of expenditures. The City's ending General Fund balance on the non-GAAP budgetary basis was 21.8% of 2010 General Fund expenditures and transfers-out.

Capital Assets and Debt Administration

Capital Assets

At the end of 2010, the City of Shaker Heights had $84,686,379 million invested in land, buildings, land improvements, equipment and infrastructure.

Table 3 shows the December 31, 2010 balances of Capital Assets as compared to December 31, 2009:

Table 3
Capital Assets at December 31
(Net of Depreciation)

	Governmental Activities	
	2010	2009
Land	$ 18,188,972	$ 17,995,770
Buildings and Improvements	9,889,042	9,944,792
Land Improvements	6,115,599	6,260,531
Machinery and Equipment	6,511,470	6,050,348
Infrastructure		
Street	19,681,629	16,429,985
Sanitary and Storm Sewer System	11,139,797	7,146,798
Traffic Signals System	11,261,534	11,651,988
Bridges	83,492	89,428
Culverts	51,457	52,204
Construction in Progress	1,763,387	8,109,524
Total Capital Assets	$ 84,686,379	$ 83,731,368

Total capital assets of the City as of December 31, 2010 were $955,011 greater than 2009. The most significant increases in the City's capital assets came in Infrastructure due to the construction in progress from 2009 being completed. The City is committed to a long-term goal of not only meeting its infrastructure, equipment and facility needs, but also satisfying those needs in a continued high quality manner. To meet this need, the City has developed a five-year capital improvement plan that is updated and revised annually.

With regards to the infrastructure, the City's Public Works Department maintains a comprehensive listing of all the streets, culverts and sanitary and storm sewers in the City. As part of the City's annual road maintenance program, the Public Works Director evaluates the condition of each street after each winter and prepares a list of streets to be either resurfaced, repaired or crack sealed. The projects are bid early in the calendar year to get the best possible pricing from contractors. This program is usually paid for out of the Street Maintenance special revenue fund and the Capital Projects fund of the City, but in 2010, the City issued $2,050,000 of notes to fund street repairs and improvements.

More detailed information about the City's capital asset activity is presented in Note 7.

Debt

At December 31, 2010, the City of Shaker Heights had $33,984,069 in debt, compensated absences, and claims outstanding, of which $3,526,765 is due within one year. Table 4 summarizes the City's debt outstanding as of December 31, 2010 and 2009:

Table 4
Outstanding Debt at Year End

	2010	2009
General Obligation Bonds	$ 18,518,474	$ 19,071,497
Bond Anticipation Notes	2,625,000	865,000
Housing Nuisance Notes	500,000	750,000
OPWC Loans	5,619,327	5,675,050
Compensated Absences	6,141,654	6,207,330
Claims Payable	579,614	674,654
Total	$ 33,984,069	$ 33,243,531

In 2008, the City became self insured for workers' compensation liability. The claims payable at December 31, 2010 represent expected future payments for workers' compensation claims incurred from the inception date through December 31, 2010.

State statutes limit the total amount of general obligation debt that a city may issue to 10½% of total assessed valuation and limits the total amount of general obligation debt that a city may issue without voter approval to 5½% of total assessed valuation. At December 31, 2010, the City's overall legal debt margin was $85,147,758 and its unvoted debt margin was $44,083,532.

In 2003, the City issued $15.37 million general obligation bonds to fund its urban renewal projects in the Shaker Towne Centre and Sussex Districts of the City. The City was awarded an AA+ rating by Standard & Poors and Fitch Rating Services. The Shaker Towne Centre project included the construction of a new firehouse to replace the fire station located at City Hall. While this bond issue will in part be retired by using tax increment payments by certain property owners, the debt component of the issue for the fire station will be retired by transfers from the General Fund. The City also issued $6.845 million temporary urban renewal notes for this project. On April 22, 2009 $4,600,000 of the temporary urban renewal notes were replaced by long-term debt maturing December 1, 2031 and the balance of the temporary urban renewal notes were paid from funds available to the City. While it was originally expected that tax increment payments would be the source of debt service for this debt and the bonds issued in 2003, it will be necessary to pay a portion of the debt service by transfers from the General Fund. In 2010, Fitch Rating Services recalibrated its ratings of the Series 2003 bonds and the Series 2009 bonds from AA+ to AAA.

The City began 2010 with $865,000 in one-year notes qualifying for display as a long-term liability. These were issued to partially refinance earlier notes issued to finance the renovation of the former Moreland School Building to serve as the new main branch of the Shaker Heights Public Library (originally issued in 1992). In addition, the notes financed the portion of the citywide traffic signalization system replacement project not funded by grants, the portion of the Lee Road reconstruction project not funded by grants, and

street maintenance. At maturity, the City retired $290,000 of these notes and issued a new note in the aggregate amount of $2,625,000 to refinance the balance of the 2009 note and to finance $2,050,000 of street resurfacing projects.

With the exception of the library improvements and the 2010 street resurfacing, the City plans to retire the portion of the notes related to the other projects over the next four years with City funds. The library improvements will be retired in 2011 from the proceeds the City receives for its lease with the Shaker Heights Public Library. The street resurfacing will be retired with the City's funds over the next ten years.

The Ohio Public Works Commission (OPWC) issued the City a twenty-year, interest-free loan in 1994 for the Shelburne Road Sanitary Sewer Project. This loan is being repaid by the City using revenue from the sewer system user fees assessed to all system users in the City. The City was also awarded by the OPWC two, twenty-year, interest-free loans to replace or reline water lines serving the City. In 2009, the OPWC awarded the City a $1.7 million, twenty-year, interest-free loan for the South Woodland Sanitary Sewer Project. The repayment of this loan began during 2009 and is being repaid from the sewer system user fees assessed to all system users in the City. In 2009, the OPWC awarded the City a $573,000, twenty-year, interest free loan for the Hildana-Ludgate Sanitary Sewer Project. A portion of the proceeds were received in 2009 with the remaining balance delivered in 2010. The City will begin repaying this loan in 2011 using revenue from the sewer system user fees assessed to all system users in the City. As of December 31, 2010, the unpaid balance of these loans was $5,619,327.

More detailed information about the City's long-term liabilities is presented in Note 8.

Current Related Financial Activities

The City of Shaker Heights is strong financially and well managed, as evidenced by the AA+ bond rating awarded the City by Standard and Poors and the recalibrated AAA rating awarded by Fitch Rating Services. These ratings are the result of the City's history of creative planning and the combined cooperation of the elected officials, professional administration and employees and, most importantly, its residents. The City is well prepared to meet the challenges of the future. In conclusion, management has been committed to provide the residents of the City of Shaker Heights with full disclosure of the financial position of the City.

The City of Shaker Heights has committed itself to financial excellence. The City has received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting every year since 1996, with the exception of the 2005 audit period due to the transition of Finance Directors.

Contacting the City of Shaker Heights' Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Director of Finance Robert H. Baker, at the City of Shaker Heights, 3400 Lee Road, Shaker Heights, Ohio 44120, and (216) 491-1420.

City of Shaker Heights, Ohio

Statement of Net Assets

December 31, 2010

		Governmental Activities
Assets:		
Cash and cash equivalents	$	37,645,941
Accounts receivable		1,392,070
Accrued interest receivable		81,954
Intergovernmental receivable		3,529,686
Inventory of supplies		341,164
Prepaid items		51,332
Special assessments receivable		3,695,609
Lease receivable		346,906
Taxes receivable		14,943,807
Unamortized bond issuance costs		102,952
Nondepreciable capital assets		19,952,359
Depreciable capital assets, net		64,734,020
Total assets		146,817,800
Liabilities:		
Accounts payable		1,546,161
Accrued wages and benefits		1,276,170
Unearned revenue		7,078,819
Matured compensated absences		128,807
Notes and bonds interest payable		93,718
Long-term liabilities:		
Due within one year		3,526,765
Due in more than one year		30,457,304
Total liabilities		44,107,744
Net assets:		
Invested in capital assets, net of related debt		61,134,899
Restricted for:		
Capital projects		16,187,786
Debt service		1,838,464
Streets		690,153
Public safety		1,492,645
Judicial services		710,352
Unreserved		20,655,757
Total net assets	$	102,710,056

The notes to the basic financial statements are an integral part of this statement

City of Shaker Heights, Ohio

Statement of Activities

For The Year Ended December 31, 2010

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Total Governmental Funds
Governmental activities:					
Security of persons and property:					
Police	$ 13,572,239	$ 130,160	$ 3,670,356	$ -	$ (9,771,723)
Fire	7,593,638	589,328	-	6,169	(6,998,141)
Other	753,187	509,278	-	-	(243,909)
Public health services	590,758	88,852	103,824	-	(398,082)
Leisure time activities:					
Culture and recreation	2,877,434	1,758,399	-	-	(1,119,035)
Parks and public land maintenance	970,001	85	-	-	(969,916)
Housing and community development	6,381,587	2,412,588	331,218	47,504	(3,590,277)
Sanitation and sewer services	4,737,490	1,187,478	277,697	-	(3,272,315)
Street maintenance and repair	2,923,298	2,322	-	-	(2,920,976)
Public works – other	2,913,412	671,940	-	-	(2,241,472)
General government:					
Legislative and executive	4,748,853	77,035	15,294	-	(4,656,524)
Judicial system	2,420,458	2,839,536	-	-	419,078
Interest and fiscal charges	919,281	-	-	-	(919,281)
Total governmental activities	$ 51,401,636	$ 10,267,001	$ 4,398,389	$ 53,673	(36,682,573)

General revenues:	
Property taxes used for:	
General purposes	6,567,202
Police and fire pension	423,436
Municipal income taxes levied for:	
General purposes	19,724,993
Other local taxes levied for:	
General purposes	52,721
Grants, entitlements and estate tax not restricted to specific programs	6,721,784
Interest earnings	528,639
Miscellaneous income	485,557
Total general revenues	34,504,332
Change in net assets	(2,178,241)
Net assets at beginning of year	104,888,297
Net assets at end of year	$ 102,710,056

The notes to the basic financial statements are an integral part of this statement

City of Shaker Heights, Ohio

Balance Sheet – Governmental Funds

December 31, 2010

	General	Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
Assets:				
Cash and cash equivalents	$ 8,413,342	$ 16,409,333	$ 11,099,088	$ 35,921,763
Taxes receivable	14,509,739	-	434,068	14,943,807
Accounts receivable	544,432	-	844,985	1,389,417
Special assessments receivable	-	-	3,695,609	3,695,609
Lease receivable	161,900	150,006	35,000	346,906
Interfund receivable	276,281	46,310	189,480	512,071
Accrued interest receivable	81,954	-	-	81,954
Intergovernmental receivable	1,946,523	-	1,583,163	3,529,686
Inventory of supplies	172,217	-	-	172,217
Total assets	$ 26,106,388	$ 16,605,649	$ 17,881,393	$ 60,593,430
Liabilities and fund balances:				
Liabilities:				
Accounts payable	$ 446,039	$ 260,378	$ 661,449	$ 1,367,866
Accrued wages and benefits	794,158	-	461,584	1,255,742
Interfund payable	119,729	7,479	443,629	570,837
Matured compensated absences	128,807	-	-	128,807
Deferred revenue	12,657,003	150,006	6,162,410	18,969,419
Total liabilities	14,145,736	417,863	7,729,072	22,292,671
Fund balances:				
Reserved for encumbrances	635,380	1,389,498	877,070	2,901,948
Reserved for appropriations	-	3,119,268	-	3,119,268
Unreserved:				
Undesignated, reported in:				
General fund	11,325,272	-	-	11,325,272
Special revenue funds	-	-	7,617,822	7,617,822
Debt service funds	-	-	1,657,429	1,657,429
Capital projects fund	-	11,679,020	-	11,679,020
Total fund balances	11,960,652	16,187,786	10,152,321	38,300,759
Total liabilities and fund balances	$ 26,106,388	$ 16,605,649	$ 17,881,393	$ 60,593,430

The notes to the basic financial statements are an integral part of this statement

City of Shaker Heights, Ohio

Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities

December 31, 2010

Total Governmental Funds balances		$ 38,300,759
Amounts reported for Governmental Activities in the Statement of Net Assets are different because:		
Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the funds:		
Nondepreciable capital assets	$ 19,952,359	
Depreciable capital assets	64,734,020	
Total		84,686,379
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Delinquent property taxes	681,705	
Municipal income taxes	4,323,059	
Special Assessments	3,695,609	
Intergovernmental	1,790,397	
Interest earnings	50,105	
Charges for services	1,349,725	
Total		11,890,600
Internal service funds are used by management to charge the costs of certain activities, such as insurance, worker's compensation, printing supplies, and maintenance and repair of the City's fleet of vehicles to individual funds. The assets and liabilities of the Internal Service Funds are included in Governmental Activities in the Statement of Net Assets.		1,093,263
In the statement of activities, bond issuance costs are amortized over the term of the bonds, whereas in the governmental funds bond issuance expenditures are reported when bonds are issued.		102,952
Long-term liabilities are not due and payable in the current period and are therefore not reported in the funds:		
Bonds payable	(18,350,000)	
Premium on bonds	(168,474)	
OPWC loans	(5,619,327)	
Notes payable	(3,125,000)	
Interest payable	(93,718)	
Compensated absences	(6,007,378)	
Total		(33,363,897)
Net Assets of Governmental Activities		$ 102,710,056

The notes to the basic financial statements are an integral part of this statement

City of Shaker Heights, Ohio

Statement of Revenues, Expenditures, and Changes In Fund Balances - Governmental Funds

For The Year Ended December 31, 2010

	General	Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	$ 6,569,004	$ -	$ 423,554	$ 6,992,558
Municipal income taxes	19,562,027	-	-	19,562,027
Other local taxes	46,219	-	-	46,219
Intergovernmental and estate tax	5,522,697	6,169	5,629,285	11,158,151
Charges for services	5,361,190	-	1,681,793	7,042,983
Interest earnings	466,180	-	48,054	514,234
Fees, licenses and permits	674,820	-	-	674,820
Fines and forfeitures	448,567	-	291,886	740,453
Special assessments	4,523	-	1,800,575	1,805,098
Other revenue	245,414	88,851	360,347	694,612
Total revenues	38,900,641	95,020	10,235,494	49,231,155
Expenditures:				
Current operations and maintenance:				
Security of persons and property:				
Police	8,884,034	358,912	4,473,347	13,716,293
Fire	6,185,053	243,193	1,133,334	7,561,580
Other	71,002	-	747,335	818,337
Public health services	474,533	-	110,179	584,712
Leisure time activities:				
Culture and recreation	2,557,637	673,732	-	3,231,369
Park and public land maintenance	858,110	66,134	-	924,244
Housing and community development	3,994,208	990,032	1,764,050	6,748,290
Sanitation and sewer services	2,779,052	622,335	1,295,779	4,697,166
Street maintenance and repair	861,461	1,582,697	1,154,029	3,598,187
Public works – other	1,936,187	3,534	488,776	2,428,497
General government:				
Legislative and executive	4,197,909	289,675	100,214	4,587,798
Judicial system	2,190,468	-	173,905	2,364,373
Debt service:				
Principal retirement	-	-	1,993,420	1,993,420
Interest and fiscal charges	-	-	903,720	903,720
Total expenditures	34,989,654	4,830,244	14,338,088	54,157,986
Excess of revenues over (under) expenditures	3,910,987	(4,735,224)	(4,102,594)	(4,926,831)
Other financing sources (uses):				
Issuance of debt	-	2,327,697	575,000	2,902,697
Sale of capital assets	38,938	-	-	38,938
Transfers – in	-	-	4,249,037	4,249,037
Transfers – out	(3,494,480)	(351,905)	(402,652)	(4,249,037)
Total other financing sources (uses)	(3,455,542)	1,975,792	4,421,385	2,941,635
Net change in fund balances	455,445	(2,759,432)	318,791	(1,985,196)
Fund balances at beginning of year	11,505,207	18,947,218	9,833,530	40,285,955
Fund balances at end of year	$ 11,960,652	$ 16,187,786	$ 10,152,321	$ 38,300,759

The notes to the basic financial statements are an integral part of this statement

City of Shaker Heights, Ohio

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities

For The Year Ended December 31, 2010

Net Change in Fund Balances - Total Governmental Funds		$ (1,985,196)
Amounts Reported for Governmental Activities in the Statement of Activities are different because:		
Governmental Funds report capital outlay as expenditures. However in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period:		
Capital outlay	$ 3,922,983	
Depreciation	(2,869,757)	1,053,226
In the Statement of Activities, only the loss on the disposal of property and equipment are reported, whereas, in the Governmental Funds, the proceeds from the disposal increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the property and equipment.		(98,215)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the Funds:		
Delinquent property and other taxes	4,582	
Municipal income taxes	162,966	
Special assessments	134,473	
Intergovernmental	15,696	
Interest earnings	14,405	
Charges for services	(339,882)	(7,760)
Other financing sources in the Governmental Funds that increase long-term liabilities in the Statement of Net Assets. These sources were attributed to issuance of long-term notes, OPWC loans, and General Obligation Bonds.		(2,902,697)
Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.		1,993,420
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in Governmental Funds:		
Interest and fiscal charges	(18,682)	
Compensated absences	75,721	
Amortization of premium	8,023	
Amortization of issuance costs	(4,902)	60,160
Internal service funds are used by management to charge to costs of certain activities, such as insurance worker's compensation, printing supplies and maintaining and repairing the City's fleet of vehicles to individual funds that are not reported in the city wide statement of activities. The net revenue (expense) of the Internal Service Funds is reported with Governmental Activities.		(291,179)
Change in Net Assets of Governmental Activities		$ (2,178,241)

The notes to the basic financial statements are an integral part of this statement

City of Shaker Heights, Ohio

Statement of Revenues, Expenditures, and Changes In Fund Balance – Budget
(Non-GAAP Budgetary Basis) and Actual
General Fund
For The Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	$ 7,717,774	$ 7,717,774	$ 7,602,486	$ (115,288)
Municipal Income Taxes	19,888,809	19,888,809	19,807,678	(81,131)
Other Local Taxes	60,000	60,000	52,811	(7,189)
State Levied Shared Taxes	4,392,520	4,392,520	3,849,618	(542,902)
Intergovernmental	570,556	570,556	399,759	(170,797)
Charges for Services	4,919,532	4,919,532	5,037,108	117,576
Fees, Licenses and Permits	685,881	685,881	698,635	12,754
Investment Earnings	175,000	175,000	290,011	115,011
Fines and Forfeitures	701,500	701,500	630,082	(71,418)
Other Revenues	477,761	477,761	528,463	50,702
Total Revenues	39,589,333	39,589,333	38,896,651	(692,682)
Expenditures:				
Current:				
Security of Persons and Property	15,786,225	15,790,175	15,134,619	655,556
Public Health Services	564,915	578,122	476,951	101,171
Culture and Recreation	2,737,081	2,737,081	2,608,191	128,890
Parks and Public Lands Maintenance	891,909	891,909	856,054	35,855
Housing and Community Development	4,172,228	4,150,204	3,943,840	206,364
Sanitation and Sewer Services	2,878,451	2,817,751	2,738,525	79,226
Street Maintenance and Repair	756,714	791,314	790,109	1,205
Public Works – Other	2,195,796	2,225,396	2,072,974	152,422
Legislative and Executive	3,853,714	3,913,030	3,700,270	212,760
Judicial System	2,287,581	2,287,581	2,190,117	97,464
Total Expenditures	36,124,614	36,182,563	34,511,650	1,670,913
Excess of Revenues Over (Under) Expenditures	3,464,719	3,406,770	4,385,001	978,231
Other Financing Sources (Uses):				
Transfers – in	800	800	796	(4)
Transfers – out	(4,715,172)	(4,715,172)	(3,995,980)	719,192
Advances – in	320,000	320,000	19,706	(300,294)
Total Other Financing Sources (Uses)	(4,394,372)	(4,394,372)	(3,975,478)	418,894
Net Change in Fund Balance	(929,653)	(987,602)	409,523	1,397,125
Beginning Cash Fund Balance	7,809,638	7,809,638	7,809,638	-
Prior Year's Reserve for Encumbrances Outstanding At December 31	(57,220)	(57,220)	(57,220)	-
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(718,530)	(718,530)	(718,530)	-
Ending unreserved cash fund balance	$ 6,104,235	$ 6,046,286	7,443,411	$ 1,397,125
Reserved for Encumbrances – all budget years			962,721	
Total cash fund balance – December 31			$ 8,406,132	

The notes to the basic financial statements are an integral part of this statement

City of Shaker Heights, Ohio

Statement of Fund Net Assets
Proprietary Funds

December 31, 2010

		Governmental Activities Internal Service Funds
Assets:		
Equity in city treasury cash	$	1,724,178
Accounts receivable		2,653
Interfund receivable		101,195
Inventory of supplies		168,947
Prepaid items		51,332
Total assets		2,048,305
Liabilities:		
Current liabilities:		
Accounts payable		178,295
Accrued wages and benefits		20,428
Interfund payable		42,429
Claims payable		113,604
Accrued compensated absences		43,769
Total current liabilities		398,525
Long-term liabilities (net of current portion)		
Claims payable		466,010
Accrued compensated absences		90,507
Total long-term liabilities		556,517
Total liabilities		955,042
Net assets:		
Unrestricted	$	1,093,263

The notes to the basic financial statements are an integral part of this statement

City of Shaker Heights, Ohio

Statement of Revenues, Expenses, and Changes In Fund Net Assets
Proprietary Funds

For The Year Ended December 31, 2010

	Governmental Activities Internal Service Funds
Operating revenues:	
Charges for services	$ 2,267,168
Total operating revenues	2,267,168
Operating expenses:	
Personal services	822,181
Travel and education	1,374
Contractual services	1,032,089
Materials and supplies	702,703
Total operating expenses	2,558,347
Change in net assets	(291,179)
Net assets at beginning of year	1,384,442
Net assets at end of year	$ 1,093,263

The notes to the basic financial statements are an integral part of this statement

City of Shaker Heights, Ohio

Statement of Cash Flows
Proprietary Funds

For The Year Ended December 31, 2010

		Governmental Activities Internal Service Funds
Increase (decrease) in cash and cash equivalents:		
Cash flows from operating activities:		
Cash received from interfund services	$	2,267,168
Cash payments to suppliers		(691,434)
Cash payment for goods and services		(1,101,702)
Cash payments to employees		(806,070)
Net cash used for operating activities		(332,038)
Decrease in cash and cash equivalents		(332,038)
Cash and cash equivalents at beginning of year		2,056,216
Cash and cash equivalents at end of year	$	1,724,178
Reconciliation of operating loss to net cash used for operating activities:		
Operating loss	$	(291,179)
Adjustments:		
Increase in assets:		
Materials and supplies inventory		(16,441)
Increase/ (decrease) in liabilities:		
Accounts payable		54,511
Accrued wages and benefits		6,066
Accrued compensated absences		10,045
Self insurance claims payable		(95,040)
Total adjustments		(40,859)
Net cash used for operating activities	$	(332,038)

The notes to the basic financial statements are an integral part of this statement

City of Shaker Heights, Ohio

Statement of Fiduciary Net Assets
Fiduciary Funds

December 31, 2010

		Agency
Assets:		
Equity in pooled cash and cash equivalents	$	1,038,948
Cash and cash equivalents in segregated accounts		478,544
Mortgage loan receivable		197,298
Total assets	$	1,714,790
Liabilities:		
Accounts payable	$	33,710
Intergovernmental payable		407,389
Deposits held and due to others		1,273,502
Accrued wages and benefits		189
Total liabilities	$	1,714,790

The notes to the basic financial statements are an integral part of this statement

Note 1 – Description of the City and Reporting Entity

The City of Shaker Heights (the City) was incorporated under the laws of the State of Ohio in 1912. The City has operated as a home rule municipal corporation under its own charter since the charter's adoption by the residents in 1931. The charter provides that the City operate under the Mayor/Council form of government, with the legislative power vested in the seven-member Council. The Mayor is the Chief Executive Officer of the City. The Mayor appoints the Chief Administrative Officer of the City, who is confirmed by Council.

Reporting Entity

The City provides various services including police and fire protection, public health, parks and recreation, street maintenance, planning and zoning, community preservation, economic development and other general governmental services. None of these services are provided by legally separate organizations; therefore, these operations are included in the primary government.

As defined by generally accepted accounting principles established by the Governmental Accounting Standards Board (GASB Statement No. 14), the financial reporting entity consists of the City (the primary government), as well as its component units. Component units are defined as legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability of the primary government to impose its will on the component unit, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

Based upon the foregoing criteria, these financial statements do not include any component units.

The City participates in a jointly governed organization. This organization is the Northeast Ohio Public Energy Council. This organization is presented in Note 19.

Note 2 – Summary of Significant Accounting Policies

The financial reporting practices of the City conform to generally accepted accounting principles as applicable to local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The most 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.

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 activity of the internal service funds are eliminated to avoid doubling up revenues and expenses.

Note 2 – Summary of Significant Accounting Policies (continued)

A. Basis of Presentation (continued)

The statement of net assets presents the financial condition of the governmental activities of the City at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues 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 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. The internal service funds are presented in a single column on the proprietary fund statements. 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.

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 balance. The following are the City's major governmental funds:

> *General Fund* – To account for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the charter of the City and/or the general laws of Ohio.
>
> *Capital Projects Fund* – To account for financial resources to be used for the acquisition or construction of capital facilities.

The other governmental funds of the City account for grants and other resources whose use is restricted to a particular purpose.

Note 2 – Summary of Significant Accounting Policies (continued)

B. Fund Accounting (continued)

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. The City has no enterprise funds.

> *Internal Service Funds* – Internal service funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City maintains four separate internal service funds to account for its self-insurance activity, inventory of consumable supplies, copier management, and its municipal garage (fleet maintenance).

Fiduciary Funds – Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore, not available to support the City's own programs. The City has no trust funds. The City maintains two non-major governmental funds, the Police Pension fund and the Fire Pension fund that are not considered fiduciary funds because the funds are used to make the City's payments to the Ohio Police and Fire Pension Fund but are not used to make payments directly to former employees. The City's agency funds are custodial in nature (assets equal liabilities) and thus do not involve the measurement of the results of operations. The City's agency funds are for the public art fund, the obstruction permit deposits, the excavating permit deposits, the unclaimed monies, the Fund for the Future of Shaker Heights, the contractor deposits, the recreation for youth scholarship, the board of building standards, the municipal court and the Heights Area Special Rescue Team (HASRT).

C. Measurement Focus

Government –- Wide Financial Statements

The government-wide statements are prepared 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, except for fiduciary funds. The Statement of Activities presents increases (e.g., revenues) and decreases (e.g. 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 of governmental funds.

Note 2 – Summary of Significant Accounting Policies (continued)

C. Measurement Focus (continued)

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 presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets. The statement of cash flows provides information about how the City's finances 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 as well as fiduciary funds are prepared using the accrual basis of accounting. Proprietary funds also use the accrual basis of accounting.

Governmental funds are accounted for using the modified accrual basis of accounting and the current financial resources measurement focus. 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.

Revenue Recognition

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: municipal income taxes withheld by employers, estate taxes, sewerage surcharges, investment earnings, fines and forfeitures and state levied locally shared taxes (including motor vehicle fees). 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. Revenues received by the City within 60 days after year end are deemed to be available. Reimbursements for federally funded grant projects are accrued as revenue at the time the eligible expenditures are made. Property taxes and special assessments though measurable are not available soon enough in the subsequent year to finance current period obligations. Income taxes and sewerage surcharges are considered to be measurable when billed; however, these revenue sources are not considered to be available until they have been received by the collecting agency. Accordingly, these items are recorded and revenue recognition is deferred until they become available.

All other revenue sources, including licenses and permits, certain charges for services, and non-employer withheld income taxes, are recorded as revenue when received in cash because they generally are not measurable until actually received by the City.

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, 2010, but which were levied to finance year 2011 operations, have been recorded as deferred revenue. Special assessments not received within the available period and grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

Note 2 – Summary of Significant Accounting Policies (continued)

D. Basis of Accounting (continued)

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

Expense/Expenditure Recognition

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. Most expenditures are measurable and are recorded when the related liability is incurred except for unmatured principal and interest on general long-term debt which is recognized when paid. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

E. Cash and Cash Equivalents

For purposes of the statement of cash flows, the proprietary fund types consider all highly liquid investments that are both readily convertible to known amounts of cash, with a maturity of three months or less when purchased to be cash equivalents.

To improve cash management, cash received by the City is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through City records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents".

During fiscal year 2010, investments were limited to U.S. Treasury Notes and Bonds, securities guaranteed by the United States, and repurchase agreements.

Except for nonparticipating investment contracts, investments are reported at fair value, which is based on, quoted market prices. Nonparticipating investment contracts such as repurchase agreements are reported at cost.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the General Fund during 2010 amounted to $466,180, of which, $359,147 was from other funds.

Investments with an original maturity of three months or less and investments of the cash management pool are presented on the financial statements as cash equivalents.

F. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2010, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid item at the time of the purchase and the expenditure/expense in the year in which the services are consumed.

Note 2 – Summary of Significant Accounting Policies (continued)

G. Inventory

Inventory is stated at weighted average cost and is expended/expensed when used. Obsolete inventory has not been valued for financial reporting purposes.

H. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City's capitalization threshold is ten thousand dollars. The City's infrastructure consists of curbs, sidewalks, sewers, streets, and other general capital assets that are immovable and of value only to the City. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All capital assets are depreciated except for land and construction in progress. 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:

Description	Estimated Lives
Buildings & Improvements	10 to 60 years
Equipment	3 to 30 years
Land Improvements	10 to 50 years
Infrastructure	25 to 75 years

I. Interfund Balances

During the course of normal operations, the City had numerous transactions between funds, most of which are in the form of transfers of resources to provide services or to service debt. The accompanying financial statements generally reflect such transactions as transfers. The City also advances money between funds throughout the year. To the extent that certain transactions between funds have not been paid or received as of December 31, 2010, interfund amounts receivable or payable have been recorded as Interfund Payables and Interfund Receivables. Interfund balance amounts are eliminated in the Statement of Net Assets and the Statement of Activities.

Note 2 – Summary of Significant Accounting Policies (continued)

J. Compensated Absences

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 16, *"Accounting for Compensated Absences"*, the City has accrued a liability for compensated absences (vacation and sick leave) at December 31, 2010 along with any salary-related benefit liabilities associated with the payment of compensated absences. The City uses the vesting method to calculate this liability. The entire compensated absence liability is reported on the government-wide financial statements.

K. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments, compensated absences, and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and long-term loans are recognized as a liability on the fund financial statements when due.

L. 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. Fund balance reserves have been established for encumbrances and appropriations.

M. 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 City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

N. Interfund Activity

Transfers between governmental activities are eliminated on the government-wide financial statements. Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Interfund payments for services provided and used are not eliminated.

Note 2 – Summary of Significant Accounting Policies (continued)

N. Interfund Activity (continued)

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

O. 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. Neither item occurred in 2010.

P. 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.

Q. Operating Revenues 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 miscellaneous supplies and materials, printing charges, repairs and maintenance fees and the City's worker's compensation. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the funds.

R. Budgetary Process

Tax Budget

A budget of estimated cash receipts and disbursements is submitted to the County Auditor, as secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year.

Estimated Resources

The County Budget Commission certifies its actions relative to the submitted tax budget to the City by September 1. As a part of this certification, the City receives the official certificate of estimated resources, which states the projected resources of each fund. On or about January 1, this certificate is amended to include any unencumbered balances from the preceding year. The City must then revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure.

Note 2 – Summary of Significant Accounting Policies (continued)

R. Budgetary Process (continued)

Appropriations

A temporary appropriation measure to control cash disbursements may be passed on or about January 1 of each year for the period January 1 to March 31. For all operating funds except capital projects and trust and agency funds, an annual appropriation measure must be passed by April 1 of each year for the period January 1 to December 31. For 2010, the annual appropriation measure was passed by City Council on December 21, 2009. The appropriation measure may be amended during the year as new information becomes available provided that total appropriations do not exceed estimated resources as certified. Trust and Agency Funds are deemed to be appropriated for their intended purpose upon receipt. The City appropriates Capital Project Funds on a project by project basis.

As provided by the City's Charter and state law, amendments to the 2010 appropriation ordinance were approved by City Council. These amendments were deemed to be immaterial in nature and are reflected in the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual for the Year Ended December 31, 2010.

Lapsing of Appropriations

For all funds, except capital projects funds, unencumbered appropriation balances lapse at year end and revert to the respective funds from which they were originally appropriated, thus becoming available for future appropriation. Capital projects are appropriated on a project basis. Project appropriation balances lapse upon completion of the project; therefore their unencumbered appropriation balances are carried over to the subsequent fiscal year.

Budgeted Level of Expenditure

State law mandates that a fund's total obligations may not exceed the total amount appropriated for the fund. For all funds except fiduciary and capital project funds, the City maintains its legal level of budgetary control at the department level and within each department segregates out expenses between personal services and other expenses. For fiduciary funds, the legal level of budgetary control is maintained at the fund level. For capital project funds, the City maintains its legal level of budgetary control at the project level. Management control is exercised at the department level within each fund. Administrative control is maintained through the establishment of more detailed line item budgets. Council may authorize the transfer of budgeted amounts between personal service and other expenses within a department and between departments within a fund. Council may also authorize any revision in the budget that alters the fund totals or requires the transfer of moneys between funds.

S. Subsequent Events

In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through June 22, 2011, the date the financial statements were available to be issued.

Note 2 – Summary of Significant Accounting Policies (continued)

T. Comparative Data/Reclassifications

Prior year data presented in Management's Discussion and Analysis and Statistical Section have been reclassified in order to be comparative and provide an understanding of the changes in financial position and operations. Certain reclassifications have been made to the 2009 financial statements in order to conform to the 2010 presentation.

Note 3 – Change in Accounting Principles

For 2010, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, and GASB Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*.

GASB Statement No. 51 establishes guidance on accounting and financial reporting requirements for intangible assets. The City does not own any intangible assets that qualify for recognition under the policy. The implementation of this Statement did not result in any change to the City's basic financial statements or notes thereto.

GASB Statement No. 53 establishes standards for accounting and financial reporting for derivative instruments entered into by the City and addresses the recognition, measurement, and disclosure of information regarding the derivative instruments. The City does not own any derivative instruments. The implementation of this Statement did not result in any change to the City's basic financial statements or notes thereto.

GASB Statement No. 58 establishes accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. The City did not file for Chapter 9 bankruptcy. The implementation of this Statement did not result in any change to the City's basic financial statements or notes thereto.

Note 4 – Budgetary Basis of Accounting

While reporting financial position, results of operations, and changes in fund equity on the basis of generally accepted accounting principles (GAAP basis), the budgetary basis, as provided by law, is based upon accounting for transactions on a basis of cash receipts and disbursements. The Statements of Revenue, Expenditure, Encumbrance and Changes in Fund Balance-Budget (Non – GAAP Basis) and Actual for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results to the budget. The major differences between the budget basis and the GAAP basis are:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash or encumbered (budget) as opposed to when susceptible to accrual (GAAP).

Note 4 – Budgetary Basis of Accounting (continued)

3. Encumbrances are treated as expenditures (budget) rather then as a reservation of fund balance (GAAP).
4. Investments reported at fair value (GAAP) rather than cost (budget).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund.

Net Change in Fund Balance

GAAP Basis	$ 455,445
Net Adjustment for Revenue Accruals	128,493
Fair Value Adjustment for Investments 2009	40,127
Fair Value Adjustment for Investments 2010	(191,046)
Net Adjustment for Expenditure Accruals	939,225
Encumbrances	(962,721)
Budget Basis	$ 409,523

Note 5 – 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 treasury. Such monies must be maintained either as cash in the City treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are monies 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 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. The City's investment policies are governed by the City's charter and ordinances. The charter authorizes the City to invest in the following securities:

1. Bonds or notes which are issued by and are obligations of the City of Shaker Heights, Ohio.
2. Bonds, notes, certificates of indebtedness, treasury bills or other securities issued by and constituting direct obligations of, or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest thereon.
3. Bonds or notes which are issued by and are the obligations of the State of Ohio, provided that such bonds or notes have a rating assigned to them by Standard and Poor's Corporation or Moody's Investor Services, Inc. which rating:
    a. As to bonds, is one of the two highest rating categories that may be assigned; and
    b. As to notes, is the highest rating category that may be assigned.

Note 5 – Deposits and Investments (continued)

In order to be eligible investments under points (2) and (3), there must be no outstanding default for the payment of the principal or interest on such securities and the securities must mature or be subject to redemption at the option of the City within five years of the date the City purchased such security.

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. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

Written repurchase agreements in the securities listed above are permitted provided that the fair 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 the market daily. The term of the agreement may not exceed thirty days.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Finance Director or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits

Custodial credit risk is the risk that in the event of bank failure, the City's deposits may not be returned to it. Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution, by surety company bonds or by a single collateral pool established by the financial institution. In accordance with Chapter 135 of the Ohio Revised Code, any public depository receiving deposits pursuant to an award of City funds shall be required to pledge as security for repayment of all public moneys.

At year-end, the carrying amount of the City's deposits was $3,183,963 (including $11,902 of petty cash) and the bank balance was $3,467,542. Of the bank balance, the entire balance of $3,467,542 was covered by Federal depository insurance.

Investments

Investments are reported at fair value. As of December 31, 2010, the City had the following investments:

		Maturities (in years)	
	Fair Value	Less than 1	1-3
US Treasury Notes	$ 3,980,240	$ 1,002,270	$ 2,977,970
Temporary TLGP Securities	16,838,385	5,586,145	11,252,240
Repurchase Agreements	15,160,845	15,160,845	-
Total Portfolio	$ 35,979,470	$ 21,749,260	$ 14,230,210

Note 5 – Deposits and Investments (continued)

Interest Rate Risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The City's investment policy addresses interest rate risk requiring that the City's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding that need to sell securities on the open market prior to maturity and by investing operating funds primarily in short-term investments. The City's investment policy also limits security purchases to those that mature within five years unless specifically matched to a specific cash flow. To date, no investments have been purchased with a life greater than five years.

Custodial Risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. All financial institutions and broker/dealers who desire to become qualified for investment transactions with the City must meet a set of prescribed standards and be periodically reviewed.

Credit Risk is addressed in the City's investment policy by the requirements that all investments are authorized by Ohio Revised Code and that the portfolio be diversified both by types of investment and issuer. All investments of the City are registered and carry a rating AAA by Standard & Poor's.

Concentration of Credit Risk is defined by the Governmental Accounting Standards Board as five percent or more in the securities of a single issuer. The City's investment policy requires diversification of the portfolio but does not indicate specific percentage allocations.

Investment Issuer	Percentage of Investments
US Treasury Notes	11.06 %
Temporary TLGP Securities	46.80 %
Repurchase Agreements	42.14 %

Note 6 – Receivables

Receivables at December 31, 2010, consisted primarily of municipal income taxes, property and other taxes, accounts, special assessments, interest, and intergovernmental receivables arising from grants, entitlements, and shared revenues. All receivables are deemed collectible in full. Special assessments are expected to be collected within one year.

A. Property Taxes

Property taxes include amounts levied against all real property and public utility tangible personal property located in the City. Property tax revenue received during 2010 for real and public utility property taxes represents collections for 2009 taxes. Property tax payments received during 2010 for tangible personal property, except for public utility property, are for prior year unpaid tangible personal property taxes.

Note 6 – Receivables (continued)

A. Property Taxes (continued)

Real property taxes (other than public utility property) are levied after October 1 on the assessed value listed as of the prior January 1, the lien date. Assessed values are established by the Cuyahoga County Auditor at 35 percent of the appraised market value, and reappraisal of all property is required every six years with a triennial update. The last triennial update was completed for tax year 2009 affecting collections beginning in 2010.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 20; if paid semi-annually, the first payment is due mid January with the remainder payable by mid July. Taxes not paid become delinquent after December 31 of the year in which payable. Under certain circumstances, state statute permits earlier or later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. Public utility real and tangible personal property taxes collected during the calendar year were levied in the preceding calendar year based on assessed values as of January 1 of that preceding year, the lien date.

Tangible personal property taxes received in calendar 2010 (other than public utility property tax) represents the collection of calendar year 2010 taxes levied against local and inter-exchange telephone companies or amounts for prior year unpaid tangible personal property taxes. Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. 2010 is the last year for the collection of tangible personal property taxes from telephone companies. Single county taxpayers may pay annually or semiannually. If paid annually, the payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

While property tax rates are levied by the City, the Cuyahoga County Auditor is statutorily responsible for administering and collecting real property taxes on the behalf of all taxing authorities in the county, including the City.

The assessed values per category applicable to the 2010 and 2009 tax years are as follows:

	Tax Year/Collection Year	
	2010/2011	2009/2010
Real Estate (other than public utility)	$ 811,398,100	$ 815,784,770
Public Utilities Real and Tangible Personal Property	9,886,420	9,657,800
Total Valuation	$ 821,284,520	$ 825,442,570

The tax rate levied to finance the City's services for the years ended December 31, 2010 and December 31, 2009 was $9.90 per $1,000 of real estate and tangible personal property valuation.

The receivable and related deferred revenue does not include property tax entitlements in the amount of $1,150,952 that the City expects to receive in 2011 from the State of Ohio to finance 2011 operations. These entitlements are based upon 2010 local property tax relief granted by the State to qualified classes of real property owners in the form of homestead exemptions and tax rollbacks.

Note 6 – Receivables (continued)

B. Municipal Income Taxes

The City income tax is applied to the gross salaries, wages and other personal service compensation earned by residents of the City and to the earnings of nonresidents working within the City. This tax also applies to the net income of businesses operating within the City. The tax rate was 1.75% of earnings for 2010 and 2009. Both residents of the City and non-residents who work inside the City are subject to the income tax. The City grants an income tax credit to residents who work in a locality that has a municipal income tax. The City provides a credit of up to one-half of one percent of the tax rate of the resident's workplace community's income tax rate. A receivable totaling $7,788,881 has been recorded in the General Fund. This total includes $3,465,822 for the portion of taxes that is due prior to December 31, 2010, but is not received until January and February of the following year, and $4,323,059 which has been billed, but is not available in the current period.

C. Intergovernmental Receivable

A summary of intergovernmental receivables at December 31, 2010, include the following:

Governmental Activities	Amounts
Local Government Contracts	$ 239,860
Auto Registration Fees	10,672
Homestead & Rollback	520,971
Gas Tax	379,556
Estate Tax	479,174
TIF Receivable	605,598
Local Government – State	149,492
Local Government – County	571,622
Federal Grants	491,915
CAT Tax	17,391
Permissive Tax	13,131
Other	50,304
Total	$ 3,529,686

For The Year Ended December 31, 2010

Note 7 – Capital Assets

Capital asset activity for the year ended December 31, 2010, was as follows:

Governmental Activities:	Balances 12/31/09	Additions	Deletions	Balances 12/31/10
Capital Assets not being depreciated:				
Land	$ 17,995,770	$ 193,202	$ -	$ 18,188,972
Construction in Progress	8,109,524	1,763,387	(8,109,524)	1,763,387
Total Capital Assets not being depreciated	26,105,294	1,956,589	(8,109,524)	19,952,359
Capital Assets being depreciated:				
Buildings and Improvements	16,211,824	272,900	-	16,484,724
Land Improvements	8,293,319	150,528	-	8,443,847
Machinery and Equipment	15,520,398	1,501,048	(646,471)	16,374,975
Infrastructure:				
Streets	20,854,413	4,034,561	-	24,888,974
Storm and Sanitary Sewers	7,738,911	4,116,881	(1,212)	11,854,580
Bridges	148,389	-	-	148,389
Culverts	56,000	-	-	56,000
Traffic Signals	13,109,731	-	-	13,109,731
Total Capital Assets being depreciated	81,932,985	10,075,918	(647,683)	91,361,220
Less Accumulated Depreciation:				
Buildings and Improvements	(6,267,032)	(328,650)	-	(6,595,682)
Land Improvements	(2,032,788)	(295,460)	-	(2,328,248)
Machinery and Equipment	(9,470,050)	(942,841)	549,386	(9,863,505)
Infrastructure:				
Streets	(4,424,428)	(782,917)	-	(5,207,345)
Storm and Sanitary Sewers	(592,113)	(122,752)	82	(714,783)
Bridges	(58,961)	(5,936)	-	(64,897)
Culverts	(3,796)	(747)	-	(4,543)
Traffic Signals	(1,457,743)	(390,454)	-	(1,848,197)
Total Accumulated Depreciation	(24,306,911)	(2,869,757)	549,468	(26,627,200)
Net Capital Assets being depreciated	57,626,074	7,206,161	(98,215)	64,734,020
Governmental Activities Capital Assets, Net	$ 83,731,368	$ 9,162,750	$ (8,207,739)	$ 84,686,379

Depreciation expense was charged to governmental activities as follows:

Security of Persons and Property	$ 523,248
Public Health Services	1,413
Leisure Time Activities	422,016
Housing and Community Development	43,718
Sanitation and Sewer Services	301,668
Street Maintenance and Repair	848,861
Public Works – Other	434,891
General Government – Legislative and Executive	275,044
General Government – Judicial System	18,898
Total	$ 2,869,757

For The Year Ended December 31, 2010

Note 8 – Long Term Obligations

Changes in the City's long-term obligations during the year were as follows:

	Balance 12/31/2009	Issued	Retired	Balance 12/31/2010	Amounts Due in One Year
Bonds Payable					
Firehouse No. 1 Construction Permanent Urban Renewal Bond, 4.57%, due 12/1/2031	$ 4,325,000	$ -	$ (125,000)	$ 4,200,000	$ 125,000
Sussex Area Revitalization District Permanent Urban Renewal Bond, 4.57%, due 12/1/2031	2,525,000	-	(70,000)	2,455,000	75,000
Shaker Town Centre Revitalization Permanent Urban Renewal Bond, 4.57%, due 12/1/2031	7,445,000	-	(210,000)	7,235,000	220,000
Urban Renewal Bonds, Series 2009 4.30%, due 12/1/2031	4,600,000	-	(140,000)	4,460,000	145,000
Premium on Urban Renewal Bonds, Series 2009	176,497	-	(8,023)	168,474	-
Total Bonds Payable	19,071,497	-	(553,023)	18,518,474	565,000
Loans Payable					
OPWC - CA611 - Shelburne Road Sanitary Sewer Replacement, 0%, maturing 7/1/2015	242,249	-	(40,375)	201,874	40,375
OPWC - CA08F - Water System Improvements, 0%, maturing 7/1/2025	2,376,887	-	(139,817)	2,237,070	139,817
OPWC - CA17E - City Water Line Improvements, 0%, maturing 7/1/2025	1,039,201	-	(64,950)	974,251	64,950
OPWC – CA17K – South Woodland Area Infrastructure Improvements, 0%, maturing 1/1/2029	1,721,410	-	(88,278)	1,633,132	88,278
OPWC – CA18M – Hildana-Ludgate Sanitary Sewer Improvements, 0%, maturing 7/1/2030	295,303	277,697	-	573,000	28,650
Total Loans Payable	5,675,050	277,697	(333,420)	5,619,327	362,070
Long-term Notes Payable					
Various Purpose Improvement Notes	865,000	2,625,000	(865,000)	2,625,000	375,000
Taxable Special Obligation Housing Notes	750,000	-	(250,000)	500,000	-
Total Long-term Notes Payable	1,615,000	2,625,000	(1,115,000)	3,125,000	375,000
Compensated Absences	6,207,330	2,455,308	(2,520,984)	6,141,654	2,111,091
Claims Payable	674,654	16,629	(111,669)	579,614	113,604
Total Long-term Obligations	$ 33,243,531	$ 5,374,634	$ (4,634,096)	$ 33,984,069	$ 3,526,765

As of December 31, 2010, the City's future debt service requirements consisted of bonds and notes payable at various interest rates, five non-interest bearing Ohio Public Works Commission Loans numbered CA611, CA08F, CA17E, CA17K and CA18M, compensated absences and claims payable. For governmental activities, compensated absences are generally liquidated by the General Fund and claims payable are generally liquidated from the Self-Insurance Internal Service Fund.

Note 8 – Long Term Obligations (continued)

During the year, the City obtained the final proceeds for the Ohio Public Works Commission ("OPWC") loan CA18M that relates to the Hildana-Ludgate Sanitary Sewer Improvements. The loan is to be repaid in semi-annual principal and interest payments beginning in 2011.

Notes payable at December 31, 2010, consisted of the Various Purpose Improvement Notes and Taxable Special Obligation Housing Notes. All of the debt listed has a term of one year or less, except for the Taxable Special Obligation Housing Notes, and was issued to finance improvements to City owned property and to acquire equipment. The City has been retiring a portion of the Various Purpose Improvement Notes as they mature and is issuing new notes for the remaining balance. The City will either convert this debt to bonds or pay off the debt within ten years. The notes are dated May 6, 2010, and are due May 6, 2011, at an interest rate of 1.5%. The Series 2008, Taxable Special Obligation Housing Notes are dated July 15, 2008 and are due July 15, 2012 at an interest rate of 3.8%. The Series 2009, Taxable Special Obligation Housing Notes are dated June 12, 2009, and are due June 12, 2013 at an interest rate of 2.00%. Subsequent to year-end, the Various Purpose Improvement Notes, due May 6, 2011, were refinanced; therefore, these notes payable are recorded as long-term obligations.

The annual debt service requirements are as follows:

	Bonds Payable		Loans Payable Principal				
Year	Principal	Interest	CA611	CA08F	CA17E	CA17K	CA18M
2011	$ 565,000	$ 850,036	$ 40,375	$ 139,817	$ 64,950	$ 88,277	$ 28,650
2012	575,000	833,486	40,375	139,817	64,950	88,277	28,650
2013	600,000	815,174	40,375	139,817	64,950	88,277	28,650
2014	625,000	795,224	40,375	139,817	64,950	88,277	28,650
2015	645,000	773,336	40,374	139,817	64,950	88,277	28,650
2016-2020	3,640,000	3,418,502	-	699,085	324,750	441,387	143,250
2021-2025	4,555,000	2,439,918	-	699,085	324,751	441,387	143,250
2026-2030	5,805,000	1,168,750	-	139,815	-	308,973	143,250
2031	1,340,000	63,194	-	-	-	-	-
Total	$ 18,350,000	$ 11,157,620	$ 201,874	$ 2,237,070	$ 974,251	$ 1,633,132	$ 573,000

Legal Debt Margin Under the Uniform Bond Act of the Ohio Revised Code, at December 31, 2010, the City's overall debt limitation is $86,234,875 (10.5% of the City's total assessed property valuation of $821,284,520) of which $85,147,758 is available for additional voted and unvoted general obligation debt. Of this total general obligation debt capacity, the City's unvoted general obligation debt capacity is $45,170,649 (5.5% of the City's total assessed property valuation) at December 31, 2010, of which $44,083,532 is available.

Note 9 – Compensated Absences

Vacation is earned by City employees at varying rates based upon length of service. Vacation accumulates based on the bargaining units, and the maximum amounts vary from a range of 160 hours to 600 hours. In the case of death, termination or retirement, an employee (or the employee's estate) is paid for the accumulated, unused vacation leave.

All full-time employees earn sick leave at a rate of fifteen (15) workdays per year. In November of each year, full-time employees of the City have the right to convert accumulated sick leave days earned during the last year in excess of a total accumulation of ninety (90) days at the ratio of three days of accumulated sick leave for one day's pay. Sick leave not converted under this option may be used through time off from work. Dependent upon bargaining unit membership, full-time employees with minimum continuous service with the City ranging from five to ten years who terminate employment for other than disciplinary reasons may receive payment for their accumulated sick leave according to various formulae with maximums ranging from 500 to 1,300 hours. Compensated absences are charged to various funds of the City in accordance to where an employee's salary is charged.

Note 10 – Pension and Retirement Plans

A. Ohio Public Employees Retirement System (OPERS)

The City of Shaker Heights participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the Traditional 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 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 E. Town St., Columbus, OH 43215-4642 or by calling 614-222-5601 or 800-222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units and 18.1 percent of covered payroll for law and public safety employer units. Member contribution rates, as set in the Ohio Revised Code, are not to exceed 10 percent. For the year ended December 31, 2010, members in state and local classifications contributed 10 percent of covered payroll while public safety and law enforcement members contributed 10.5 percent and 11.1 percent, respectively; however, no police or fire officers of the City are members of OPERS.

Note 10 – Pension and Retirement Plans (continued)

A. Ohio Public Employees Retirement System (OPERS) (continued)

While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan. For 2010, member and employer contribution rates were consistent across all three plans.

The City's required contributions to OPERS for the years ended December 31, 2010, 2009, and 2008 were $1,992,058, $1,994,804, and $1,937,741, respectively, of which $1,268,808, $1,157,699, and $968,871, respectively, was allocated to the pension. The full amount has been contributed for 2009 and 2008. For 2010, 90.0 percent has been contributed, with the remainder reported as a liability in the fund financial statements and the government-wide financial statements within the accrued wages and benefits. Contributions to the Member-Directed Plan for 2010 were $47,056 made by the City and $33,611 made by plan members.

B. Ohio Police and Fire Pension Fund (OP&F)

The City of Shaker Heights 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 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required by the Ohio Revised Code to contribute 10.0 percent of their annual covered salary, while employers are required to contribute 19.5 percent and 24.0 percent respectively for police officers and firefighters. The OP&F Pension Fund is authorized by the Ohio Revised Code to allocate a portion of the employer contributions to retiree health care benefits. The portion of employer contributions used to fund pension benefits was 12.75 percent of covered payroll for police officers and 17.25 percent of covered payroll for firefighters.

The City's contributions to OP&F for the years ended December 31, 2010, 2009, and 2008 were $2,205,664, $2,281,081, and $2,092,172, respectively, of which $1,517,593, $1,571,254, and $1,441,603, respectively, was allocated to the pension. The full amount has been contributed for 2009 and 2008. For 2010, 89.1 percent for police and 89.1 percent for firefighters has been contributed, with the remainder reported as a liability in the fund financial statements and the government-wide financial statements.

Note 11 – Postemployment Benefits

A. Ohio Public Employees Retirement System (OPERS)

The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the Traditional Plan – a cost-sharing multiple-employer defined benefit pension plan; the Member-Directed Plan – a defined contribution plan; and the Combined Plan – a cost-sharing multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care 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.

In order to qualify for post-retirement health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and qualified survivor 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 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. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 E. Town St., Columbus, OH, 43215-4642, or by calling 614-222-5601 or 800-222-7377.

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. Employer contribution rates are expressed as a percentage of the covered payroll of active members. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0 percent of covered payroll for state and local employer units and 18.1 percent of covered payroll for law enforcement and public safety employer units. In 2010, the City's contribution rate was 14.0 percent of covered payroll for local employees and 17.87 percent of covered payroll for law enforcement and public safety employees; no police or fire officers of the City are members of OPERS.. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of the post employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 5.5 percent from January 1 through February 28, 2010 and 5.0 percent from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73 percent from January 1 through February 28, 2010 and 4.23 percent from March 1 through December 31, 2010. The OPERS Board of Trustees 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.

Note 11 – Postemployment Benefits (continued)

A. Ohio Public Employees Retirement System (OPERS) (continued)

The City's contributions to OPERS for the years ended December 31, 2010, 2009, and 2008 were $1,992,058, $1,994,804, and $1,937,741, respectively, of which $723,250, $837,105, and $968,870, respectively, was allocated to the health care plan. The full amount has been contributed for 2009 and 2008. For 2010, 90 percent has been contributed, with the remainder reported as a liability in the fund financial statements and the government-wide financial statements within the accrued wages and benefits.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Board of Trustees on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased on January 1 of each year from 2006 to 2008. Rates for law and public safety employers increased over a six year period beginning on January 1, 2006, with a final rate increase on January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

B. Ohio Police and Fire Pension Fund (OP&F)

The City of Shaker Heights 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-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code allows, but does not mandate OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That report may be obtained by writing to OP&F, 140 E. Town St., Columbus, Ohio 43215-5164.

The Ohio Revised Code provides for contribution requirements of the participating employers and of the plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5 percent and 24.0 percent of covered payroll for police and fire employers, respectively. The Ohio revised Code states that the employer contribution may not exceed 19.5 percent of the covered payroll for police employer units and 24.0 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

Note 11 – Postemployment Benefits (continued)

B. Ohio Police and Fire Pension Fund (OP&F) (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, 2010, the employer contribution allocated to health care plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions to OP&F for the years ended December 31, 2010, 2009, and 2008 were $2,205,664, $2,281,081, and $2,092,172, respectively, of which $688,071, $709,827, and $650,569, respectively, was allocated to the health care plan. The full amount has been contributed for 2009 and 2008. For 2010, 89.1 percent for police and 89.1 percent for firefighters has been contributed, with the remainder reported as a liability in the fund financial statements and the government-wide financial statements.

Note 12 – Interfund Activity

A. Interfund activity for the year ended December 31, 2010 consisted of the following:

	Interfund Payable				
Interfund Receivable	General Fund	Capital Projects Fund	Non Major Funds	Internal Service	Total
General Fund	$ -	$ -	$ 233,852	$ 42,429	$ 276,281
Capital Projects Fund	-	-	46,310	-	46,310
Nonmajor Governmental Funds	18,534	7,479	163,467	-	189,480
Internal Service Funds	101,195	-	-	-	101,195
Total	$ 119,729	$ 7,479	$ 443,629	$ 42,429	$ 613,266

The interfund receivables and payables listed above result from a difference in the timing of when expenses are recognized in accordance with generally accepted accounting principles and when the related interfund subsidies are budgeted for payment on a cash basis.

Note 12 – Interfund Activity (continued)

B. Interfund transfers for the year ended December 31, 2010, consisted of the following:

	Transfer From			
Transfer To	General Fund	Capital Projects Fund	Non Major Funds	Total
Nonmajor Governmental Funds	$ 3,494,480	$ 351,905	$ 402,652	$ 4,249,037

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service.

The City had no transfers that either do not occur on a regular basis or were inconsistent with the purpose of the fund making the transfer. In addition, each of the above transfers is in compliance with the Ohio Revised Code.

Note 13 – Direct Financing Leases

As of December 31, 2010, the City has leased three pieces of real property. All of the leases are accounted for as direct financing leases. The value of the City's investment in direct financing leases is reflected as a lease receivable and deferred revenue in the General Fund of $161,900, in the Debt Service Fund of $35,000, and in the Capital Projects Fund of $150,006.

Former Moreland School Building: This property was leased to the Shaker Heights Public Library during 1991 to serve as the library districts' new main library facility. The initial lease term expires in 2013 with four ten-year renewal options. Under the terms of the lease, the Library Board of Directors completed approximately $4.3 million in renovations to the facility. The lease required the City to finance $2.6 million of the project. The annual basic lease payment is $100 plus the annual debt service on the financing amortized over the life of the lease.

Warrensville Center Road Center Strip/Parking Lots: This lease was entered into with University Hospitals Health System, Inc. in June 2007 for a term of 15 years. Under the terms of the lease, the City constructed and made necessary improvements to existing parking lots on City-owned property along Warrensville Center Road.

3470 Warrensville Center Road: This lease was entered into with Starbucks Corporation in 1999 for a 10 year period. In 2008, Starbucks exercised its first option to extend the lease for an additional five-year period. It was extended through August 2014, commencing September 1, 2009. Under the terms of the lease, upon expiration, the lessee has the right to renew the lease with scheduled rent increases for one additional five-year period.

Note 13 – Direct Financing Leases (continued)

The following lists the components of the net investment in direct financing leases as of December 31,2010:

Year Ending December 31,	General Fund	Debt Service Fund	Capital Projects Fund	Total
2011	$ 58,550	$ 35,000	$ 3,851	$ 97,401
2012	58,550	-	3,851	62,401
2013	58,450	-	3,851	62,301
2014	43,750	-	3,851	47,601
2015	-	-	3,851	3,851
2016-2020	-	-	119,251	119,251
2021	-	-	53,850	53,850
Total minimum lease receivable	219,300	35,000	192,356	446,656
Less: Amounts representing executory costs	(57,400)	-	(42,350)	(99,750)
Net investment in direct financing leases	$ 161,900	$ 35,000	$ 150,006	$ 346,906

Note 14 – Risk Management

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. During 2010, the City contracted with the following insurance companies:

Argonaut (Trident) – provided public entity broad form liability insurance. This insurance included law enforcement, public officials, and emergency medical liability insurance, and is limited to $10,000,000 with a self-retention of $50,000. This insurance also included excess insurance for automobile liability with no retention limit. AAIC provided the excess liability (umbrella) insurance.

Trident – provided liability insurance for all City-owned vehicles (excluding refuse collection scooters) and physical damage insurance for all units valued at $50,001 and above with a deductible of $500. Any vehicle valued below $50,001 does not carry comprehensive or collision insurance. The vehicles not carried under the plan are self-insured by the City. This coverage includes $1,000,000 for Liability, $25,000 for uninsured/under insured motorist, $1,000,000 for leased or rented vehicles, and a $500 comprehensive and collision deductible.

Trident – provided commercial insurance for property and inland marine. Property insurance, with a deductible of $5,000, was limited to $44,246,936 for property and contents and $1,470,610 for contractor's equipment. This coverage also included coverage of valuable papers and records, which was limited to $100,000 with a deductible of $500.

Trident – provided commercial crime and public employee dishonesty insurance with an aggregate limit of $500,000 and a deductible of $5,000.

Trident – provided catastrophic loss coverage for the City's vehicle fleet (provided for all vehicles valued $50,000 and under for catastrophic loss). This insurance coverage has a maximum limit of $500,000 and deductible of $5,000.

Note 14 – Risk Management (continued)

The City accounts for its general liability and property insurance premiums in the Self-Insurance Fund (an Internal Service Fund). The claims liability reported in the Self-Insurance Fund is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable. Several claims and lawsuits are pending against the City. At December 31, 2010, the general and property liabilities balance is zero. The amount of the liability, if any, cannot be reasonably estimated at this time. Settled claims have not exceeded commercial coverage in any of the past three fiscal years. There were no reductions of coverage in 2010 when compared to the prior year.

The City makes available a choice of health care plans for full-time permanent employees and their qualified dependents. The current providers are an HMO and commercial hospitalization insurance carrier. Hospitalization premiums are paid on a monthly basis and allocated to proper funds. Benefits of these plans include hospitalization and dental insurance. Other insurance carriers provide accidental death and dismemberment, disability, and life insurance benefits.

Historically, under the Ohio Workers' Compensation System for public employer taxing districts, a city could be fully insured against worker compensation claims. The city paid a premium determined by the "base rate" as modified by the "experience factor."

On September 1, 2008, the City elected to provide worker's compensation coverage through a partially self-insured program. The City is accounting for the worker's compensation self-insurance through the Self-Insurance Fund (an Internal Service Fund). Compensable Benefits LLC is the City's third-party administrator. The retention point for excess insurance is $500,000, which is through Safety National Casualty Corporation. The insurance will cover the City for each incident that goes beyond $500,000.

At December 31, 2010, $ 579,614 has been accrued for Self Insurance claims. This represents estimates to be paid for Workers' Compensation and Property and Casualty for unpaid claims costs, including an estimate of costs relating to incurred but not yet reported claims based on the current information available.

A reconciliation of changes in the balances of claims liabilities during the fiscal years 2010 and 2009 were as follows:

	Property and Casualty		Workers' Compensation	
	2010	2009	2010	2009
Beginning of the Year Liability	$ -	$ -	$ 674,654	$ 88,051
Current Year Claims And Changes in Estimates	74,446	64,162	16,629	708,422
Claim Payments	(74,446)	(64,162)	(111,669)	(121,819)
Balance at End of Year	$ -	$ -	$ 579,614	$ 674,654

Note 15 – Subsequent Event

On May 5, 2011, the City issued Various Purpose Improvement Notes in the amount of $2,250,000 with an interest rate of 2.00%, maturing on May 5, 2012, to retire previously outstanding notes for the following purposes: improving streets within the City by resurfacing and reconstructing surfaces, curbing, and draining and installing a new traffic signalization system.

Note 16 – Construction Commitments

The City has active construction projects as of December 31, 2010. As of December 31, 2010, the City's construction commitments with contractors were as follows:

Project	Project Expenditures as of 12/31/2010	Remaining Commitment
Street Improvements:		
Warrensville/Van Aken Intersection	$ 399,403	$ 300,077
2010 Street Repair Program	1,132,789	917,211
Total Street Improvements	1,532,192	1,217,288
Land Improvements:		
Menlo Tot Lot	42,879	29,790
Ashby Lot Improvements	27,483	33,292
Total Land Improvements	70,362	63,082
Total All Projects	$ 1,602,554	$ 1,280,370

Note 17 – Claims and Judgments

Several claims and lawsuits are pending against the City. The amount of the liability, if any, cannot be reasonably estimated at this time. However, it is in the opinion of management that such claims and lawsuits will not have a material adverse effect on the financial condition of the City.

The City has received several federal and state grants for specific purposes which are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to grantor agencies for expenditures disallowed under the terms of the grants. However, it is the opinion of management that any such disallowances, if any, will be immaterial.

Note 18 – Fund Deficits

Fund balances at December 31, 2010 included the following individual fund deficits:

Funds	Deficit Fund Balance
Nonmajor Special Revenue Funds:	
Housing Grant Fund	$ 276,482
High Intensity Drug Trafficking Area Fund	418,146
Drug Free Community Grant Fund	3,246
Nonmajor Internal Service Fund:	
Municipal Garage Fund	37,322

These fund deficits are the result of the recognition of liabilities in accordance with general accepted accounting principles.

Note 19 – Jointly Governed Organization

The City is a member of the Northeast Ohio Public Energy Council ("NOPEC"). NOPEC is a regional council of government formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of electricity. NOPEC is currently comprised of 167 communities who have been authorized by ballot to purchase electricity on behalf of their citizens. The intent of NOPEC is to provide electricity at the lowest possible rates while at the same time insuring stability in prices by entering into long-term contracts with suppliers to provide electricity to the citizens of member communities. The City did not contribute to NOPEC during 2010.

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the eight-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. Financial information can be obtained by contacting the Board Chairman, 31320 Solon Road, Suite 20, Solon, Ohio, 44139.

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Non-Major Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of special revenue resources (other than expendable trusts of major capital projects) that are legally restricted to expenditure for specified purposes.

Street Maintenance and Repair
One of two funds legally required by the Ohio Revised Code (the other being the State Highway Maintenance Fund) to account for revenue from the state gasoline tax and motor vehicle registration fees. The Revised Code requires that 92.5% of these revenues be used for the maintenance and repair of streets within the City.

State Highway Fund
One of two funds legally required by the Ohio Revised Code (the other being the Street Maintenance and Repair Fund) to account for revenue from the state gasoline tax and motor vehicle registration fees. The Revised Code requires that 7.5% of these revenues be used exclusively for the maintenance and repair of state highways within the City.

Economic Development Fund
To account for funds used to attract and retain businesses within the City.

Sewer Maintenance
To account for funds derived from a surcharge levied upon all users of the sewer system with the City. This surcharge pays for sewer system maintenance, replacement and repair. The surcharge is levied in addition to the treatment and disposal rate set by the Northeast Ohio Regional Sewer District.

Police Pension Fund
To account for the payment of current and accrued police pension liability to the Police and Fireman's Disability and Pension Fund of Ohio. The Ohio Revised Code requires that the City levy .3 mills of property tax annually for the partial payment of this liability. The remaining liability is financed by a transfer primarily from the City's General Fund.

Fire Pension Fund
To account for the payment of current and accrued fire pension liability to the Police and Firemen's Disability and Pension Fund of Ohio. The Ohio Revised Code requires that the City levy .3 mills of property tax annually for the partial payment of this liability. The remaining liability is financed by a transfer primarily from the City's General Fund.

Indigent Driver/Alcohol Treatment
To account for reinstatement fees collected by the State Bureau of Motor Vehicles and $1.50 per traffic case paid (HB 562) in connection with driving under the influence offenses. Section 4511.191(L) provides that payments are to be made only upon order of the Municipal Court Judge for alcohol and other drug treatment costs for indigent drivers.

Court Computer Legal Research
To account for revenues from court costs assessed under the authority of Ohio Revised Code Section 1901.261(A) by the Municipal Court on the filing of each cause of action or appeal for the purposes of computerizing the court and to make available computerized legal research services.

Non-Major Special Revenue Funds (Continued)

Clerk's Computerization
To account for revenues from court costs assessed under the authority of Ohio Revised Code Section 1901.261(B) by the Municipal Court on the filing of each cause of action or appeal, certificate of judgment or modification of judgment for the purpose of procuring and maintaining computer systems for the office of the clerk of the Municipal Court.

Housing Grant (Neighborhood Revitalization)
To account for monies received from grants from various sources to be used to provide funding for housing within the City.

Fair Housing Grant
To account for monies received from the Department of Housing and Urban Development. The funds are to be used to monitor fair housing practices within the City.

Preservation Services
To account for monies used for the various housing programs within the City.

Law Enforcement Grant
To account for grants received by the Shaker Heights Police Department whose primary purpose is to reduce the amounts and effects of external harm to individuals and property.

Court Community Service Fund
To account for the collection and use of an additional court cost imposed by the Shaker Heights Municipal Court, under the authority of Ohio Revised Code Section 1901.26, on each DUI and substance related offenses as well as first-offender criminal cases to fund court service programming.

Court Alternate Dispute Resolution Fund
To account for the collection and use of an additional court cost imposed by the Shaker Heights Municipal Court, under the authority of Ohio Revised Code Section 1901.26, on each civil and small claims case to fund alternate dispute resolution programming and materials.

Ohio Court Security Project Fund
To account for a grant received from the State of Ohio to be used to upgrade court security by replacing door entry locks with a computerized keyless entry system. This also accounts for $1.00 collected per criminal and traffic case collected which came into effect September 2003.

High Intensity Drug Trafficking Area Grant Fund (HIDTA)
The City is the grantee and acts as the fiscal agent for the federally funded Ohio HIDTA. The HIDTA Program functions as a coordination umbrella by forging partnerships among local, state, and federal law enforcement agencies in designated areas to combine resources and efforts in order to reduce drug trafficking and distribution.

Drug Free Community Grant
To account for a grant received by the City's Health Department whose primary purpose is to reduce and prevent the use of alcohol, tobacco and other drugs by Shaker Heights youth through influencing social norms regarding substance abuse.

Non-Major Special Revenue Funds (Continued)

Housing and Nuisance Abatement
To account for funds received from the levy of special assessments against nuisance properties and charges for services from nuisance properties for the maintenance of such properties.

Indigent Driver Interlock Device
To account for funds received from court costs that are collected on each DUI offense. The fund was created with the purpose of funding interlock and SCRAM (Secure Continuous Remote Alcohol Monitoring) for indigent drivers. In addition, the court receives monthly checks from the Bureau of Motor Vehicles for reinstatement fees collected.

Street Lighting Assessment
To account for funds received from the levy of special assessments against property with frontage on public streets for the legally restricted purpose of paying the cost of street lighting with the City.

Tree Maintenance Assessment
To account for funds received from the levy of special assessments against property with frontage on public streets for the legally restricted purpose of paying the cost of tree care on the City's public right-of-way.

Central Services Operation
To provide a central cost center for work for other governmental agencies, utilities, and individuals that is not considered to be a normal city function and is billable back to the responsible party. Included in this fund is the maintenance of the rapid transit tracks for the Regional Transit Authority, street openings and closings, public property damage repair, sidewalk repair and replacement and other miscellaneous activities.

Law Enforcement Trust
To account for the proceeds of property deemed contraband by the courts and ordered forfeited to the City. The Ohio Revised Code permits these funds to be expended only for the cost of protracted or complex investigations or prosecutions, to provide reasonable technical training or expertise or other such law enforcement purposes as determined by Council. The fund may not be used to meet operating costs of the City that are not related to law enforcement.

Non-Major Debt Service Funds

Debt Service Administration
To account for the accumulation of resources for, and the payment of all General Long Term Debt Principal and Interest except for Urban Renewal Debt.

Urban Renewal Debt Service Fund
To account for the accumulation of resources for and the payment of Urban Renewal Debt issued pursuant to Ohio Revised Code Section 725 to finance improvements secured by tax increment payments including the Sussex Area Revitalization Project and the Shaker Towne Centre Community Development District Revitalization Project.

City of Shaker Heights, Ohio

Combining Balance Sheet
Non-Major Governmental Funds

December 31, 2010

	Non-Major Special Revenue Funds	Non-Major Debt Service Funds	Total Non-Major Governmental Funds
Assets:			
Cash and cash equivalents	$ 9,221,793	$ 1,877,295	$ 11,099,088
Taxes receivable	434,068	-	434,068
Accounts receivable	844,985	-	844,985
Special assessments receivable	3,695,609	-	3,695,609
Lease receivable	-	35,000	35,000
Interfund receivable	182,001	7,479	189,480
Intergovernmental receivable	977,565	605,598	1,583,163
Total assets	$ 15,356,021	$ 2,525,372	$ 17,881,393
Liabilities and fund balances:			
Liabilities:			
Accounts payable	$ 661,449	$ -	$ 661,449
Accrued wages and benefits	461,584	-	461,584
Interfund payable	397,319	46,310	443,629
Deferred revenue	5,521,812	640,598	6,162,410
Total liabilities	7,042,164	686,908	7,729,072
Fund balances:			
Reserved for encumbrances	696,035	181,035	877,070
Unreserved; undesignated	7,617,822	1,657,429	9,275,251
Total fund balances	8,313,857	1,838,464	10,152,321
Total liabilities and fund balances	$ 15,356,021	$ 2,525,372	$ 17,881,393

City of Shaker Heights, Ohio

Combining Statement of Revenues, Expenditures, and Changes In Fund Balances
Non-Major Governmental Funds

For the Year Ended December 31, 2010

	Non-Major Special Revenue Funds	Non-Major Debt Service Funds	Total Non-Major Governmental Funds
Revenues:			
Property taxes	$ 423,554	$ -	$ 423,554
Intergovernmental	4,954,576	674,709	5,629,285
Charges for services	1,681,793	-	1,681,793
Interest earnings	35,856	12,198	48,054
Fines and forfeitures	291,886	-	291,886
Special assessments	1,800,575	-	1,800,575
Other revenue	181,505	178,842	360,347
Total revenues	9,369,745	865,749	10,235,494
Expenditures:			
Current operations and maintenance:			
Security of persons and property:			
Police	4,473,347	-	4,473,347
Fire	1,133,334	-	1,133,334
Other	747,335	-	747,335
Public health service	110,179	-	110,179
Housing and community development	1,764,050	-	1,764,050
Sanitation and sewer service	1,295,779	-	1,295,779
Street maintenance and repair	1,154,029	-	1,154,029
Public works – other	488,776	-	488,776
General government:			
Legislative and executive	71,724	28,490	100,214
Judicial system	173,905	-	173,905
Debt service:			
Principal retirement	-	1,993,420	1,993,420
Interest and fiscal charges	-	903,720	903,720
Total expenditures	11,412,458	2,925,630	14,338,088
Excess of revenues over (under) expenditures	(2,042,713)	(2,059,881)	(4,102,594)
Other financing sources (uses):			
Issuance of debt	-	575,000	575,000
Transfers – in	2,163,124	2,085,913	4,249,037
Transfers – out	(402,652)	-	(402,652)
Total other financing sources (uses)	1,760,472	2,660,913	4,421,385
Net change in fund balances	(282,241)	601,032	318,791
Fund balances at beginning of year, restated	8,596,098	1,237,432	9,833,530
Fund balances at end of year	$ 8,313,857	$ 1,838,464	$ 10,152,321

City of Shaker Heights, Ohio

Combining Balance Sheet
Non-Major Special Revenue Funds

December 31, 2010

	Street Maintenance and Repair	State Highway	Economic Development	Sewer Maintenance	Police Pension
Assets:					
Cash and cash equivalents	$ 476,010	$ 80,683	$ 3,428,974	$ 1,148,886	$ 629,038
Taxes receivable	-	-	-	-	217,034
Accounts receivable	-	-	8,696	639,369	-
Special assessments receivable	-	-	-	-	-
Interfund receivable	-	-	-	-	-
Intergovernmental receivable	374,092	29,267	81,836	-	16,314
Total assets	$ 850,102	$ 109,950	$ 3,519,506	$ 1,788,255	$ 862,386
Liabilities and fund balances:					
Liabilities:					
Accounts payable	$ 2,324	$ 727	$ 70,289	$ 40,220	$ -
Accrued wages and benefits	16,355	-	-	13,947	216,613
Interfund payable	-	-	-	-	-
Deferred revenue	231,706	18,787	68	557,580	233,348
Total liabilities	250,385	19,514	70,357	611,747	449,961
Fund balances:					
Reserved for encumbrances	5,559	24,993	21,827	82,300	-
Undesignated, reported in:					
Special Revenue funds	594,158	65,443	3,427,322	1,094,208	412,425
Total fund balances (deficits)	599,717	90,436	3,449,149	1,176,508	412,425
Total liabilities and fund balances	$ 850,102	$ 109,950	$ 3,519,506	$ 1,788,255	$ 862,386

Fire Pension	Indigent Driver / Alcohol Treatment	Court Computer Legal Research	Clerk's Computerization	Housing Grant	Fair Housing Grant	Preservation Services	Law Enforcement Grant	Court Community Service
$ 510,173	$ 59,397	$ 126,823	$ 413,028	$ -	$ 24,714	$ 372,421	$ 5,185	$ 51,516
217,034	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
18,534	-	-	-	-	-	34,002	-	-
16,314	884	2,128	6,706	-	-	-	-	-
$ 762,055	$ 60,281	$ 128,951	$ 419,734	$ -	$ 24,714	$ 406,423	$ 5,185	$ 51,516
$ -	$ -	$ 412	$ -	$ 58,644	$ -	$ -	$ -	$ -
207,269	-	-	-	-	-	-	-	-
-	-	-	-	217,838	-	-	-	-
233,348	-	-	-	-	-	-	-	-
440,617	-	412	-	276,482	-	-	-	-
-	-	378	185	425,737	-	5,600	-	-
321,438	60,281	128,161	419,549	(702,219)	24,714	400,823	5,185	51,516
321,438	60,281	128,539	419,734	(276,482)	24,714	406,423	5,185	51,516
$ 762,055	$ 60,281	$ 128,951	$ 419,734	$ -	$ 24,714	$ 406,423	$ 5,185	$ 51,516

(Continued)

City of Shaker Heights, Ohio

Combining Balance Sheet
Non-Major Special Revenue Funds (Continued)

December 31, 2010

	Court Alternate Dispute Resolution	Ohio Court Security Project Fund	H.I.D.T.A. Grant	Drug Free Community Grant	Housing and Nuisance Abatement	Indigent Driver Interlock Device
Assets:						
Cash and cash equivalents	$ 7,610	$ 38,156	$ 6,090	$ 2,159	$ 425,324	$ 4,658
Taxes receivable	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-
Special assessments receivable	-	-	-	-	1,757,325	-
Interfund receivable	-	-	-	-	-	-
Intergovernmental receivable	3,379	624	445,268	-	-	753
Total assets	$ 10,989	$ 38,780	$ 451,358	$ 2,159	$ 2,182,649	$ 5,411
Liabilities and fund balances:						
Liabilities:						
Accounts payable	$ -	$ -	$ 321,879	$ 5,000	$ 3,689	$ 4,530
Accrued wages and benefits	368	-	-	405	-	-
Interfund payable	-	-	129,481	-	-	-
Deferred revenue	-	-	418,144	-	1,757,325	-
Total liabilities	368	-	869,504	5,405	1,761,014	4,530
Fund balances:						
Reserved for encumbrances	-	1,134	-	-	27,100	222
Undesignated, reported in:						
Special revenue funds	10,621	37,646	(418,146)	(3,246)	394,535	659
Total fund balances (deficits)	10,621	38,780	(418,146)	(3,246)	421,635	881
Total liabilities and fund balances	$ 10,989	$ 38,780	$ 451,358	$ 2,159	$ 2,182,649	$ 5,411

Street Lighting Assessment	Tree Maintenance Assessment	Central Services Operation	Law Enforcement Trust Fund	Total
$ 163,472	$ 402,694	$ 251,742	$ 593,040	$ 9,221,793
-	-	-	-	434,068
-	-	196,920	-	844,985
639,917	833,803	464,564	-	3,695,609
-	-	-	129,465	182,001
-	-	-	-	977,565
$ 803,389	$ 1,236,497	$ 913,226	$ 722,505	$ 15,356,021
$ 130,579	$ 19,257	$ 1,855	$ 2,044	$ 661,449
-	6,357	270	-	461,584
-	-	50,000	-	397,319
639,917	833,803	597,786	-	5,521,812
770,496	859,417	649,911	2,044	7,042,164
-	52,912	48,088	-	696,035
32,893	324,168	215,227	720,461	7,617,822
32,893	377,080	263,315	720,461	8,313,857
$ 803,389	$ 1,236,497	$ 913,226	$ 722,505	$ 15,356,021

City of Shaker Heights, Ohio

Combining Statement of Revenues, Expenditures, and Changes In Fund Balances
Non-Major Special Revenue Funds

For The Year Ended December 31, 2010

	Street Maintenance and Repair	State Highway	Economic Development	Sewer Maintenance	Police Pension
Revenues:					
Property taxes	$ -	$ -	$ -	$ -	$ 211,777
Intergovernmental	1,002,364	68,414	117,175	-	37,136
Charges for services	2,322	-	44,100	1,122,839	-
Interest earnings	4,909	661	-	13,445	-
Fines and forfeitures	-	-	-	-	-
Special assessments	-	-	-	-	-
Other revenue	-	-	24,561	255	430
Total revenues	1,009,595	69,075	185,836	1,136,539	249,343
Expenditures:					
Current:					
Security of persons and property:					
Police	-	-	-	-	1,007,441
Fire	-	-	-	-	-
Other	-	-	-	-	-
Public health services	-	-	-	-	-
Housing and community development	-	-	364,885	-	-
Sanitation and sewer services	-	-	-	1,295,779	-
Street maintenance and repair	1,025,156	87,642	-	-	-
Public works – other	-	-	-	-	-
General government:					
Legislative and executive	-	-	-	-	-
Judicial system	-	-	-	-	-
Total expenditures	1,025,156	87,642	364,885	1,295,779	1,007,441
Excess of revenues over (under) expenditures	(15,561)	(18,567)	(179,049)	(159,240)	(758,098)
Other financing sources (uses):					
Transfers – in	-	-	449,452	-	809,280
Transfers – out	-	-	-	(128,652)	-
Total other financing sources (uses)	-	-	449,452	(128,652)	809,280
Net change in fund balances	(15,561)	(18,567)	270,403	(287,892)	51,182
Fund balances (deficit) at beginning of year	615,278	109,003	3,178,746	1,464,400	361,243
Fund balances (deficit) at end of year	$ 599,717	$ 90,436	$ 3,449,149	$ 1,176,508	$ 412,425

Fire Pension	Indigent Driver / Alcohol Treatment	Court Computer Legal Research	Clerk's Computerization	Housing Grant	Fair Housing Grant	Preservation Services	Law Enforcement Grant	Court Community Service
$ 211,777	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
37,136	-	3,372	-	272,604	15,294	-	5,700	-
-	-	-	-	-	-	-	1,320	-
-	466	1,071	3,272	-	242	2,023	-	428
-	21,101	34,430	108,781	-	-	-	-	6,431
-	-	-	-	-	-	-	-	-
814	-	-	-	-	-	100,000	-	-
249,727	21,567	38,873	112,053	272,604	15,536	102,023	7,020	6,859
-	-	-	-	-	-	-	4,302	-
1,124,296	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	516,919	-	99,987	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	36,313	-	-	-
-	6,377	39,578	43,871	-	-	-	-	3,830
1,124,296	6,377	39,578	43,871	516,919	36,313	99,987	4,302	3,830
(874,569)	15,190	(705)	68,182	(244,315)	(20,777)	2,036	2,718	3,029
892,292	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
892,292	-	-	-	-	-	-	-	-
17,723	15,190	(705)	68,182	(244,315)	(20,777)	2,036	2,718	3,029
303,715	45,091	129,244	351,552	(32,167)	45,491	404,387	2,467	48,487
$ 321,438	$ 60,281	$ 128,539	$ 419,734	$ (276,482)	$ 24,714	$ 406,423	$ 5,185	$ 51,516

(Continued)

City of Shaker Heights, Ohio

Combining Statement of Revenues, Expenditures, and Changes In Fund Balances
Non-Major Special Revenues Funds (Continued)

For the Year Ended December 31, 2010

	Court Alternate Dispute Resolution	Ohio Court Security Project Fund	H.I.D.T.A. Grant	Drug Free Community Grant	Housing and Nuisance Abatement	Indigent Driver Interlock Device
Revenues:						
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	3,288,414	106,967	-	-
Charges for services	-	-	-	-	89	-
Interest Earnings	131	297	-	-	3,943	51
Fines and forfeitures	33,637	9,913	-	-	-	13,139
Special assessments	-	-	-	-	255,983	-
Other revenue	-	-	-	1,500	8,695	-
Total revenues	33,768	10,210	3,288,414	108,467	268,710	13,190
Expenditures:						
Current:						
Security of persons and property:						
Police	-	-	3,426,938	-	-	-
Fire	-	-	-	-	-	-
Other	-	-	-	-	-	-
Public health services	-	-	-	110,179	-	-
Housing and community development	-	-	-	-	21,493	-
Sanitation and sewer services	-	-	-	-	-	-
Street maintenance and repair	-	-	-	-	-	-
Public works – other	-	-	-	-	-	-
General government:						
Legislative and executive	-	-	-	-	-	-
Judicial system	54,933	2,608	-	-	-	22,708
Total expenditures	54,933	2,608	3,426,938	110,179	21,493	22,708
Excess of revenues over (under) expenditures	(21,165)	7,602	(138,524)	(1,712)	247,217	(9,518)
Other financing sources (uses):						
Transfers – in	-	-	-	-	-	-
Transfers – out	-	-	-	-	(274,000)	-
Total other financing sources (uses)	-	-	-	-	(274,000)	-
Net change in fund balances	(21,165)	7,602	(138,524)	(1,712)	(26,783)	(9,518)
Fund balances (deficit) at beginning of year	31,786	31,178	(279,622)	(1,534)	448,418	10,399
Fund balances (deficit) at end of year	$ 10,621	$ 38,780	$ (418,146)	$ (3,246)	$ 421,635	$ 881

Street Lighting Assessment	Tree Maintenance Assessment	Central Services Operation	Law Enforcement Trust Fund	Total
$ -	$ -	$ -	$ -	$ 423,554
-	-	-	-	4,954,576
-	-	511,123	-	1,681,793
-	-	-	4,917	35,856
-	-	-	64,454	291,886
574,115	750,118	220,359	-	1,800,575
-	-	45,250	-	181,505
574,115	750,118	776,732	69,371	9,369,745
-	-	-	34,666	4,473,347
-	-	9,038	-	1,133,334
747,335	-	-	-	747,335
-	-	-	-	110,179
-	760,766	-	-	1,764,050
-	-	-	-	1,295,779
-	-	41,231	-	1,154,029
-	-	488,776	-	488,776
-	-	35,411	-	71,724
-	-	-	-	173,905
747,335	760,766	574,456	34,666	11,412,458
(173,220)	(10,648)	202,276	34,705	(2,042,713)
12,100	-	-	-	2,163,124
-	-	-	-	(402,652)
12,100	-	-	-	1,760,472
(161,120)	(10,648)	202,276	34,705	(282,241)
194,013	387,728	61,039	685,756	8,596,098
$ 32,893	$ 377,080	$ 263,315	$ 720,461	$ 8,313,857

City of Shaker Heights, Ohio

Combining Balance Sheet
Non-Major Debt Service Funds

December 31, 2010

	Debt Service Administration Fund	Urban Renewal Debt Service Fund	Total
Assets:			
Equity in city treasury cash	$ 1,537,883	$ 339,412	$ 1,877,295
Lease receivable	35,000	-	35,000
Interfund receivable	4,336	3,143	7,479
Intergovernmental receivable	-	605,598	605,598
Total assets	$ 1,577,219	$ 948,153	$ 2,525,372
Liabilities and fund balances:			
Liabilities:			
Interfund payable	$ 34,925	$ 11,385	$ 46,310
Deferred revenue	35,000	605,598	640,598
Total liabilities	69,925	616,983	686,908
Fund balances:			
Reserved for encumbrances	181,035	-	181,035
Unreserved; undesignated	1,326,259	331,170	1,657,429
Total fund balances	1,507,294	331,170	1,838,464
Total liabilities and fund balances	$ 1,577,219	$ 948,153	$ 2,525,372

City of Shaker Heights, Ohio

Combining Statement of Revenues, Expenditures, and Changes In Fund Balances
Non-Major Debt Service Funds

For the Year Ended December 31, 2010

	Debt Service Administration Fund	Urban Renewal Debt Service Fund	Total
Revenues:			
Intergovernmental	$ -	$ 674,709	$ 674,709
Interest earnings	4,595	7,603	12,198
Other revenue	178,842	-	178,842
Total revenues	183,437	682,312	865,749
Expenditures:			
Current operations and maintenance:			
General government:			
Legislative and executive	28,490	-	28,490
Debt service:			
Principal retirement	1,448,420	545,000	1,993,420
Interest and fiscal charges	39,138	864,582	903,720
Total expenditures	1,516,048	1,409,582	2,925,630
Excess of revenues over (under) expenditures	(1,332,611)	(727,270)	(2,059,881)
Other financing sources (uses):			
Issuance of debt	575,000	-	575,000
Transfers – in	2,085,913	-	2,085,913
Total other financing sources (uses)	2,660,913	-	2,660,913
Net change in fund balances	1,328,302	(727,270)	601,032
Fund balances at beginning of year	178,992	1,058,440	1,237,432
Fund balances at end of year	$ 1,507,294	$ 331,170	$ 1,838,464

Individual Fund
Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget (Non – GAAP Basis) and Actual

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
General Fund
For The Year Ended December 31, 2010

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	$ 7,717,774	$ 7,717,774	$ 7,602,486	$ (115,288)
Municipal Income Taxes	19,888,809	19,888,809	19,807,678	(81,131)
Other Local Taxes	60,000	60,000	52,811	(7,189)
State Levied Shared Taxes	4,392,520	4,392,520	3,849,618	(542,902)
Intergovernmental	570,556	570,556	399,759	(170,797)
Charges for Services	4,919,532	4,919,532	5,037,108	117,576
Fees, Licenses, and Permits	685,881	685,881	698,635	12,754
Investment Earnings	175,000	175,000	290,011	115,011
Fines and Forfeitures	701,500	701,500	630,082	(71,418)
Other Revenues	477,761	477,761	528,463	50,702
Total Revenues	39,589,333	39,589,333	38,896,651	(692,682)
Expenditures:				
Current:				
Security of Persons and Property:				
Police				
Personal Services	8,494,400	8,494,400	8,164,872	329,528
Other	851,630	851,630	666,633	184,997
Total Police	9,346,030	9,346,030	8,831,505	514,525
Fire				
Personal Services	5,821,651	5,852,651	5,770,641	82,010
Other	556,844	529,794	478,913	50,881
Total Fire	6,378,495	6,382,445	6,249,554	132,891
Other				
Other	61,700	61,700	53,560	8,140
Total Security of Persons and Property	15,786,225	15,790,175	15,134,619	655,556
Public Health Services:				
Personal Services	464,700	481,217	407,052	74,165
Other	100,215	96,905	69,899	27,006
Total Public Health Services	564,915	578,122	476,951	101,171
Leisure Time Activities:				
Culture and Recreation				
Personal Services	1,806,000	1,806,000	1,759,483	46,517
Other	931,081	931,081	848,708	82,373
Total Culture and Recreation	2,737,081	2,737,081	2,608,191	128,890
Parks and Public Lands Maintenance				
Personal Services	548,840	548,840	516,997	31,843
Other	343,069	343,069	339,057	4,012
Total Parks and Public Lands Maintenance	891,909	891,909	856,054	35,855
Total Leisure Time Activities	3,628,990	3,628,990	3,464,245	164,745

(Continued)

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
General Fund (Continued)
For The Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Housing and Community Development:				
Housing Inspection				
Personal Services	854,200	816,200	813,034	3,166
Other	35,850	38,850	37,506	1,344
Total Housing Inspection	890,050	855,050	850,540	4,510
Building Inspection				
Personal Services	442,300	442,300	434,235	8,065
Other	52,340	52,340	41,152	11,188
Total Building Inspection	494,640	494,640	475,387	19,253
Planning and Development				
Personal Services	418,400	418,400	413,608	4,792
Other	130,869	139,769	108,432	31,337
Total Planning and Development	549,269	558,169	522,040	36,129
Neighborhood Revitalization				
Personal Services	472,100	472,100	391,999	80,101
Other	13,260	13,260	7,624	5,636
Total Neighborhood Revitalization	485,360	485,360	399,623	85,737
Community Life				
Personal Services	333,700	344,700	340,021	4,679
Other	189,806	178,806	179,434	(628)
Total Community Life	523,506	523,506	519,455	4,051
Communications and Outreach				
Personal Services	331,900	331,900	317,461	14,439
Other	488,051	492,127	463,715	28,412
Total Communications and Outreach	819,951	824,027	781,176	42,851
Tree Maintenance and Leaf Collection				
Personal Services	249,300	249,300	236,902	12,398
Other	160,152	160,152	158,717	1,435
Total Tree Maintenance and Leaf Collection	409,452	409,452	395,619	13,833
Total Housing and Community Development	4,172,228	4,150,204	3,943,840	206,364
Sanitation and Sewer Services:				
Sewer Maintenance				
Other	35,930	36,330	36,300	30

(Continued)

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City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
General Fund (Continued)
For The Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Refuse Collection and Disposal				
Personal Services	1,220,270	1,161,270	1,108,810	52,460
Other	939,418	920,318	900,395	19,923
Total Refuse Collection and Disposal	2,159,688	2,081,588	2,009,205	72,383
Solid Waste Recycling				
Personal Services	81,200	93,200	92,671	529
Other	15,753	15,753	9,656	6,097
Total Solid Waste Recycling	96,953	108,953	102,327	6,626
Brush Collection and Disposal				
Personal Services	377,900	397,900	397,807	93
Other	207,980	192,980	192,886	94
Total Brush Collection and Disposal	585,880	590,880	590,693	187
Total Sanitation and Sewer Services	2,878,451	2,817,751	2,738,525	79,226
Street Maintenance and Repair:				
Personal Services	357,400	369,400	368,945	455
Other	399,314	421,914	421,164	750
Total Street Maintenance and Repair	756,714	791,314	790,109	1,205
Public Works - Other:				
Public Works Administration				
Personal Services	639,120	669,120	663,506	5,614
Other	76,333	76,333	49,227	27,106
Total Public Works Administration	715,453	745,453	712,733	32,720
Public Building Maintenance				
Personal Services	614,630	617,630	575,533	42,097
Other	865,713	862,313	784,708	77,605
Total Public Building Maintenance	1,480,343	1,479,943	1,360,241	119,702
Total Public Works - Other	2,195,796	2,225,396	2,072,974	152,422
General Government:				
Legislative and Executive:				
Mayor's Office				
Personal Services	190,200	191,400	191,059	341
Other	34,114	32,914	27,433	5,481
Total Mayor's Office	224,314	224,314	218,492	5,822
Council				
Personal Services	126,700	126,700	126,612	88
Other	15,646	15,646	10,224	5,422
Total Council	142,346	142,346	136,836	5,510

(Continued)

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
General Fund (Continued)
For The Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Chief Administrative Officer				
Personal Services	215,600	216,700	216,258	442
Other	9,182	8,082	5,863	2,219
Total Chief Administrative Officer	224,782	224,782	222,121	2,661
Information Technology				
Personal Services	208,300	208,300	203,701	4,599
Other	116,932	116,932	84,089	32,843
Total Information Technology	325,232	325,232	287,790	37,442
Contract Charges and Statutory Expenses				
Personal Services	40,500	53,500	46,688	6,812
Other	1,093,505	1,081,887	1,008,962	72,925
Total Contract Charges and Statutory Expenses	1,134,005	1,135,387	1,055,650	79,737
Legal Administration				
Personal Services	525,800	525,800	486,837	38,963
Other	255,731	255,731	233,761	21,970
Total Legal Administration	781,531	781,531	720,598	60,933
Finance				
Personal Services	607,700	607,700	606,833	867
Other	111,343	136,343	132,479	3,864
Total Finance	719,043	744,043	739,312	4,731
Human Resources				
Personal Services	250,500	252,000	246,158	5,842
Other	51,961	83,395	73,313	10,082
Total Human Resources	302,461	335,395	319,471	15,924
Total Legislative and Executive	3,853,714	3,913,030	3,700,270	212,760
Judicial System				
Personal Services	2,188,500	2,188,500	2,111,099	77,401
Other	99,081	99,081	79,018	20,063
Total Judicial System	2,287,581	2,287,581	2,190,117	97,464
Total General Government	6,141,295	6,200,611	5,890,387	310,224
Total Expenditures	36,124,614	36,182,563	34,511,650	1,670,913
Excess of Revenues Over (Under) Expenditures	3,464,719	3,406,770	4,385,001	978,231

(Continued)

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
General Fund (Continued)
For The Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Other Financing Sources (Uses):				
Transfers In	800	800	796	(4)
Transfers Out	(4,715,172)	(4,715,172)	(3,995,980)	719,192
Advances In	320,000	320,000	19,706	(300,294)
Total Other Financing Sources (Uses)	(4,394,372)	(4,394,372)	(3,975,478)	418,894
Net Change in Fund Balance	(929,653)	(987,602)	409,523	1,397,125
Beginning Cash Fund Balance	7,809,638	7,809,638	7,809,638	-
Prior Year's Reserve For Encumbrances Outstanding at December 31	(57,220)	(57,220)	(57,220)	-
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(718,530)	(718,530)	(718,530)	-
Ending Unreserved Cash Fund Balance	$ 6,104,235	$ 6,046,286	7,443,411	$ 1,397,125
Reserved for Encumbrances – All Budget Years			962,721	
Total Cash Fund Balance – December 31			$ 8,406,132	

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Street Maintenance and Repair
For The Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
State Levied Shared Taxes	$ 882,006	$ 882,006	$ 841,773	$ (40,233)
Intergovernmental	158,863	158,863	158,061	(802)
Charges for Services	3,000	3,000	2,322	(678)
Investment Earnings	-	-	4,907	4,907
Total Revenues	1,043,869	1,043,869	1,007,063	(36,806)
Expenditures:				
Current:				
Street Maintenance and Repair	1,283,888	1,283,888	1,012,428	271,460
Excess of Revenues Over (Under) Expenditures	(240,019)	(240,019)	(5,365)	234,654
Other Financing Sources (Uses):				
Transfers In	200,000	200,000	-	(200,000)
Net Change in Fund Balance	(40,019)	(40,019)	(5,365)	34,654
Beginning Cash Fund Balance	492,031	492,031	492,031	-
Prior Year's Reserve For Encumbrances Outstanding At December 31	(920)	(920)	(920)	-
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(17,619)	(17,619)	(17,619)	-
Ending Unreserved Cash Fund Balance	$ 433,473	$ 433,473	468,127	$ 34,654
Reserved for Encumbrances – All Budget Years			7,883	
Total Cash Fund Balance – December 31			$ 476,010	

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
State Highway Fund
For The Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
State Levied Shared Taxes	$ 71,514	$ 71,514	$ 68,252	$ (3,262)
Investment Earnings	1,200	1,200	661	(539)
Total Revenues	72,714	72,714	68,913	(3,801)
Expenditures:				
Current:				
Street Maintenance and Repair	77,070	77,070	68,435	8,635
Net Change in Fund Balance	(4,356)	(4,356)	478	4,834
Beginning Cash Fund Balance	98,685	98,685	98,685	-
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(44,200)	(44,200)	(44,200)	-
Ending Unreserved Cash Fund Balance	$ 50,129	$ 50,129	54,963	$ 4,834
Reserved for Encumbrances – All Budget Years			25,720	
Total Cash Fund Balance – December 31			$ 80,683	

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Economic Development Fund
For The Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Intergovernmental	$ 44,100	$ 44,100	$ 35,271	$ (8,829)
Other Revenues	17,706	17,706	60,101	42,395
Total Revenues	61,806	61,806	95,372	33,566
Expenditures:				
Current:				
Housing and Community Development	264,521	454,521	278,035	176,486
Excess of Revenues Over (Under) Expenditures	(202,715)	(392,715)	(182,663)	210,052
Other Financing Sources (Uses):				
Transfers In	1,835,357	1,835,357	449,452	(1,385,905)
Net Change in Fund Balance	1,632,642	1,442,642	266,789	(1,175,853)
Beginning Cash Fund Balance	3,210,402	3,210,402	3,210,402	-
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(71,385)	(71,385)	(71,385)	-
Ending Unreserved Cash Fund Balance	$ 4,771,659	$ 4,581,659	3,405,806	$ (1,175,853)
Reserved for Encumbrances – All Budget Years			23,168	
Total Cash Fund Balance – December 31			$ 3,428,974	

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Sewer Maintenance Fund
For The Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Intergovernmental	$ 5,902	$ 5,902	$ -	$ (5,902)
Charges for Services	1,284,420	1,284,420	1,101,458	(182,962)
Investment Earnings	17,000	17,000	13,445	(3,555)
Other Revenues	-	-	254	254
Total Revenues	1,307,322	1,307,322	1,115,157	(192,165)
Expenditures:				
Current:				
Sanitation and Sewer Services	1,400,655	1,490,655	1,354,480	136,175
Net Change in Fund Balance	(93,333)	(183,333)	(239,323)	(55,990)
Beginning Cash Fund Balance	1,425,234	1,425,234	1,425,234	-
Prior Year's Reserve For Encumbrances Outstanding At December 31	(8,250)	(8,250)	(8,250)	-
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(118,928)	(118,928)	(118,928)	-
Ending Unreserved Cash Fund Balance	$ 1,204,723	$ 1,114,723	1,058,733	$ (55,990)
Reserved for Encumbrances – All Budget Years			90,153	
Total Cash Fund Balance – December 31			$ 1,148,886	

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Police Pension Fund
For The Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Property Taxes	$ 232,205	$ 232,205	$ 248,913	$ 16,708
Intergovernmental	-	-	430	430
Total Revenues	232,205	232,205	249,343	17,138
Expenditures:				
Current:				
Security of Persons and Property – Police	1,078,700	1,078,700	1,006,991	71,709
Excess of Revenues Over (Under) Expenditures	(846,495)	(846,495)	(757,648)	88,847
Other Financing Sources (Uses):				
Transfers In	874,335	874,335	809,280	(65,055)
Net Change in Fund Balance	27,840	27,840	51,632	23,792
Beginning Cash Fund Balance	577,406	577,406	577,406	-
Total Cash Fund Balance – December 31	$ 605,246	$ 605,246	$ 629,038	$ 23,792

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Fire Pension Fund
For The Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Property Taxes	$ 232,205	$ 232,205	$ 248,913	$ 16,708
Other Revenues	-	-	814	814
Total Revenues	232,205	232,205	249,727	17,522
Expenditures:				
Current:				
Security of Persons and Property – Fire	1,140,800	1,140,800	1,123,073	17,727
Excess of Revenues Over (Under) Expenditures	(908,595)	(908,595)	(873,346)	35,249
Other Financing Sources (Uses):				
Transfers In	937,895	937,895	892,292	(45,603)
Net Change in Fund Balance	29,300	29,300	18,946	(10,354)
Beginning Cash Fund Balance	491,227	491,227	491,227	-
Total Cash Fund Balance – December 31	$ 520,527	$ 520,527	$ 510,173	$ (10,354)

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Indigent Driver / Alcohol Treatment Fund
For The Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Charges for Services	$ 13,500	$ 13,500	$ 21,156	$ 7,656
Investment Earnings	300	300	465	165
Total Revenues	13,800	13,800	21,621	7,821
Expenditures:				
Current:				
General Government				
Judicial System	22,000	22,000	6,376	15,624
Net Change in Fund Balance	(8,200)	(8,200)	15,245	23,445
Beginning Cash Fund Balance	44,152	44,152	44,152	-
Total Cash Fund Balance – December 31	$ 35,952	$ 35,952	$ 59,397	$ 23,445

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Court Computer Legal Research Fund
For The Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Intergovernmental	$ -	$ -	$ 3,372	$ 3,372
Charges for Services	36,000	36,000	34,643	(1,357)
Investment Earnings	1,100	1,100	1,071	(29)
Other Revenue	-	-	-	-
Total Revenues	37,100	37,100	39,086	1,986
Expenditures:				
Current:				
General Government				
Judicial System	89,800	89,800	38,701	51,099
Net Change in Fund Balance	(52,700)	(52,700)	385	53,085
Beginning Cash Fund Balance	126,942	126,942	126,942	-
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(1,294)	(1,294)	(1,294)	-
Ending Unreserved Cash Fund Balance	$ 72,948	$ 72,948	126,033	$ 53,085
Reserved for Encumbrances – All Budget Years			790	
Total Cash Fund Balance – December 31			$ 126,823	

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Clerk's Computerization Fund
For The Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Charges for Services	$ 118,000	$ 118,000	$ 109,396	$ (8,604)
Investment Earnings	2,300	2,300	3,270	970
Total Revenues	120,300	120,300	112,666	(7,634)
Expenditures:				
Current:				
General Government				
Judicial System	84,550	84,550	40,838	43,712
Net Change in Fund Balance	35,750	35,750	71,828	36,078
Beginning Cash Fund Balance	344,231	344,231	344,231	-
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(3,216)	(3,216)	(3,216)	-
Ending Unreserved Cash Fund Balance	$ 376,765	$ 376,765	412,843	$ 36,078
Reserved for Encumbrances – All Budget Years			185	
Total Cash Fund Balance – December 31			$ 413,028	

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Housing Grant Fund
For The Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Intergovernmental	$ 1,350,000	$ 1,350,000	$ 272,603	$ (1,077,397)
Other Revenue	50,000	50,000	-	(50,000)
Total Revenues	1,400,000	1,400,000	272,603	(1,127,397)
Expenditures:				
Current:				
Housing and Community Development	1,100,000	1,100,000	920,809	179,191
Excess of Revenues Over (Under) Expenditures	300,000	300,000	(648,206)	(948,206)
Other Financing Sources (Uses):				
Advances Out	(300,000)	(300,000)	(19,706)	280,294
Net Change in Fund Balance	-	-	(667,912)	(667,912)
Beginning Cash Fund Balance	25,012	25,012	25,012	-
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(21,500)	(21,500)	(21,500)	-
Ending Unreserved Cash Fund Balance	$ 3,512	$ 3,512	(664,400)	$ (667,912)
Reserved for Encumbrances – All Budget Years			480,564	
Total Cash Fund Balance – December 31			$ (183,836)	

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Fair Housing Grant Fund
For The Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Intergovernmental	$ 10,000	$ 10,000	$ 15,294	$ 5,294
Investment Earnings	300	300	240	(60)
Total Revenues	10,300	10,300	15,534	5,234
Expenditures:				
Current:				
General Government				
Legislative and Executive	33,950	42,450	36,311	6,139
Net Change in Fund Balance	(23,650)	(32,150)	(20,777)	11,373
Beginning Cash Fund Balance	45,491	45,491	45,491	-
Total Cash Fund Balance – December 31	$ 21,841	$ 13,341	$ 24,714	$ 11,373

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Preservation Services Fund
For The Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Investment Earnings	$ -	$ -	$ 2,023	$ 2,023
Other Revenue	206,000	206,000	100,000	(106,000)
Total Revenues	206,000	206,000	102,023	(103,977)
Expenditures:				
Current:				
Housing and Community Development	415,752	415,752	105,587	310,165
Net Change in Fund Balance	(209,752)	(209,752)	(3,564)	206,188
Beginning Cash Fund Balance	370,385	370,385	370,385	-
Ending Unreserved Cash Fund Balance	$ 160,633	$ 160,633	366,821	$ 206,188
Reserved for Encumbrances – All Budget Years			5,600	
Total Cash Fund Balance – December 31			$ 372,421	

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Law Enforcement Grant Fund
For The Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Intergovernmental	$ 4,000	$ 4,000	$ 6,650	$ 2,650
Charges for Services	1,100	1,100	1,320	220
Total Revenues	5,100	5,100	7,970	2,870
Expenditures:				
Current:				
Security of Persons and Property – Police	4,744	5,344	4,302	1,042
Net Change in Fund Balance	356	(244)	3,668	3,912
Beginning Cash Fund Balance	1,517	1,517	1,517	-
Total Cash Fund Balance – December 31	$ 1,873	$ 1,273	$ 5,185	$ 3,912

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Court Community Service Fund
For The Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Charges for Services	$ 8,100	$ 8,100	$ 7,182	$ (918)
Investment Earnings	400	400	428	28
Total Revenues	8,500	8,500	7,610	(890)
Expenditures:				
Current:				
General Government				
Judicial System	7,000	7,000	3,511	3,489
Net Change in Fund Balance	1,500	1,500	4,099	2,599
Beginning Cash Fund Balance	47,736	47,736	47,736	-
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(319)	(319)	(319)	-
Total Cash Fund Balance – December 31	$ 48,917	$ 48,917	$ 51,516	$ 2,599

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Court Alternate Dispute Resolution Fund
For The Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Charges for Services	$ 37,000	$ 37,000	$ 32,796	$ (4,204)
Investment Earnings	300	300	132	(168)
Total Revenues	37,300	37,300	32,928	(4,372)
Expenditures:				
Current:				
General Government				
Judicial System	56,350	56,350	54,566	1,784
Net Change in Fund Balance	(19,050)	(19,050)	(21,638)	(2,588)
Beginning Cash Fund Balance	29,248	29,248	29,248	-
Total Cash Fund Balance – December 31	$ 10,198	$ 10,198	$ 7,610	$ (2,588)

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Ohio Court Security Project Fund
For The Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Charges for Services	$ 9,500	$ 9,500	$ 9,945	$ 445
Investment Earnings	250	250	297	47
Total Revenues	9,750	9,750	10,242	492
Expenditures:				
Current:				
General Government				
Judicial System	14,500	14,500	2,242	12,258
Net Change in Fund Balance	(4,750)	(4,750)	8,000	12,750
Beginning Cash Fund Balance	32,172	32,172	32,172	-
Prior Year's Reserve For Encumbrances Outstanding At December 31	(1,134)	(1,134)	(1,134)	-
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(2,016)	(2,016)	(2,016)	-
Ending Unreserved Cash Fund Balance	$ 24,272	$ 24,272	37,022	$ 12,750
Reserved for Encumbrances – All Budget Years			1,134	
Total Cash Fund Balance – December 31			$ 38,156	

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
High Intensity Drug Trafficking Area Grant (H.I.D.T.A.) Fund
For The Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Intergovernmental	$ 3,500,000	$ 3,800,000	$ 3,560,130	$ (239,870)
Expenditures:				
Current:				
Security of Persons and Property – Police	3,257,798	3,621,780	3,554,040	67,740
Excess of Revenues Over (Under) Expenditures	242,202	178,220	6,090	(172,130)
Other Financing Sources (Uses):				
Advances Out	(129,479)	(129,479)	-	129,479
Net Change in Fund Balance	112,723	48,741	6,090	(42,651)
Beginning Cash Fund Balance	-	-	-	-
Total Cash Fund Balance – December 31	$ 112,723	$ 48,741	$ 6,090	$ (42,651)

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Drug Free Community Grant Fund
For The Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Intergovernmental	$ 100,000	$ 201,500	$ 107,382	$ (94,118)
Other Revenue	-	-	1,500	1,500
Total Revenues	100,000	201,500	108,882	(92,618)
Expenditures:				
Current:				
Public Health Services	100,000	201,500	106,966	94,534
Excess of Revenues Over (Under) Expenditures	-	-	1,916	1,916
Other Financing Sources (Uses):				
Advances In	20,000	20,000	-	(20,000)
Advances Out	(20,000)	(20,000)	-	20,000
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	-	-	1,916	1,916
Beginning Cash Fund Balance	243	243	243	-
Total Cash Fund Balance – December 31	$ 243	$ 243	$ 2,159	$ 1,916

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Housing and Nuisance Abatement Fund
For The Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Charges for Services	$ 494,000	$ 494,000	$ 270,118	$ (223,882)
Investment Earnings	6,000	6,000	3,943	(2,057)
Other Revenue	-	-	8,695	8,695
Total Revenues	500,000	500,000	282,756	(217,244)
Expenditures:				
Current:				
Housing and Community Development	250,000	250,000	48,577	201,423
Excess of Revenues Over (Under) Expenditures	250,000	250,000	234,179	(15,821)
Other Financing Sources (Uses):				
Transfers Out	(274,000)	(274,000)	(274,000)	-
Net Change in Fund Balance	(24,000)	(24,000)	(39,821)	(15,821)
Beginning Cash Fund Balance	460,123	460,123	460,123	-
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(25,750)	(25,750)	(25,750)	-
Ending Unreserved Cash Fund Balance	$ 410,373	$ 410,373	394,552	$ (15,821)
Reserved for Encumbrances – All Budget Years			30,772	
Total Cash Fund Balance – December 31			$ 425,324	

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Indigent Driver Interlock Fund
For The Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Charges for Services	$ 8,500	$ 18,500	$ 13,196	$ (5,304)
Investment Earnings	50	50	51	1
Total Revenues	8,550	18,550	13,247	(5,303)
Expenditures:				
Current:				
General Government:				
Judicial System	8,400	18,400	18,400	-
Net Change in Fund Balance	150	150	(5,153)	(5,303)
Beginning Cash Fund Balance	9,589	9,589	9,589	-
Ending Unreserved Cash Fund Balance	$ 9,739	$ 9,739	4,436	$ (5,303)
Reserved for Encumbrances – All Budget Years			222	
Total Cash Fund Balance – December 31			$ 4,658	

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Street Lighting Assessment Fund
For The Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Special Assessments	$ 593,428	$ 593,428	$ 574,115	$ (19,313)
Expenditures:				
Current:				
Security of Persons and Property – Other	738,653	738,653	737,695	958
Excess of Revenues Over (Under) Expenditures	(145,225)	(145,225)	(163,580)	(18,355)
Other Financing Sources (Uses):				
Transfers In	12,100	12,100	12,100	-
Net Change in Fund Balance	(133,125)	(133,125)	(151,480)	(18,355)
Beginning Cash Fund Balance	276,002	276,002	276,002	-
Ending Unreserved Cash Fund Balance	$ 142,877	$ 142,877	124,522	$ (18,355)
Reserved for Encumbrances – All Budget Years			38,950	
Total Cash Fund Balance – December 31			$ 163,472	

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Tree Maintenance Assessment Fund
For The Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Special Assessments	$ 790,386	$ 790,386	$ 750,117	$ (40,269)
Expenditures:				
Current:				
Housing and Community Development	995,181	995,181	805,860	189,321
Net Change in Fund Balance	(204,795)	(204,795)	(55,743)	149,052
Beginning Cash Fund Balance	431,057	431,057	431,057	-
Prior Year's Reserve For Encumbrances Outstanding At December 31	(17,050)	(17,050)	(17,050)	-
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(27,739)	(27,739)	(27,739)	-
Ending Unreserved Cash Fund Balance	$ 181,473	$ 181,473	330,525	$ 149,052
Reserved for Encumbrances – All Budget Years			72,169	
Total Cash Fund Balance – December 31			$ 402,694	

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Central Services Operation Fund
For The Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Charges for Services	$ 903,213	$ 903,213	$ 748,362	$ (154,851)
Other Revenue	69,939	69,939	45,157	(24,782)
Total Revenues	973,152	973,152	793,519	(179,633)
Expenditures:				
Current:				
Security of Persons and Property				
Police	10,000	10,000	-	10,000
Fire	11,149	11,149	8,570	2,579
Street Maintenance and Repair	369,200	369,200	252,210	116,990
Public Works - Other	390,919	390,919	296,659	94,260
General Government				
Legislative and Executive	63,150	63,150	37,426	25,724
Total Expenditures	844,418	844,418	594,865	249,553
Net Change in Fund Balance	128,734	128,734	198,654	69,920
Beginning Cash Fund Balance	45,741	45,741	45,741	-
Prior Year's Reserve For Encumbrances Outstanding At December 31	(2,600)	(2,600)	(2,600)	-
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(39,769)	(39,769)	(39,769)	-
Ending Unreserved Cash Fund Balance	$ 132,106	$ 132,106	202,026	$ 69,920
Reserved for Encumbrances – All Budget Years			49,716	
Total Cash Fund Balance – December 31			$ 251,742	

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Law Enforcement Trust Fund
For The Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Investment Earnings	$ -	$ -	$ 4,917	$ 4,917
Fines and Forfeitures	129,479	129,479	64,454	(65,025)
Total Revenues	129,479	129,479	69,371	(60,108)
Expenditures:				
Current:				
Security of Persons and Property – Police	-	-	32,622	(32,622)
Excess of Revenues Over (Under) Expenditures	129,479	129,479	36,749	(92,730)
Other Financing Sources (Uses):				
Transfers Out	-	(75,000)	-	75,000
Net Change in Fund Balance	129,479	54,479	36,749	(17,730)
Beginning Cash Fund Balance	556,291	556,291	556,291	-
Total Cash Fund Balance – December 31	$ 685,770	$ 610,770	$ 593,040	$ (17,730)

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Debt Service Administration Fund
For The Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Investment Earnings	$ -	$ -	$ 4,597	$ 4,597
Other Revenue	938,168	938,168	157,999	(780,169)
Total Revenues	938,168	938,168	162,596	(775,572)
Expenditures:				
Current:				
General Government				
Legislative and Executive	15,000	15,000	3,242	11,758
Debt Service:				
Principal Retirements	873,420	1,462,745	1,462,745	-
Interest and Fiscal Charges	72,138	57,813	39,138	18,675
Total Expenditures	960,558	1,535,558	1,505,125	30,433
Excess of Revenues Over (Under) Expenditures	(22,390)	(597,390)	(1,342,529)	(745,139)
Other Financing Sources (Uses):				
Proceeds from the Sale of Notes	-	-	595,843	595,843
Transfers In	1,172,033	1,172,033	2,085,913	913,880
Total Other Financing Sources (Uses)	1,172,033	1,172,033	2,681,756	1,509,723
Net Change in Fund Balance	1,149,643	574,643	1,339,227	764,584
Beginning Cash Fund Balance	209,581	209,581	209,581	-
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(191,960)	(191,960)	(191,960)	-
Ending Unreserved Cash Fund Balance	$ 1,167,264	$ 592,264	1,356,848	$ 764,584
Reserved for Encumbrances – All Budget Years			181,035	
Total Cash Fund Balance – December 31			$ 1,537,883	

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Urban Renewal Debt Service Fund
For The Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Property Taxes	$ 590,494	$ 590,494	$ 674,709	$ 84,215
Investment Earnings	-	-	7,603	7,603
Total Revenues	590,494	590,494	682,312	91,818
Expenditures:				
Debt Service:				
Principal Retirements	545,000	545,000	545,000	-
Interest and Fiscal Charges	864,582	864,582	864,582	-
Total Expenditures	1,409,582	1,409,582	1,409,582	-
Excess of Revenues Over (Under) Expenditures	(819,088)	(819,088)	(727,270)	91,818
Other Financing Sources (Uses):				
Transfers In	819,088	819,088	-	(819,088)
Net Change in Fund Balance	-	-	(727,270)	(727,270)
Beginning Cash Fund Balance	1,066,682	1,066,682	1,066,682	-
Total Cash Fund Balance – December 31	$ 1,066,682	$ 1,066,682	$ 339,412	$ (727,270)

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Central Purchasing Fund
For The Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Charges for Services	$ 621,728	$ 712,669	$ 718,703	$ 6,034
Expenses:				
Personal Services	-	-	249	(249)
Contractual Services	3,895	58,440	58,440	-
Materials and Supplies	608,774	654,229	642,307	11,992
Total Expenses	612,669	712,669	700,996	11,673
Net Change in Fund Equity	9,059	-	17,707	17,707
Beginning Cash Fund Equity	-	-	-	-
Ending Unreserved Cash Fund Equity	$ 9,059	$ -	17,707	$ 17,707
Reserved for Encumbrances – All Budget Years			6,724	
Total Cash Fund Equity – December 31			$ 24,431	

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Copier Management Fund
For The Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Charges for Services	$ 41,468	$ 41,468	$ 140	$ (41,328)
Expenses:				
Contractual Services	41,468	41,468	483	40,985
Net Change in Fund Equity	-	-	(343)	(343)
Beginning Cash Fund Equity	30,492	30,492	30,492	-
Current Year Cash Expenses Against Prior Year's Cash Fund Equity Reserved For Encumbrance	(4,021)	(4,021)	(4,021)	-
Ending Unreserved Cash Fund Equity	$ 26,471	$ 26,471	26,128	$ (343)
Reserved for Encumbrances – All Budget Years			4,504	
Total Cash Fund Equity – December 31			$ 30,632	

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Municipal Garage Fund
For The Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Charges for Services	$ 1,166,983	$ 1,166,983	$ 1,035,083	$ (131,900)
Expenses:				
Personal Services	827,090	827,090	739,627	87,463
Travel and Education	2,501	2,501	1,072	1,429
Contractual Services	295,376	283,345	275,892	7,453
Materials and Supplies	42,116	54,147	54,147	-
Total Expenses	1,167,083	1,167,083	1,070,738	96,345
Net Change in Fund Equity	(100)	(100)	(35,655)	(35,555)
Beginning Cash Fund Equity	61,218	61,218	61,218	-
Prior Year's Reserve For Encumbrances Outstanding At December 31	(665)	(665)	(665)	-
Current Year Cash Expenses Against Prior Year's Cash Fund Equity Reserved For Encumbrance	(24,890)	(24,890)	(24,890)	-
Ending Unreserved Cash Fund Equity	$ 35,563	$ 35,563	8	$ (35,555)
Reserved for Encumbrances – All Budget Years			63,809	
Total Cash Fund Equity – December 31			$ 63,817	

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Self Insurance Fund
For The Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Other Revenues	$ 17,000	$ 17,000	$ 13,243	$ (3,757)
Expenses:				
Personal Services	66,700	66,700	66,594	106
Travel and Education	472	472	54	418
Contractual Services	833,779	833,779	766,108	67,671
Materials and Supplies	1,255	1,255	904	351
Other Expenditures	202,541	202,541	75,283	127,258
Total Expenses	1,104,747	1,104,747	908,943	195,804
Operating Income (Loss)	(1,087,747)	(1,087,747)	(895,700)	192,047
Other Financing Sources (Uses):				
Transfers in	-	-	500,000	500,000
Net Change in Fund Equity	(1,087,747)	(1,087,747)	(395,700)	692,047
Beginning Cash Fund Equity	1,964,506	1,964,506	1,964,506	-
Current Year Cash Expenses Against Prior Year's Cash Fund Equity Reserved For Encumbrance	(3,042)	(3,042)	(3,042)	-
Ending Unreserved Cash Fund Equity	$ 873,717	$ 873,717	1,565,764	$ 692,047
Reserved for Encumbrances – All Budget Years			39,534	
Total Cash Fund Equity – December 31			$ 1,605,298	

Central Purchasing Fund
To provide a central cost center to account for the purchasing of office supplies, road materials, sidewalk materials, fuel, fire hydrants, and other miscellaneous supplies to be charged back to the individual City departments as the supplies are drawn.

Copier Management Fund
To provide a central cost center to account for the cost of copying performed by City departments.

Municipal Garage Fund
To provide a central cost center to account for the cost of repairing and maintaining the City's fleet of vehicles and heavy equipment. Operating costs are charged back to City departments based upon the number of vehicles and equipment maintained and upon the department's actual utilization of the garage.

Self Insurance Fund
To account for monies charged to the General and the Enterprise funds of the City by the Self-Insurance Reserve Fund. Since 1986 the City has directly assumed the risk of loss from general liability claims. The Self-Insurance Reserve was created by Council to provide for a loss reserve, for the administration of the self-insurance activity and to account for the workers' compensation claims. The Self-Insurance Reserve is not available to fund the general operations of the City.

City of Shaker Heights, Ohio

Combining Statement of Fund Net Assets
Nonmajor Internal Service Funds

December 31, 2010

	Central Purchasing	Copier Management	Municipal Garage	Self Insurance	Total Internal Service Funds
Assets:					
Equity in city treasury cash	$ 24,431	$ 30,632	$ 63,817	$ 1,605,298	$ 1,724,178
Accounts receivable	-	-	-	2,653	2,653
Interfund receivable	11,537	-	89,658	-	101,195
Inventory of supplies	168,947	-	-	-	168,947
Prepaid items	-	-	-	51,332	51,332
Total assets	204,915	30,632	153,475	1,659,283	2,048,305
Liabilities:					
Accounts payable	69,396	1,639	36,093	71,167	178,295
Accrued wages and benefits	-	-	20,428	-	20,428
Interfund payable	42,429	-	-	-	42,429
Claims payable	-	-	-	113,604	113,604
Accrued compensated absences	-	-	43,769	-	43,769
Total current liabilities	111,825	1,639	100,290	184,771	398,525
Long-term liabilities (net of current portion):					
Claims payable	-	-	-	466,010	466,010
Accrued compensated absences	-	-	90,507	-	90,507
Total long-term liabilities	-	-	90,507	466,010	556,517
Total liabilities	111,825	1,639	190,797	650,781	955,042
Net assets:					
Unrestricted (deficit)	$ 93,090	$ 28,993	$ (37,322)	$ 1,008,502	$ 1,093,263

City of Shaker Heights, Ohio

Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Nonmajor Internal Service Funds

For The Year Ended December 31, 2010

	Central Purchasing	Copier Management	Municipal Garage	Self Insurance	Total Internal Service Funds
Operating revenues:					
Charges for services	$ 718,702	$ 140	$ 1,035,083	$ 513,243	$ 2,267,168
Total operating revenues	718,702	140	1,035,083	513,243	2,267,168
Operating expenses:					
Personal services	-	-	755,587	66,594	822,181
Travel and education	248	-	1,072	54	1,374
Contractual services	58,268	1,639	246,799	725,383	1,032,089
Material and supplies	647,100	-	54,755	848	702,703
Total operating expenses	705,616	1,639	1,058,213	792,879	2,558,347
Change in net assets	13,086	(1,499)	(23,130)	(279,636)	(291,179)
Net assets (deficit) at beginning of year	80,004	30,492	(14,192)	1,288,138	1,384,442
Net assets (deficit) at end of year	$ 93,090	$ 28,993	$ (37,322)	$ 1,008,502	$ 1,093,263

City of Shaker Heights, Ohio

Combining Statements of Cash Flows
Non-Major Internal Services Funds

For The Year Ended December 31, 2010

	Central Purchasing	Copier Management	Municipal Garage	Self Insurance	Total Internal Service Funds
Increase (decrease) in cash and cash equivalents:					
Cash flows from operating activities:					
Cash received from internal services	$ 718,702	$ 140	$ 1,035,083	$ 513,243	$ 2,267,168
Cash payments to suppliers	(637,461)	-	(53,069)	(904)	(691,434)
Cash payments for goods and services	(56,810)	-	(239,939)	(804,953)	(1,101,702)
Cash payments to employees	-	-	(739,476)	(66,594)	(806,070)
Net cash provided by (used for) operating activities	24,431	140	2,599	(359,208)	(332,038)
Net increase (decrease) in cash and cash equivalents	24,431	140	2,599	(359,208)	(332,038)
Cash and cash equivalents at beginning of year	-	30,492	61,218	1,964,506	2,056,216
Cash and cash equivalents at end of year	$ 24,431	$ 30,632	$ 63,817	$ 1,605,298	$ 1,724,178
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:					
Operating income (loss)	$ 13,086	$ (1,499)	$ (23,130)	$ (279,636)	$ (291,179)
Adjustments:					
Changes in assets/liabilities:					
Increase in material and supplies inventory	(16,441)	-	-	-	(16,441)
Increase (decrease) in accounts payable	27,786	1,639	9,618	15,468	54,511
Decrease in accrued wages and benefits	-	-	6,066	-	6,066
Decrease in compensated absences	-	-	10,045	-	10,045
Increase in self insurance claims payable	-	-	-	(95,040)	(95,040)
Total adjustments	11,345	1,639	25,729	(79,572)	(40,859)
Net cash provided by (used for) operating activities	$ 24,431	$ 140	$ 2,599	$ (359,208)	$ (332,038)

Public Art Deposit Fund
To encourage public art throughout the City and to allow residents to make donations in honor of services rendered by various City departments.

Obstruction Permit Deposit Fund
To account for the receipt of refundable deposits required of individuals to insure that obstructions or openings in public property created during construction are returned to pre-construction condition.

Excavating Permit Deposit Fund
To account for the receipt of refundable deposits required of individuals who wish to excavate and/or haul material over public property. The deposit is to guarantee that the public property will be cleaned and restored to its original condition and that the excavation, if any, will be properly guarded in accordance with applicable provisions of the City Code.

Unclaimed Monies Fund
Fund required by Ohio Revised Code to account for monies received or collected and not otherwise paid out according to law. Monies that are deemed to be unclaimed and credited to this fund that are not claimed within a five year period revert to the General Fund.

Fund for the Future of Shaker Heights Fund
To account for the assets, held by the City as fiscal agent, of the Fund for the Future of Shaker Heights, Inc. (F.F.S.H.), a non-profit corporation formed to promote pro-integrative housing moves within the City of Shaker Heights.

Municipal Court Fund
To account for assets received and disbursed by the Shaker Heights Municipal Court as agent or custodian related to civil and criminal court matters.

Contractor Deposit Fund
To account for the receipt of refundable deposits required of individuals who perform construction electrical work, plumbing, sewer or HVAC work. The deposit is to guarantee that the work will be performed and inspected according to City Code.

Recreation Scholarship Fund
To account for funds solicited to be used for the purpose of providing financial aid and/or services to assist disadvantaged youth who otherwise could not afford to participate in various Recreation Department programs. The scholarship program is a non-profit corporation established under the authority of section 501(c) of the Internal Revenue Service Code.

Shaker Family Resource Center Fund
To account for assets held by the City as fiscal agent for the Shaker Family Resource Center, Inc. The purpose of this non-profit corporation is to enhance the quality of life for families with young children in the Shaker Heights City School District by providing educational, social, and recreational and support programs and services.

Board of Building Standards Fund
To account for State mandated fees collected by the City's Building Department relating to the acceptance, review and approval of building plans and specifications. An amount equal to 3% of fees imposed must be remitted on a monthly basis to the State of Ohio Department of Industrial Relations.

Heights Area Special Rescue Team Fund
To account for assets held by the city for the Heights Area Special Rescue Team (HASRT).

City of Shaker Heights, Ohio

Combining Statements of Changes in Assets and Liabilities
Agency Funds

December 31, 2010

	Balance December 31, 2009	Additions	Deductions	Balance December 31, 2010
Public Art Deposit Fund				
Assets:				
Equity in pooled cash and cash equivalents	$ 2,531	$ -	$ -	$ 2,531
Liabilities:				
Deposits held and due to others	$ 2,531	$ -	$ -	$ 2,531
Obstruction Permit Deposit Fund				
Assets:				
Equity in pooled cash and cash equivalents	$ 48,580	$ -	$ -	$ 48,580
Liabilities:				
Deposits held and due to others	$ 48,580	$ -	$ -	$ 48,580
Excavating Permit Deposit Fund				
Assets:				
Equity in pooled cash and cash equivalents	$ 11,420	$ 1,140	$ 85	$ 12,475
Liabilities:				
Deposits held and due to others	$ 11,420	$ 1,140	$ 85	$ 12,475
Unclaimed Monies Fund				
Assets:				
Equity in pooled cash and cash equivalents	$ 203,080	$ 74,824	$ 28,499	$ 249,405
Liabilities:				
Accounts payable	$ -	$ 33,710	$ -	$ 33,710
Deposits held and due to others	203,080	41,114	28,499	215,695
Total Liabilities	$ 203,080	$ 74,824	$ 28,499	$ 249,405
Fund for the Future of Shaker Heights Fund				
Assets:				
Equity in pooled cash and cash equivalents	$ 479,279	$ 82,545	$ 177,199	$ 384,625
Mortgage loans receivable	160,151	87,075	49,928	197,298
Total Assets	$ 639,430	$ 169,620	$ 227,127	$ 581,923
Liabilities:				
Deposits held and due to others	$ 639,430	$ 169,620	$ 227,127	$ 581,923

(Continued)

City of Shaker Heights, Ohio

Combining Statements of Changes in Assets and Liabilities (Continued)
Agency Funds

December 31, 2010

	Balance December 31, 2009	Additions	Deductions	Balance December 31, 2010
Municipal Court Fund				
Assets:				
Cash and cash equivalents in segregated accounts	$ 563,212	$ 4,201,845	$ 4,286,513	$ 478,544
Liabilities:				
Intergovernmental payable	$ 299,796	$ 3,585,030	$ 3,638,919	$ 245,907
Deposits held and due to others	263,416	616,815	647,594	232,637
Total Liabilities	$ 563,212	$ 4,201,845	$ 4,286,513	$ 478,544
Contractor Deposit Fund				
Assets:				
Equity in pooled cash and cash equivalents	$ 142,220	$ -	$ -	$ 142,220
Liabilities:				
Deposits held and due to others	$ 142,220	$ -	$ -	$ 142,220
Recreation Scholarship Fund				
Assets:				
Equity in pooled cash and cash equivalents	$ 37,905	$ 5,602	$ 6,066	$ 37,441
Liabilities:				
Deposits held and due to others	$ 37,905	$ 5,602	$ 6,066	$ 37,441
Shaker Family Resource Center				
Assets:				
Equity in pooled cash and cash equivalents	$ -	$ 487,945	$ 487,945	$ -
Liabilities:				
Deposits held and due to others	$ -	$ 487,945	$ 487,945	$ -
Board of Building Standards Fund				
Assets:				
Equity in pooled cash and cash equivalents	$ 554	$ 2,703	$ 2,505	$ 752
Liabilities:				
Intergovernmental payable	$ 554	$ 2,703	$ 2,505	$ 752

(Continued)

City of Shaker Heights, Ohio

Combining Statements of Changes in Assets and Liabilities (Continued)
Agency Funds

December 31, 2010

	Balance December 31, 2009	Additions	Deductions	Balance December 31, 2010
Heights Area Special Rescue Team Fund				
Assets:				
Equity in pooled cash and cash equivalents	$ 142,535	$ 50,297	$ 31,913	$ 160,919
Liabilities:				
Intergovernmental payable	$ 142,535	$ 50,108	$ 31,913	$ 160,730
Accrued wages and benefits	-	189	-	189
Total liabilities	$ 142,535	$ 50,297	$ 31,913	$ 160,919
Total Agency Funds				
Assets:				
Equity in pooled cash and cash equivalents	$ 1,068,104	$ 705,056	$ 734,212	$ 1,038,948
Cash and cash equivalents				
In segregated accounts	563,212	4,201,845	4,286,513	478,544
Mortgage loan receivable	160,151	87,075	49,928	197,298
Total assets	$ 1,791,467	$ 4,993,976	$ 5,070,653	$ 1,714,790
Liabilities:				
Accounts payable	$ -	$ 33,710	$ -	$ 33,710
Intergovernmental payable	442,885	3,637,841	3,673,337	407,389
Deposits held and due to others	1,348,582	1,322,236	1,397,316	1,273,502
Accrued wages and benefits	-	189	-	189
Total liabilities	$ 1,791,467	$ 4,993,976	$ 5,070,653	$ 1,714,790

STATISTICAL SECTION

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Statistical Section

This part of the City of Shaker Heights's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents **Page(s)**

Financial Trends S3 - S9

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity S10 - S17

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Debt Capacity S18 - S23

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.

Economic and Demographic Information S25 - S27

These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information S29 - S33

These schedules contain service data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant fiscal year. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that fiscal year.

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City of Shaker Heights, Ohio

Net Assets By Component

Last Seven Years

(Accrual Basis of Accounting)

	2010	2009	2008	2007	2006	2005	2004
Governmental Activities							
Invested in Capital Assets,							
Net of Related Debt	$ 61,134,899	$ 61,712,406	$ 58,708,166	$ 44,729,593	$ 39,706,310	$ 28,686,344	$ 32,387,135
Restricted:							
Capital Projects	16,187,786	18,947,218	25,606,578	31,339,125	38,040,586	32,600,572	29,667,802
Debt Service	1,838,464	1,237,432	915,681	-	-	-	-
Streets	690,153	724,281	906,871	-	-	-	-
Public Safety	1,492,645	1,724,661	1,342,216	-	-	-	-
Judicial Services	710,352	637,338	555,708	-	-	-	-
Other	-	-	-	193,610	665,036	7,998,216	2,781,854
Unrestricted	20,655,757	19,904,961	15,311,338	26,003,445	23,169,111	15,936,739	18,128,161
Total Governmental Activities Net Assets	$ 102,710,056	$ 104,888,297	$ 103,346,558	$ 102,265,773	$ 101,581,043	$ 85,221,871	$ 82,964,952

Source: City Financial Records

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City of Shaker Heights, Ohio

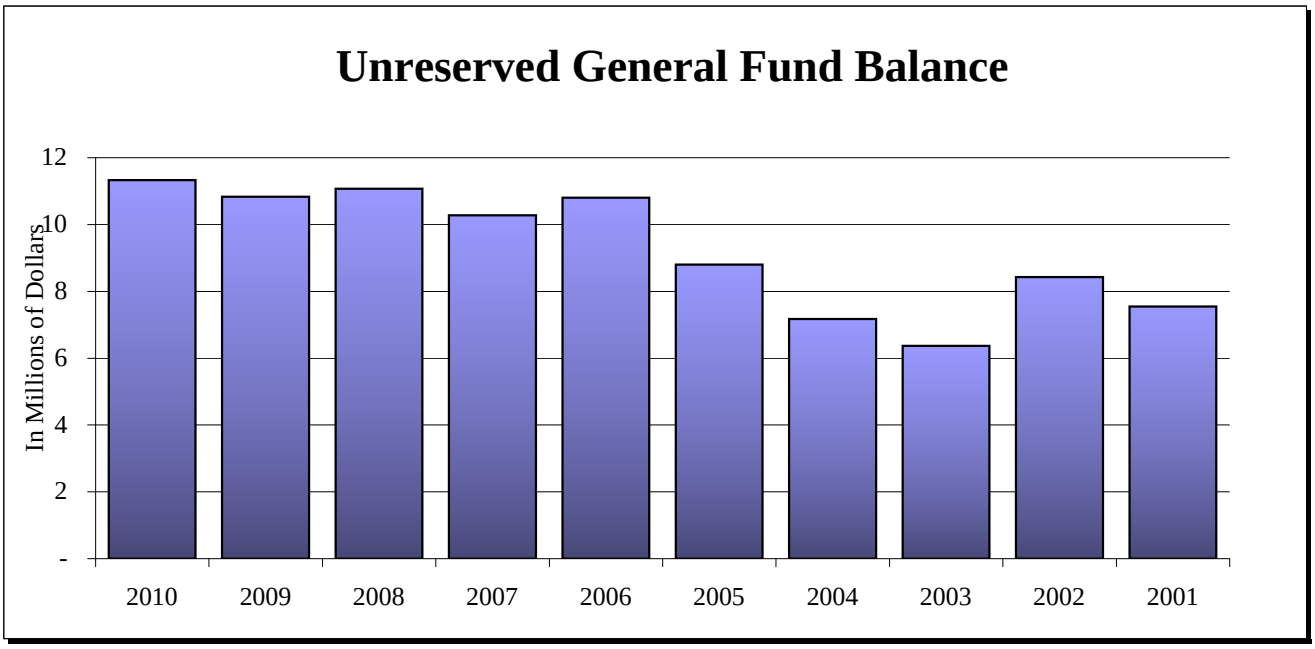
Changes in Net Assets
Last Seven Years
(Accrual Basis of Accounting)

	2010	2009	2008	2007	2006	2005	2004
Program Revenues							
Governmental Activities:							
Charges for Services:							
Security of Persons and Property	$ 1,228,766	$ 1,013,943	$ 1,340,465	$ 860,784	$ 908,354	$ 797,872	$ 832,026
Public Health Services	88,852	70,133	80,210	82,688	80,425	84,582	73,237
Leisure Time Activities	1,758,484	1,754,838	1,827,419	1,884,955	1,818,800	2,002,191	2,173,065
Housing and Community Development	2,412,588	2,504,195	2,117,015	1,528,272	1,692,407	1,330,108	1,247,013
Sanitation and Sewer Services	1,187,478	1,333,696	1,541,510	1,504,818	1,419,346	1,506,353	1,520,428
Street Maintenance and Repair	2,322	8,231	8,238	219,668	205,733	410,546	45,106
Public Works - Other	671,940	707,206	711,143	545,830	538,584	427,956	1,221,186
General Government	2,916,571	2,708,388	2,613,369	2,602,509	2,645,655	4,853,488	2,226,749
Operating Grants and Contributions:							
Security of Persons and Property	3,670,356	4,293,912	4,895,746	2,218,326	3,671,222	3,262,043	2,867,495
Public Health Services	103,824	4,780	-	26,114	34,335	20,657	119,319
Leisure Time Activities	-	-	-	1,683	4,238	5,626	-
Housing and Community Development	331,218	44,215	35,976	116,139	135,317	45,009	119,227
Sanitation and Sewer Services	277,697	295,303	5,901	-	-	38,000	19,454
Street Maintenance and Repair	-	-	-	-	-	26,630	6,741
General Government	15,294	13,000	40,987	75	140	-	1,407,545
Capital Grants and Contributions:							
Security of Persons and Property	6,169	4,000	5,000	-	-	37,722	84,316
Public Health Services	-	-	-	-	-	-	23,712
Housing and Community Development	47,504	188,689	1,701,268	163,667	17,531	738,451	-
Sanitation and Sewer Services	-	298,216	1,467,333	-	-	-	-
Street Maintenance and Repair	-	1,940	508,705	-	-	1,165,442	73,255
Public Works - Other	-	-	-	465,443	7,954,422	-	163
Total Governmental Activities Program Revenues	14,719,063	15,244,685	18,900,285	12,220,971	21,126,509	16,752,676	14,060,037
Expenses							
Governmental Activities:							
General Government	7,169,311	6,729,574	7,087,741	6,427,598	6,297,348	6,186,733	6,454,681
Security of Persons and Property	21,919,064	23,988,819	23,458,781	23,903,946	22,068,064	23,038,851	22,909,631
Public Health and Welfare	590,758	692,906	448,703	563,495	558,169	538,756	632,970
Leisure Time Activities	3,847,435	4,039,556	3,877,476	3,664,496	4,137,650	3,751,953	3,992,118
Housing and Community Development	6,381,587	7,441,799	6,989,574	7,240,967	7,215,561	7,165,612	7,489,338
Sanitation and Sewer Services	4,737,490	4,024,723	5,018,134	2,167,731	2,830,739	2,688,129	4,076,738
Street Maintenance and Repair	2,923,298	2,388,186	2,817,752	2,181,766	2,181,740	1,513,229	2,962,286
Public Works - Other	2,913,412	2,971,552	3,905,495	2,938,506	3,492,889	4,810,977	3,922,743
Interest and Fiscal Charges	919,281	928,950	1,001,492	1,048,868	1,076,682	773,737	491,535
Total Governmental Activities Expenses	51,401,636	53,206,065	54,605,148	50,137,373	49,858,842	50,467,977	52,932,040
Net (Expense)/Revenue							
Governmental Actvities	(36,682,573)	(37,961,380)	(35,704,863)	(37,916,402)	(28,732,333)	(33,715,301)	(38,872,003)
General Revenues and Other Changes in Net Assets							
Governmental Activities							
Property Taxes	6,990,638	8,579,190	8,224,540	8,966,264	7,380,267	7,384,160	7,264,319
Income and Other Taxes	19,777,714	19,523,078	20,819,652	23,244,676	18,002,688	22,653,723	18,530,905
Grants and Entitlements	6,721,784	7,372,760	5,670,500	7,752,673	17,249,741	4,903,785	7,615,993
Interest Earnings	528,639	289,963	629,378	1,963,517	2,411,188	1,024,160	399,676
Miscellaneous Income	485,557	451,678	232,203	218,240	47,621	6,393	-
Special Item	-	-	-	(1,731,108)	-	-	-
Total Governmental Activites	34,504,332	36,216,669	35,576,273	40,414,262	45,091,505	35,972,221	33,810,893
Change in Net Assets							
Governmental Activities	$ (2,178,241)	$ (1,744,711)	$ (128,590)	$ 2,497,860	$ 16,359,172	$ 2,256,920	$ (5,061,110)

Source: City Financial Records

City of Shaker Heights, Ohio
Fund Balances, Governmental Funds
Last Ten Years
(Modified Accrual Basis of Accounting)

	2010	2009	2008	2007
General Fund				
Reserved	$ 635,380	$ 672,271	$ 658,094	$ 737,765
Unreserved	11,325,272	10,832,936	11,068,444	10,277,756
Total General Fund	11,960,652	11,505,207	11,726,538	11,015,521
All Other Governmental Funds				
Reserved	5,385,836	5,917,500	8,286,921	21,462,206
Unreserved, Undesignated, Reported in:				
Special Revenue funds	7,617,822	8,165,918	5,830,175	3,638,148
Debt Service funds	1,657,429	1,043,472	793,110	(6,320,440)
Capital Projects funds	11,679,020	13,653,858	17,703,298	10,321,345
Total All Other Governmental Funds	26,340,107	28,780,748	32,613,504	29,101,259
Total Governmental Funds	$ 38,300,759	$ 40,285,955	$ 44,340,042	$ 40,116,780

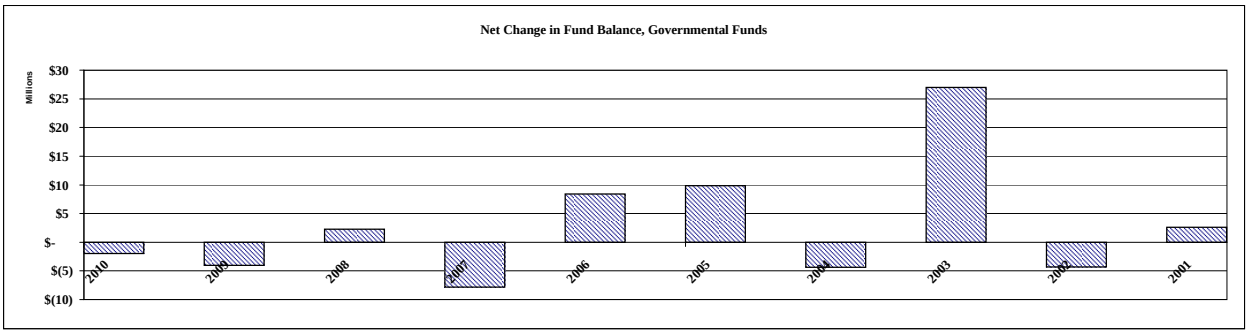


2006	2005	2004	2003	2002	2001
$ 645,010	$ 618,498	$ 620,813	$ 493,249	$ 546,667	$ 841,512
10,800,682	8,803,020	7,177,276	6,368,592	8,431,718	7,548,699
11,445,692	9,421,518	7,798,089	6,861,841	8,978,385	8,390,211
25,400,516	20,831,407	18,534,385	9,577,630	10,279,656	5,457,642
4,625,921	4,227,083	5,485,075	6,147,351	5,614,309	3,282,087
(6,444,691)	642,972	461,017	325,971	-	-
12,940,408	12,377,248	5,384,372	19,118,859	(9,843,621)	1,473,271
36,522,154	38,078,710	29,864,849	35,169,811	6,050,344	10,213,000
$ 47,967,846	$ 47,500,228	$ 37,662,938	$ 42,031,652	$ 15,028,729	$ 18,603,211

City of Shaker Heights, Ohio

Changes in Fund Balances, Governmental Funds
Last Ten Years
(Modified Accrual Basis of Accounting)

	2010	2009	2008	2007	2006
Revenues					
Property taxes	$ 6,992,558	$ 8,399,301	$ 8,256,559	$ 8,889,841	$ 7,428,674
Municipal Income Taxes	19,562,027	20,144,932	20,840,303	20,246,324	19,886,483
Other Local Taxes	46,219	53,478	55,599	68,772	72,795
Intergovernmental	11,158,151	12,338,984	14,936,366	10,218,683	29,295,902
Charges for Services	7,042,983	6,538,429	6,591,980	6,508,530	6,843,816
Fees, Licenses and Permits	674,820	577,437	764,096	746,352	848,307
Fines and Forfeitures	740,453	1,069,127	995,703	1,007,083	1,007,772
Special Assessments	1,805,098	1,830,121	1,767,705	1,437,429	1,551,355
Interest Earnings	514,234	254,263	585,912	1,851,297	2,310,585
Other Revenue	694,612	669,754	490,070	633,891	879,638
Total Revenues	49,231,155	51,875,826	55,284,293	51,608,202	70,125,327
Expenditures					
Current:					
Security of Persons and Property	22,096,210	23,577,387	24,202,081	23,574,673	22,052,139
Public Health and Welfare	584,712	572,755	529,080	558,251	556,927
Leisure Time Activities	4,155,613	3,634,079	3,750,314	7,555,496	4,832,651
Housing and Community Development	6,748,290	7,555,641	8,985,556	7,347,631	8,487,286
Sanitation and Sewer Services	4,697,166	5,031,160	7,498,220	4,242,460	4,719,322
Street Maintenance and Repair	3,598,187	3,345,052	3,280,365	4,300,875	2,520,981
Public Works - Other	2,428,497	2,692,495	2,611,414	3,454,788	3,980,129
General Government	6,952,171	6,400,685	7,113,939	6,645,189	5,732,134
Debt Service:					
Principal Retirement	1,993,420	9,239,281	2,407,571	2,960,142	10,520,233
Interest and Fiscal Charges	903,720	990,355	966,611	1,084,763	1,101,485
Debt Issuance Costs	-	107,854	-	-	-
Total Expenditures	54,157,986	63,146,744	61,345,151	61,724,268	64,503,287
Excess of Revenues Over (Under) Expenditures	(4,926,831)	(11,270,918)	(6,060,858)	(10,116,066)	5,622,040
Other Financing Sources (Uses)					
Issuance of Debt	2,902,697	7,775,852	8,660,000	2,265,000	2,800,000
Sale of Capital Assets	38,938	64,482	-	-	-
Transfers In	4,249,037	9,351,044	3,993,546	3,748,042	4,495,644
Transfers Out	(4,249,037)	(10,151,044)	(4,293,546)	(3,748,042)	(4,495,644)
Premium on Bonds	-	176,497	-	-	-
Total Other Financing Sources (Uses)	2,941,635	7,216,831	8,360,000	2,265,000	2,800,000
Net Change in Fund Balances	$ (1,985,196)	$ (4,054,087)	$ 2,299,142	$ (7,851,066)	$ 8,422,040
Debt Service as a Percentage of Noncapital Expenditures	3.97%	17.77%	6.30%	7.36%	19.35%



2005	2004	2003	2002	2001
$ 7,331,189	$ 7,269,251	$ 6,384,628	$ 6,423,446	$ 6,368,356
21,861,847	18,783,048	22,649,166	18,648,908	18,927,461
82,208	7,406,893	17,135,868	4,580,163	5,961,216
12,452,589	4,721,227	3,624,484	3,805,168	2,920,659
6,630,592	6,607,922	5,959,401	3,812,324	3,276,315
509,945	449,452	487,677	409,093	340,124
884,476	799,324	1,028,445	737,865	718,435
1,421,099	1,529,226	1,347,023	1,348,169	1,324,288
949,769	339,094	490,633	940,869	1,833,419
982,334	1,339,428	1,082,301	1,918,912	1,478,583
53,106,048	49,244,865	60,189,626	42,624,917	43,148,856
22,975,164	21,581,448	22,718,906	17,442,316	16,212,087
547,922	624,730	629,242	509,328	397,931
3,721,751	4,039,570	3,702,571	501,136	582,860
7,053,154	6,049,968	5,648,055	4,838,231	4,590,959
4,682,615	8,710,562	4,073,814	3,563,023	3,182,130
3,080,371	4,676,644	2,588,086	1,361,726	1,542,087
4,969,107	3,506,111	2,501,287	10,076,546	5,463,532
6,058,532	7,212,530	6,545,599	7,412,559	7,219,513
182,850	145,375	40,375	40,375	40,375
565,169	664,604	304,627	219,082	191,123
-	-	-	-	-
53,836,635	57,211,542	48,752,562	45,964,322	39,422,597
(730,587)	(7,966,677)	11,437,064	(3,339,405)	3,726,259
10,567,878	3,597,963	15,543,069	-	-
-	-	-	-	-
4,269,619	6,516,731	9,337,294	2,843,725	4,460,545
(4,269,619)	(6,516,731)	(9,337,294)	(3,826,348)	(5,553,383)
-	-	-	-	-
10,567,878	3,597,963	15,543,069	(982,623)	(1,092,838)
$ 9,837,291	$ (4,368,714)	$ 26,980,133	$ (4,322,028)	$ 2,633,421
1.68%	1.64%	0.79%	0.64%	0.63%

City of Shaker Heights, Ohio

Assessed Valuation and Estimated Actual Values of Taxable Property

Last Ten Years

	Real Property			Tangible Personal Property	
				Public Utility	
Tax Year/ Collection Year	Assessed Value		Estimated Actual Value	Assessed Value	Estimated Actual Value
	Residential/ Agricultural	Commercial Industrial/PU			
2010/2011	$ 742,089,560	$ 69,308,540	$ 2,318,280,286	$ 9,886,420	$ 11,631,082
2009/2010	742,998,900	72,785,870	2,330,813,629	9,657,800	11,362,118
2008/2009	801,142,110	75,467,590	2,504,599,143	9,080,760	10,683,247
2007/2008	803,262,820	72,752,030	2,502,899,571	8,674,200	10,204,941
2006/2007	805,954,540	76,868,340	2,522,351,086	13,511,530	15,354,011
2005/2006	725,141,720	77,496,570	2,293,252,257	14,062,560	15,980,182
2004/2005	727,292,290	79,064,110	2,303,875,429	15,654,670	17,789,398
2003/2004	726,385,090	80,074,430	2,304,170,057	15,799,910	17,954,443
2002/2003	630,577,980	76,418,240	2,019,989,200	15,306,100	17,393,295
2001/2002	630,875,050	77,190,760	2,023,045,171	16,032,480	18,218,727

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. For collection year 2007 both types of general business tangible personal property were assessed at 12.5 percent. The percentage will be 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 ta 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.

(1) Tax rates are per $1,000 of assessed value

Source: Cuyahoga County Auditor

Tangible Personal Property					
General Business			Total		
Assessed Value	Estimated Actual Value	Total Direct Rate (1)	Assessed Value	Estimated Actual Value	Ratio
$ -	-	$ 9.90	$ 821,284,520	$ 2,329,911,368	35.25%
-	-	9.90	825,442,570	2,342,175,746	35.24%
3,788,537	30,308,296	9.90	889,478,997	2,545,590,686	34.94%
6,129,221	49,033,768	9.90	890,818,271	2,562,138,281	34.77%
8,478,082	45,216,437	9.90	904,812,492	2,582,921,534	35.03%
9,956,280	39,825,120	9.90	826,657,130	2,349,057,559	35.19%
10,246,645	48,793,548	9.90	832,257,715	2,370,458,374	35.11%
13,064,821	59,385,550	9.90	835,324,251	2,381,510,050	35.08%
16,864,140	73,322,348	9.90	739,166,460	2,110,704,843	35.02%
14,106,723	58,778,013	9.90	738,205,013	2,100,041,911	35.15%

City of Shaker Heights, Ohio

Property Tax Rates - Direct and Overlapping Governments
(Per $1,000 of Assessed Valuation)
Last Ten Years

	2010	2009	2008	2007	2006
Unvoted Millage					
Operating	$ 3.80	$ 3.80	$ 3.80	$ 3.80	$ 3.80
Fire Pension	0.30	0.30	0.30	0.30	0.30
Police Pension	0.30	0.30	0.30	0.30	0.30
Total Unvoted Millage	4.40	4.40	4.40	4.40	4.40
Charter Millage					
1948 Charter/Current Expense	2.50	2.50	2.50	2.50	2.50
1966 Charter/Current expense	3.00	3.00	3.00	3.00	3.00
Total Charter Millage	5.50	5.50	5.50	5.50	5.50
Total Millage	$ 9.90	$ 9.90	$ 9.90	$ 9.90	$ 9.90
Overlapping Rates by Taxing District					
Shaker Heights City School District Voted Millage					
Effective Millage Rates					
Residential/Agricultural Real	$ 85.74	$ 76.10	$ 71.00	$ 70.47	$ 70.36
Commercial/Industrial and Public Utility	113.05	100.74	98.68	96.61	95.58
Tangible/Public Utility Personal	180.13	170.60	170.60	170.30	170.30
Cuyahoga County Voted Millage	18.40	18.10	18.10	18.20	18.30
Effective Millage Rates					
Residential/Agricultural Real	18.18	17.69	16.82	16.03	16.02
Commercial/Industrial and Public Utility	17.69	17.26	17.21	16.83	17.13
Tangible/Public Utility Personal	18.40	18.10	18.10	18.20	18.30
Shaker Heights Public Library Voted Millage	4.00	4.00	4.00	4.00	4.00
Effective Millage Rates					
Residential/Agricultural Real	4.00	4.00	4.00	3.18	3.52
Commercial/Industrial and Public Utility	4.00	4.00	4.00	3.83	4.00
Tangible/Public Utility Personal	4.00	4.00	4.00	4.00	4.00

Source: Cuyahoga 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.

2005	2004	2003	2002	2001
$ 3.80	$ 3.80	$ 3.80	$ 3.80	$ 3.80
0.30	0.30	0.30	0.30	0.30
0.30	0.30	0.30	0.30	0.30
4.40	4.40	4.40	4.40	4.40
2.50	2.50	2.50	2.50	2.50
3.00	3.00	3.00	3.00	3.00
5.50	5.50	5.50	5.50	5.50
$ 9.90	$ 9.90	$ 9.90	$ 9.90	$ 9.90
$ 67.34	$ 65.93	$ 65.08	$ 64.90	$ 65.33
90.65	86.12	85.87	79.58	78.12
160.50	159.20	158.90	150.00	150.50
18.30	18.00	16.20	16.20	16.20
15.27	14.61	13.74	12.66	12.68
16.50	16.05	14.22	13.34	13.25
18.30	18.00	16.20	16.20	16.20
4.00	4.00	4.00	4.00	4.00
3.52	3.48	4.00	3.29	3.29
4.00	3.87	4.00	3.26	3.33
4.00	4.00	4.00	4.00	4.00

City of Shaker Heights, 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
2010	$ 9,786,293	$ 8,739,013	89.30%	$ 453,454	$ 9,192,467
2009	9,491,217	8,898,903	93.76%	373,629	9,272,532
2008	9,283,993	8,788,652	94.66%	361,039	9,149,691
2007	9,276,821	8,714,549	93.94%	450,287	9,164,836
2006	8,376,278	7,925,497	94.62%	418,990	8,344,487
2005	8,309,695	7,824,579	94.16%	463,075	8,287,654
2004	8,139,415	7,758,017	95.31%	370,672	8,128,689
2003	7,167,586	6,776,892	94.55%	337,096	7,113,988
2002	7,162,530	6,774,784	94.59%	356,670	7,131,454
2001	7,178,496	6,827,641	95.11%	263,535	7,091,176

Source: Cuyahoga 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.

Percent of Total Tax Collections To Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Total Tax Levy
93.93%	$ 988,911	10.11%
97.70%	842,165	8.87%
98.55%	433,822	4.67%
98.79%	657,326	7.09%
99.62%	561,799	6.71%
99.73%	622,308	7.49%
99.87%	644,490	7.92%
99.25%	652,146	9.10%
99.57%	542,690	7.58%
98.78%	492,465	6.86%

City of Shaker Heights, Ohio

Principal Taxpayers - Real Estate Tax

2010 and 2001

	2010	
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
The Cleveland Electric Illuminating Company	$ 7,732,200	0.95%
EIG Shaker Towne Center	4,369,870	0.54%
University Hospitals	3,185,810	0.39%
Tower East Operating Assoc.	2,751,540	0.34%
Oliver Family LTD	2,296,110	0.28%
Heartpoint Dev. Co. LLC	2,003,250	0.25%
East Ohio Gas Company	1,568,970	0.19%
Shaker Plaza LTD	1,504,760	0.19%
Deborah Salzberg Tr.	1,400,000	0.17%
Cleveland Skating Club	1,383,630	0.17%
Total	$ 28,196,140	3.48%
Total Assessed Valuation	$ 811,398,100	

	2001	
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
The Cleveland Electric Illuminating Company	$ 7,043,620	0.99%
Ohio Bell Telephone Company	6,472,880	0.91%
East Rnd School Assn.	5,832,820	0.82%
Tower Esat Operating	4,278,930	0.60%
University School	3,888,050	0.55%
Shaker Town Centre E&A	3,675,000	0.52%
Community Links Limited Partnership	2,964,540	0.42%
Somerset Point LTD Partnership	2,496,380	0.35%
OfficeMax Incorporated	2,186,170	0.31%
Deborah Salzberg, Tr.	1,876,280	0.26%
Total	$ 40,714,670	5.75%
Total Assessed Valuation	$ 708,065,810	

Source: Cuyahoga County Auditor

(1) The amounts presented represent the assessed values upon which 2011 and 2002 collections were based.

City of Shaker Heights, Ohio

Income Tax Revenue Base and Collections
Last Ten Years

Tax Year (1)	Tax Rate (2)	Total Tax Collected (3)	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes From Individuals	Percentage of Taxes from Individuals
2010	1.75%	$ 19,839,875	$ 6,214,149	31.32%	$ 440,143	2.22%	$ 13,185,583	66.46%
2009	1.75%	19,632,577	6,158,182	31.37%	536,548	2.73%	12,937,847	65.90%
2008	1.75%	20,809,784	5,949,834	28.59%	541,495	2.60%	14,318,455	68.81%
2007	1.75%	19,706,989	5,507,718	27.95%	568,723	2.89%	13,233,471	67.15%
2006	1.75%	19,988,510	5,580,143	27.92%	610,508	3.05%	13,821,363	69.15%
2005	1.75%	20,713,751	5,655,308	27.30%	976,929	4.72%	14,061,219	67.88%
2004	1.75%	18,783,048	5,353,559	28.50%	76,721	0.41%	12,993,713	69.18%
2003	1.75%	22,649,166	6,253,899	27.61%	300,104	1.33%	15,711,901	69.37%
2002	1.75%	18,648,908	5,293,177	28.38%	506,343	2.72%	12,415,761	66.58%
2001	1.75%	18,927,461	5,201,142	27.48%	556,797	2.94%	12,739,568	67.31%

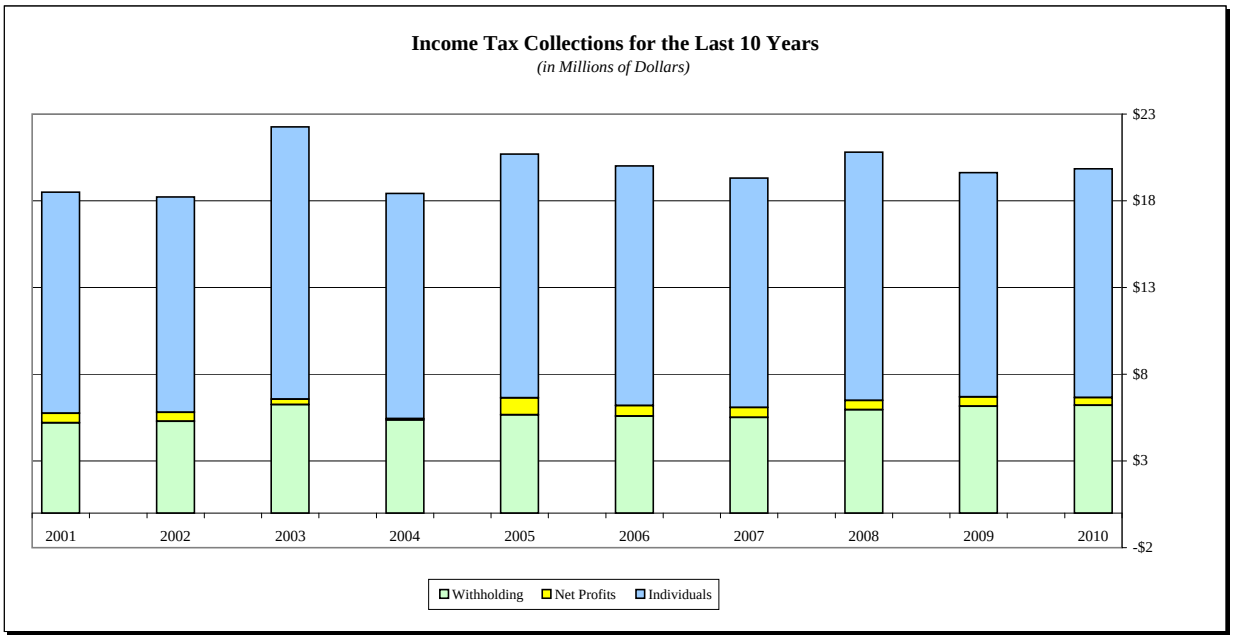
Source: Regional Income Tax Agency

(1) 2002 through 2010 are on a Cash Basis and 2001 is on a Modified Accrual Basis

(2) Effective April 1, 1981 .

(3) Does not include electrical utility municipal income tax coillected by state

Note: The City is prohibited by statute from presenting information regarding individual taxpayers.

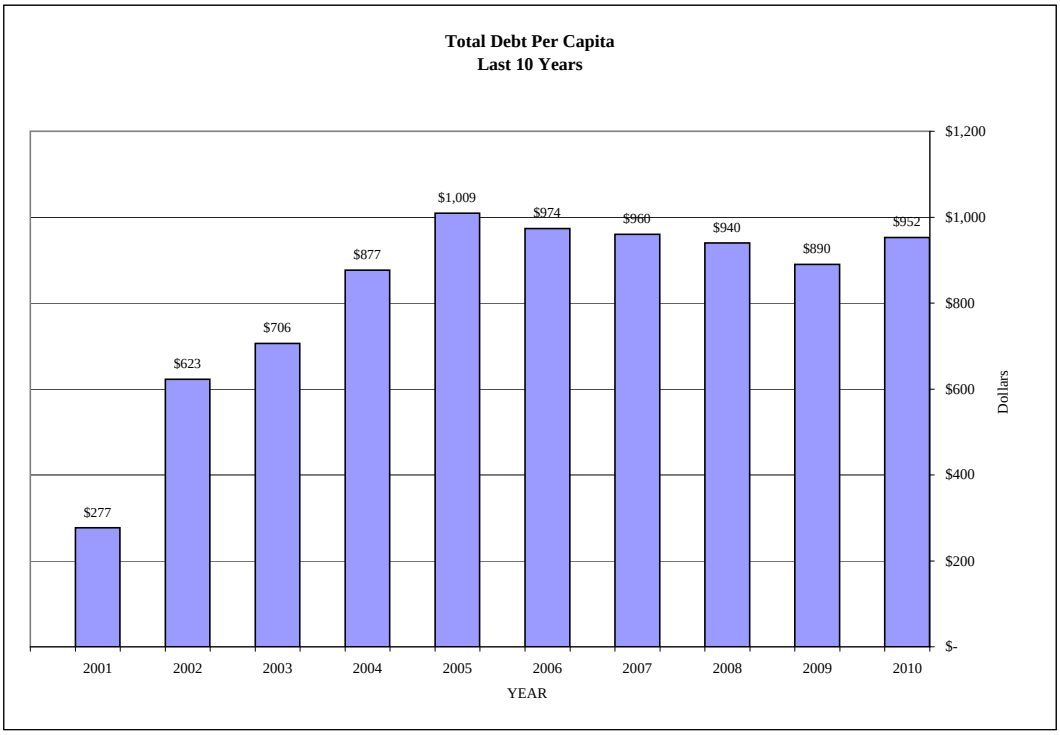


City of Shaker Heights, Ohio

Ratio of Outstanding Debt to
Total Personal Income and Debt Per Capita
Last Ten Years

	Governmental Activities							
Year	General Obligation Bonds	Urban Renewal Temporary Bonds	Bond Anticipation Notes	OPWC Loans	Taxable Special Obligation Housing Notes	Total Debt	Percentage of Personal Income	Per Capita
2010	$ 18,350,000	$ -	$ 2,625,000	$ 5,619,327	$ 500,000	$ 27,094,327	2.23%	$ 952
2009	18,895,000	-	865,000	5,675,050	750,000	26,185,050	2.15	890
2008	14,585,000	6,845,000	1,315,000	3,903,479	1,000,000	27,648,479	2.27	940
2007	14,855,000	6,845,000	1,765,000	4,026,050	750,000	28,241,050	2.32	960
2006	15,020,000	6,845,000	2,250,000	4,271,192	250,000	28,636,192	2.35	974
2005	15,155,000	6,845,000	3,365,000	4,306,928	-	29,671,928	2.44	1,009
2004	15,265,000	2,215,000	4,280,000	4,021,900	-	25,781,900	2.12	877
2003	15,370,000	2,215,000	2,710,000	464,312	-	20,759,312	1.71	706
2002	-	12,825,000	4,975,000	504,687	-	18,304,687	1.51	623
2001	-	3,825,000	3,775,000	545,062	-	8,145,062	0.67	277

Note: Population and Personal Income data are presented on page S28.



City of Shaker Heights, Ohio

Ratio of General Obligation Bonded Debt to Assessed Value and Bonded Debt Per Capita
Last Ten Years

Year	Population (1)		Assessed 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
2010	28,448	a	$ 821,284,520	$ 20,975,000	2.55%	$ 737
2009	29,405	b	825,442,570	19,760,000	2.39%	672
2008	29,405	b	889,478,997	22,745,000	2.56%	774
2007	29,405	b	890,818,271	23,465,000	2.63%	798
2006	29,405	b	904,812,492	24,115,000	2.67%	820
2005	29,405	b	826,657,130	25,365,000	3.07%	863
2004	29,405	b	832,257,715	21,298,983	2.56%	724
2003	29,405	b	835,324,251	19,969,029	2.39%	679
2002	29,405	b	739,166,460	17,475,566	2.36%	594
2001	29,405	b	738,205,013	7,281,125	0.99%	248

Sources:

(1) U. S. Bureau of Census, Census of Population.
(a) 2010 Federal Census
(b) 2000 Federal Census

(2) Cuyahoga County Auditor

(3) Includes all general obligation bonded debt with the exception of Special Assessment debt.

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City of Shaker Heights, Ohio

Computation of Direct and Overlapping Governmental Activities Debt
December 31, 2010

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
Direct - City of			
City of Shaker Heights General Obligation Bonds & Anticipation Notes	$ 20,975,000	100.00%	$ 20,975,000
Total Direct Debt	20,975,000		20,975,000
Overlapping			
Shaker Heights City School District			
General Obligation Bonds	24,229,998	94.56%	22,911,886
Notes Payable	600,000	94.56%	567,360
Cuyahoga County			
General Obligation Bonds	319,446,948	2.75%	8,796,145
Regional Transit Authority	152,760,000	2.75%	4,206,329
Total Overlapping Debt	497,036,946		36,481,721
Total	$ 518,011,946		$ 57,456,721

Source: Cuyahoga County Auditor and Shaker Heights City School District

(1) Percentages were determined by dividing each overlapping subdivision's assessed valuation within the City by its total assessed valuation.

City of Shaker Heights, Ohio

Legal Debt Margin

Last Ten Years

	2010	2009	2008	2007
Total Assessed Property Value	$ 821,284,520	$ 825,442,570	$ 889,478,997	$ 890,818,271
Overall Legal Debt Limit				
(10 ½ % of Assessed Valuation)	$ 86,234,875	$ 86,671,470	$ 93,395,295	$ 93,535,918
Debt Outstanding:				
General Obligation Bonds	18,350,000	18,895,000	14,585,000	14,855,000
Bond Anticipation Notes	2,625,000	865,000	8,160,000	8,610,000
OPWC Loans	5,372,489	5,675,050	3,903,479	4,026,050
Total Gross Indebtedness	26,347,489	25,435,050	26,648,479	27,491,050
Less:				
Bond Anticipation Notes	-	-	-	-
OPWC Loans	(5,372,489)	(5,675,050)	(3,903,479)	(4,026,050)
TIF Urban Renewal Bonds	(4,460,000)	(4,600,000)	(6,845,000)	(6,845,000)
Permanent Urban Renewal Bonds	(13,890,000)	(14,295,000)	(14,585,000)	(14,855,000)
Debt Service Fund Balance	(1,537,883)	(209,581)	(178,239)	(53,177)
Total Net Debt Applicable to Debt Limit	1,087,117	655,419	1,136,761	1,711,823
Legal Debt Margin Within 10 ½ % Limitations	$ 85,147,758	$ 86,016,051	$ 92,258,534	$ 91,824,095
Legal Debt Margin as a Percentage of the Debt Limit	98.74%	99.24%	98.78%	98.17%
Unvoted Debt Limitation	$ 45,170,649	$ 45,399,341	$ 48,921,345	$ 48,995,005
(5 ½ % of Assessed Valuation)				
Total Gross Indebtedness	26,347,489	25,435,050	26,648,479	27,491,050
Less:				
Bond Anticipation Notes	-	-	-	-
OPWC Loans	(5,372,489)	(5,675,050)	(3,903,479)	(4,026,050)
TIF Urban Renewal Bonds	(4,460,000)	(4,600,000)	(6,845,000)	(6,845,000)
Permanent Urban Renewal Bonds	(13,890,000)	(14,295,000)	(14,585,000)	(14,855,000)
Debt Service Fund Balance	(1,537,883)	(209,581)	(178,239)	(53,177)
Net Debt Within 5 ½ % Limitations	1,087,117	655,419	1,136,761	1,711,823
Unvoted Legal Debt Margin Within 5 ½ % Limitations	$ 44,083,532	$ 44,743,922	$ 47,784,584	$ 47,283,182
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	97.59%	98.56%	97.68%	96.51%

Source: City Financial Records

2006	2005	2004	2003	2002	2001
$ 904,812,492	$ 826,657,130	$ 832,257,715	$ 835,324,251	$ 739,166,460	$ 738,205,013
$ 95,005,312	$ 86,798,999	$ 87,387,060	$ 87,709,046	$ 77,612,478	$ 77,511,526
15,020,000	15,155,000	15,265,000	15,370,000	17,800,000	-
9,095,000	10,210,000	6,495,000	4,925,000	-	7,600,000
4,271,192	4,306,928	4,021,900	464,312	504,687	545,062
28,386,192	29,671,928	25,781,900	20,759,312	18,304,687	8,145,062
-	-	-	-	-	(6,380,000)
(4,271,192)	(4,306,928)	(4,021,900)	(464,312)	(504,687)	(545,062)
(6,845,000)	(6,845,000)	(2,215,000)	(2,215,000)	(12,825,000)	-
(15,020,000)	(15,155,000)	(15,265,000)	(15,370,000)	-	-
(325,715)	(642,972)	(461,017)	(325,971)	(324,434)	(318,875)
1,924,285	2,722,028	3,818,983	2,384,029	4,650,566	901,125
$ 93,081,027	$ 84,076,971	$ 83,568,077	$ 85,325,017	$ 72,961,912	$ 76,610,401
97.97%	96.86%	95.63%	97.28%	94.01%	98.84%
$ 49,764,687	$ 45,466,142	$ 45,774,174	$ 45,942,834	$ 40,654,155	$ 40,601,276
28,386,192	29,671,928	25,781,900	20,759,312	18,304,687	8,145,062
-	-	-	-	-	(6,380,000)
(4,271,192)	(4,306,928)	(4,021,900)	(464,312)	(504,687)	(545,062)
(6,845,000)	(6,845,000)	(2,215,000)	(2,215,000)	(12,825,000)	-
(15,020,000)	(15,155,000)	(15,265,000)	(15,370,000)	-	-
(325,715)	(642,972)	(461,017)	(325,971)	(324,434)	(318,875)
1,924,285	2,722,028	3,818,983	2,384,029	4,650,566	901,125
$ 47,840,402	$ 42,744,114	$ 41,955,191	$ 43,558,805	$ 36,003,589	$ 39,700,151
96.13%	94.01%	91.66%	94.81%	88.56%	97.78%

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City of Shaker Heights, Ohio

Principal Employers

2010

Employer	Nature of Business or Activity	Employees	Percentage of Total
University Hospital Health System	Non Profit Organization	1,150	28%
Shaker Heights City School District	Government Entity	1,148	28%
City of Shaker Heights	Government Entity	724	17%
Hathaway Brown School	Private School	425	10%
Laurel School	Private School	261	6%
University School (Shaker Heights Campus)	Private School	223	5%
Center for Dialysis Care	Medical Facility	170	4%
Equity Rngineering Group	Engineering	59	1%
Total		4,160	100%
Total Employment within the City of Shaker Heights, Ohio		n/a	

Source: Regional Income Tax Agency (RITA)

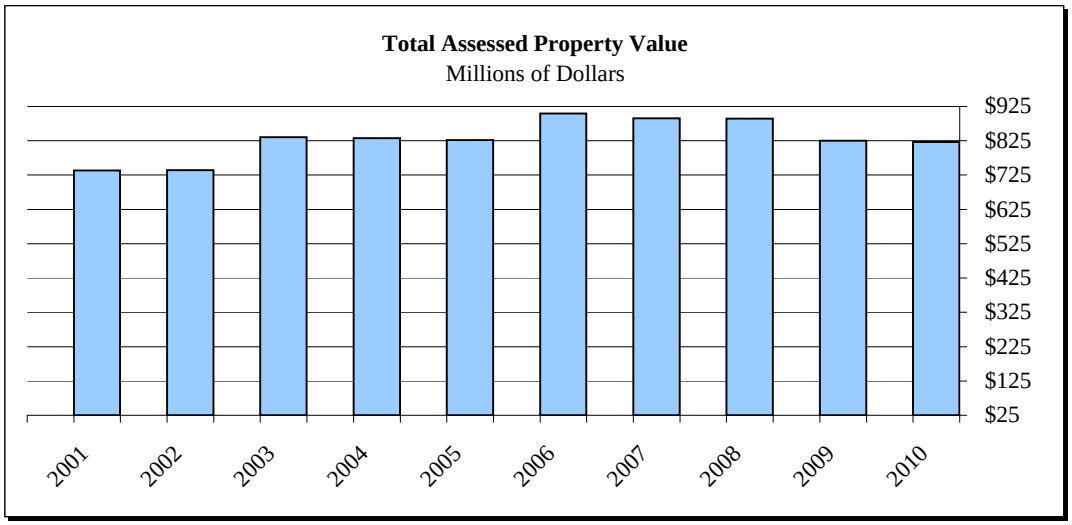
n/a - Information not available

City of Shaker Heights, Ohio

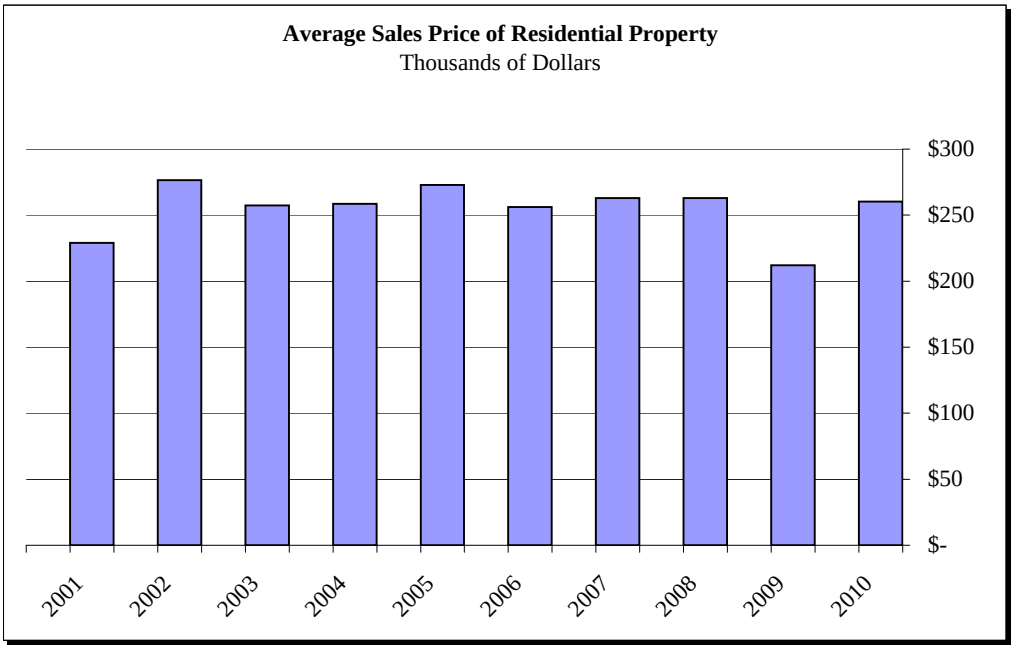
Demographic and Economic Statistics
Last Ten Years

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)	Educational Attainment: Bachelor's Degree or Higher (1)
2010	28,448	$ 1,216,014,370	$ 41,354	$ 85,983	40.9	21.88%
2009	29,405	1,216,014,370	41,354	85,893	39.6	21.88%
2008	29,405	1,216,014,370	41,354	85,893	39.6	21.88%
2007	29,405	1,216,014,370	41,354	85,893	39.6	21.88%
2006	29,405	1,216,014,370	41,354	85,893	39.6	21.88%
2005	29,405	1,216,014,370	41,354	85,893	39.6	21.88%
2004	29,405	1,216,014,370	41,354	85,893	39.6	21.88%
2003	29,405	1,216,014,370	41,354	85,893	39.6	21.88%
2002	29,405	1,216,014,370	41,354	85,893	39.6	21.88%
2001	29,405	1,216,014,370	41,354	85,893	39.6	21.88%

(1) Source: U. S. Census
(a) Year 2010 population and median age- 2010 Federal Census
(b) Years 2001 through 2009 population - 2000 Federal Census
(c) Year 2010 Personal Income, Median Household Income, Educational Attainment - 2000 Federal Census
(2) Source: Ohio Department of Education Website: "**http://www.ode.state.oh.us/data/**"
(3) Source: County Planning Commission
(4) Source: County Auditor
(5) Computation of per capita personal income multiplied by population



School Enrollment (2)	Cuyahoga County Unemployment Rate (3)	Average Sales Price of Residential Property (4)	Total Assessed Property Value (4)
5,484	9.50%	$ 260,227	$ 821,284,520
5,469	9.20%	211,955	825,442,570
5,482	6.80%	262,941	889,478,997
5,577	6.10%	262,941	890,818,271
5,628	5.60%	256,128	904,812,492
5,734	5.90%	272,875	826,657,130
5,623	6.60%	258,529	832,257,715
5,608	6.70%	257,319	835,324,251
5,619	4.60%	276,404	739,166,460
5,625	4.50%	229,119	738,205,013



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City of Shaker Heights, Ohio

Full-Time Equivalent City Government Employees by Function/Program

Last Five Years

Function/Program	2010	2009	2008	2007	2006
General Government					
Council	3.5	3.5	3.5	3.0	3.5
Finance	7.5	7.5	9.5	6.0	8.0
Mayor	2.0	2.0	2.0	2.0	2.0
Law	4.5	4.5	6.5	6.5	5.5
Chief Administrative Officer	2.0	2.0	2.0	2.0	2.0
Service Administration - Public Works	11.0	11.0	13.0	12.0	12.5
Municipal Court	44.5	44.0	43.0	41.5	42.5
Human Resources	4.5	4.5	5.5	5.5	5.5
Information Technology	2.0	2.0	3.0	3.0	2.0
Security of Persons and Property:					
Police	64.0	65.0	71.0	68.0	72.0
Police - Crossing Guards	11.0	11.5	11.0	10.5	11.0
Police - Dispatch/Records/Watch Officer	17.5	16.5	15.0	14.0	11.5
Police - Jailers	3.0	3.0	4.5	4.5	3.5
Police - Administrative	11.5	11.0	14.5	14.5	14.0
Police - HIDTA	12.0	12.0	11.0	12.0	9.0
Fire	58.0	58.0	67.0	67.0	66.0
Fire - Other	2.5	2.5	4.0	4.5	4.0
Security of Persons/Property - Other	1.5	1.0	0.0	0.0	0.0
Public Health Services	14.0	19.5	10.0	11.0	9.5
Leisure Time Activities:					
Recreation	62.0	59.5	63.0	71.0	84.5
Park and Public Land Maintenance	10.0	9.0	13.0	14.5	14.5
Community Development:					
Building	5.0	5.0	5.0	6.0	6.5
Housing	10.0	10.0	9.0	9.0	9.0
Planning	9.0	9.5	11.5	12.5	12.0
Community Development - Other*	22.0	22.5	28.0	26.5	34.5
Street Maintenance and Repair	8.0	11.0	12.0	5.0	6.0
Sanitation and Sewer Services:					
Refuse and Brush Collection	23.0	23.0	26.0	25.5	27.5
Sewer Maintenance	7.0	8.0	7.5	6.5	6.0
Public Works - Other:	22.0	20.0	22.0	24.0	26.0
Totals:	454.5	458.5	493.0	488.0	510.5

Source: Finance Department

Method: Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee at year end.

* Includes Community Life, Neighborhood Revitalization, Shaker Life Magazine, Communications and Outreach, Leaf Removal and Recycling.

City of Shaker Heights, Ohio

Operating Indicators by Function/Program

Last Five Years

Function/Program	2010	2009	2008	2007	2006
General Government					
Council and Clerk					
Number of Ordinances Passed	142	135	115	132	143
Number of Resolutions Passed	12	13	16	10	9
Number of Planning Commission docket items	20	15	8	11	17
Zoning Board of Appeals docket items	23	21	21	20	18
Finance Department					
Number of checks/vouchers issued	7,113	7,281	7,293	7,197	6,948
Amount of checks written	$ 28,808,562	$ 29,286,008	$ 32,229,682	$ 41,908,141	$ 41,092,604
Interest earnings for fiscal year (cash basis)	$ 343,297	$ 261,123	$ 918,229	$ 2,279,750	$ 1,602,151
Number of Receipts issued	9,323	10,662	11,995	1,748	1,801
Number of Journal Entries issued	984	1,230	1,102	322	224
Agency Ratings - Standard & Poors	Aa1	Aa1	Aa1	Aa1	Aa1
General Fund Receipts (cash basis)	$ 39,746,140	$ 42,276,620	$ 38,875,699	$ 39,696,013	$ 39,052,454
General Fund Expenditures (cash basis)	$ 39,191,995	$ 43,085,953	$ 39,073,922	$ 40,622,949	$ 37,666,848
General Fund Cash Balances	$ 8,406,133	$ 7,809,636	$ 8,293,218	$ 9,400,503	$ 9,903,006
Municipal Court					
Number of Civil Cases	1,850	2,005	2,443	1,463	2,200
Number of Criminal cases	11,493	11,802	10,477	12,242	12,248
Vital Statistics					
Certificates Filed	63	71	99	137	178
Number of Births	0	0	0	0	0
Number of Deaths	63	71	99	137	178
Certificates Issued	375	470	448	448	537
Number of Births	1	3	1	1	6
Number of Deaths	374	467	447	447	531
Burial Permits Issued	237	185	262	262	409
Civil Service					
Number of police entry tests administered	1	0	1	1	0
Number of fire entry tests administered	0	0	1	1	0
Number of police promotional tests administered	0	0	0	0	1
Number of fire promotional tests administered	1	0	0	0	0
Number of hires of Police Officers from certified lists	0	0	3	3	4
Number of hires of Fire/Medics from certified lists	0	0	1	1	2
Number of promotions from police certified lists	0	0	1	1	1
Number of promotions from fire certified lists	0	0	1	1	2

City of Shaker Heights, Ohio

Operating Indicators by Function/Program (continued)

Last Five Years

Function/Program	2010	2009	2008	2007	2006
Security of Persons & Property					
Police					
Total Calls for Services	31,099	32,255	33,303	33,303	38,992
Number of traffic citations issued	10,820	10,804	10,923	10,923	11,114
Number of parking citations issued	2,601	3,438	4,349	4,349	5,709
Number of criminal arrests	1,268	1,687	896	896	1,698
Part 1 Offenses (major offenses)	655	596	807	807	754
Police Dept. Auxiliary hours worked	N/A	N/A	N/A	N/A	N/A
DUI Arrests	286	433	94	94	136
Prisoners	1,141	1,340	1,254	1,254	1,218
Motor Vehicle Accidents	834	739	958	958	1,019
Property damage accidents	725	641	(879)	(879)	(946)
Community Diversion Program Youths	36	59	35	35	69
Community Diversion Program - community service hours	111	187	170	170	120
Fire					
EMS Calls	2,500	2,403	2,369	2,369	2,186
Ambulance Billing Collections (net)	$ 522,429	$ 574,525	$ 466,505	$ 466,505	$ 455,783
Fire Calls	66	71	93	93	39
Fires with Loss	23	38	32	32	35
Fires with Losses exceeding $10K	10	8	10	10	10
Fire Losses $	$ 923,159	$ 244,235	$ 1,289,500	$ 1,289,500	$ 651,390
Fire Safety Inspections	2,195	2,560	2,645	2,645	2,672
Number of times Mutual Aid given to Fire and EMS	52	45	41	41	31
Number of times Mutual Aid received for Fire and EMS	84	58	87	87	79
Leisure Time Activities					
Recreation					
Recreation Swimming pool receipts	$ 209,410	$ 223,917	$ 223,067	$ 223,067	$ 172,873
Recreation Mens & Womens Leagues receipts	450	2,800	3,400	3,400	4,200
Recreation Children's Leagues receipts	33,780	22,879	27,742	27,742	26,653
Senior Van Fees (2)	0	795	1,583	1,583	1,370
Facilities rentals	129,849	145,394	150,354	150,354	150,831
Total Recreation Department receipts	$ 373,489	$ 395,785	$ 406,146	$ 406,146	$ 355,927

Source: City Records

City of Shaker Heights, Ohio

Capital Assets Statistics by Function/Program

Last Ten Years

Function/Program	2010	2009	2008	2007
General Government				
Square Footage of City Hall	40,000	40,000	40,000	40,000
Administrative Vehicles	1	1	1	1
Inspection Vehicles	12	12	12	12
Municipal Court Vehicles	0	0	0	0
Police				
Stations	1	1	1	1
Square Footage of Building	29,425	29,425	29,425	29,425
Vehicles	48	48	48	48
Fire				
Stations	2	2	2	2
Square Footage of Building #1	21,000	21,000	21,000	21,000
Square Footage of Building #2	15,000	15,000	15,000	15,000
Vehicles	17	17	17	17
Recreation				
Number of Parks	4	4	4	4
Number of Pools	1	1	1	1
Number of Ice Rinks	1	1	1	1
Number of Tennis Courts	10	10	10	10
Number of Skateboarding Areas	1	1	1	1
Number of Baseball Diamonds	5	5	5	5
Number of Playgrounds	5	5	5	5
Number of Soccer Fields	3	3	3	3
Vehicles	6	6	6	6

2006	2005	2004	2003	2002	2001
40,000	40,000	40,000	40,000	40,000	40,000
1	1	1	1	1	1
12	13	13	13	13	13
0	0	0	0	0	0
1	1	1	1	1	1
29,425	29,425	29,425	29,425	29,425	29,425
48	48	48	48	48	48
2	2	2	2	2	2
21,000	21,000	21,000	9,800	9,800	9,800
15,000	15,000	15,000	15,000	15,000	15,000
17	17	17	17	17	17
4	4	4	4	4	4
1	1	1	1	1	1
1	1	1	1	1	1
10	10	10	10	10	10
0	0	0	0	0	0
5	5	5	5	5	5
5	5	5	5	5	5
3	3	3	3	3	3
6	8	8	8	8	8

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Dave Yost • Auditor of State

CITY OF SHAKER HEIGHTS

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
JULY 12, 2011

88 East Broad Street, Fifth Floor, Columbus, Ohio 43215-3506
Phone: 614-466-4514 or 800-282-0370 Fax: 614-466-4490
www.auditor.state.oh.us

SHAKER HEIGHTS

Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2009
City of Shaker Heights, Ohio

Mary Taylor, CPA
Auditor of State

Honorable Mayor and Members of City Council
City of Shaker Heights
3400 Lee Road
Shaker Heights, Ohio 44120

We have reviewed the *Independent Auditors' Report* of the City of Shaker Heights, Cuyahoga County, prepared by Ciuni & Panichi, 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 Shaker Heights is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

August 5, 2010

88 E. Broad St. / Fifth Floor / Columbus, OH 43215-3506
Telephone: (614) 466-4514 (800) 282-0370 Fax: (614) 466-4490
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INTRODUCTORY SECTION

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City of Shaker Heights, Ohio

Comprehensive Annual Financial Report
For the Year Ended December 31, 2009

Issued by: Finance Department
Robert H. Baker, Director of Finance

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City of Shaker Heights, Ohio

Comprehensive Annual Financial Report
For The Year Ended December 31, 2009

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City of Shaker Heights, Ohio

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SHAKERHEIGHTS

June 28, 2010

Mayor Earl M. Leiken,
Members of City Council and
Citizens of the City of Shaker Heights, Ohio
Shaker Heights City Hall
3400 Lee Road
Shaker Heights, Ohio 44120

Re: **Submission of 2009 Comprehensive Annual Financial Report**

Dear Mayor Leiken, Members of Council, and Citizens of Shaker Heights:

We are pleased to submit for your review the City's 2009 Comprehensive Annual Financial Report. Commonly referred to as a "CAFR", this report is the City's official annual report for the fiscal year ended December 31, 2009. This CAFR is a more extensive report than the basic financial statements, and we believe that it demonstrates the City's ongoing commitment to be accountable not only to its citizenry but also to excellence in financial reporting. Ohio State law requires that the City of Shaker Heights annually publish a complete set of financial statements for the results of its fiscal operations, presented in conformity with generally accepted accounting principles (GAAP). The Finance Department is responsible for the accuracy of the data and the completeness and fairness of its presentation, including disclosures. We believe that the information presented is accurate in all material respects and reported in a manner designed to show the financial position and operating results of the City.

This CAFR consists of management's representations concerning the finances of the City of Shaker Heights. Consequently, the management of the City assumes full responsibility for the completeness and reliability of all of the information presented in this report. In order to provide a reasonable basis for making these representations, the management of the City has established a comprehensive internal control framework. This internal control system has been designed to both protect the City's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As the management of the City of Shaker Heights, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Shaker Heights' financial statements have been audited by Ciuni & Panichi, Inc., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Shaker Heights for the year ended December 31, 2009, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. Based upon the results of the audit, the independent auditor concluded that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the year ended December 31, 2009 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

CITY OF SHAKER HEIGHTS I FINANCE DEPARTMENT
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The independent audit of the financial statements of the City of Shaker Heights was part of a broader, federally mandated “Single Audit” designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government’s internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City’s separately issued Single Audit Report.

GAAP requires that city management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City’s MD&A can be found immediately following the independent auditor’s report.

Profile of the City of Shaker Heights, Ohio

The City of Shaker Heights, covering approximately 6.3 square miles and a population of 29,405, (2000 Census) is located approximately ten miles southeast of downtown Cleveland in Cuyahoga County in northeastern Ohio. Incorporated under Ohio law as a village in 1912, Shaker Heights became a city in 1931. As provided by Ohio law, the City operates under the auspices of its own charter, which was adopted by the voters in 1931. The Charter provides for the City to operate under the Mayor-Council form of government with the Mayor serving as the President of Council. The Mayor serves as the City's Chief Executive Officer and appoints, subject to confirmation by City Council, and removes the City's Chief Administrative Officer and appoints and removes all department heads. The City is empowered by state statute to levy a property tax on both real and personal properties located with its boundaries. It is also empowered to levy a tax on the income and net profits of all individuals and businesses earned within the boundaries of the City as well as the income of City residents, regardless of where earned.

Legislative authority is vested in a seven member Council. All council members are elected at-large and serve for four-year terms. Council terms are staggered with four members being elected in one election and three members being elected in the next election two years following. City Council holds its regular monthly council meeting on the fourth Monday of the month. In addition, the Council holds a work session meeting on the second Monday of the month. The various committees of council meet on at least a monthly basis at various times throughout the month. The Mayor appoints all Council committees. The Chief Administrative Officer serves as the Clerk of Council with the Director of Law and the Assistant Director of Law serving as the Clerk of Council Pro-Tem. The City department heads attend all regular council meetings and attend council work sessions whenever required.

Primarily considered to be a residential community, Shaker Heights is the nation's oldest completely planned community and is recognized in the National Register as the Shaker Village Historical District. Combining the "Garden City" movement with comprehensive planning, the City was initially planned and developed to include housing that was diverse in style and in price, large parcels of land for public and private schools and churches, lakes, parks and a golf course. The City is served by a rail transit system to downtown Cleveland. Originally City-owned and operated, the rail system is now owned and operated by the Greater Cleveland Regional Transit Authority.

The City provides a variety of City services to its citizens, including: Police and Fire Protection, Emergency Medical Service, Refuse Collection, Street Maintenance, Recreation, Municipal Court, Public Health, Community Planning and Development, Inspectional Services, Public Improvements and General Administrative Services. First Energy and the Dominion East Ohio Gas Company, both of which are independent, publicly owned utilities regulated by the State of Ohio, provide the City's residents with electricity and natural gas, respectively. The City also provides a natural gas aggregation program for its residents with Interstate Gas Supply, Inc. which is used by about 4,000 households in the City. The City of Cleveland and the Northeast Ohio Regional Sewer

District provide water and sewage service to the City's residents. In addition to fees paid to the Northeast Ohio Sewer District, City residents also pay a local surcharge based upon water consumption that is used by the City for the maintenance and replacement of the sewer lines within the City.

In addition to the basic services, the City continues to make available superior recreational facilities and programs to its residents. The Thornton Park city recreation center is situated on a 13-acre campus and its facilities include an indoor ice arena that provides year-round service, an Olympic size outdoor pool, tot pool, spray pad, sand volleyball courts, outdoor tennis courts, skate park, basketball court and walking trail. Phase I of the Horseshoe Lake Park Master Plan has been completed adding new trails, picnic pavilions, ADA accessible parking, and children's playground amenities to the park. A new multipurpose trail in the Shaker Boulevard median from Warrensville Center Road to the City of Beachwood border, connecting with Beachwood's own multipurpose trail has been built, and a new soccer field is located on the Shaker Boulevard median near Warrensville Center Road.

In addition to these facilities, a comprehensive range of recreational programs is offered for children and adults. The City also maintains the Shaker Lakes, a 190-acre area that includes two lakes and a duck pond.

The City offers a high level of public service to its residents as exemplified by its back yard refuse collection program. Included in this program is the City's recycling sub-program which allows the co-mingling of glass, plastic and cans. In addition, the City also offers large item drop off and recycling of corrugated cardboard, magazines and other materials at its service center, as well as recycling of old computers and electronic equipment.

The annual operating and capital budgets serve as the basis for the City's financial planning and control. The City's Charter requires the Mayor, with the assistance of the Director of Finance, to submit a draft of the following year's proposed budget not less than forty-five days (November 16th) prior to the end of each fiscal year. The Chief Administrative Officer is responsible for preparing the budget based upon information submitted by each department director. Council is required to adopt either an annual budget for the ensuing year or temporary budget covering the first ninety days of the ensuing year, by no later than December 31st of the current year. If a temporary budget is adopted, a permanent budget must be adopted by no later than the ninetieth day of the budget year, normally March 31st. In recent years, Council has adopted an annual budget prior to December 31 of the preceding year, however, for 2009; the City adopted a temporary budget due to the economic uncertainty at the end of 2008. For 2010, Council adopted an annual budget prior to December 31, 2009.

The appropriated budget is prepared by fund and category (personal services and all other expenditures). The Mayor or Chief Administrative Officer may transfer appropriations between expenditure categories provided that the fund's total appropriation is not increased. Administratively, department heads may make transfer of appropriations within a department. Transfers between departments must be authorized by either the Mayor or Chief Administrative Officer. Council must authorize the transfer of moneys between funds. Operating budgets expire on December 31st. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented as part of the basic financial statements for the governmental funds. For governmental funds, other than the General Fund, with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report.

Economic Condition and Outlook

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Shaker Heights operates.

Local Economy - The City of Shaker Heights is an inner ring suburb of the City of Cleveland, Ohio. Primarily residential in nature, the City of Shaker Heights has a diverse base of residents working in many professions and

industries. The City's economic strength is directly linked to this diversity and the strength of northeast Ohio's economy.

While downtown Cleveland is only twenty minutes by car from the heart of the City, the rapid transit, a light rail public transit system, provides even more accessibility to downtown Cleveland's business community, and attractions. The Greater Cleveland Regional Transit System has extended the original rapid transit rail line to serve not only downtown Cleveland and Cleveland Hopkins International Airport but also the Cleveland waterfront area including the recreational/entertainment area known as the "Flats", the Rock & Roll Hall of Fame and Museum, the Great Lakes Science Museum, Quicken Loans Arena (home of the NBA Cleveland Cavilers), Progressive Field (home of the MLB Cleveland Indians) and Cleveland Browns Stadium. Another contributor to the City's economic strength is its proximity to the University Circle area of Cleveland. University Circle is the home to major cultural, educational and medical facilities including Severance Hall, the home of the world-renown Cleveland Orchestra, the Cleveland Museum of Art, Case Western Reserve University, University Hospitals of Cleveland and the Cleveland Clinic, world-renowned for medical research, teaching and treatment facilities and the two largest employers in Cuyahoga County.

Educational institutions contribute significantly to the fabric of the community. Of the principal employers in 2009, four of the top six are schools; the Shaker Heights City School District, Hathaway Brown School, Laurel School and University School.

In addition, the City of Shaker Heights residents place a noteworthy value in public education. Of the total millage in the City of Shaker Heights for all entities, approximately 71% of residential property taxes support the Shaker Heights City School District. From 2000 to 2008, City residents approved levies increasing the Shaker Heights City School District total millage by 13.15%. In May 2010, voters approved an additional levy of 9.9 mills for operating expenses of the Shaker Heights City School District.

All of these factors have contributed to the continuing economic strength of the community. According to the Cuyahoga County Auditor, the total real property assessed valuation for the 2009 tax year was $889,478,997. For the 2000 tax year the total real property assessed valuation was $652,672,550. This was an increase during the ten year period from 1999 to 2009 of 36.28%. However, the total assessed valuation declined to $825,442,570 for the 2010 tax year.

City income tax revenue grew 13.71% during the ten year period from 2000 to 2009. There was a 5.66% decline in income tax revenue in 2009 compared to 2008 as a result of the recession. Despite the recession, as a result of the relocation of the University Hospitals Health System administrative and corporate offices to the former Office Max headquarters building in the City, the income tax revenue from University Hospital employees exceeded the income tax revenue paid by the former Office Max employees.

Major Initiatives

Long-Term Financial Planning – The City is continuing to implement redevelopment projects pursuant to its Strategic Development Plan. The City's portion of public infrastructure construction activities for two major projects, Sussex Court and Shaker Towne Centre, including the Avalon Station housing development, and the privately-owned retail shopping center was financed by the issuance in 2003 of $15.4 million in tax increment financing bonds. Beginning in 2001, the City each year issued Temporary Urban Renewal Bonds with one year maturities that funded additional costs of the Shaker Towne Center project. Beginning in 2005, the principal amount of these Temporary Urban Renewal Bonds was $6,845,000. In April 2009, $4,600,000 of these Temporary Urban Renewal Bonds were converted to long term debt and the balance of the Temporary Urban Renewal Bond was paid from other funds available to the City. Work has been completed on the Sussex Courts tax increment financing redevelopment project, with 100% occupancy of all 46 townhouse units. This project is located on the north and south sides of Chagrin Boulevard, one of the City's main east/west thoroughfares.

Construction has been completed for Phase 1 of the Avalon Station project, and sales are underway. Due to the problems in the housing market, slightly over 50% of the units had been sold or leased by December 31, 2009, and sales are continuing. However, the owner of the project has defaulted on the mortgage, and the project has been put into receivership. The debt issued for these projects will be retired using 75% of the additional revenue generated from the new property value created by the projects although all of the debt issued for these projects is a general obligation of the City in addition to being secured by the tax increment payments. It is currently forecast that for some period of time, the City's General Capital Fund will be needed to support debt service on the outstanding urban renewal bonds.

As part of its Strategic Investment Plan, the City acquired approximately 60% of the retail property located on the south side of Chagrin Boulevard in the Shaker Towne Centre shopping district. The City sold the property to Shaker Commons LLC, and they developed and began implementing a plan to renovate these retail and commercial properties. This redevelopment complements the redevelopment on the north side of the street, with the renovation of storefronts and interiors which is upgrading existing retail and commercial tenants and attracting new tenants.

In 2007 the City worked jointly with the Greater Cleveland Regional Transit Authority (GCRTA) to develop the transit oriented development plan for the RTA rapid transit station at Van Aken and Lee next to City Hall. A design consultant was selected in 2008 for GCRTA's rehabilitation of this station, including ADA improvements.

The City employed a consultant and initiated a series of public meetings to create a redevelopment plan for the Warrensville – Van Aken – Chagrin – Northfield intersection. This project included input from GCRTA, and ODOT, among others. The plan was completed and adopted in 2008. The goal is to transform this district into an exciting, urban, pedestrian-friendly district; design a safer and more efficient street layout; increase the visibility and use of the rapid transit line that terminates in the district; and redevelop the existing area with expanded retail, residential, and commercial properties. Planning and engineering work is underway for the highway reconfiguration that is expected to begin in 2013.

The City has long been a leader in housing preservation, given its residential tax base and its desire to preserve the architectural beauty of its neighborhoods. In the context of the current mortgage and foreclosure crisis in the region, and the U.S. generally, the City's efforts in these areas have been refocused. The Housing Inspection Department encourages reinvestment in the City's housing stock through vigorous point-of-sale inspections and a point-of-sale escrow requirement. In 2009, the point-of-sale escrow program resulted in an additional $2.7 million of private investment in housing. The Housing Inspection Department also works to improve the quality of rental housing for safety and habitability by requiring an annual Certificate of Occupancy for each rental property as well as a complete interior and exterior inspection every three years. Owner-occupied single-family homes receive an exterior inspection every five years, which assists in maintaining and improving the quality of housing in the City.

Foreclosures and properties sold at Sheriff's sales are monitored regularly, and instances of suspected fraud are referred to the City's Police Department for investigation. The City's Vacant Property Ordinance mandates that vacant homes be secured and maintained, and each vacant property is checked monthly by a dedicated Housing Inspector to ensure that it is kept secure and maintained to community standards. Emergency nuisance abatement orders were issued on 57 properties in 2009 for items such as removal of boarded windows, replacement of broken windows, mold, holes in roofs, and demolition of four dwelling structures.

In 2009, the Neighborhood Revitalization Department assisted 110 property owners with housing improvement projects through technical assistance, housing financial assistance and landlord programs. The City leveraged $35.00 of private investment for every $1.00 the City spent through its housing assistance programs.

In 2009, the City conducted nuisance abatement work on 8 properties in an effort to maintain property values in the neighborhoods where these houses are located, representing approximately $120,000 of investment in these neighborhoods.

The City acquired and demolished 21 vacant and deteriorated properties. All of the properties are being attractively landscaped and then actively marketed to neighboring owners through the side yard program.

The Certified Shaker program for marketing quality rental properties continues to be a highly popular program. Of rental units, 27% are Certified, representing 93 rental home units and 25 apartment buildings. On average, Certified owners invest $800 to $2,000 in rental home units and $3,000 to $5,000 in apartment units. The City continues to see a healthy investment in apartment buildings including upgrades/improvements to achieve Certified Shaker status, landscaping, signage and even custom built elevators.

The City's Landlord Training program, which complements its Tenant Screening program and Certified Shaker program, continues to grow in popularity. The goal of the program is to make Shaker the first choice of potential two-family owner-occupant buyers, by distinguishing the City in the marketplace by the landlord support services offered. To date, 101 landlords have taken advantage of the program.

Awards and Acknowledgements

GFOA Certificate of Achievement Award: The City of Shaker Heights was awarded the Government Finance Officers Association of the United States and Canada (GFOA) Certificate of Achievement for Excellence in Financial Reporting (CAFR) for its comprehensive annual financial report for the fiscal years ended December 31, 1996 through 2004. Due to a significant transition of Finance Department personnel in 2006, application for the CAFR for the fiscal year ending December 31, 2005 was waived. For the fiscal years ended December 31, 2006 through 2008, the City was again awarded the Certificate of Achievement for Excellence in Financial Reporting for its comprehensive annual financial report.

A Certificate of Achievement is valid for a period of only one-year. We believe that the City's submission for the fiscal year ended December 31, 2009 continues to conform to the Certificate of Achievement program's requirements and, as such, it will be submitted to the GFOA for review, evaluation and consideration.

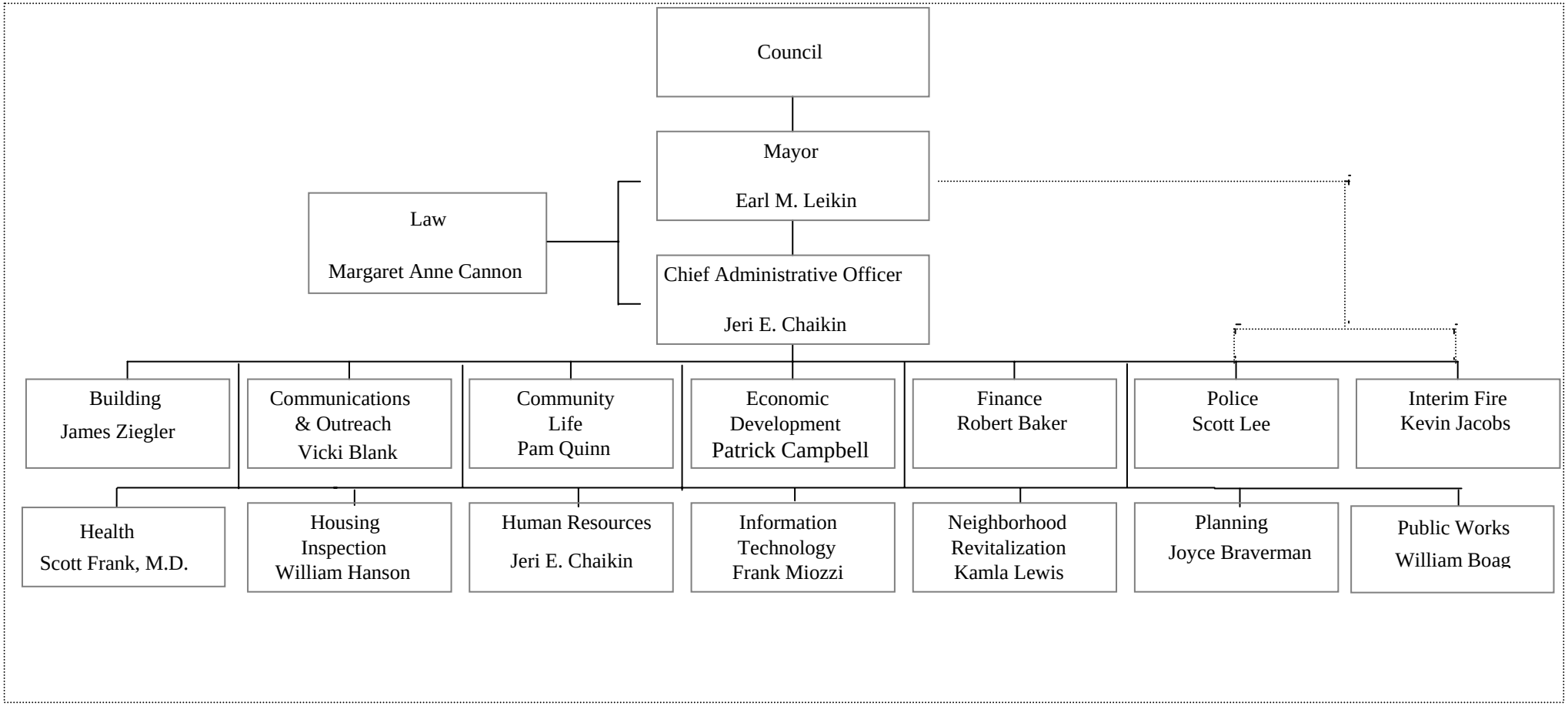
Acknowledgements: The successful completion of a report of this scope depends upon the dedicated contributions of many employees. The sincere appreciation of those primarily responsible for the completion of this CAFR is extended to all contributors, but especially those employees in the Finance Department, particularly Assistant Director of Finance Renee Mahoney, Accountants Paul Beckwith and Lorraine Miller, Accounting Specialist Carolyn Barnes-Hatcher, Accounting Clerk Cheryl Archie and Senior Administrative Assistant Gail Little and Accounting Technician Janet Jones. Without the dedicated assistance of the Finance Department employees, this report would not have been possible. Finally, the Staff wishes to extend its appreciation to the Mayor, City Council, and the Finance Committee for their support and commitment to responsible fiscal reporting.

Respectfully submitted,

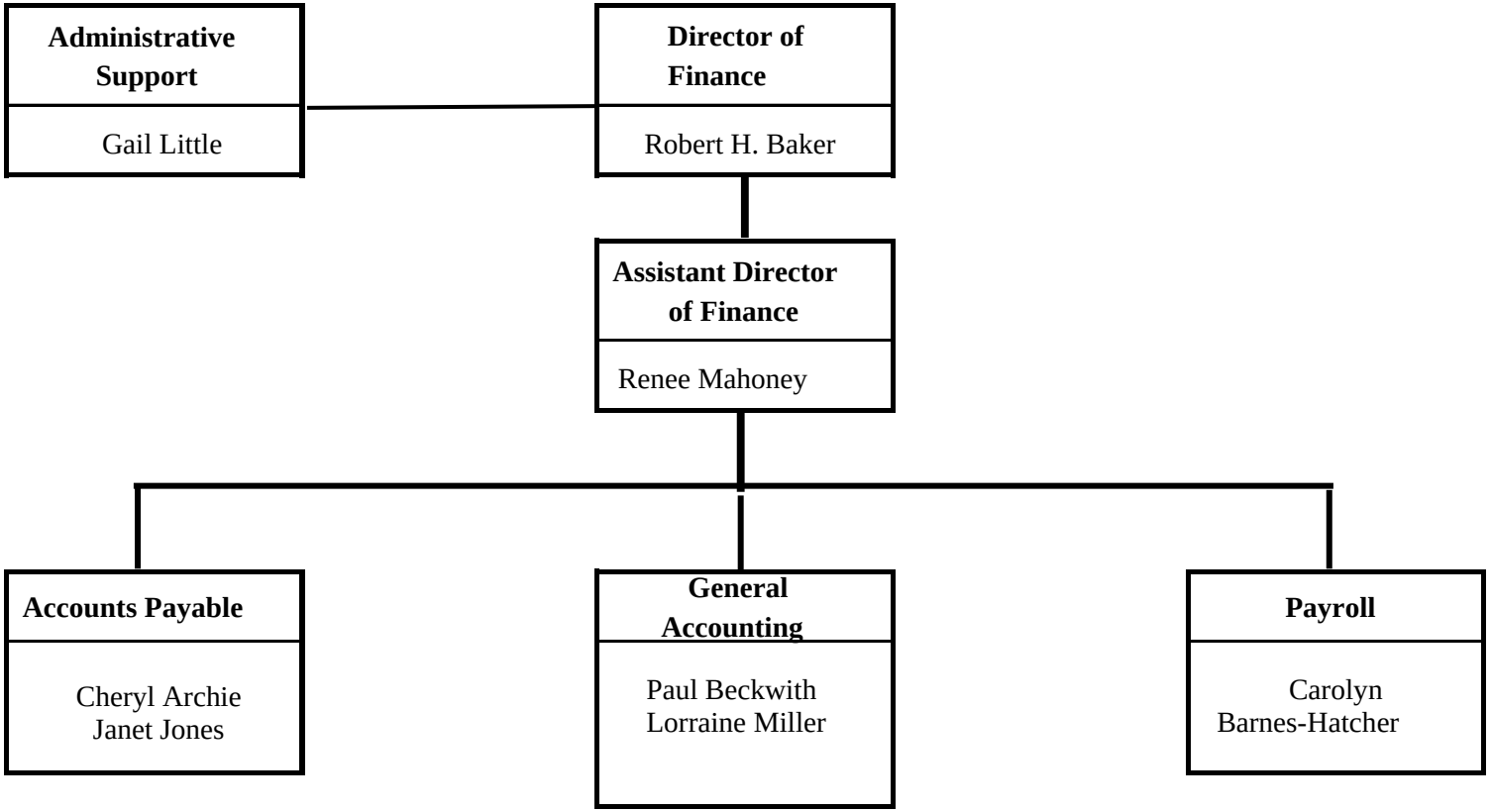
Jeri E. Chaikin
Chief Administrative Officer

Robert H. Baker
Director of Finance

City of Shaker Heights, Ohio
Organizational Chart
December 31, 2009



City of Shaker Heights, Ohio
Finance Department Organizational Chart
December 31, 2009



City of Shaker Heights, Ohio

Listing of Principal City Officials

December 31, 2009

Mayor	Earl M. Leiken
Council Member	James Brady
Council Member	Brian S. Gleisser
Council Member	Nancy R. Moore
Council Member	Allen Foster
Council Member	Lynn Ruffner
Council Member/Vice Mayor	Earl Williams, Jr.
Council Member	Robert Zimmerman

APPOINTED OFFICIALS

Chief Administrative Officer	Jeri E. Chaikin
Director of Finance	Robert Baker
Director of Building	James P. Zeigler
Director of Community Life	Pamela Quinn
Director of Economic Development	Patrick Campbell
Chief of Fire - Interim	Kevin Jacobs
Director of Health	Dr. Scott H. Frank
Director of Housing Inspection	William E. Hanson
Director of Human Resources	Jeri E. Chaikin
Director of Law	Margaret Anne Cannon
Director of Planning and Development	Joyce G. Braverman
Chief of Police	Scott Lee
Director of Public Works	William W. Boag
Director of Neighborhood Revitalization	Kamla Lewis
Manager of Communications and Outreach	Vicki Blank
Director of Information Technology	Frank Miozzi

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Shaker Heights
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director

FINANCIAL SECTION

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Ciuni & Panichi
CPAs and Business Advisors

Independent Auditors' Report

Members of the City Council
Shaker Heights, Ohio

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Shaker Heights, Ohio (the "City"), 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's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City 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.

As described in Note 3, during the year ended December 31, 2009, the City implemented Governmental Accounting Standard Board (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 AICPA Statements on Auditing Standards*.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2010 on our consideration of the City'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.

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Joel Strom Associates LLC
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Members of the City Council
Shaker Heights, Ohio

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 13 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 content. 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 inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because 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'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 basic financial statements. The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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.

Cuni & Paricki, Inc.

Cleveland, Ohio
June 28, 2010

City of Shaker Heights, Ohio

Management's Discussion and Analysis (Unaudited)

For the Year Ended December 31, 2009

The discussion and analysis of the City of Shaker Heights' financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2009. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers are encouraged to consider the information presented here in conjunction with the additional information contained in the transmittal letter, the basic financial statements and the accompanying notes to those financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2009 are as follows:

- The assets of the City of Shaker Heights exceeded its liabilities at the close of the most recent fiscal year by $104,888,297. Of this amount, $19,904,961 may be used to meet the City's ongoing obligations to citizens and creditors.

- Total assets decreased by $4,531,695, which represents a decrease of 3.0 percent from 2008. The biggest changes were a $5.7 million decrease in cash and cash equivalents as a result of the payment of outstanding Temporary Urban Renewal Bonds and a draw down of cash balances, including funding a deficit in the General Fund, offset by a $2 million increase in capital assets.

- Total liabilities decreased by $2,786,984 which represents a decrease of 6.1 percent from 2008. The main factors contributing to this change include a $1,402,780 decrease in accrued wages and benefits and a $590,479 decrease in unearned revenue.

- In total, net assets in governmental activities decreased by $1,744,711 during 2009. This represents a 1.6 percent decrease from 2008.

Using this Annual Financial Report

This discussion and analysis are intended to serve as an introduction to the City of Shaker Heights' basic financial statements. The City of Shaker Heights' basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements – Reporting the City of Shaker Heights as a Whole

Statement of Net Assets and the Statement of Activities

The Statement of Net Assets presents information on all the City of Shaker Heights' assets and liabilities, with the difference between the two reported as *net assets.* Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Shaker Heights is improving or deteriorating. However, in evaluating the overall position of the City, non-financial factors such as the City's tax base, change in property and income tax laws, and the condition of the capital assets should also be considered. Both the Statement of Net Assets and the Statement of Activities use the *accrual basis of accounting* similar to the accounting used by most private-sector companies.

This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

Fund Financial Statements - Reporting the City of Shaker Heights' Most Significant Funds

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 objects. The City of Shaker Heights, 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 of Shaker Heights 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 the balance 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. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all *other financial assets* that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Both the governmental fund balance sheet and the government fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate a comparison between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds.

The City of Shaker Heights maintains 28 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances, for the General Fund, the Capital Fund and the Urban Renewal Debt Service Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Shaker Heights adopts an annual appropriated budget for each of its funds. A budgetary comparison statement (non-GAAP basis) has been provided for each governmental and proprietary fund to demonstrate budgetary compliance.

Proprietary Funds

The City of Shaker Heights maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City has no activity that fits this category. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City maintains four individual internal service funds. Because these activities predominately benefit governmental rather than business functions, they have 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 combined information for the self-insurance, stores, printing and garage operations, all of which are considered to be nonmajor funds. Individual fund data for each of these nonmajor proprietary funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found starting on page 21 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 statement because the resources are not available to support the City's own programs. The City of Shaker Heights has only agency funds to report within the Fiduciary Fund category. Agency funds are reported on a full accrual basis and only present a statement of assets and liabilities.

Notes to the Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 25 of this report.

Government-wide Financial Analysis - City of Shaker Heights as a Whole

As noted earlier, the Statement of Net Assets looks at the City as a whole and can prove to be a useful indicator of the City's financial position.

The Statement of Net Assets and the Statement of Activities are divided into the following categories:

- Assets
- Liabilities
- Net Assets (Assets minus Liabilities)
- Program Expenses and Revenues
- General Revenues
- Net Assets Beginning and End of Year

Table 1 provides a summary of the City's net assets for 2009 as compared to 2008.

Table 1
Net Assets

	Governmental Activities	
	2009	2008
Assets		
Current and Other Asset	$ 63,698,483	$ 70,225,756
Capital Assets, Net	83,731,368	81,735,790
Total Assets	147,429,851	151,961,546
Liabilities		
Current Liabilities and Other Liabilities	9,298,023	11,579,526
Long-term Liabilities:		
Due Within One Year	3,596,055	5,268,204
Due In More Than One Year	29,647,476	28,480,808
Total Liabilities	42,541,554	45,328,538
Net Assets		
Invested in Capital Assets, Net of Related Debt	61,712,406	58,708,166
Restricted for:		
Capital Projects	18,947,218	25,606,578
Debt Service	1,237,432	915,681
Streets	724,281	906,871
Public Safety	1,724,661	1,342,216
Judicial Services	637,338	555,708
Unrestricted	19,904,961	18,597,788
Total Net Assets	$ 104,888,297	$ 106,633,008

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. For the City of Shaker Heights, assets exceed liabilities by $104,888,297 as of December 31, 2009. The largest portion of the City's net assets (58.8%) reflects investments in capital assets (e.g. land, buildings, infrastructure, machinery and equipment), net of any related debt to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently these net assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be planned for and provided from taxes or other revenues since the capital assets themselves cannot be used to liquidate these liabilities.

Total assets decreased by $4,531,695 from 2008 to 2009 and total liabilities decreased by $2,786,984. The most significant changes were found in cash and cash equivalents and capital assets. Cash and cash equivalents decreased $5.7 million from the previous year. Capital assets increased $2 million during the fiscal year, offsetting the decrease in cash and cash equivalents. The decrease in liabilities was mainly due to the decrease in accrued wages and benefits, unearned revenue, and long-term liabilities. The decrease in accrued wages is due to the timing of the last payroll. In 2009, the City had 27 pay periods causing a decrease in the amount accrued at year-end. The unearned revenue decreased due to a decrease in taxes receivable and the decrease in long-term liabilities was caused by the payment of a portion of the principal of the Temporary Urban Renewal Bonds without the issuance of new debt. Please see page 14 for the Statement of Net Assets, a detailed version of the above summary of the City's net assets.

In order to further understand what makes up the changes in net assets for the current year, the following table gives readers further details regarding the results of activities for the current year.

Table 2 provides a summary of the City's change in net assets for 2009 as compared to 2008.

Table 2
Changes in Net Assets

	2009	2008
Program Revenues		
Charges for Services	$ 10,100,630	$ 10,239,369
Operating Grants, Contributions, and Interest	4,651,210	4,978,610
Capital Grants and Contributions	492,845	3,682,306
Total Program Revenues	15,244,685	18,900,285
General Revenues		
Property Taxes	8,579,190	8,224,540
Income and Other Taxes	19,523,078	20,819,652
Grants and Entitlements	7,372,760	5,670,500
Investments Earnings	289,963	629,378
Miscellaneous Income	451,678	232,203
Total General Revenues	36,216,669	35,576,273
Total Revenues	51,461,354	54,476,558
Program Expenses		
General Government	6,729,574	7,087,741
Security of Persons and Property	23,988,819	23,458,781
Public Health Services	692,906	448,703
Leisure Time Activities	4,039,556	3,877,476
Housing and Community Development	7,441,799	6,989,574
Sanitation and Sewer Services	4,024,723	5,018,134
Street Maintenance and Repair	2,388,186	2,817,752
Public Works – Other	2,971,552	3,905,495
Interest and Fiscal Charges	928,950	1,001,492
Total Program Expenses	53,206,065	54,605,148
Change in Net Assets	(1,744,711)	(128,590)
Net Assets at Beginning of Year	106,633,008	106,761,598
Net Assets at End of Year	$ 104,888,297	$ 106,633,008

Governmental Activities

Comparing 2009 to 2008, the City's net assets for Government Activities decreased $1,744,711. The 2009 revenues were not enough to cover the 2009 expenses although the City took steps during 2009 to reduce expenses including layoffs and furloughs. The City used beginning fund balances to fund the remaining expenses. The City monitors its sources of revenues closely for fluctuations. For the most part, increases in expenses relate to increased personnel costs and other expenses which closely parallel inflation.

Several revenue sources serve as the primary funding sources for the City's governmental activities, with the income tax being the biggest contributor followed by revenue from charges for services, property taxes and grants and entitlements. The City's income tax rate was 1.75% for 2009. The City's tax rate has been stable since the voters last increased it in 1981. Both residents of the City and non-residents who work inside the City are subject to the income tax. The City grants an income tax credit to residents who work in a locality that has a municipal income tax. The City provides a credit of up to one-half of one percent of the tax rate of the resident's workplace community's income tax rate. City Council could by ordinance choose to vary that income tax credit thereby creating additional revenue for the City. Due to the City's recent history of cash-basis income tax collection increases, which have averaged almost 1.4% since 2000 after factoring out the extraordinary revenue received in 2003 and 2005 and the extraordinary refund paid in 2004, the City has realized an increase in its net assets making such a tax credit change unnecessary, but a tax credit change or a rate increase are future options, if needed.

Income and other tax revenue for 2009 was $19,523,078, accounting for 37.9% of the City's total 2009 revenue of $51,461,354. Charges for Services of $10,100,630 account for 19.6% of total revenues. Property taxes of $8,579,190 account for 16.7% of total revenues. Unrestricted Grants and Entitlements of $7,372,760 account for 14.3% of total revenue. Capital grants of $492,845 account for 1% of total revenues. All other revenue of $5,392,851 accounts for the remaining 10.5% of the City's 2009 revenue. The City monitors its sources of revenue very closely for fluctuations throughout the year, especially income tax.

During 2009, City expenses continued to be dominated by its three largest departments, Police, Fire and Public Works. These three departments account for approximately 62.8% of the City's total 2009 program expenses of $53,206,065. Expenses for Security of Persons and Property (primarily the City's Police and Fire Departments) accounted for 45.1% of the City's 2009 expense total. Expenses for Sanitation and Sewer Services (7.6%), Street Maintenance (4.5%) and other Public Works activities (5.6%) accounted for 17.7% of the City's 2009 expense total. The next largest expense category was General Government, which accounted for 12.6% of the City's expense total. 14.0% of City expenses were for Housing and Community Development activities (building and housing inspection, planning, economic development and neighborhood revitalization activities) while expenses for Leisure Time Activities (primarily recreation and parks maintenance activities) account for 7.6% of total expenses. Public Health and Interest and Fiscal Charges account for the remaining 3.0% of the City's total expenses for 2009. For the most part, City expenses closely paralleled inflation during 2009; however, it should be noted that the ever-increasing cost of providing employee health care negatively impacted the 2009 budget. While the City has lowered the rate of health care cost increases in 2009, this trend is expected to continue into the future. Despite the pressure to increase costs, costs were controlled in 2009 through layoffs, employee furloughs, elimination of many vacant positions and the renegotiation of union contracts to reduce previously bargained wage increases. Despite the cost reductions, there has been very little impact on services to residents.

The City's Funds

Governmental Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Information about the City's major governmental funds starts on page 16. 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 the City's net resources available for spending at the end of the fiscal year. Governmental funds use the modified accrual basis of accounting to account for their assets, liabilities, revenues and expenditures.

As of December 31, 2009, the City's governmental funds reported a combined ending fund balance of $40,285,955 of which $33,696,184 constitutes unreserved fund balances. The City's unreserved fund balance is available for spending at the City's discretion, subject to contractual or legal constraints. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchases of the prior period or ongoing appropriations. As of December 31, 2009, $6,589,771 of the total governmental fund balance was reserved for purchase commitments or capital project appropriations.

For the period ending December 31, 2009, all governmental funds had total revenues and other financing sources of $69,243,701 and expenditures and transfers-out totaling $73,297,788 resulting in an decrease in fund balance of $4,054,087. This decrease is primarily due to the loss of intergovernmental revenues received for capital projects in 2008 that the City did not receive in 2009 and use of beginning fund balances for operating fund deficits.

The General Fund is the primary operating fund of the City. As of December 31, 2009, the total fund balance of the General Fund on a GAAP basis was $11,505,207, of which $672,271 (5.8%) was reserved for encumbrances and $10,832,936 (94.2%) was unreserved. As a measure of the General Fund's liquidity and the City's ability to react to unanticipated economic events, it may be useful to compare the unreserved fund balance to total fund expenditures. As of December 31, 2009 the City's unreserved fund balance was equal to 26.6% of its total operating 2009 expenditures of $35,102,725 plus its transfers to other funds of $5,638,051.

During 2009, the fund balance of the General Fund on a GAAP basis decreased by $221,331. Included in this amount are interfund transfers-out of $5,638,051. Without these transfers, General Fund revenues would have exceeded General Fund expenditures and other uses by $5,416,720.

During 2009, the fund balance of the Capital Projects Fund decreased by $6,659,360. The decrease can be attributed to the reduction in capital grants revenue of approximately $4,415,347 and the transfers-out of $3,560,245 for debt service and other purposes, offset by an increase in debt proceeds of $2,060,852.

General Fund Budgeting Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on the basis of cash receipts, disbursements and encumbrances. An annual appropriation budget is legally required to be prepared for all funds of the City other than agency funds. Council is provided with a detailed line item budget for all departments and has discussions at several regularly held council meetings and work sessions, which are open to the public; the budget is adopted by City Council at fund level and within each fund, broken out between personal services and other expenses. Within each fund, appropriations may be transferred between line items or departments with the approval of the Mayor or Chief Administrative Officer. Council must approve any revisions in the budget that alter the fund totals or require the transfer of moneys between funds. Recommendations for budget revisions are reviewed by the Finance Committee of City Council before being presented to the Council for consideration for enactment by ordinance.

The most significant budgeted fund is the General Fund. During the course of 2009, the City used this process to amend its General Fund budget on eleven occasions. The differences between the General Fund's original and final amended budget were minor in nature. The Chief Administrative Officer and the Finance Department monitor all departmental budgets closely to monitor compliance with allocated budgets and provide quarterly reports to City Council and its Finance Committee depicting monthly and year-to-date activity.

The original budgeted revenues for the General Fund were $37,832,855; the final budgeted revenues were $41,179,456. The City's ending unencumbered fund balance, computed on a cash basis of accounting, was $7,809,638 which was $4,051,027 more than the final budgeted fund balance of $3,758,611. In recognition of the importance of maintaining an adequate level of fund equity, the City Council has adopted a fund balance policy for the General Fund. The City's ending general fund balance on a GAAP basis was 18.5% of 2009 general fund expenditures and transfers-out.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2009, the City of Shaker Heights had $83,731,368 million invested in land, buildings, land improvements, equipment and infrastructure.

Table 3 shows fiscal 2009 balances of Capital Assets as compared to 2008:

Table 3
Capital Assets at December 31
(Net of Depreciation)

	Governmental Activities	
	2009	2008
Land	$ 17,995,770	$ 17,671,506
Buildings and Improvements	9,944,792	10,132,417
Land Improvements	6,260,531	6,376,478
Machinery and Equipment	6,050,348	6,282,320
Infrastructure		
Street	16,429,985	16,712,410
Sanitary and Storm Sewer System	7,146,798	7,249,534
Traffic Signals System	11,651,988	11,720,187
Bridges	89,428	95,364
Culverts	52,204	52,951
Construction in Progress	8,109,524	5,442,623
Total Capital Assets	$ 83,731,368	$ 81,735,790

Total capital assets of the City as of December 31, 2009 were $1,995,578 greater than 2008. The most significant increases in the City's capital assets came in Infrastructure, more specifically to the construction in progress. The City is committed to a long-term goal of not only meeting its infrastructure, equipment and facility needs, but also satisfying those needs in a continued high quality manner. To meet this need, the City has developed a five-year capital improvement plan that is updated and revised annually.

With regards to the infrastructure, the City's Public Works Department maintains a comprehensive listing of all the streets, culverts and sanitary and storm sewers in the City. As part of the City's annual road maintenance program, the Public Works Director evaluates the condition of each street after each winter and prepares a list of streets to be either resurfaced, repaired or crack sealed. After approval from Council, the projects are bid early in the calendar year to get the best possible pricing from contractors. This program is paid for out of the streets special revenue and the general capital funds of the City.

More detailed information about the City's capital asset activity is presented in Note 7.

Debt

At December 31, 2009, the City of Shaker Heights had $33,243,531 in debt and compensated absences outstanding, of which $3,596,055 is due within one year. Table 4 summarizes the City's debt outstanding as of December 31, 2009 and 2008:

Table 4
Outstanding Debt at Year End

	2009	2008
General Obligation Bonds	$ 19,071,497	$ 14,585,000
Urban Renewal Temporary Bonds	-	6,845,000
Bond Anticipation Notes	865,000	1,315,000
Housing Nuisance Notes	750,000	1,000,000
OPWC Loans	5,675,050	3,903,479
Compensated Absences	6,207,330	6,012,482
Claims Payable	674,654	-
Total	$ 33,243,531	$ 33,660,961

In 2008, the City became self insured for workers' compensation liability. The claims payable at December 31, 2009 represent expected future payments for workers' compensation claims incurred in 2008 and 2009.

State statutes limit the total amount of general obligation debt that a city may issue to 10½% of total assessed valuation and limits the total amount of general obligation debt that a city may issue without voter approval to 5½% of total assessed valuation. At December 31, 2009, the City's overall legal debt margin was $86,016,051 and its unvoted debt margin was $44,743,922.

In 2003, the City issued $15.37 million general obligation bonds to fund its urban renewal projects in the Shaker Towne Centre and Sussex Districts of the City. The City was awarded an AA+ rating by Standard & Poors and Fitch Rating Services. The Shaker Towne Centre project included the construction of a new firehouse to replace the fire station located at City Hall. While this bond issue will in part be retired by using tax increment payments by certain property owners, the debt component of the issue for the fire station will be retired by transfers from the General Capital Fund. The City also issued $6.845 million temporary urban renewal bonds for this project. On April 22, 2009 $4,600,000 of the temporary urban renewal bonds were replaced by long-term debt maturing December 1, 2031 and the balance of the temporary urban renewal bonds were paid from funds available to the City. While it was originally expected that tax increment payments would be the source of debt service for this debt and the bonds issued in 2003, it will be necessary to pay a portion of the debt service by transfers from the General Capital Fund.

The City began 2009 with $1.315 million in one-year notes qualifying for display as a long-term liability. These were issued to partially refinance earlier notes issued to finance the renovation of the former Moreland School Building to serve as the new main branch of the Shaker Heights Public Library (originally issued in 1992), the replacement of the City's public safety computer system, the City's portion of the citywide traffic signalization system replacement project not funded by grants, street maintenance and the portion of the Lee

Road reconstruction project not funded by grants At maturity, the City retired $450,000 of these notes and issued a new note in the amount of $865,000 to refinance the balance.

With the exception of the library improvements, the City plans to retire this portion of the notes over the next five years with City funds. The library improvements will be retired over the next two years from the proceeds of the City's lease with the Shaker Heights Public Library.

The Ohio Public Works Commission (OPWC) issued the City a twenty-year, interest free loan in 1994 for the Shelburne Road Sanitary Sewer Project. This loan is being repaid by the City using revenue from the sewer system user fees assessed to all system users in the City. The City was also awarded by the OPWC two, twenty-year, interest-free loans to replace or reline water lines serving the City. In 2009, the City was awarded by the OPWC a $1.7 million, twenty-year, interest-free loan for the South Woodland Sanitary Sewer Project. The repayment of this loan will begin during 2009 and the loan will be repaid from the sewer system user fees assessed to all system users in the City. The City was also awarded by the OPWC a $573,000, twenty-year, interest free loan for the Hildana-Ludgate Sanitary Sewer Project. The full proceeds have not been received for the Hildana-Ludgate project and repayment will begin in 2011. As of December 31, 2009 the unpaid balance of these loans was $5,675,050.

More detailed information about the City's long-term liabilities is presented in Note 9.

Current Related Financial Activities

The City of Shaker Heights is strong financially and well managed, as evidenced by the AA+ bond rating awarded the City by Standard and Poors and Fitch Rating Services. The rating by Fitch Rating Services has been recalibrated to AAA. These ratings are the result of the City's history of creative planning and the combined cooperation of the elected officials, professional administration and employees and, most importantly, its residents. The City is well prepared to meet the challenges of the future. In conclusion, management has been committed to provide the residents of the City of Shaker Heights with full disclosure of the financial position of the City.

The City of Shaker Heights has committed itself to financial excellence. The City received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting since 1996, with the exception of the 2005 audit period due to the transition of Finance Directors.

Contacting the City of Shaker Heights' Financial Management

This financial report is designed to provide our citizen's, taxpayers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Director of Finance Robert H. Baker, at the City of Shaker Heights, 3400 Lee Road, Shaker Heights, Ohio 44120, and (216) 491-1420.

City of Shaker Heights, Ohio

Statement of Net Assets

December 31, 2009

	Governmental Activities
Assets:	
Cash and cash equivalents	$ 39,529,105
Accounts receivable	1,470,105
Accrued interest receivable	42,299
Intergovernmental receivable	2,866,651
Inventory of supplies	290,546
Prepaid items	51,332
Special assessments receivable	3,561,136
Lease receivable	496,107
Taxes receivable	15,283,348
Unamortized bond issuance costs	107,854
Nondepreciable capital assets	26,105,294
Depreciable capital assets, net	57,626,074
Total assets	147,429,851
Liabilities:	
Accounts payable	1,436,691
Accrued wages and benefits	1,209,387
Unearned revenue	6,507,254
Matured compensated absences	69,655
Notes and bonds interest payable	75,036
Long-term liabilities:	
Due within one year	3,596,055
Due in more than one year	29,647,476
Total liabilities	42,541,554
Net assets:	
Invested in capital assets, net of related debt	61,712,406
Restricted for:	
Capital projects	18,947,218
Debt service	1,237,432
Streets	724,281
Public safety	1,724,661
Judicial services	637,338
Unreserved	19,904,961
Total net assets	$ 104,888,297

The notes to the basic financial statements are an integral part of this statement

City of Shaker Heights, Ohio

Statement of Activities

For The Year Ended December 31, 2009

	Expense	Program Revenues: Charges for Service	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Total Governmental Funds
Governmental activities:					
Security of persons and property:					
Police	$ 14,776,734	$ 78,666	$ 4,258,075	$ -	$ (10,439,993)
Fire	8,515,892	500,328	35,837	4,000	(7,975,727)
Other	696,193	434,949	-	-	(261,244)
Public health services	692,906	70,133	4,780	-	(617,993)
Leisure time activities:					
Culture and recreation	2,984,882	1,753,423	-	-	(1,231,459)
Parks and public land maintenance	1,054,674	1,415	-	-	(1,053,259)
Housing and community development	7,441,799	2,504,195	44,215	188,689	(4,704,700)
Sanitation and sewer services	4,024,723	1,333,696	295,303	298,216	(2,097,508)
Street maintenance and repair	2,388,186	8,231	-	1,940	(2,378,015)
Public work – other	2,971,552	707,206	-	-	(2,264,346)
General government:					
Legislative and executive	4,316,001	89,094	13,000	-	(4,213,907)
Judicial system	2,413,573	2,619,294	-	-	205,721
Interest and fiscal charges	928,950	-	-	-	(928,950)
Total governmental activities	$ 53,206,065	$ 10,100,630	$ 4,651,210	$ 492,845	(37,961,380)

General revenues:	
Property taxes used for:	
General purposes	7,444,238
Police and fire pension	477,099
Debt service	657,853
Municipal income taxes levied for:	
General purposes	19,466,209
Other local taxes levied for:	
General purposes	56,869
Grants and entitlements not restricted to specific programs	7,372,760
Interest earnings	289,963
Miscellaneous income	451,678
Total general revenues	36,216,669
Change in net assets	(1,744,711)
Net assets at beginning of year, restated	106,633,008
Net assets at end of year	$ 104,888,297

The notes to the basic financial statements are an integral part of this statement

City of Shaker Heights, Ohio

Governmental Funds Balance Sheet

December 31, 2009

	General	Capital Projects	Urban Renewal Debt Service	Non-Major Governmental Funds	Total Governmental Funds
Assets:					
Cash and cash equivalents	$ 7,849,765	$ 19,205,944	$ 1,066,682	$ 9,350,498	$ 37,472,889
Taxes receivable	14,847,100	-	-	436,248	15,283,348
Accounts receivable	490,126	-	-	977,326	1,467,452
Special assessments receivable	5,398	-	-	3,555,738	3,561,136
Lease receivable	206,100	290,007	-	-	496,107
Interfund receivable	112,151	46,310	3,143	186,337	347,941
Accrued interest receivable	42,299	-	-	-	42,299
Intergovernmental receivable	1,824,385	-	-	1,042,266	2,866,651
Inventory of supplies	138,040	-	-	-	138,040
Total assets	$ 25,515,364	$ 19,542,261	$ 1,069,825	$ 15,548,413	$ 61,675,863
Liabilities and fund balances:					
Liabilities:					
Accounts payable	$ 371,802	$ 297,557	$ -	$ 643,548	$ 1,312,907
Accrued wages	724,270	-	-	470,755	1,195,025
Interfund payable	119,729	7,479	11,385	268,114	406,707
Matured compensated absences	69,655	-	-	-	69,655
Deferred revenue	12,724,701	290,007	-	5,390,906	18,405,614
Total liabilities	14,010,157	595,043	11,385	6,773,323	21,389,908
Fund balances:					
Reserved for encumbrances	672,271	1,143,829	-	624,140	2,440,240
Reserved for appropriations	-	4,149,531	-	-	4,149,531
Unreserved:					
Undesignated, reported in:					
General fund	10,832,936	-	-	-	10,832,936
Special revenue funds	-	-	-	8,165,918	8,165,918
Debt service fund	-	-	1,058,440	(14,968)	1,043,472
Capital projects fund	-	13,653,858	-	-	13,653,858
Total fund balances	11,505,207	18,947,218	1,058,440	8,775,090	40,285,955
Total liabilities and fund balances	$ 25,515,364	$ 19,542,261	$ 1,069,825	$ 15,548,413	$ 61,675,863

The notes to the basic financial statements are an integral part of this statement

City of Shaker Heights, Ohio

Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities

December 31, 2009

Total Governmental Funds balances		$ 40,285,955
Amounts reported for Governmental Activities in the Statement of Net Assets are different because:		
Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the funds		
Nondepreciable capital assets	$ 26,105,294	
Depreciable capital assets	57,626,074	
Total		83,731,368
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds		
Delinquent property taxes	677,123	
Municipal income taxes	4,160,093	
Special Assessments	3,561,136	
Intergovernmental	1,774,702	
Interest earnings	35,700	
Charges for service	1,689,606	
Total		11,898,360
Internal service funds are used by management to charge the costs of certain activities, such as insurance, worker's compensation, printing supplies, and maintenance and repair of the City's fleet of vehicles to individual funds. The assets and liabilities of the Internal Service Fund are included in Governmental Activities in the Statement of Net Assets		1,384,442
In the statement of activities, bond issuance costs are amortized over the term of the bonds, whereas in the governmental funds bond issuance expenditures is reported when bonds are issued.		107,854
Long-term liabilities are not due and payable in the current period and are therefore not reported in the funds		
Bonds payable	(18,895,000)	
Premium on bonds	(176,497)	
OPWC loans	(5,675,050)	
Notes payable	(1,615,000)	
Interest payable	(75,036)	
Compensated absences	(6,083,099)	
Total		(32,519,682)
Net Assets of Governmental Activities		$ 104,888,297

The notes to the basic financial statements are an integral part of this statement

City of Shaker Heights, Ohio

Statement of Revenues, Expenditures, and Changes In Fund Balances - Governmental Funds

For The Year Ended December 31, 2009

	General	Capital Projects	Urban Renewal Debt Service	Non-Major Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	$ 7,275,326	$ -	$ 657,853	$ 466,122	$ 8,399,301
Municipal income taxes	20,144,932	-	-	-	20,144,932
Other local taxes	53,478	-	-	-	53,478
Intergovernmental	6,549,955	473,146	-	5,315,883	12,338,984
Charges for services	4,732,688	4,000	-	1,801,741	6,538,429
Interest earnings	216,347	-	7,833	30,083	254,263
Fees, licenses and permits	577,437	-	-	-	577,437
Fines and forfeitures	795,412	-	-	273,715	1,069,127
Special assessments	6,800	-	-	1,823,321	1,830,121
Other revenue	132,159	39,549	-	498,046	669,754
Total revenues	40,484,534	516,695	665,686	10,208,911	51,875,826
Expenditures:					
Current operations and maintenance:					
Security of persons and property:					
Police	8,805,402	1,114,594	-	4,698,742	14,618,738
Fire	6,992,308	28,758	-	1,190,650	8,211,716
Other	90,717	-	-	656,216	746,933
Public health services	449,924	-	-	122,831	572,755
Leisure time activities:					
Culture and recreation	2,585,730	25,442	-	-	2,611,172
Park and public land maintenance	744,134	278,773	-	-	1,022,907
Housing and community development	4,079,922	1,855,940	-	1,619,779	7,555,641
Sanitation and sewer services	2,979,946	1,013,231	-	1,037,983	5,031,160
Street maintenance and repair	517,143	1,336,908	-	1,491,001	3,345,052
Public works – other	1,978,557	687	-	713,251	2,692,495
General government:					
Legislative and executive	3,682,082	246,722	229	124,836	4,053,869
Judicial system	2,196,860	-	-	149,956	2,346,816
Debt service:					
Principal retirement	-	-	7,135,000	2,104,281	9,239,281
Interest and fiscal charges	-	-	914,330	76,025	990,355
Debt issuance costs	-	-	107,854	-	107,854
Total expenditures	35,102,725	5,901,055	8,157,413	13,985,551	63,146,744
Excess of revenues over (under) expenditures	5,381,809	(5,384,360)	(7,491,727)	(3,776,640)	(11,270,918)
Other financing sources (uses):					
Issuance of debt	-	2,060,852	4,600,000	1,115,000	7,775,852
Sale of capital assets	34,911	1,001	-	28,570	64,482
Transfers – in	-	223,392	3,036,228	6,091,424	9,351,044
Transfers – out	(5,638,051)	(3,560,245)	-	(952,748)	(10,151,044)
Premium on bonds	-	-	176,497	-	176,497
Total other financing sources (uses)	(5,603,140)	(1,275,000)	7,812,725	6,282,246	7,216,831
Net change in fund balances	(221,331)	(6,659,360)	320,998	2,505,606	(4,054,087)
Fund balances (deficit) at beginning of year	11,726,538	25,606,578	737,442	6,269,484	44,340,042
Fund balances at end of year	$ 11,505,207	$ 18,947,218	$ 1,058,440	$ 8,775,090	$ 40,285,955

The notes to the basic financial statements are an integral part of this statement

City of Shaker Heights, Ohio

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities

For The Year Ended December 31, 2009

Net Change in Fund Balances - Total Governmental Funds		$ (4,054,087)
Amounts Reported for Governmental Activities in the Statement of Activities are different because:		
Governmental Funds report capital outlay as expenditures. However in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period		
Capital outlay	$ 4,971,423	
Depreciation	(2,846,283)	2,125,140
In the Statement of Activities, only the loss on the disposal of property and equipment are reported, whereas, in the Governmental Funds, the proceeds from the disposal increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the property and equipment.		(129,562)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the Funds.		
Delinquent property and other taxes	183,280	
Municipal income taxes	(678,723)	
Special assessments	514,873	
Intergovernmental	166,156	
Interest earnings	35,700	
Charges for services	(635,758)	(414,472)
Other financing sources in the Governmental Funds that increase long-term liabilities in the Statement of Net Assets. These sources were attributed to issuance of long-term notes, OPWC loans, and General Obligation Bonds.		(7,952,349)
Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.		
Principal	9,239,281	
Interest and fiscal charges	61,405	9,300,686
Compensated absences reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in Governmental Funds.		(208,803)
In the Statement of Activities, bond issuance costs are amortized over the term of the bonds, whereas, in the Governmental Funds, a bond issuance expenditure is reported when the bonds are issued.		107,854
Internal service funds are used by management to charge to costs of certain activities, such as insurance worker's compensation, printing supplies and maintaining and repairing the City's fleet of vehicles to individual funds that are not reported in the city wide statement of activities. The net revenue (expense) of the Internal Service Fund is reported with Governmental Activities.		(519,118)
Change in Net Assets of Governmental Activities		$ (1,744,711)

The notes to the basic financial statements are an integral part of this statement

City of Shaker Heights, Ohio

Statement of Revenues, Expenditures, and Changes In Fund Balance – Budget
(Non-GAAP Budgetary Basis) and Actual
General Fund
For The Year Ended December 31, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	$ 8,313,054	$ 8,174,154	$ 8,326,906	$ 152,752
Municipal Income Taxes	19,809,785	19,603,815	19,646,181	42,366
Other Local Taxes	60,000	60,000	51,542	(8,458)
State Levied Shared Taxes	1,598,909	5,133,717	5,120,993	(12,724)
Intergovernmental	427,586	490,687	492,045	1,358
Charges for Services	4,968,646	4,811,588	4,816,033	4,445
Fees, Licenses and Permits	637,981	627,222	637,967	10,745
Investment Earnings	200,000	160,222	223,909	63,687
Fines and Forfeitures	676,200	671,700	665,009	(6,691)
Other Revenues	217,839	539,496	507,078	(32,418)
Total Revenues	36,910,000	40,272,601	40,487,663	215,062
Expenditures:				
Current:				
Security of Persons and Property	17,397,708	17,203,934	16,598,839	605,095
Public Health Services	471,873	610,728	468,308	142,420
Culture and Recreation	2,728,977	2,776,528	2,649,810	126,718
Parks and Public Lands Maintenance	868,003	809,474	787,185	22,289
Housing and Community Development	4,524,070	4,764,578	4,254,271	510,307
Sanitation and Sewer Services	3,169,888	3,309,341	2,973,507	335,834
Street Maintenance and Repair	792,380	763,240	738,567	24,673
Public Works – Other	2,059,167	2,250,295	2,027,482	222,813
Legislative and Executive	4,054,085	4,357,428	3,758,878	598,550
Judicial System	2,392,902	2,419,168	2,289,258	129,910
Total Expenditures	38,459,053	39,264,714	36,546,105	2,718,609
Excess of Revenues Over (Under) Expenditures	(1,549,053)	1,007,887	3,941,558	2,933,671
Other Financing Sources (Uses):				
Transfers – in	20,000	4,000	5,511	1,511
Transfers – out	(1,909,409)	(5,639,551)	(5,639,551)	-
Advances – in	902,855	902,855	902,855	-
Advances – out	-	(225,000)	(19,706)	205,294
Total Other Financing Sources (Uses)	(986,554)	(4,957,696)	(4,750,891)	206,805
Net Change in Fund Balance	(2,535,607)	(3,949,809)	(809,333)	3,140,476
Beginning Cash Fund Balance	8,293,221	8,293,221	8,293,221	-
Prior Year's Reserve for Encumbrances Outstanding At December 31	(71,935)	(71,935)	(71,935)	-
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(512,866)	(512,866)	(512,866)	-
Ending unreserved cash fund balance	$ 5,172,813	$ 3,758,611	6,899,087	$ 3,140,476
Reserved for Encumbrances – all budget years			910,551	
Total cash fund balance - December 31			$ 7,809,638	

The notes to the basic financial statements are an integral part of this statement

City of Shaker Heights, Ohio

Statement of Fund Net Assets
Proprietary Fund

December 31, 2009

		Governmental Activities Internal Service Fund
Assets:		
Equity in city treasury cash	$	2,056,216
Accounts receivable		2,653
Interfund receivable		101,195
Inventory of supplies		152,506
Prepaid items		51,332
Total assets		2,363,902
Liabilities:		
Current liabilities:		
Accounts payable		123,784
Accrued wages and benefits		14,362
Interfund payable		42,429
Claims payable		135,017
Accrued compensated absences		40,418
Total current liabilities		356,010
Long-term liabilities (net of current portion)		
Claims payable		539,637
Accrued compensated absences		83,813
Total long-term liabilities		623,450
Total liabilities		979,460
Net assets:		
Unrestricted	$	1,384,442

The notes to the basic financial statements are an integral part of this statement

City of Shaker Heights, Ohio

Statement of Revenues, Expenses, and Changes In Fund Net Assets
Proprietary Fund

For The Year Ended December 31, 2009

		Governmental Activities Internal Service Fund
Operating revenues:		
Charges for services	$	1,717,238
Other		15
Total operating revenues		1,717,253
Operating expenses:		
Personal services		809,403
Travel and education		630
Contractual services		1,650,934
Materials and supplies		575,404
Total operating expenses		3,036,371
Operating loss before transfers		(1,319,118)
Transfers – in		800,000
Change in net assets		(519,118)
Net assets at beginning of year		1,903,560
Net assets at end of year	$	1,384,442

The notes to the basic financial statements are an integral part of this statement

City of Shaker Heights, Ohio

Statement of Cash Flows
Proprietary Fund

For The Year Ended December 31, 2009

		Governmental Activities Internal Service Fund
Increase (decrease) in cash and cash equivalents:		
Cash flows from operating activities:		
Cash received from interfund services	$	1,716,125
Cash payments to suppliers		(695,807)
Cash payment for goods and services		(1,121,172)
Cash payments to employees		(867,116)
Cash received from other operating activities		15
Net cash used for operating activities		(967,955)
Cash flows from non-capital financing activities:		
Transfers-in		800,000
Decrease in cash and cash equivalents		(167,955)
Cash and cash equivalents at beginning of year		2,224,171
Cash and cash equivalents at end of year	$	2,056,216
Reconciliation of operating loss to net cash used for operating activities:		
Operating loss	$	(1,319,118)
Adjustments:		
Increase in assets:		
Materials and supplies inventory		(117,603)
Prepaid items		(49,736)
Increase/ (decrease) in liabilities:		
Accounts payable		(10,388)
Accrued wages and benefits		(43,758)
Accrued compensated absences		(13,955)
Self insurance claims payable		586,603
Total adjustments		351,163
Net cash used for operating activities	$	(967,955)

The notes to the basic financial statements are an integral part of this statement

City of Shaker Heights, Ohio

Statement of Fiduciary Net Assets
Fiduciary Funds

December 31, 2009

		Agency
Assets:		
Equity in pooled cash and cash equivalents	$	1,068,104
Cash and cash equivalents in segregated accounts		563,212
Mortgage loan receivable		160,151
Total assets	$	1,791,467
Liabilities:		
Intergovernmental payable	$	442,885
Deposits held and due to others		1,348,582
Total liabilities	$	1,791,467

The notes to the basic financial statements are an integral part of this statement

Note 1 – Description of the City and Reporting Entity

The City of Shaker Heights (the City) was incorporated under the laws of the State of Ohio in 1912. The City has operated as a home rule municipal corporation under its own charter since the charter's adoption by the residents in 1931. The charter provides that the City operate under the Mayor/Council form of government, with the legislative power vested in the seven-member Council. The Mayor is the Chief Executive Officer of the City. The Mayor appoints the Chief Administrative Officer of the City, who is confirmed by Council.

Reporting Entity

The City provides various services including police and fire protection, public health, parks and recreation, street maintenance, planning and zoning, community preservation and development and other general governmental services. None of these services are provided by legally separate organizations; therefore, these operations are included in the primary government.

The City is a member of the Northeast Ohio Public Energy Council ("NOPEC"). NOPEC is a regional council of government formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of electricity. NOPEC is currently comprised of 162 communities who have been authorized by ballot to purchase electricity on behalf of their citizens. The intent of NOPEC is to provide electricity at the lowest possible rates while at the same time insuring stability in prices by entering into long-term contracts with suppliers to provide electricity to the citizens of member communities.

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the eight-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. Financial information can be obtained by contacting the Board Chairman, 31320 Solon Road, Suite 20, Solon, OH, 44139.

As defined by generally accepted accounting principles established by the Governmental Accounting Standards Board (GASB Statement No. 14), the financial reporting entity consists of the City (the primary government), as well as its component units. Component units are defined as legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability of the primary government to impose its will on the component unit, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

Based upon the foregoing criteria, these financial statements do not include any component units.

Note 2 – Summary of Significant Accounting Policies

The financial reporting practices of the City conform to generally accepted accounting principles as applicable to local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The most 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.

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 activity of the internal service funds are eliminated to avoid doubling up revenues and expenses.

The statement of net assets presents the financial condition of the governmental activities of the City at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities 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 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 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. The internal service funds are presented in a single column on the proprietary fund statements. 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.

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 balance. The following are the City's major governmental funds:

> *General Fund* – To account for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the charter of the City and/or the general laws of Ohio.
>
> *Capital Projects Fund* – To account for financial resources to be used for the acquisition or construction of capital facilities.
>
> *Urban Renewal Debt Service Fund* – To account for the accumulation of resources for, and the payment of, Urban Renewal Debt issued pursuant to Ohio Revised Code Section 725 to finance the Sussex Area Revitalization Project and the Shaker Towne Centre Community Development District Revitalization Project.

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. The City has no enterprise funds.

> *Internal Service Funds* – Internal service funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City maintains four separate internal service funds to account for its self-insurance activity, inventory of consumable supplies, copier management, and its municipal garage (fleet maintenance).

Fiduciary Funds – Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore, not available to support the City's own programs. The City has no trust funds. The City's agency funds are custodial in nature (assets equal liabilities) and thus do not involve the measurement of the results of operations. The City's agency funds are for the public art fund, obstruction permit deposits, excavating permit deposits, unclaimed monies, Fund for the Future of Shaker Heights, contractor deposits, municipal court and the Heights Area Special Rescue Team (HASRT).

Note 2 – Summary of Significant Accounting Policies (continued)

C. Measurement Focus

Government –- Wide Financial Statements

The government-wide statements are prepared 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, except for fiduciary funds. The Statement of Activities presents increases (e.g., revenues) and decreases (e.g. 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 of governmental funds.

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 presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets. The statement of cash flows provides information about how the City's finances 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 as well as fiduciary funds are prepared using the accrual basis of accounting. Proprietary funds also use the accrual basis of accounting.

Governmental funds are accounted for using the modified accrual basis of accounting and the current financial resources measurement focus. 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.

Note 2 – Summary of Significant Accounting Policies (continued)

D. Basis of Accounting (continued)

Revenue Recognition

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: municipal income taxes withheld by employers, inheritance taxes, sewerage surcharges, investment earnings, fines and forfeitures and state levied locally shared taxes (including motor vehicle fees). 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. Revenue received by the City within 60 days after year end are deemed to be available. Reimbursements for federally funded grant projects are accrued as revenue at the time the eligible expenditures are made. Property taxes and special assessments though measurable are not available soon enough in the subsequent year to finance current period obligations. Income taxes and sewerage surcharges are considered to be measurable when billed; however, these revenue sources are not considered to be available until they have been received by the collecting agency. Accordingly, these items are recorded and revenue recognition is deferred until they become available.

All other revenue sources, including licenses and permits, certain charges for services, and non-employer withheld income taxes, are recorded as revenue when received in cash because they generally are not measurable until actually received by the City.

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. Special assessments not received within the available period and 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.

Expense/Expenditure Recognition

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. Most expenditures are measurable and are recorded when the related liability is incurred except for unmatured principal and interest on general long-term debt which is recognized when paid. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

Note 2 – Summary of Significant Accounting Policies (continued)

E. Cash and Cash Equivalents

For purposes of the statement of cash flows, the proprietary fund types consider all highly liquid investments that are both readily convertible to known amounts of cash, with a maturity of three months or less when purchased to be cash equivalents.

To improve cash management, cash received by the City is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through City records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents".

During fiscal year 2009, investments were limited to U.S. Treasury Notes and Bonds, securities guaranteed by the United States, and repurchase agreements.

Except for nonparticipating investment contracts, investments are reported at fair value, which is based on, quoted market prices. Nonparticipating investment contracts such as repurchase agreements are reported at cost.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2009 amounted to $216,347, of which, $163,140 was from other funds.

Investments with an original maturity of three months or less and investments of the cash management pool are presented on the financial statements as cash equivalents.

F. 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 item at the time of the purchase and the expenditure/expense in the year in which the services are consumed.

G. Inventory

Inventory is stated at weighted average cost and is expended/expensed when used. Obsolete inventory has not been valued for financial reporting purposes.

H. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These 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.

Note 2 – Summary of Significant Accounting Policies (continued)

H. Capital Assets (continued)

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City's capitalization threshold is ten thousand dollars. The City's infrastructure consists of curbs, sidewalks, sewers, streets, and other general capital assets that are immovable and of value only to the City. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All capital assets are depreciated except for land and construction in progress. 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:

Description	Estimated Lives
Buildings & Improvements	10 to 60 years
Equipment	3 to 30 years
Land Improvements	10 to 50 years
Infrastructure	25 to 75 years

I. Interfund Balances

During the course of normal operations, the City had numerous transactions between funds, most of which are in the form of transfers of resources to provide services or to service debt. The accompanying financial statements generally reflect such transactions as transfers. The City also advances money between funds throughout the year. To the extent that certain transactions between funds have not been paid or received as of December 31, 2009, interfund amounts receivable or payable have been recorded as Interfund Payables and Interfund Receivables. Interfund balance amounts are eliminated in the Statement of Net Assets and the Statement of Activities.

J. Compensated Absences

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 16, *"Accounting for Compensated Absences"*, the City has accrued a liability for compensated absences (vacation and sick leave) at December 31, 2009 along with any salary-related benefit liabilities associated with the payment of compensated absences. The City uses the vesting method to calculate this liability. The entire compensated absence liability is reported on the government-wide financial statements.

K. 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.

Note 2 – Summary of Significant Accounting Policies (continued)

K. 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, compensated absences, and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and long-term loans are recognized as a liability on the fund financial statements when due.

L. 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. Fund balance reserves have been established for encumbrances and appropriations.

M. 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 City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

N. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

O. 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. Neither item occurred in 2009.

P. 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 2 – Summary of Significant Accounting Policies (continued)

Q. Operating Revenues 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, recreation, and fitness center programs. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the fund.

R. Budgetary Process

Tax Budget

A budget of estimated cash receipts and disbursements is submitted to the County Auditor, as secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year.

Estimated Resources

The County Budget Commission certifies its actions relative to the submitted tax budget to the City by September 1. As a part of this certification, the City receives the official certificate of estimated resources, which states the projected resources of each fund. On or about January 1, this certificate is amended to include any unencumbered balances from the preceding year. The City must then revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure.

Appropriations

A temporary appropriation measure to control cash disbursements may be passed on or about January 1 of each year for the period January 1 to March 31. For all operating funds except capital projects and trust and agency funds, an annual appropriation measure must be passed by April 1 of each year for the period January 1 to December 31. For 2009, the annual appropriation measure was passed by City Council on March 23, 2009. The appropriation measure may be amended during the year as new information becomes available provided that total appropriations do not exceed estimated resources as certified. Trust and Agency Funds are deemed to be appropriated for their intended purpose upon receipt. The City appropriates Capital Project Funds on a project by project basis.

As provided by the City's Charter and State Law, amendments to the 2009 appropriation ordinance were approved by City Council. These amendments were deemed to be immaterial in nature and are reflected in the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual for the Year Ended December 31, 2009.

Note 2 – Summary of Significant Accounting Policies (continued)

Lapsing of Appropriations

For all funds, except capital projects funds, unencumbered appropriation balances lapse at year end and revert to the respective funds from which they were originally appropriated, thus becoming available for future appropriation. Capital projects are appropriated on a project basis. Project appropriation balances lapse upon completion of the project; therefore their unencumbered appropriation balances are carried over to the subsequent fiscal year.

Budgeted Level of Expenditure

State law mandates that a fund's total obligations may not exceed the total amount appropriated for the fund. For all funds except fiduciary and capital project funds, the City maintains its legal level of budgetary control at the department level and within each department segregates out expenses between personal services and other. For fiduciary funds, the legal level of budgetary control is maintained at the fund level. For capital project funds, the City maintains its legal level of budgetary control at the project level. Management control is exercised at the department level within each fund. Administrative control is maintained through the establishment of more detailed line item budgets. The Mayor and Chief Administrative Officer are authorized to transfer budgeted amounts between departments within a fund so long as the total amount appropriated for the fund is not exceeded.

S. Subsequent Events

In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through June 28, 2010, the date the financial statements were available to be issued.

T. Comparative Data/Reclassifications

Prior year data presented in Management's Discussion and Analysis and Statistical Section have been reclassified in order to be comparative and provide an understanding of the changes in financial position and operations. Certain reclassifications have been made to the 2008 financial statements in order to conform to the 2009 presentation.

Note 3 – Change in Accounting Principles

For 2009, the City has implemented Governmental Accounting Standards Board (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*.

Note 3 – Change in Accounting Principles (continued)

GASB Statement No. 52 establishes consistent standards for the reporting of land and other real estate held as investments by essentially similar entities. It requires endowments to report their land and other real estate investments at fair value. Governments are also required to report the changes in fair value as investment income to disclose the methods and significant assumptions employed to determine fair value. The implementation of this statement did not result in any change to the financial statements.

GASB Statement No. 55 incorporates the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the GASB's authoritative literature. The implementation of this statement did not result in any changes to the financial statements.

GASB Statement No. 56 incorporates accounting and financial reporting guidance previously only contained in the American Institute of Certified Public Accounts (AICPA) auditing literature into the GASB's accounting and financial reporting literature for state and local governments – related party transactions, going concern considerations and subsequent events. The implementation of this statement did not result in any changes to the financial statements.

Note 4 – Budgetary Basis of Accounting

While reporting financial position, results of operations, and changes in fund equity on the basis of generally accepted accounting principles (GAAP basis), the budgetary basis, as provided by law, is based upon accounting for transactions on a basis of cash receipts and disbursements. The Statements of Revenue, Expenditure, Encumbrance and Changes in Fund Balance-Budget (Non – GAAP Basis) and Actual for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results to the budget. The major differences between the budget basis and the GAAP basis are:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash or encumbered (budget) as opposed to when susceptible to accrual (GAAP).
3. Encumbrances are treated as expenditures (budget) rather then as a reservation of fund balance (GAAP).
4. Investments reported at fair value (GAAP) rather than cost (budget).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund.

Note 4 – Budgetary Basis of Accounting (continued)

Net Change in Fund Balance

GAAP Basis	$ (221,331)
Net Adjustment for Revenue Accruals	875,216
Fair Value Adjustment for Investments 2008	(38,759)
Fair Value Adjustment for Investments 2009	40,127
Net Adjustment for Expenditure Accruals	(2,375,137)
Encumbrances	910,551
Budget Basis	$ (809,333)

Note 5 – 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 treasury. Such monies must be maintained either as cash in the City treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are monies 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 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. The City's investment policies are governed by the City's charter and ordinances. The charter authorizes the City to invest in the following securities:

1. Bonds or notes which are issued by and are obligations of the City of Shaker Heights, Ohio.
2. Bonds, notes, certificates of indebtedness, treasury bills or other securities issued by and constituting direct obligations of, or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest thereon.
3. Bonds or notes which are issued by and are the obligations of the State of Ohio, provided that such bonds or notes have a rating assigned to them by Standard and Poor's Corporation or Moody's Investor Services, Inc. which rating:

    a. As to bonds, is one of the two highest rating categories that may be assigned; and
    b. As to notes, is the highest rating category that may be assigned.

In order to be eligible investments under points (2) and (3), there must be no outstanding default for the payment of the principal or interest on such securities and the securities must mature or be subject to redemption at the option of the City within five years of the date the City purchased such security.

Note 5 – Deposits and Investments (continued)

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. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

Written repurchase agreements in the securities listed above are permitted provided that the fair 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 the market daily. The term of the agreement may not exceed thirty days.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Finance Director or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits

Custodial credit risk is the risk that in the event of bank failure, the City's deposits may not be returned to it. Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution, by surety company bonds or by a single collateral pool established by the financial institution. In accordance with Chapter 135 of the Ohio Revised Code, any public depository receiving deposits pursuant to an award of City funds shall be required to pledge as security for repayment of all public moneys.

At year-end, the carrying amount of the City's deposits was $19,005,924 (including $15,535 of petty cash) and the bank balance was $19,312,770. Of the bank balance, $1,552,185 was covered by Federal depository insurance, and $17,760,585 was collateralized with securities held by the pledging institution's agent in the City's name.

Investments

Investments are reported at fair value. As of December 31, 2009, the City had the following investments:

		Maturities (in years)	
	Fair Value	Less than 1	1-3
US Treasury Notes	$ 2,037,610	$ 1,036,410	$ 1,001,200
Temporary TLGP Securities	16,729,310	2,022,280	14,707,030
Repurchase Agreement	3,387,577	3,387,577	-
Total Portfolio	$ 22,154,497	$ 6,446,267	$ 15,708,230

Interest Rate Risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The City's investment policy addresses interest rate risk requiring that the City's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding that need to sell securities on the

Note 5 – Deposits and Investments (continued)

open market prior to maturity and by investing operating funds primarily in short-term investments. The City's investment policy also limits security purchases to those that mature within five years unless specifically matched to a specific cash flow. To date, no investments have been purchased with a life greater than five years.

Custodial Risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. All financial institutions and broker/dealers who desire to become qualified for investment transactions with the City must meet a set of prescribed standards and be periodically reviewed.

Credit Risk is addressed in the City's investment policy by the requirements that all investments are authorized by Ohio Revised Code and that the portfolio be diversified both by types of investment and issuer. All investments of the City are registered and carry a rating AAA by Standard & Poor's.

Concentration of Credit Risk is defined by the Governmental Accounting Standards Board as five percent or more in the securities of a single issuer. The City's investment policy requires diversification of the portfolio but does not indicate specific percentage allocations.

Investment Issuer	Percentage of Investments
US Treasury Notes	9.20 %
Temporary TLGP Securities	75.51 %
Repurchase Agreements	15.29 %

Note 6 – Receivables

Receivables at December 31, 2009, consisted primarily of municipal income taxes, property and other taxes, accounts, special assessments, interest, and intergovernmental receivables arising from grants, entitlements, and shared revenues. All receivables are deemed collectible in full. Special assessments are expected to be collected within one year.

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 for 2008 taxes. Property tax payments received during 2009 for tangible personal property (and other public utility property) are for 2009 taxes.

Real property taxes (other than public utility property) are levied after October 1 on the assessed value listed as of the prior January 1, the lien date. Assessed values are established by the Cuyahoga County Auditor at 35 percent of the appraised market value, and reappraisal of all property is required every six years with a triennial update. The last reappraisal was completed for tax year 2006 affecting collections beginning in 2007.

Note 6 – Receivables (continued)

A. Property Taxes (continued)

Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 20; if paid semi-annually, the first payment is due mid January with the remainder payable by mid July. Taxes not paid become delinquent after December 31 of the year in which payable. Under certain circumstances, state statute permits earlier or later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. Public utility real and tangible personal property taxes collected during the calendar year were levied in the preceding calendar year based on assessed values as of January 1 of that preceding year, the lien date.

Tangible personal property used in business (except for public utilities) is currently assessed for *ad valorem* taxation purposes and is being phased out – the assessment percentage for all property including inventory for 2009 is zero. Amounts for prior year unpaid tangible personal property taxes may still be collected. Under Ohio law, personal property taxes do not attach as a lien on the personal property.

While property tax rates are levied by the City, the Cuyahoga County Auditor is statutorily responsible for administering and collecting real property taxes on the behalf of all taxing authorities in the county, including the City.

The assessed values per category applicable to the 2009 and 2008 tax are as follows:

	Tax Year/Collection Year	
	2009/2010	2008/2009
Real Estate (other then public utility)	$ 815,784,770	$ 876,609,700
Public Utilities Real and Tangible Personal Property	9,657,800	9,080,760
Tangible Personal Property (other than public utility)	-	3,788,537
Total Valuation	$ 825,442,570	$ 889,478,997

The tax rate levied to finance the City's services for the years ended December 31, 2009 and December 31, 2008 was $9.90 per $1,000 of real estate and personal property valuation.

The receivable and related deferred revenue does not include property tax entitlements in the amount of $1,155,521 that the City expects to receive in 2010 from the State of Ohio to finance 2010 operations. These entitlements are based upon 2009 local property tax relief granted by the State to qualified classes of real property owners in the form of homestead exemptions and tax rollbacks.

Note 6 – Receivables (continued)

B. Municipal Income Taxes

The City income tax is applied to the gross salaries, wages and other personal service compensation earned by residents of the City and to the earnings of nonresidents working within the City. This tax also applies to the net income of businesses operating within the City. The tax rate was 1.75% of earnings for 2009 and 2008. Both residents of the City and non-residents who work inside the City are subject to the income tax. The City grants an income tax credit to residents who work in a locality that has a municipal income tax. The City provides a credit of up to one-half of one percent of the tax rate of the resident's workplace community's income tax rate. A receivable totaling $8,092,379 has been recorded in the General Fund. This total includes $3,932,286 for the portion of taxes that is due prior to December 31, 2009, but is not received until January and February of the following year, and $4,160,093 which has been billed, but is not available in the current period.

C. Intergovernmental Receivable

A summary of intergovernmental receivables at December 31, 2009, include the following:

Governmental Activities		Amounts
Local Government Contracts	$	277,817
Auto Registration Fees		10,297
Homestead & Rollback		555,437
Gas Tax		387,165
Estate Tax		241,817
Local Government – State		160,359
Local Government – County		582,498
Federal Grants		568,113
CAT Tax		17,907
Permissive Tax		12,589
Other		52,652
Total	$	2,866,651

Note 7 – Capital Assets

Capital asset activity for the year ended December 31, 2009, was as follows:

Governmental Activities:	Balances 12/31/08	Additions	Deletions	Balances 12/31/09
Capital Assets not being depreciated:				
Land	$ 17,671,506	$ 324,264	$ -	$ 17,995,770
Construction in Progress	5,442,623	2,708,025	(41,124)	8,109,524
Total Capital Assets not being depreciated	23,114,129	3,032,289	(41,124)	26,105,294
Capital Assets being depreciated:				
Buildings and Improvements	16,029,016	182,808	-	16,211,824
Land Improvements	8,102,254	191,065	-	8,293,319
Machinery and Equipment	15,350,553	1,160,619	(990,774)	15,520,398
Infrastructure:				
Streets	20,650,930	203,483	-	20,854,413
Storm and Sanitary Sewers	7,738,911	-	-	7,738,911
Bridges	148,389	-	-	148,389
Culverts	56,000	-	-	56,000
Traffic Signals	12,867,448	242,283	-	13,109,731
Total Capital Assets being depreciated	80,943,501	1,980,258	(990,774)	81,932,985
Less Accumulated Depreciation:				
Buildings and Improvements	(5,896,599)	(370,433)	-	(6,267,032)
Land Improvements	(1,725,776)	(307,012)	-	(2,032,788)
Machinery and Equipment	(9,068,233)	(1,263,029)	861,212	(9,470,050)
Infrastructure:				
Streets	(3,938,520)	(485,908)	-	(4,424,428)
Storm and Sanitary Sewers	(489,377)	(102,736)	-	(592,113)
Bridges	(53,025)	(5,936)	-	(58,961)
Culverts	(3,049)	(747)	-	(3,796)
Traffic Signals	(1,147,261)	(310,482)	-	(1,457,743)
Total Accumulated Depreciation	(22,321,840)	(2,846,283)	861,212	(24,306,911)
Net Capital Assets being depreciated	58,621,661	(866,025)	(129,562)	57,626,074
Governmental Activities Capital Assets, Net	$ 81,735,790	$ 2,166,264	$ (170,686)	$ 83,731,368

Note 7 – Capital Assets (continued)

Depreciation expense was charged to governmental activities as follows:

Security of Persons and Property	$ 700,375
Public Health Services	3,025
Leisure Time Activities	456,379
Housing and Community Development	84,455
Sanitation and Sewer Services	309,245
Street Maintenance and Repair	573,081
Public Works – Other	374,386
General Government – Legislative and Executive	320,523
General Government – Judicial System	24,814
Total	$ 2,846,283

Note 8 – Compensated Absences

Vacation is earned by City employees at varying rates based upon length of service. Vacation accumulates and the maximum amounts vary from a range of 160 hours to 600 hours, based on bargaining units. In the case of death, termination or retirement, an employee (or the employee's estate) is paid for the accumulated, unused vacation leave.

All full-time employees earn sick leave at a rate of fifteen (15) workdays per year. In November of each year full-time employees of the City have the right to convert accumulated sick leave days earned during the last year in excess of a total accumulation of ninety (90) days at the ratio of three days of accumulated sick leave for one day's pay. Sick leave not converted under this option may be used through time off from work. Dependent upon bargaining unit membership, full-time employees with minimum continuous service with the City ranging from five to ten years who terminate employment for other than disciplinary reasons may receive payment for their accumulated sick leave according to various formulae with maximums ranging from 600 to 1,300 hours. Compensated absences are charged to various funds of the City in accordance to where an employee's salary is charged.

For The Year Ended December 31, 2009

Note 9 – Long Term Obligations

Changes in the City's long-term obligations during the year were as follows:

	Balance 12/31/2008	Issued	Retired	Balance 12/31/2009	Amounts Due in One Year
Bonds Payable					
Firehouse No. 1 Construction Permanent Urban Renewal Bond, 4.57%, due 12/1/2031	$ 4,445,000	$ -	$ (120,000)	$ 4,325,000	$ 125,000
Sussex Area Revitalization District Permanent Urban Renewal Bond, 4.57%, due 12/1/2031	2,595,000	-	(70,000)	2,525,000	70,000
Shaker Town Centre Revitalization Permanent Urban Renewal Bond, 4.57%, due 12/1/2031	7,545,000	-	(100,000)	7,445,000	210,000
TIF Urban Renewal Bonds, 4.30%, due 12/1/2031	-	4,600,000	-	4,600,000	140,000
Premium on TIF Urban Renewal Bonds	-	176,497	-	176,497	-
Total Bonds Payable	14,585,000	4,776,497	(290,000)	19,071,497	545,000
Loans Payable					
OPWC - CA611 - Shelburne Road Sanitary Sewer Replacement, 0%, maturing 7/1/2015	282,624	-	(40,375)	242,249	40,375
OPWC - CA08F - Water System Improvements, 0%, maturing 7/1/2025	2,516,704	-	(139,817)	2,376,887	139,817
OPWC - CA17E - City Water Line Improvements, 0%, maturing 7/1/2025	1,104,151	-	(64,950)	1,039,201	64,950
OPWC – CA17K – South Woodland Area Infrastructure Improvements, 0%, maturing 1/1/2029	-	1,765,549	(44,139)	1,721,410	88,278
OPWC – CA18M – Hildana-Ludgate Sanitary Sewer Improvements, 0%	-	295,303	-	295,303	-
Total Loans Payable	3,903,479	2,060,852	(289,281)	5,675,050	333,420
Long-term Notes Payable					
Various Purpose Improvement Notes	1,315,000	865,000	(1,315,000)	865,000	290,000
Taxable Special Obligation Housing Notes	1,000,000	250,000	(500,000)	750,000	250,000
STC TIF Project Temporary Bond	6,845,000	-	(6,845,000)	-	-
Total Long-term Notes Payable	9,160,000	1,115,000	(8,660,000)	1,615,000	540,000
Compensated Absences	6,012,482	2,749,402	(2,554,554)	6,207,330	2,042,618
Claims Payable	-	796,473	(121,819)	674,654	135,017
Total Long-term Obligations	$ 33,660,961	$ 11,498,224	$ (11,915,654)	$ 33,243,531	$ 3,596,055

As of December 31, 2009, the City's future debt service requirements consisted of bonds and notes payable at various interest rates, five non-interest bearing Ohio Public Works Commission Loans numbered CA611, CA08F, CA17E, CA17K and CA18M, compensated absences and claims payable. For governmental activities, compensated absences are generally liquidated by the general fund and claims payable are generally liquidated from the self-insurance internal service fund.

Note 9 – Long Term Obligations (continued)

During the year, the City obtained partial proceeds for the Ohio Public Works Commission ("OPWC") loan CA18M, that relates to Hildana-Ludgate Sanitary Sewer Improvements to be repaid in semi-annual principal and interest payments beginning in 2011. The City has not yet collected the total proceeds to be received on this loan and as a result, the debt maturity schedule below does not reflect any amounts for principal or interest. When the loan is finalized, the principal and interest will be included below.

During the year, the City issued TIF Urban Renewal Bonds for the purpose of retiring the STC TIF Project Temporary Bond.

Notes payable at December 31, 2009, consisted of the Various Purpose Improvement Notes and Taxable Special Obligation Housing Notes. All of the debt listed has a term of one year or less, except for the Taxable Special Obligation Housing Notes, and was issued to finance improvements to City owned property and to acquire equipment. The City has been retiring a portion of the Various Purpose Improvement Notes as they mature and is issuing new notes for the remaining balance. The City will either convert this debt to bonds or pay off the debt within six years. The notes are dated May 8, 2009, and are due May 7, 2010, at an interest rate of 1.75%. The Series 2008, Taxable Special Obligation Housing Notes are dated July 15, 2008 and are due July 15, 2012 at an interest rate of 3.8%. The Series 2009, Taxable Special Obligation Housing Notes are dated June 12, 2009, and are due June 12, 2013 at an interest rate of 2.00%. Subsequent to year-end, the Various Purpose Improvement Notes were refinanced; therefore, these notes payable are recorded as long-term obligations.

The annual debt service requirements are as follows:

	Bonds Payable		Loans Payable Principal			
Year	**Principal**	**Interest**	**CA611**	**CA08F**	**CA17E**	**CA17K**
2010	$ 405,000	$ 666,169	$ 40,375	$ 139,817	$ 64,950	$ 88,277
2011	420,000	654,424	40,375	139,817	64,950	88,277
2012	430,000	640,774	40,375	139,817	64,950	88,277
2013	450,000	625,724	40,375	139,817	64,950	88,277
2014	470,000	609,524	40,375	139,817	64,950	88,277
2015-2019	2,645,000	2,729,020	40,374	699,085	324,750	441,387
2020-2024	3,295,000	2,008,592	-	699,085	324,750	441,387
2025-2029	4,195,000	1,074,738	-	279,632	64,951	397,251
2030-2031	1,985,000	138,750	-	-	-	-
Total	$ 14,295,000	$ 9,147,715	$ 242,249	$ 2,376,887	$ 1,039,201	$ 1,721,410

Legal Debt Margin Under the Uniform Bond Act of the Ohio Revised Code, at December 31, 2009, the City's overall debt limitation is $86,671,470 (10.5% of the City's total assessed property valuation of $825,442,570) of which $86,016,051 is available for additional voted and unvoted general obligation debt. Of this total general obligation debt capacity, the City's unvoted general obligation debt capacity is $45,399,341 (5.5% of the City's total assessed property valuation) at December 31, 2009, of which $44,743,922 is available.

Note 10 – Pension and Retirement Plans

A. Ohio Public Employees Retirement System (OPERS)

The City of Shaker Heights participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the traditional 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 the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 E. Town St., Columbus, OH 43215-4642 or by calling 614-222-5601 or 800-222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2009, member and employer contribution rates were consistent across all three plans. For the year ended December 31, 2009, the members of all three plans were required to contribute 10.0 percent of their annual covered salary to fund pension obligations. The City contributed 14.0 percent of covered payroll.

The City's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2009, 2008, and 2007 were $1,994,804, $1,937,741, and $2,113,796, respectively. The full amount has been contributed for 2008 and 2007. For 2009, 90.6 percent has been contributed, with the remainder being reported as a liability.

B. Ohio Police and Fire Pension Fund (OP&F)

The City of Shaker Heights 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 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10.0 percent of their annual covered salary, while employers are required to contribute 19.5 percent for police officers and 24.0 percent for firefighters. Contributions are authorized by state statute. The City's contributions to OP&F for the years ended December 31, 2009, 2008, and 2007 were $2,281,081, $2,092,172, and $2,244,685, respectively. The full amount has been contributed for 2008 and 2007. For 2009, 89.1 percent for police and 89.4 percent for firefighters has been contributed, with the remainder being reported as a liability.

Note 11 – Postemployment Benefits

A. Ohio Public Employees Retirement System (OPERS)

The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the Traditional Plan – a cost-sharing multiple-employer defined benefit pension plan; the Member-Directed Plan – a defined contribution plan; and the Combined Plan – a cost-sharing multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing multiple employer defined benefit 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.

In order to qualify for post-retirement health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and qualified survivor recipients is available. 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 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. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 E. Town St., Columbus, OH, 43215-4642, or by calling 614-222-5601 or 800-222-7377

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. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2009, the City contributed at a rate of 14.0 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0 percent of covered payroll for state and local employer units. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of the post employment health care benefits. For 2009, the employer contribution allocated to health care was 7.0 percent from January 1 through March 31, 2009 and 5.5 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 contributions for health care for the years ended December 31, 2009, 2008, and 2007 were $837,105, $968,871, and $839,414, respectively. The full amount has been contributed for 2008 and 2007. For 2009, 90.6 percent has been contributed, with the remainder being reported as a liability.

Note 11 – Postemployment Benefits (continued)

A. Ohio Public Employees Retirement System (OPERS) (continued)

The Health Care Preservation Plan (HCPP) adopted by the OPERS Board of Trustees on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased on January 1 of each year from 2006 to 2008. These rate increases allowed additional funds to be allocated to the health care plan.

B. Ohio Police and Fire Pension Fund (OP&F)

The City of Shaker Heights 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 healthcare benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code allows, but does not mandate OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That report may be obtained by writing to OP&F, 140 E. Town St., Columbus, Ohio 43215-5164.

The Ohio Revised Code provides for contribution requirements of the participating employers and of the plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5 percent and 24.0 percent of covered payroll for police and fire employers, respectively. The Ohio revised Code states that the employer contribution may not exceed 19.5 percent of the covered payroll for police employer units and 24.0 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements 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 health care plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the health care

Note 11 – Postemployment Benefits (continued)

B. Ohio Police and Fire Pension Fund (OP&F) (continued)

plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 1150 and 401(h).

The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions to OP&F for the years ended December 31, 2009, 2008, and 2007 were $2,281,081, $2,092,172, and $2,244,685, respectively, of which $709,827, $650,569, and $696,626, respectively, was allocated to the healthcare plan. The full amount has been contributed for 2008 and 2007. For 2009, 89.1 percent for police and 89.4 percent for firefighters has been contributed, with the remainder being reported as a liability.

Note 12 – Interfund Activity

A. Interfund activity for the year ended December 31, 2009 consisted of the following:

	Interfund Payable					
Interfund Receivable	General Fund	Capital Fund	Urban Renewal	Non Major Funds	Internal Service	Total
General Fund	$ -	$ -	$ -	$ 69,722	$ 42,429	$ 112,151
Capital Projects Fund	-	-	11,385	34,925	-	46,310
Urban Renewal Debt Service Fund	-	3,143	-	-	-	3,143
Nonmajor Governmental Funds	18,534	4,336	-	163,467	-	186,337
Internal Service Funds	101,195	-	-	-	-	101,195
Total	$ 119,729	$ 7,479	$ 11,385	$ 268,114	$ 42,429	$ 449,136

The interfund receivables and payables listed above result from a difference in the timing of when expenses are recognized in accordance with generally accepted accounting principles and when the related interfund subsidies are budgeted for payment on a cash basis.

B. Interfund transfers for the year ended December 31, 2009, consisted of the following:

	Transfer From			
Transfer To	General Fund	Capital Fund	Non Major Funds	Total
Capital Projects	$ -	$ -	$ 223,392	$ 223,392
Urban Renewal Debt Service Fund	-	3,036,228	-	3,036,228
Nonmajor Governmental Funds	4,838,051	524,017	729,356	6,091,424
Internal Service	800,000	-	-	800,000
Totals	$ 5,638,051	$ 3,560,245	$ 952,748	$ 10,151,044

Note 12 – Interfund Activity (continued)

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service.

The City had no transfers that either do not occur on a regular basis or were inconsistent with the purpose of the fund making the transfer. In addition, each of the above transfers is in compliance with the Ohio Revised Code.

Note 13 – Direct Financing Leases

As of December 31, 2009, the City has leased three pieces of real property. All of the leases are accounted for as direct financing leases. The value of the City's investment in direct financing leases is reflected as a lease receivable and deferred revenue in the General Fund of $206,100 and Capital Projects Fund of $290,007.

Former Moreland School Building: This property was leased to the Shaker Heights Public Library during 1991 to serve as the library districts' new main library facility. The initial lease term expires in 2013 with four ten-year renewal options. Under the terms of the lease, the Library Board of Directors completed approximately $4.3 million in renovations to the facility. The lease required the City to finance $2.6 million of the project. The annual basic lease payment is $100 plus the annual debt service on the financing amortized over the life of the lease.

Warrensville Center Road Center Strip/Parking Lots: This lease was entered into with University Hospitals Health System, Inc. in June 2007 for a term of 15 years. Under the terms of the lease, the City constructed and made necessary improvements to existing parking lots on City owned property along Warrensville Center Road.

3470 Warrensville Center Road: This lease was entered into with Starbucks Corporation in 1999 for a 10 year period. In 2008, Starbucks exercised its first option to extend the lease for an additional five-year period. It was extended through August 2014, commencing September 1, 2009. Under the terms of the lease, upon expiration, the lessee has the right to renew the lease with scheduled rent increases for one additional five-year period.

Note 13 – Direct Financing Leases (continued)

The following lists the components of the net investment in direct financing leases as of December 31,2009:

Year Ending December 31,	General Fund	Capital Projects Fund	Total
2010	$ 58,550	$ 158,851	$ 217,401
2011	58,550	38,851	97,401
2012	58,550	3,851	62,401
2013	58,450	3,851	62,301
2014	43,750	3,851	47,601
2015-2019	-	79,252	79,252
2020	-	43,850	43,850
Total minimum lease receivable	277,850	332,357	610,207
Less: Amounts representing executory costs	(71,750)	(42,350)	(114,100)
Net investment in direct financing leases	$ 206,100	$ 290,007	$ 496,107

Note 14 – Risk Management

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. During 2009, the City contracted with the following insurance companies:

Argonaut (Trident) – provided public entity broad form liability insurance. This insurance included law enforcement, public officials, and emergency medical liability insurance, and is limited to $10,000,000 with a self-retention of $100,000. This insurance also included excess insurance for automobile liability with no retention limit. AAIC provided the excess liability (umbrella) insurance.

Trident – provided liability insurance for all City-owned vehicles (excluding refuse collection scooters) and physical damage insurance for all units valued at $50,001 and above with a deductible of $500. Any vehicle valued below $50,001 does not carry comprehensive or collision insurance. The vehicles not carried under the plan are self-insured by the City. This coverage includes $1,000,000 for Liability, $25,000 for uninsured/under insured motorist, $1,000,000 for leased or rented vehicles, and a $500 comprehensive and collision deductible.

Trident – provided commercial insurance for property and inland marine. Property insurance, with a deductible of $5,000, was limited to $44,246,936 for property and contents and $1,706,443 for contractor's equipment. This coverage also included coverage of valuable papers and records, which was limited to $100,000 with a deductible of $500.

Trident– provided commercial crime and public employee dishonesty insurance with an aggregate limit of $500,000 and a deductible of $5,000.

Trident – provided catastrophic loss coverage for the City's vehicle fleet (provided for all vehicles valued $50,000 and under for catastrophic loss). This insurance coverage has a maximum limit of $500,000 and deductible of $5,000.

Note 14 – Risk Management (continued)

The City accounts for its general liability and property insurance premiums in the Self-Insurance Fund (an Internal Service Fund). The claims liability reported in the Self-Insurance Fund is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable. Several claims and lawsuits are pending against the City. At December 31, 2009, the general and property liabilities balance is zero. The amount of the liability, if any, cannot be reasonably estimated at this time. Settled claims have not exceeded commercial coverage in any of the past three fiscal years. There were no reductions of coverage in 2009 when compared to the prior year.

The City makes available a choice of health care plans for full-time permanent employees and their qualified dependents. The current providers are an HMO and commercial hospitalization insurance carrier. Hospitalization premiums are paid on a monthly basis and allocated to proper funds. Benefits of these plans include hospitalization and dental insurance. Other insurance carriers provide accidental death and dismemberment, disability, and life insurance benefits.

Historically, under the Ohio Workers' Compensation System for public employer taxing districts, a city could be fully insured against worker compensation claims. The city paid a premium determined by the "base rate" as modified by the "experience factor." Prior to 1994 and from 1999 through August 31, 2008, the City was part of the fully insured program.

The City applied for and was accepted into the Retrospective Rating Plan for the years 1994 through 1999. The City's Self-Insurance Fund (an Internal Service Fund) was used to account for and pay Workers' Compensation claims from the accumulated assets of the fund. The City's Retrospective Rating Plan provided for a catastrophic limit per claim and an aggregate claim limit of 200% fully insured premium that would have been payable by the City for the year in which the injury occurred. The final liability under this plan was paid out in 2009.

On September 1, 2008, the City elected to provide worker's compensation coverage through a partially self-insured program. The City is accounting for the worker's compensation self-insurance through the Self-Insurance Fund (an Internal Service Fund). Compensable Benefits LLC is the City's third-party administrator. The retention point for excess insurance is $500,000, which is through Midwest Employer's Casualty Company. The insurance will cover the City for each incident that goes beyond $500,000.

At December 31, 2009, $ 674,654 has been accrued for Self Insurance claims. This represents estimates to be paid for Workers' Compensation and Property and Casualty for unpaid claims costs, including an estimate of costs relating to incurred but not yet reported claims based on the current information available.

Note 14 – Risk Management (continued)

A reconciliation of changes in the balances of claims liabilities during the fiscal years 2009 and 2008 were as follows:

	Property and Casualty		Workers' Compensation	
	2009	2008	2009	2008
Beginning of the Year Liability	$ -	$ -	$ 88,051	$ 296,758
Current Year Claims And Changes in Estimates	64,162	57,355	708,422	(180,613)
Claim Payments	(64,162)	(57,355)	(121,819)	(28,094)
Balance at End of Year	$ -	$ -	$ 674,654	$ 88,051

Note 15 – Subsequent Event

On May 7, 2010, the City issued Various Purpose Improvement Notes in the amount of $2,625,000 with an interest rate of 1.5%, maturing on May 6, 2011, to retire previously outstanding notes and for the following purpose: improving streets within the City by resurfacing and reconstructing surfaces.

Note 16 – Construction Commitments

The City has active construction projects as of December 31, 2009. As of December 31, 2009, the City's construction commitments with contractors were as follows:

Project	Project Expenditures as of 12/31/2009	Remaining Commitment
Street Improvements:		
2005 Street Repair Program	$ 804,302	$ 1,920
2006 Street Repair Program	689,724	87,908
2008 Street Repair Program	1,203,292	27,224
2009 Street Program	1,082,132	121,710
Total Street Improvements	3,779,450	238,762
Storm and Sanitary Sewer Improvements:		
South Woodland Project	2,538,136	792,298
Lee Road Sanitary Sewer	682,193	107,807
Horseshoe Lake Dam and Spillway	27,153	60,175
Lomond Project	54,117	7,232
Hildana-Ludgate Project	769,673	51,290
Total Storm and Sanitary Sewer Improvements	4,071,272	1,018,802
Total All Projects	$ 7,850,722	$ 1,257,564

Note 17 – Claims and Judgments

Several claims and lawsuits are pending against the City. The amount of the liability, if any, cannot be reasonably estimated at this time. However, it is in the opinion of management that such claims and lawsuits will not have a material adverse effect on the financial condition of the City.

The City has received several federal and state grants for specific purposes which are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to grantor agencies for expenditures disallowed under the terms of the grants. However, it is the opinion of management that any such disallowances, if any, will be immaterial.

Note 18 – Noncompliance

At December 31, 2009, the following funds had original appropriations in excess of the original estimated resources plus carryover balances in violation of Section 5705.39, Ohio Revised Code:

	Original Certificate	Original Appropriations	Excess
Law Enforcement Grant Fund	$ 7,592	$ 8,291	$ (699)
High Intensity Drug Trafficking Area Grant Fund	4,514,743	7,584,309	(3,069,566)
Indigent Driver Interlock Fund	1,058	5,400	(4,342)
Central Services Operation Fund	731,108	860,002	(128,894)
Central Purchasing Fund	384,529	662,463	(277,934)

Note 19 – Fund Deficits

Fund balances at December 31, 2009 included the following individual fund deficits:

Funds	Deficit Fund Balance
Nonmajor Special Revenue Funds:	
Exterior Home Maintenance Fund	$ 32,167
High Intensity Drug Trafficking Area Fund	279,622
Drug Free Community Grant Fund	1,534
Nonmajor Internal Service Fund:	
Municipal Garage Fund	14,192

These fund deficits are the result of the recognition of liabilities in accordance with general accepted accounting principles.

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Non-Major Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of special revenue resources (other than expendable trusts of major capital projects) that are legally restricted to expenditure for specified purposes.

Street Maintenance and Repair
One of two funds legally required by the Ohio Revised Code (the other being the State Highway Maintenance Fund) to account for revenue from the state gasoline tax and motor vehicle registration fees. The Revised Code requires that 92.5% of these revenues be used for the maintenance and repair of streets within the City.

State Highway Fund
One of two funds legally required by the Ohio Revised Code (the other being the Street Maintenance and Repair Fund) to account for revenue from the state gasoline tax and motor vehicle registration fees. The Revised Code requires that 7.5% of these revenues be used exclusively for the maintenance and repair of state highways within the City.

Economic Development Fund
To account for funds used to attract and retain businesses within the City.

Sewer Maintenance
To account for funds derived from a surcharge levied upon all users of the sewer system with the City. This surcharge pays for sewer system maintenance, replacement and repair. The surcharge is levied in addition to the treatment and disposal rate set by the Northeast Ohio Regional Sewer District.

Police Pension Fund
To account for the payment of current and accrued police pension liability to the Police and Fireman's Disability and Pension Fund of Ohio. The Ohio Revised Code requires that the City levy .3 mills of property tax annually for the partial payment of this liability. The remaining liability is financed by a transfer primarily from the City's General Fund.

Fire Pension Fund
To account for the payment of current and accrued fire pension liability to the Police and Firemen's Disability and Pension Fund of Ohio. The Ohio Revised Code requires that the City levy .3 mills of property tax annually for the partial payment of this liability. The remaining liability is financed by a transfer primarily from the City's General Fund.

Indigent Driver/Alcohol Treatment
To account for reinstatement fees collected by the State Bureau of Motor Vehicles in connection with driving under the influence offenses. Section 4511.191(L) provides that payments are to be made only upon order of the Municipal Court Judge for alcohol and other drug treatment costs for indigent drivers.

Court Computer Legal Research
To account for revenues from court costs assessed under the authority of Ohio Revised Code Section 1901.261(A) by the Municipal Court on the filing of each cause of action or appeal for the purposes of computerizing the court and to make available computerized legal research services.

Non-Major Special Revenue Funds (Continued)

Clerk's Computerization
To account for revenues from court costs assessed under the authority of Ohio Revised Code Section 1901.261(B) by the Municipal Court on the filing of each cause of action or appeal, certificate of judgment or modification of judgment for the purpose of procuring and maintaining computer systems for the office of the clerk of the Municipal Court.

Housing Grant (Neighborhood Revitalization)
To account for monies received from the Cuyahoga County Community Development Block Grant Program to be used to provide funding for improvements to owner-occupied homes within the City.

Fair Housing Grant
To account for monies received from the Department of Housing and Urban Development. The funds are to be used to monitor fair housing practices within the City.

Community Preservation Partnership Program
To account for the Gund and Cleveland Foundation Grant monies to be used for home improvement education and mortgage assistance.

Law Enforcement Grant
To account for grants received by the Shaker Heights Police Department whose primary purpose is to reduce the amounts and effects of external harm to individuals and property.

Court Community Service Fund
To account for the collection and use of an additional court cost imposed by the Shaker Heights Municipal Court, under the authority of Ohio Revised Code Section 1901.26, on each DUI and substance related offenses as well as first-offender criminal cases to fund court service programming.

Court Alternate Dispute Resolution Fund
To account for the collection and use of an additional court cost imposed by the Shaker Heights Municipal Court, under the authority of Ohio Revised Code Section 1901.26, on each civil and small claims case to fund alternate dispute resolution programming and materials.

Ohio Court Security Project Fund
To account for a grant received from the State of Ohio to be used to upgrade court security by replacing door entry locks with a computerized keyless entry system.

High Intensity Drug Trafficking Area Grant Fund (HIDTA)
The City is the grantee and acts as the fiscal agent for the federally funded Ohio HIDTA. The HIDTA Program functions as a coordination umbrella by forging partnerships among local, state, and federal law enforcement agencies in designated areas to combine resources and efforts in order to reduce drug trafficking and distribution.

Drug Free Community Grant
To account for a grant received by the City's Health Department whose primary purpose is to reduce and prevent the use of alcohol, tobacco and other drugs by Shaker Heights youth through influencing social norms regarding substance abuse.

Non-Major Special Revenue Funds (Continued)

Housing and Nuisance Abatement
To account for funds received from the levy of special assessments against nuisance properties and charges for services from nuisance properties for the maintenance of such properties.

Indigent Driver Interlock
To account for funds received from court costs that are collected on each OVI offense. The fund was created with the purpose of funding interlock and SCRAM (Secure Continuous Remote Alcohol Monitoring) for indigent drivers.

Street Lighting Assessment
To account for funds received from the levy of special assessments against property with frontage on public streets for the legally restricted purpose of paying the cost of street lighting with the City.

Tree Maintenance Assessment
To account for funds received from the levy of special assessments against property with frontage on public streets for the legally restricted purpose of paying the cost of tree care on the City's public right-of-way.

Central Services Operation
To provide a central cost center for work for other governmental agencies, utilities, and individuals that is not considered to be a normal city function and is billable back to the responsible party. Included in this fund is the maintenance of the rapid transit tracks for the Regional Transit Authority, street openings and closings, public property damage repair, sidewalk repair and replacement and other miscellaneous activities.

Law Enforcement Trust
To account for the proceeds of property deemed contraband by the courts and ordered forfeited to the City. The Ohio Revised Code permits these funds to be expended only for the cost of protracted or complex investigations or prosecutions, to provide reasonable technical training or expertise or other such law enforcement purposes as determined by Council. The fund may not be used to meet operating costs of the City that are not related to law enforcement.

Debt Service Administration
To account for the accumulation of resources for, and the payment of all General Long Term Debt Principal and Interest except for Urban Renewal Debt.

City of Shaker Heights, Ohio

Combining Balance Sheet
Non-Major Governmental Funds

December 31, 2009

	Non-Major Special Revenue Funds	Non-Major Debt Service Funds	Total Non-Major Governmental Funds
Assets:			
Equity in city treasury cash	$ 9,140,917	$ 209,581	$ 9,350,498
Taxes receivable	436,248	-	436,248
Accounts receivable	977,326	-	977,326
Special assessments receivable	3,555,738	-	3,555,738
Interfund receivable	182,001	4,336	186,337
Intergovernmental receivable	1,042,266	-	1,042,266
Total assets	$ 15,334,496	$ 213,917	$ 15,548,413
Liabilities and fund balances:			
Liabilities:			
Accounts payable	$ 643,548	$ -	$ 643,548
Accrued wages	470,755	-	470,755
Interfund payable	233,189	34,925	268,114
Deferred revenue	5,390,906	-	5,390,906
Total liabilities	6,738,398	34,925	6,773,323
Fund balances:			
Reserved for encumbrances	430,180	193,960	624,140
Unreserved; undesignated	8,165,918	(14,968)	8,150,950
Total fund balances	8,596,098	178,992	8,775,090
Total liabilities and fund balances	$ 15,334,496	$ 213,917	$ 15,548,413

City of Shaker Heights, Ohio

Combining Statement of Revenues, Expenditures, and Changes In Fund Balances
Non-Major Governmental Funds

For the Year Ended December 31, 2009

	Non-Major Special Revenue Funds	Non-Major Debt Service Funds	Total Non-Major Governmental Funds
Revenues:			
Property taxes	$ 466,122	$ -	$ 466,122
Intergovernmental	5,315,883	-	5,315,883
Charges for services	1,801,741	-	1,801,741
Interest earnings	28,958	1,125	30,083
Fines and forfeitures	273,715	-	273,715
Special assessments	1,823,321	-	1,823,321
Other revenue	329,370	168,676	498,046
Total revenues	10,039,110	169,801	10,208,911
Expenditures:			
Current operations and maintenance:			
Security of persons and property:			
Police	4,698,742	-	4,698,742
Fire	1,190,650	-	1,190,650
Other	656,216	-	656,216
Public health service	122,831	-	122,831
Housing and community development	1,619,779	-	1,619,779
Sanitation and sewer service	1,037,983	-	1,037,983
Street maintenance and repair	1,491,001	-	1,491,001
Public works – other	713,251	-	713,251
General government:			
Legislative and executive	119,413	5,423	124,836
Judicial system	149,956	-	149,956
Debt service:			
Principal retirement	-	2,104,281	2,104,281
Interest and fiscal charges	-	76,025	76,025
Total expenditures	11,799,822	2,185,729	13,985,551
Excess of revenues over (under) expenditures	(1,760,712)	(2,015,928)	(3,776,640)
Other financing sources (uses):			
Issuance of debt	250,000	865,000	1,115,000
Sale of capital assets	28,570	-	28,570
Transfers – in	4,939,743	1,151,681	6,091,424
Transfers – out	(952,748)	-	(952,748)
Total other financing sources (uses)	4,265,565	2,016,681	6,282,246
Net change in fund balances	2,504,853	753	2,505,606
Fund balances at beginning of year, restated	6,091,245	178,239	6,269,484
Fund balances at end of year	$ 8,596,098	$ 178,992	$ 8,775,090

City of Shaker Heights, Ohio

Combining Balance Sheet
Non-Major Special Revenue Funds

December 31, 2009

	Street Maintenance	State Highway	Economic Development	Sewer Maintenance	Police Pension
Assets:					
Equity in city treasury cash	$ 492,031	$ 98,685	$ 3,210,402	$ 1,425,234	$ 577,406
Taxes receivable	-	-	-	-	218,124
Accounts receivable	-	-	-	608,005	-
Special assessments receivable	-	-	-	-	-
Interfund receivable	-	-	-	-	-
Intergovernmental receivable	380,242	29,809	19,378	-	17,374
Total assets	$ 872,273	$ 128,494	$ 3,229,780	$ 2,033,239	$ 812,904
Liabilities and fund balances:					
Liabilities:					
Accounts payable	$ 3,880	$ -	$ 31,656	$ 11,796	$ -
Accrued wages	12,728	-	-	9,446	216,163
Interfund payable	-	-	-	-	-
Deferred revenue	240,387	19,491	19,378	547,597	235,498
Total liabilities	256,995	19,491	51,034	568,839	451,661
Fund balances:					
Reserved for encumbrances	78,961	44,200	56,008	120,016	-
Undesignated, reported in:					
Special Revenue funds	536,317	64,803	3,122,738	1,344,384	361,243
Total fund balances (deficits)	615,278	109,003	3,178,746	1,464,400	361,243
Total liabilities and fund balances	$ 872,273	$ 128,494	$ 3,229,780	$ 2,033,239	$ 812,904

Fire Pension	Indigent Driver / Alcohol Treatment	Court Computer	Clerk's Computerization	Housing Grant	Fair Housing Grant	Community Preservation	Law Enforcement Grants	Court Community Service
$ 491,227	$ 44,152	$ 126,942	$ 344,231	$ 25,012	$ 45,491	$ 370,385	$ 1,517	$ 47,736
218,124	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
18,534	-	-	-	-	-	34,002	-	-
17,373	939	2,341	7,321	-	-	-	950	751
$ 745,258	$ 45,091	$ 129,283	$ 351,552	$ 25,012	$ 45,491	$ 404,387	$ 2,467	$ 48,487
$ -	$ -	$ 39	$ -	$ 3,471	$ -	$ -	$ -	$ -
206,045	-	-	-	-	-	-	-	-
-	-	-	-	53,708	-	-	-	-
235,498	-	-	-	-	-	-	-	-
441,543	-	39	-	57,179	-	-	-	-
-	-	1,314	3,916	25,000	-	2,674	-	336
303,715	45,091	127,930	347,636	(57,167)	45,491	401,713	2,467	48,151
303,715	45,091	129,244	351,552	(32,167)	45,491	404,387	2,467	48,487
$ 745,258	$ 45,091	$ 129,283	$ 351,552	$ 25,012	$ 45,491	$ 404,387	$ 2,467	$ 48,487

(Continued)

City of Shaker Heights, Ohio

Combining Balance Sheet
Non-Major Special Revenue Funds (Continued)

December 31, 2009

	Court Alternate Dispute Resolution	Ohio Court Security Project Fund	H.I.D.T.A. Grant	Drug Free Community Grant	Housing and Nuisance Abatement	Indigent Driver Interlock
Assets:						
Equity in city treasury cash	$ 29,248	$ 32,172	$ -	$ 243	$ 460,123	$ 9,589
Taxes receivable	-	-	-	-	-	-
Accounts receivable	-	-	-	-	76,496	-
Special assessments receivable	-	-	-	-	1,502,300	-
Interfund receivable	-	-	-	-	-	-
Intergovernmental receivable	2,538	656	561,368	416	-	810
Total assets	$ 31,786	$ 32,828	$ 561,368	$ 659	$ 2,038,919	$ 10,399
Liabilities and fund balances:						
Liabilities:						
Accounts payable	$ -	$ 1,650	$ 431,887	$ 1,991	$ 25,750	$ -
Accrued wages	-	-	17,093	202	-	-
Interfund payable	-	-	129,481	-	-	-
Deferred revenue	-	-	262,529	-	1,564,751	-
Total liabilities	-	1,650	840,990	2,193	1,590,501	-
Fund balances:						
Reserved for encumbrances	-	1,539	-	-	6,800	-
Undesignated, reported in:						
Special revenue funds	31,786	29,639	(279,622)	(1,534)	441,618	10,399
Total fund balances (deficits)	31,786	31,178	(279,622)	(1,534)	448,418	10,399
Total liabilities and fund balances	$ 31,786	$ 32,828	$ 561,368	$ 659	$ 2,038,919	$ 10,399

Street Lighting Assessment	Tree Maintenance Assessment	Central Services Operation	Law Enforcement Trust Fund	Total
$ 276,002	$ 431,057	$ 45,741	$ 556,291	$ 9,140,917
-	-	-	-	436,248
-	-	292,825	-	977,326
706,452	924,916	422,070	-	3,555,738
-	-	-	129,465	182,001
-	-	-	-	1,042,266
$ 982,454	$ 1,355,973	$ 760,636	$ 685,756	$ 15,334,496
$ 81,989	$ 34,251	$ 15,188	$ -	$ 643,548
-	9,078	-	-	470,755
-	-	50,000	-	233,189
706,452	924,916	634,409	-	5,390,906
788,441	968,245	699,597	-	6,738,398
-	47,793	41,623	-	430,180
194,013	339,935	19,416	685,756	8,165,918
194,013	387,728	61,039	685,756	8,596,098
$ 982,454	$ 1,355,973	$ 760,636	$ 685,756	$ 15,334,496

City of Shaker Heights, Ohio

Combining Statement of Revenues, Expenditures, and Changes In Fund Balances
Non-Major Special Revenue Funds

For The Year Ended December 31, 2009

	Street Maintenance	State Highway	Economic Development	Sewer Maintenance	Police Pension
Revenues:					
Property taxes	$ -	$ -	$ -	$ -	$ 233,061
Intergovernmental	984,531	67,191	-	148,432	39,057
Charges for services	6,105	-	41,242	1,140,134	-
Interest earnings	4,036	546	-	13,617	-
Fines and forfeitures	-	-	-	-	-
Special assessments	-	-	-	-	-
Other revenue	200,360	-	17,706	-	-
Total revenues	1,195,032	67,737	58,948	1,302,183	272,118
Expenditures:					
Current:					
Security of persons and property:					
Police	-	-	-	-	1,021,723
Fire	-	-	-	-	-
Other	-	-	-	-	-
Public health services	-	-	-	-	-
Housing and community development	-	-	181,796	-	-
Sanitation and sewer services	-	-	-	1,037,983	-
Street maintenance and repair	1,408,321	37,038	-	-	-
Public works – other	-	-	-	-	-
General government:					
Legislative and executive	-	-	-	-	-
Judicial system	-	-	-	-	-
Total expenditures	1,408,321	37,038	181,796	1,037,983	1,021,723
Excess of revenues over (under) expenditures	(213,289)	30,699	(122,848)	264,200	(749,605)
Other financing sources (uses):					
Issuance of debt	-	-	-	-	-
Sale of capital assets	-	-	8,699	-	-
Transfers – in	-	-	2,930,142	-	833,289
Transfers – out	-	-	-	(271,514)	-
Total other financing sources (uses)	-	-	2,938,841	(271,514)	833,289
Net change in fund balances	(213,289)	30,699	2,815,993	(7,314)	83,684
Fund balances (deficit) at beginning of year	828,567	78,304	362,753	1,471,714	277,559
Fund balances (deficit) at end of year	$ 615,278	$ 109,003	$ 3,178,746	$ 1,464,400	$ 361,243

Fire Pension	Indigent Driver / Alcohol Treatment	Court Computer	Clerk's Computerization	Housing Grant	Fair Housing Grant	Community Preservation	Law Enforcement Grants	Court Community Service
$ 233,061	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
39,057	-	7,504	-	137,588	13,000	-	5,700	-
-	-	-	-	-	1,350	-	480	-
-	238	769	1,918	194	344	2,708	-	283
-	17,329	35,836	113,769	10,255	-	-	-	7,883
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
272,118	17,567	44,109	115,687	148,037	14,694	2,708	6,180	8,166
-	-	-	-	-	-	-	5,660	-
1,180,602	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	246,202	-	100,378	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	70,476	-	-	-
-	11,696	47,620	23,304	-	-	-	-	3,818
1,180,602	11,696	47,620	23,304	246,202	70,476	100,378	5,660	3,818
(908,484)	5,871	(3,511)	92,383	(98,165)	(55,782)	(97,670)	520	4,348
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	10,000	-	-
1,064,212	-	-	-	100,000	-	-	-	-
-	-	-	-	(36,392)	-	-	(500)	-
1,064,212	-	-	-	63,608	-	10,000	(500)	-
155,728	5,871	(3,511)	92,383	(34,557)	(55,782)	(87,670)	20	4,348
147,987	39,220	132,755	259,169	2,390	101,273	492,057	2,447	44,139
$ 303,715	$ 45,091	$ 129,244	$ 351,552	$ (32,167)	$ 45,491	$ 404,387	$ 2,467	$ 48,487

(Continued)

City of Shaker Heights, Ohio

Combining Statement of Revenues, Expenditures, and Changes In Fund Balances
Non-Major Special Revenues Funds (Continued)

For the Year Ended December 31, 2009

	Court Alternate Dispute Resolution	Ohio Court Security Project Fund	H.I.D.T.A. Grant	Drug Free Community Grant	Housing and Nuisance Abatement	Indigent Driver Interlock
Revenues:						
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	3,756,625	117,198	-	-
Charges for services	-	-	-	-	60,402	-
Interest Earnings	202	192	-	-	3,364	44
Fines and forfeitures	35,694	9,969	-	-	-	8,614
Special assessments	-	-	-	-	300,268	-
Other revenue	-	-	358	4,780	-	-
Total revenues	35,896	10,161	3,756,983	121,978	364,034	8,658
Expenditures:						
Current:						
Security of persons and property:						
Police	-	-	3,616,960	-	-	-
Fire	-	-	-	-	-	-
Other	-	-	-	-	-	-
Public health services	-	-	-	122,831	-	-
Housing and community development	-	-	-	-	205,656	-
Sanitation and sewer services	-	-	-	-	-	-
Street maintenance and repair	-	-	-	-	-	-
Public works – other	-	-	-	-	-	-
General government:						
Legislative and executive	-	-	-	-	-	-
Judicial system	54,665	8,853	-	-	-	-
Total expenditures	54,665	8,853	3,616,960	122,831	205,656	-
Excess of revenues over (under) expenditures	(18,769)	1,308	140,023	(853)	158,378	8,658
Other financing sources (uses):						
Issuance of debt	-	-	-	-	250,000	-
Sale of capital assets	-	-	-	-	-	-
Transfers – in	-	-	-	-	-	-
Transfers – out	-	-	-	-	(643,150)	-
Total other financing sources (uses)	-	-	-	-	(393,150)	-
Net change in fund balances	(18,769)	1,308	140,023	(853)	(234,772)	8,658
Fund balances (deficit) at beginning of year	50,555	29,870	(419,645)	(681)	683,190	1,741
Fund balances (deficit) at end of year	$ 31,786	$ 31,178	$ (279,622)	$ (1,534)	$ 448,418	$ 10,399

Street Lighting Assessment	Tree Maintenance Assessment	Central Services Operation	Law Enforcement Trust Fund	Total
$ -	$ -	$ -	$ -	$ 466,122
-	-	-	-	5,315,883
-	-	552,028	-	1,801,741
-	-	-	503	28,958
-	-	-	34,366	273,715
581,809	772,479	168,765	-	1,823,321
-	-	104,000	2,166	329,370
581,809	772,479	824,793	37,035	10,039,110
-	-	-	54,399	4,698,742
-	-	10,048	-	1,190,650
656,216	-	-	-	656,216
-	-	-	-	122,831
-	885,747	-	-	1,619,779
-	-	-	-	1,037,983
-	-	45,642	-	1,491,001
-	-	713,251	-	713,251
-	-	48,937	-	119,413
-	-	-	-	149,956
656,216	885,747	817,878	54,399	11,799,822
(74,407)	(113,268)	6,915	(17,364)	(1,760,712)
-	-	-	-	250,000
-	-	-	9,871	28,570
12,100	-	-	-	4,939,743
-	-	(1,192)	-	(952,748)
12,100	-	(1,192)	9,871	4,265,565
(62,307)	(113,268)	5,723	(7,493)	2,504,853
256,320	500,996	55,316	693,249	6,091,245
$ 194,013	$ 387,728	$ 61,039	$ 685,756	$ 8,596,098

Individual Fund
Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget (Non – GAAP Basis) and Actual

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures, and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
General Fund
For The Year Ended December 31, 2009

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	$ 8,313,054	$ 8,174,154	$ 8,326,906	$ 152,752
Municipal Income Taxes	19,809,785	19,603,815	19,646,181	42,366
Other Local Taxes	60,000	60,000	51,542	(8,458)
State Levied Shared Taxes	1,598,909	5,133,717	5,120,993	(12,724)
Intergovernmental	427,586	490,687	492,045	1,358
Charges for Services	4,968,646	4,811,588	4,816,033	4,445
Fees, Licenses and Permits	637,981	627,222	637,967	10,745
Investment Earnings	200,000	160,222	223,909	63,687
Fines and Forfeitures	676,200	671,700	665,009	(6,691)
Other Revenues	217,839	539,496	507,078	(32,418)
Total Revenues	36,910,000	40,272,601	40,487,663	215,062
Expenditures:				
Current:				
Security of Persons and Property:				
Police				
Personal Services	9,355,213	8,902,064	8,725,329	176,735
Other	754,390	832,522	569,956	262,566
Total Police	10,109,603	9,734,586	9,295,285	439,301
Fire				
Personal Services	6,742,769	6,838,447	6,813,582	24,865
Other	485,336	539,911	436,222	103,689
Total Fire	7,228,105	7,378,358	7,249,804	128,554
Other				
Other	60,000	90,990	53,750	37,240
Total Security of Persons and Property	17,397,708	17,203,934	16,598,839	605,095
Public Health Services:				
Personal Services	412,634	504,954	409,676	95,278
Other	59,239	105,774	58,632	47,142
Total Public Health Services	471,873	610,728	468,308	142,420
Leisure Time Activities:				
Culture and Recreation				
Personal Services	1,771,429	1,771,429	1,749,994	21,435
Other	957,548	1,005,099	899,816	105,283
Total Culture and Recreation	2,728,977	2,776,528	2,649,810	126,718
Parks and Public Lands Maintenance				
Personal Services	522,384	454,226	446,479	7,747
Other	345,619	355,248	340,706	14,542
Total Parks and Public Lands Maintenance	868,003	809,474	787,185	22,289
Total Leisure Time Activities:	3,596,980	3,586,002	3,436,995	149,007

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures, and Changes In Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
General Fund (Continued)
For The Year Ended December 31, 2009

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Housing and Community Development:				
Housing Inspection				
Personal Services	890,935	890,950	858,329	32,621
Other	36,069	38,824	33,067	5,757
Total Housing Inspection	927,004	929,774	891,396	38,378
Building Inspection				
Personal Services	472,857	472,857	444,331	28,526
Other	52,228	155,866	43,546	112,320
Total Building Inspection	525,085	628,723	487,877	140,846
Planning and Development				
Personal Services	435,293	438,393	420,029	18,364
Other	131,774	133,422	104,029	29,393
Total Planning and Development	567,067	571,815	524,058	47,757
Neighborhood Revitalization				
Personal Services	494,561	494,561	450,064	44,497
Other	13,427	14,860	8,907	5,953
Total Neighborhood Revitalization	507,988	509,421	458,971	50,450
Economic Development				
Personal Services	54,821	54,821	38,834	15,987
Other	13,794	13,825	13,530	295
Total Economic Development	68,615	68,646	52,364	16,282
Community Life				
Personal Services	426,791	426,791	412,061	14,730
Other	183,274	191,445	173,400	18,045
Total Community Life	610,065	618,236	585,461	32,775
Communications and Outreach				
Personal Services	409,733	375,952	310,384	65,568
Other	456,070	562,620	461,413	101,207
Total Communications and Outreach	865,803	938,572	771,797	166,775
Tree Maintenance and Leaf Collection				
Personal Services	267,291	280,891	280,753	138
Other	185,152	218,500	201,594	16,906
Total Tree Maintenance and Leaf Collection	452,443	499,391	482,347	17,044
Total Housing and Community Development	4,524,070	4,764,578	4,254,271	510,307
Sanitation and Sewer Services:				
Sewer Maintenance				
Other	33,863	35,963	35,929	34
Refuse Collection and Disposal				
Personal Services	1,496,355	1,482,019	1,327,790	154,229
Other	1,037,061	1,076,117	903,712	172,405
Total Refuse Collection and Disposal	2,533,416	2,558,136	2,231,502	326,634

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures, and Changes In Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
General Fund (Continued)
For The Year Ended December 31, 2009

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Solid Waste Recycling				
Personal Services	78,246	93,246	93,072	174
Other	15,753	15,820	9,635	6,185
Total Solid Waste Recycling	93,999	109,066	102,707	6,359
Brush Collection and Disposal				
Personal Services	323,485	410,649	409,954	695
Other	185,125	195,527	193,415	2,112
Total Brush Collection and Disposal	508,610	606,176	603,369	2,807
Total Sanitation and Sewer Services	3,169,888	3,309,341	2,973,507	335,834
Street Maintenance and Repair				
Personal Services	404,179	262,179	254,652	7,527
Other	388,201	501,061	483,915	17,146
Total Street Maintenance and Repair	792,380	763,240	738,567	24,673
Public Works - Other:				
Public Works Administration				
Personal Services	686,449	689,068	689,009	59
Other	65,841	75,427	48,408	27,019
Total Public Works Administration	752,290	764,495	737,417	27,078
Public Building Maintenance				
Personal Services	556,014	556,421	546,300	10,121
Other	750,863	929,379	743,765	185,614
Total Public Building Maintenance	1,306,877	1,485,800	1,290,065	195,735
Total Public Works - Other	2,059,167	2,250,295	2,027,482	222,813
Legislative and Executive:				
Mayor's Office				
Personal Services	202,486	202,548	195,355	7,193
Other	34,302	41,441	28,149	13,292
Total Mayor's Office	236,788	243,989	223,504	20,485
Council				
Personal Services	115,066	115,166	115,142	24
Other	15,949	16,797	8,136	8,661
Total Council	131,015	131,963	123,278	8,685
Chief Administrative Officer				
Personal Services	225,275	225,275	223,867	1,408
Other	9,359	11,891	5,614	6,277
Total Chief Administrative Officer	234,634	237,166	229,481	7,685
Information Technology				
Personal Services	224,893	224,893	206,935	17,958
Other	117,427	118,344	94,827	23,517
Total Information Technology	342,320	343,237	301,762	41,475

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures, and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
General Fund (Continued)
For The Year Ended December 31, 2009

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Contract Charges and Statutory Expenses				
Personal Services	26,395	115,320	58,574	56,746
Other	1,057,289	1,236,403	1,028,942	207,461
Total Contract Charges and Statutory Expenses	1,083,684	1,351,723	1,087,516	264,207
Legal Administration				
Personal Services	542,503	537,003	492,412	44,591
Other	256,598	275,713	262,078	13,635
Total Legal Administration	799,101	812,716	754,490	58,226
Finance				
Personal Services	686,895	681,799	611,795	70,004
Other	101,244	114,852	103,315	11,537
Total Finance	788,139	796,651	715,110	81,541
Human Resources				
Personal Services	376,391	376,391	291,181	85,210
Other	62,013	63,592	32,556	31,036
Total Human Resources	438,404	439,983	323,737	116,246
Total Legislative and Executive	4,054,085	4,357,428	3,758,878	598,550
Judicial System				
Personal Services	2,294,575	2,294,575	2,196,957	97,618
Other	98,327	124,593	92,301	32,292
Total Judicial System	2,392,902	2,419,168	2,289,258	129,910
Total Expenditures	38,459,053	39,264,714	36,546,105	2,718,609
Excess of Revenues Over(Under) Expenditures	(1,549,053)	1,007,887	3,941,558	2,933,671
Other Financing Sources (Uses)				
Transfers In	20,000	4,000	5,511	1,511
Transfers Out	(1,909,409)	(5,639,551)	(5,639,551)	0
Advances In	902,855	902,855	902,855	0
Advances Out	0	(225,000)	(19,706)	205,294
Total Other Financing Sources (Uses)	(986,554)	(4,957,696)	(4,750,891)	206,805

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures, and Changes In Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
General Fund (Continued)
For The Year Ended December 31, 2009

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Net Change in Fund Balance	(2,535,607)	(3,949,809)	(809,333)	3,140,476
Beginning Cash Fund Balance	8,293,221	8,293,221	8,293,221	0
Prior Year's Reserve For Encumbrances Outstanding At December 31	(71,935)	(71,935)	(71,935)	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(512,866)	(512,866)	(512,866)	0
Ending Unreserved Cash Fund Balance	$ 5,172,813	$ 3,758,611	6,899,087	$ 3,140,476
Reserved for Encumbrances - All Budget Years			910,551	
Total Cash Fund Balance - December 31			$ 7,809,638	

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures, and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Urban Renewal Debt Service Fund
For The Year Ended December 31, 2009

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Property Taxes	$ 225,000	$ 237,157	$ 657,853	$ 420,696
Investment Earnings	0	0	7,833	7,833
Total Revenue	225,000	237,157	665,686	428,529
Expenditures				
Current:				
General Government				
Legislative and Executive	135,000	135,000	108,083	26,917
Debt Service:				
Principal Retirements	7,135,000	7,135,000	7,135,000	0
Interest and Fiscal Charges	941,079	941,079	914,330	26,749
Total Expenditures	8,211,079	8,211,079	8,157,413	53,666
Excess of Revenues Over(Under) Expenditures	(7,986,079)	(7,973,922)	(7,491,727)	482,195
Other Financing Sources				
Proceeds from the Sale of Bonds	4,600,000	4,600,000	4,600,000	0
Bond Premiums	150,000	176,496	176,497	1
Transfers In	3,150,000	3,036,499	3,036,228	(271)
Total Other Financing Sources	7,900,000	7,812,995	7,812,725	(270)
Net Change in Fund Balance	(86,079)	(160,927)	320,998	481,925
Beginning Cash Fund Balance	745,684	745,684	745,684	0
Ending Cash Fund Balance	$ 659,605	$ 584,757	$ 1,066,682	$ 481,925

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures, and Changes In Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Street Maintenance and Repair
For The Year Ended December 31, 2009

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
State Levied Shared Taxes	$ 1,000,000	$ 1,243,869	$ 1,201,899	$ (41,970)
Expenditures				
Current:				
Street Maintenance and Repair	1,346,295	1,571,295	1,481,738	89,557
Net Change in Fund Balance	(346,295)	(327,426)	(279,839)	47,587
Beginning Cash Fund Balance	731,390	731,390	731,390	0
Prior Year's Reserve For Encumbrances Outstanding At December 31	(35,437)	(35,437)	(35,437)	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(6,711)	(6,711)	(6,711)	0
Ending Unreserved Cash Fund Balance	$ 342,947	$ 361,816	409,403	$ 47,587
Reserved for Encumbrances - All Budget Years			82,628	
Total Cash Fund Balance - December 31			$ 492,031	

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures, and Changes In Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
State Highway Fund
For The Year Ended December 31, 2009

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
State Levied Shared Taxes	$ 75,000	$ 71,514	$ 67,697	$ (3,817)
Investment Earnings	0	0	546	546
Total Revenues	75,000	71,514	68,243	(3,271)
Expenditures				
Current:				
Street Maintenance and Repair	71,740	96,740	81,239	15,501
Net Change in Fund Balance	3,260	(25,226)	(12,996)	12,230
Beginning Cash Fund Balance	69,589	69,589	69,589	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(2,108)	(2,108)	(2,108)	0
Ending Unreserved Cash Fund Balance	$ 70,741	$ 42,255	54,485	$ 12,230
Reserved for Encumbrances - All Budget Years			44,200	
Total Cash Fund Balance - December 31			$ 98,685	

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures, and Changes In Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Economic Development Fund
For The Year Ended December 31, 2009

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	$ 9,375	$ 9,375	$ 0	$ (9,375)
Rents	0	0	41,242	41,242
Other Revenues	70,000	70,000	26,405	(43,595)
Total Revenues	79,375	79,375	67,647	(11,728)
Expenditures				
Current:				
Housing and Community Development	261,597	284,197	267,064	17,133
Excess of Revenues Over(Under) Expenditures	(182,222)	(204,822)	(199,417)	5,405
Other Financing Sources				
Transfers In	170,625	2,930,142	2,930,142	0
Net Change in Fund Balance	(11,597)	2,725,320	2,730,725	5,405
Beginning Cash Fund Balance	403,432	403,432	403,432	0
Ending Unreserved Cash Fund Balance	$ 391,835	$ 3,128,752	3,134,157	$ 5,405
Reserved for Encumbrances - All Budget Years			76,245	
Total Cash Fund Balance - December 31			$ 3,210,402	

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures, and Changes In Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Sewer Maintenance Fund
For The Year Ended December 31, 2009

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	$ 5,902	$ 5,902	$ 0	$ (5,902)
Charges for Services	1,474,098	1,284,420	1,321,072	36,652
Investment Earnings	0	0	13,617	13,617
Total Revenues	1,480,000	1,290,322	1,334,689	44,367
Expenditures				
Current:				
Sanitation and Sewer Services	1,258,014	1,476,014	1,180,919	295,095
Excess of Revenues Over(Under) Expenditures	221,986	(185,692)	153,770	339,462
Other Financing Uses				
Transfers Out	(445,375)	(271,514)	(271,514)	0
Net Change in Fund Balance	(223,389)	(457,206)	(117,744)	339,462
Beginning Cash Fund Balance	1,452,993	1,452,993	1,452,993	0
Prior Year's Reserve For Encumbrances Outstanding At December 31	(10,520)	(10,520)	(10,520)	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(30,983)	(30,983)	(30,983)	0
Ending Unreserved Cash Fund Balance	$ 1,188,101	$ 954,284	1,293,746	$ 339,462
Reserved for Encumbrances - All Budget Years			131,488	
Total Cash Fund Balance - December 31			$ 1,425,234	

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures, and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Police Pension Fund
For The Year Ended December 31, 2009

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Property Taxes	$ 250,040	$ 266,795	$ 268,610	$ 1,815
Intergovernmental	2,016	2,016	3,508	1,492
Total Revenues	252,056	268,811	272,118	3,307
Expenditures				
Current:				
Security of Persons and Property - Police	1,154,316	1,154,516	997,475	157,041
Excess of Revenues Over(Under) Expenditures	(902,260)	(885,705)	(725,357)	160,348
Other Financing Sources				
Transfers In	750,000	833,959	833,289	(670)
Net Change in Fund Balance	(152,260)	(51,746)	107,932	159,678
Beginning Cash Fund Balance	469,474	469,474	469,474	0
Ending Unreserved Cash Fund Balance	$ 317,214	$ 417,728	$ 577,406	$ 159,678

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures, and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Fire Pension Fund
For The Year Ended December 31, 2009

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Property Taxes	$ 250,040	$ 266,795	$ 268,610	$ 1,815
Intergovernmental	2,016	2,016	3,508	1,492
Total Revenues	252,056	268,811	272,118	3,307
Expenditures				
Current:				
Security of Persons and Property - Fire	1,331,831	1,332,031	1,177,558	154,473
Excess of Revenues Over(Under) Expenditures	(1,079,775)	(1,063,220)	(905,440)	157,780
Other Financing Sources				
Transfers In	800,000	1,064,484	1,064,212	(272)
Net Change in Fund Balance	(279,775)	1,264	158,772	157,508
Beginning Cash Fund Balance	332,455	332,455	332,455	0
Ending Unreserved Cash Fund Balance	$ 52,680	$ 333,719	$ 491,227	$ 157,508

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures, and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Indigent Driver Alcohol Treatment Fund
For The Year Ended December 31, 2009

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	$ 8,000	$ 8,000	$ 16,422	$ 8,422
Investment Earnings	0	0	238	238
Total Revenues	8,000	8,000	16,660	8,660
Expenditures				
Current:				
General Government:				
Judicial System	18,000	18,000	15,376	2,624
Net Change in Fund Balance	(10,000)	(10,000)	1,284	11,284
Beginning Cash Fund Balance	42,868	42,868	42,868	0
Total Cash Fund Balance - December 31	$ 32,868	$ 32,868	$ 44,152	$ 11,284

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures, and Changes In Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Court Computer Legal Research Fund
For The Year Ended December 31, 2009

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Investment Earnings	$ 0	$ 0	$ 769	$ 769
Fines and Forfeitures	55,000	35,100	36,201	1,101
Other Revenue	0	0	7,504	7,504
Total Revenues	55,000	35,100	44,474	9,374
Expenditures				
Current:				
General Government:				
Judicial System	89,085	89,085	51,900	37,185
Net Change in Fund Balance	(34,085)	(53,985)	(7,426)	46,559
Beginning Cash Fund Balance	134,981	134,981	134,981	0
Prior Year's Reserve For Encumbrances Outstanding At December 31	(111)	(111)	(111)	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(1,816)	(1,816)	(1,816)	0
Ending Unreserved Cash Fund Balance	$ 98,969	$ 79,069	125,628	$ 46,559
Reserved for Encumbrances - All Budget Years			1,314	
Total Cash Fund Balance - December 31			$ 126,942	

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures, and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Clerk's Computerization Fund
For The Year Ended December 31, 2009

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Investment Earnings	$ 0	$ 0	$ 1,918	$ 1,918
Court Costs	120,000	117,000	115,463	(1,537)
Total Revenues	120,000	117,000	117,381	381
Expenditures				
Current:				
General Government:				
Judicial System	84,550	84,550	21,493	63,057
Net Change in Fund Balance	35,450	32,450	95,888	63,438
Beginning Cash Fund Balance	250,154	250,154	250,154	0
Prior Year's Reserve For Encumbrances Outstanding At December 31	(479)	(479)	(479)	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(5,287)	(5,287)	(5,287)	0
Ending Unreserved Cash Fund Balance	$ 279,838	$ 276,838	340,276	$ 63,438
Reserved for Encumbrances - All Budget Years			3,955	
Total Cash Fund Balance - December 31			$ 344,231	

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures, and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Housing Grant Fund
For The Year Ended December 31, 2009

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	$ 50,000	$ 1,150,000	$ 267,743	$ (882,257)
Expenditures				
Current:				
Housing and Community Development	0	620,000	267,731	352,269
Excess of Revenues Over(Under) Expenditures	50,000	530,000	12	(529,988)
Other Financing Sources (Uses)				
Transfers Out	0	(36,392)	(36,392)	0
Net Change in Fund Balance	50,000	493,608	(36,380)	(529,988)
Beginning Cash Fund Balance	36,392	36,392	36,392	0
Ending Unreserved Cash Fund Balance	$ 86,392	$ 530,000	12	$ (529,988)
Reserved for Encumbrances - All Budget Years			25,000	
Total Cash Fund Balance - December 31			$ 25,012	

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures, and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Fair Housing Grant Fund
For The Year Ended December 31, 2009

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	$ 50,000	$ 0	$ 14,350	$ 14,350
Investment Earnings	0	0	344	344
Total Revenues	50,000	0	14,694	14,694
Expenditures				
Current:				
General Government:				
Legislative and Executive	77,667	77,667	71,663	6,004
Net Change in Fund Balance	(27,667)	(77,667)	(56,969)	20,698
Beginning Cash Fund Balance	102,460	102,460	102,460	0
Ending Unreserved Cash Fund Balance	$ 74,793	$ 24,793	$ 45,491	$ 20,698

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures, and Changes In Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Community Preservation Partnership Fund
For The Year Ended December 31, 2009

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Other Revenue	$ 100,000	$ 800,000	$ 12,708	$ (787,292)
Expenditures				
Current:				
Housing and Community Development	508,277	508,277	101,166	407,111
Net Change in Fund Balance	(408,277)	291,723	(88,458)	(380,181)
Beginning Cash Fund Balance	459,455	459,455	459,455	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(3,286)	(3,286)	(3,286)	0
Ending Unreserved Cash Fund Balance	$ 47,892	$ 747,892	367,711	$ (380,181)
Reserved for Encumbrances - All Budget Years			2,674	
Total Cash Fund Balance - December 31			$ 370,385	

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures, and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Law Enforcement Grant Fund
For The Year Ended December 31, 2009

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	$ 5,000	$ 6,000	$ 4,750	$ (1,250)
Charges for Services	0	400	480	80
Total Revenues	5,000	6,400	5,230	(1,170)
Expenditures				
Current:				
Security of Persons and Property				
Police	7,730	7,730	5,805	1,925
Excess of Revenues Over(Under) Expenditures	(2,730)	(1,330)	(575)	755
Other Financing Sources (Uses):				
Transfers Out	(561)	(1,171)	(500)	671
Net Change in Fund Balance	(3,291)	(2,501)	(1,075)	1,426
Beginning Cash Fund Balance	2,592	2,592	2,592	0
Ending Unreserved Cash Fund Balance	$ (699)	$ 91	$ 1,517	$ 1,426

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures, and Changes In Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Court Community Service Fund
For The Year Ended December 31, 2009

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Charges for Services	$ 6,000	$ 7,100	$ 8,013	$ 913
Investment Earnings	0	1,000	283	(717)
Total Revenues	6,000	8,100	8,296	196
Expenditures				
Current:				
General Government:				
Judicial System	7,000	7,000	3,835	3,165
Net Change in Fund Balance	(1,000)	1,100	4,461	3,361
Beginning Cash Fund Balance	43,865	43,865	43,865	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(926)	(926)	(926)	0
Ending Unreserved Cash Fund Balance	$ 41,939	$ 44,039	47,400	$ 3,361
Reserved for Encumbrances - All Budget Years			336	
Total Cash Fund Balance - December 31			$ 47,736	

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures, and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Court Alternate Dispute Resolution Fund
For The Year Ended December 31, 2009

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Charges for Services	$ 40,000	$ 40,300	$ 37,242	$ (3,058)
Investment Earnings	0	1,000	202	(798)
Total Revenues	40,000	41,300	37,444	(3,856)
Expenditures				
Current:				
General Government:				
Judicial System	56,141	56,141	55,429	712
Net Change in Fund Balance	(16,141)	(14,841)	(17,985)	(3,144)
Beginning Cash Fund Balance	47,233	47,233	47,233	0
Ending Unreserved Cash Fund Balance	$ 31,092	$ 32,392	$ 29,248	$ (3,144)

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures, and Changes In Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Ohio Court Security Project Fund
For The Year Ended December 31, 2009

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	$ 8,500	$ 8,800	$ 10,042	$ 1,242
Investment Earnings	0	0	192	192
Total Revenues	8,500	8,800	10,234	1,434
Expenditures				
Current:				
General Government:				
Judicial System	14,500	14,500	7,562	6,938
Net Change in Fund Balance	(6,000)	(5,700)	2,672	8,372
Beginning Cash Fund Balance	29,922	29,922	29,922	0
Prior Year's Reserve For Encumbrances Outstanding At December 31	(39)	(39)	(39)	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(3,572)	(3,572)	(3,572)	0
Ending Unreserved Cash Fund Balance	$ 20,311	$ 20,611	28,983	$ 8,372
Reserved for Encumbrances - All Budget Years			3,189	
Total Cash Fund Balance - December 31			$ 32,172	

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures, and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
High Intensity Drug Trafficking Area Grant (H.I.D.T.A.) Fund
For The Year Ended December 31, 2009

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	$ 3,500,000	$ 6,391,800	$ 3,803,074	$ (2,588,726)
Other Revenue	0	0	358	358
Total Revenues	3,500,000	6,391,800	3,803,432	(2,588,368)
Expenditures				
Current:				
Security of Persons and Property				
Police	6,087,087	5,630,523	3,450,431	2,180,092
Excess of Revenues Over(Under) Expenditures	(2,587,087)	761,277	353,001	(408,276)
Other Financing Sources (Uses)				
Advances Out	(1,497,222)	(1,497,222)	(1,367,744)	129,478
Net Change in Fund Balance	(4,084,309)	(735,945)	(1,014,743)	(278,798)
Beginning Cash Fund Balance	1,102,046	1,102,046	1,102,046	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(87,303)	(87,303)	(87,303)	0
Ending Unreserved Cash Fund Balance	$(3,069,566)	$ 278,798	$ 0	$ (278,798)

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures, and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Drug Free Community Grant Fund
For The Year Ended December 31, 2009

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	$ 100,000	$ 205,000	$ 123,985	$ (81,015)
Expenditures				
Current:				
Public Health Services	100,181	204,779	123,923	80,856
Excess of Revenues Over(Under) Expenditures	(181)	221	62	(159)
Other Financing Sources (Uses)				
Advances In	0	20,000	0	(20,000)
Net Change in Fund Balance	(181)	20,221	62	(20,159)
Beginning Cash Fund Balance	181	181	181	0
Ending Unreserved Cash Fund Balance	$ 0	$ 20,402	$ 243	$ (20,159)

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures, and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Housing and Nuisance Abatement Fund
For The Year Ended December 31, 2009

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Charges for Services	$ 0	$ 235,842	$ 46,357	$ (189,485)
Special Assessments	0	258,282	300,268	41,986
Investment Earnings	0	0	3,364	3,364
Other Revenue	300,000	250,000	250,000	0
Total Revenues	300,000	744,124	599,989	(144,135)
Expenditures				
Current:				
Housing and Community Development	350,000	350,000	203,656	146,344
Excess of Revenues Over(Under) Expenditures	(50,000)	394,124	396,333	2,209
Other Financing Sources				
Transfers Out	(488,394)	(643,150)	(643,150)	0
Net Change in Fund Balance	(538,394)	(249,026)	(246,817)	2,209
Beginning Cash Fund Balance	721,144	721,144	721,144	0
Prior Year's Reserve For Encumbrances Outstanding At December 31	(2,350)	(2,350)	(2,350)	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(44,404)	(44,404)	(44,404)	0
Ending Unreserved Cash Fund Balance	$ 135,996	$ 425,364	427,573	$ 2,209
Reserved for Encumbrances - All Budget Years			32,550	
Total Cash Fund Balance - December 31			$ 460,123	

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures, and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Indigent Driver Interlock Fund
For The Year Ended December 31, 2009

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Charges for Services	$ 0	$ 9,246	$ 8,487	$ (759)
Investment Earnings	0	0	44	44
Total Revenues	0	9,246	8,531	(715)
Expenditures				
Current:				
General Government:				
Judicial System	5,400	5,400	0	5,400
Net Change in Fund Balance	(5,400)	3,846	8,531	4,685
Beginning Cash Fund Balance	1,058	1,058	1,058	0
Ending Unreserved Cash Fund Balance	$ (4,342)	$ 4,904	$ 9,589	$ 4,685

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures, and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Street Lighting Special Assessment Fund
For The Year Ended December 31, 2009

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Special Assessments	$ 600,000	$ 593,428	$ 581,809	$ (11,619)
Expenditures				
Current:				
Security of Persons and Property				
Other	550,653	672,773	672,773	0
Excess of Revenues Over(Under) Expenditures	49,347	(79,345)	(90,964)	(11,619)
Other Financing Sources				
Transfers In	0	12,100	12,100	0
Net Change in Fund Balance	49,347	(67,245)	(78,864)	(11,619)
Beginning Cash Fund Balance	355,021	355,021	355,021	0
Prior Year's Reserve For Encumbrances Outstanding At December 31	(155)	(155)	(155)	0
Ending Unreserved Cash Fund Balance	$ 404,213	$ 287,621	$ 276,002	$ (11,619)

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures, and Changes In Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Tree Maintenance Assessment Fund
For The Year Ended December 31, 2009

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Special Assessments	$ 500,000	$ 790,386	$ 772,479	$ (17,907)
Expenditures				
Current:				
Housing and Community Development	938,650	973,415	920,171	53,244
Net Change in Fund Balance	(438,650)	(183,029)	(147,692)	35,337
Beginning Cash Fund Balance	554,508	554,508	554,508	0
Prior Year's Reserve For Encumbrances Outstanding At December 31	(3,536)	(3,536)	(3,536)	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(20,662)	(20,662)	(20,662)	0
Ending Unreserved Cash Fund Balance	$ 91,660	$ 347,281	382,618	$ 35,337
Reserved for Encumbrances - All Budget Years			48,439	
Total Cash Fund Balance - December 31			$ 431,057	

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures, and Changes In Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Central Service Operation Fund
For The Year Ended December 31, 2009

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Charges for Services	$ 750,000	$ 920,374	$ 825,935	$ (94,439)
Expenditures				
Current:				
Security of Persons and Property				
Police	11,566	11,566	0	11,566
Fire	2,611	10,711	10,247	464
Sanitation and Sewer Services	0	0	0	0
Street Maintenance and Repair	494,367	494,367	477,778	16,589
Public Works - Other	321,419	321,419	268,946	52,473
General Government:				
Legislative and Executive	29,355	59,355	46,924	12,431
Total Expenditures	859,318	897,418	803,895	93,523
Excess of Revenues Over(Under) Expenditures	(109,318)	22,956	22,040	(916)
Other Financing Sources (Uses)				
Transfers Out	(684)	(1,464)	(1,192)	272
Net Change in Fund Balance	(110,002)	21,492	20,848	(644)
Beginning Cash Fund Balance	33,663	33,663	33,663	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(52,555)	(52,555)	(52,555)	0
Ending Unreserved Cash Fund Balance	$ (128,894)	$ 2,600	1,956	$ (644)
Reserved for Encumbrances - All Budget Years			43,785	
Total Cash Fund Balance - December 31			$ 45,741	

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures, and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Law Enforcement Trust Fund
For The Year Ended December 31, 2009

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Investment Earnings	$ 2,500	$ 2,500	$ 503	$ (1,997)
Fines and Forfeitures	235,000	235,000	34,366	(200,634)
Other Revenues	12,500	12,500	12,037	(463)
Total Revenues	250,000	250,000	46,906	(203,094)
Expenditures				
Current:				
Security of Persons and Property				
Police	50,817	50,817	36,645	14,172
Excess of Revenues Over(Under) Expenditures	199,183	199,183	10,261	(188,922)
Transfers Out	0	(150,000)	0	150,000
Advances In	0	594,367	464,888	(129,479)
Total Other Financing Sources (Uses)	0	444,367	464,888	20,521
Net Change in Fund Balance	199,183	643,550	475,149	(168,401)
Beginning Cash Fund Balance	99,134	99,134	99,134	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(17,992)	(17,992)	(17,992)	0
Ending Unreserved Cash Fund Balance	$ 280,325	$ 724,692	$ 556,291	$ (168,401)

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures, and Changes In Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Debt Service Administration Fund
For The Year Ended December 31, 2009

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Investment Earnings	$ 0	$ 0	$ 1,125	$ 1,125
Other Revenue	0	164,412	164,412	0
Total Revenues	0	164,412	165,537	1,125
Expenditures				
Current:				
General Government				
Legislative and Executive	15,000	42,250	32,673	9,577
Debt Service:				
Principal Retirements	1,871,375	2,148,420	2,148,420	0
Interest and Fiscal Charges	76,025	76,025	76,025	0
Total Expenditures	1,962,400	2,266,695	2,257,118	9,577
Excess of Revenues Over(Under) Expenditures	(1,962,400)	(2,102,283)	(2,091,581)	10,702
Other Financing Sources				
Proceeds from the Sale of Notes	850,000	865,000	865,000	0
Note Premiums	0	4,181	4,264	83
Transfers In	1,150,000	1,151,764	1,151,681	(83)
Total Other Financing Sources	2,000,000	2,020,945	2,020,945	0
Net Change in Fund Balance	37,600	(81,338)	(70,636)	10,702
Beginning Cash Fund Balance	208,828	208,828	208,828	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(122,571)	(122,571)	(122,571)	0
Ending Cash Fund Balance	$ 123,857	$ 4,919	15,621	$ 10,702
Reserved for Encumbrances - All Budget Years			193,960	
Total Cash Fund Balance - December 31			$ 209,581	

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures, and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Central Purchasing Fund
For The Year Ended December 31, 2009

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Charges for Services	$ 380,000	$ 658,273	$ 621,029	$ (37,244)
Expenses				
Contractual Services	3,895	3,895	2,468	1,427
Materials and Supplies	658,568	658,568	623,090	35,478
Total Expenses	662,463	662,463	625,558	36,905
Net Change in Fund Equity	(282,463)	(4,190)	(4,529)	(339)
Beginning Cash Fund Equity	21,358	21,358	21,358	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(16,829)	(16,829)	(16,829)	0
Ending Unreserved Cash Fund Equity	$ (277,934)	$ 339	$ 0	$ (339)

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures, and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Copier Management Fund
For The Year Ended December 31, 2009

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Charges for Services	$ 75,000	$ 41,468	$ 626	$ (40,842)
Expenses				
Contractual Services	41,468	41,468	2,907	38,561
Net Change in Fund Equity	33,532	0	(2,281)	(2,281)
Beginning Cash Fund Equity	29,865	29,865	29,865	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Equity Reserved For Encumbrance	(1,113)	(1,113)	(1,113)	0
Ending Unreserved Cash Fund Equity	$ 62,284	$ 28,752	26,471	$ (2,281)
Reserved for Encumbrances - All Budget Years			4,021	
Total Cash Fund Equity - December 31			$ 30,492	

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures, and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Municipal Garage Fund
For The Year Ended December 31, 2009

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Charges for Services	$ 1,200,000	$ 1,135,504	$ 1,094,484	$ (41,020)
Expenses				
Personal Services	873,101	865,140	796,191	68,949
Travel and Education	1,501	1,501	630	871
Contractual Services	250,171	245,540	242,821	2,719
Materials and Supplies	42,116	54,708	54,671	37
Total Expenditures	1,166,889	1,166,889	1,094,313	72,576
Net Change in Fund Equity	33,111	(31,385)	171	31,556
Beginning Cash Fund Equity	71,032	71,032	71,032	0
Prior Year's Reserve For Encumbrances Outstanding At December 31	(754)	(754)	(754)	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Equity Reserved For Encumbrance	(36,037)	(36,037)	(36,037)	0
Ending Unreserved Cash Fund Equity	$ 67,352	$ 2,856	34,412	$ 31,556
Reserved for Encumbrances - All Budget Years			26,806	
Total Cash Fund Equity - December 31			$ 61,218	

City of Shaker Heights, Ohio

Statement of Revenues, Expenditures, and Changes in Fund Balance –
Budget (Non-GAAP Budgetary Basis) and Actual
Self Insurance Fund
For The Year Ended December 31, 2009

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Expenses				
Personal Services	$ 80,087	$ 80,087	$ 70,830	$ 9,257
Travel and Education	472	472	0	472
Contractual Services	761,636	803,452	795,832	7,620
Materials and Supplies	1,255	1,365	922	443
Other Expenditures	155,575	158,649	66,670	91,979
Total Expenditures	999,025	1,044,025	934,254	109,771
Other Financing Sources				
Transfers in	200,000	800,000	800,000	0
Net Change in Fund Equity	(799,025)	(244,025)	(134,254)	109,771
Beginning Cash Fund Equity	2,101,916	2,101,916	2,101,916	0
Prior Year's Reserve For Encumbrances Outstanding At December 31	4,129	4,129	4,129	0
Current Year Cash Expenditures Against Prior Year's Cash Fund Equity Reserved For Encumbrance	(10,552)	(10,552)	(10,552)	0
Ending Unreserved Cash Fund Equity	$ 1,296,468	$ 1,851,468	1,961,239	$ 109,771
Reserved for Encumbrances – All Budget Years			3,267	
Total Cash Fund Equity – December 31			$ 1,964,506	

Central Purchasing Fund
To provide a central cost center to account for the purchasing of office supplies, road materials, sidewalk materials, fuel, fire hydrants, and other miscellaneous supplies to be charged back to the individual City departments as the supplies are drawn.

Copier Management Fund
To provide a central cost center to account for the cost of copying performed by City departments.

Municipal Garage Fund
To provide a central cost center to account for the cost of repairing and maintaining the City's fleet of vehicles and heavy equipment Operating costs are charged back to City departments based upon the number of vehicles and equipment maintained and upon the department's actual utilization of the garage.

Self Insurance Fund
To account for monies charged to the General and the Enterprise funds of the City by the Self-Insurance Reserve Fund. Since 1986 the City has directly assumed the risk of less from general liability claims. The Self-Insurance Reserve was created by Council to provide for a loss reserve, for the administration of the self-insurance activity and to account for the workers' compensation claims. The Self-Insurance Reserve is not available to fund the general operations of the City.

City of Shaker Heights, Ohio

Combining Statement of Fund Net Assets
Nonmajor Internal Service Funds

December 31, 2009

	Central Purchasing	Copier Management	Municipal Garage	Self Insurance	Total Internal Service Funds
Assets:					
Equity in city treasury cash	$ -	$ 30,492	$ 61,218	$ 1,964,506	$ 2,056,216
Accounts receivable	-	-	-	2,653	2,653
Interfund receivable	11,537	-	89,658	-	101,195
Inventory of supplies	152,506	-	-	-	152,506
Prepaid items	-	-	-	51,332	51,332
Total assets	164,043	30,492	150,876	2,018,491	2,363,902
Liabilities:					
Accounts payable	41,610	-	26,475	55,699	123,784
Accrued wages and benefits	-	-	14,362	-	14,362
Interfund payable	42,429	-	-	-	42,429
Claims payable	-	-	-	135,017	135,017
Accrued compensated absences	-	-	40,418	-	40,418
Total current liabilities	84,039	-	81,255	190,716	356,010
Long-term liabilities (net of current portion):					
Claims payable	-	-	-	539,637	539,637
Accrued compensated absences	-	-	83,813	-	83,813
Total long-term liabilities	-	-	83,813	539,637	623,450
Total liabilities	84,039	-	165,068	730,353	979,460
Net assets:					
Unrestricted (deficit)	$ 80,004	$ 30,492	$ (14,192)	$ 1,288,138	$ 1,384,442

City of Shaker Heights, Ohio

Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Nonmajor Internal Service Funds

For The Year Ended December 31, 2009

	Central Purchasing	Copier Management	Municipal Garage	Self Insurance	Total Internal Service Funds
Operating revenues:					
Charges for services	$ 621,029	$ 1,740	$ 1,094,469	$ -	$ 1,717,238
Other	-	-	15	-	15
Total operating revenues	621,029	1,740	1,094,484	-	1,717,253
Operating expenses:					
Personal services	-	-	739,939	69,464	809,403
Travel and education	-	-	630	-	630
Contractual services	11,140	-	225,895	1,413,899	1,650,934
Material and supplies	519,815	-	54,837	752	575,404
Total operating expenses	530,955	-	1,021,301	1,484,115	3,036,371
Operating income (loss) before transfers	90,074	1,740	73,183	(1,484,115)	(1,319,118)
Transfers-in	-	-	-	800,000	800,000
Change in net assets	90,074	1,740	73,183	(684,115)	(519,118)
Net assets (deficit) at beginning of year	(10,070)	28,752	(87,375)	1,972,253	1,903,560
Net assets (deficit) at end of year	$ 80,004	$ 30,492	$ (14,192)	$ 1,288,138	$ 1,384,442

City of Shaker Heights, Ohio

Combining Statements of Cash Flows
Non-Major Internal Services Funds

For The Year Ended December 31, 2009

	Central Purchasing	Copier Management	Municipal Garage	Self Insurance	Total Internal Service Funds
Increase (decrease) in cash and cash equivalents:					
Cash flows from operating activities:					
Cash received from internal services	$ 621,029	$ 627	$ 1,094,469	$ -	$ 1,716,125
Cash payments to suppliers	(639,443)	-	(55,557)	(807)	(695,807)
Cash payments for goods and services	(2,944)	-	(252,455)	(865,773)	(1,121,172)
Cash payments to employees	-	-	(796,286)	(70,830)	(867,116)
Cash received for other operating activities	-	-	15	-	15
Net cash provided by (used for) operating activities	(21,358)	627	(9,814)	(937,410)	(967,955)
Cash flows from non-capital financing activities:					
Transfers-in	-	-	-	800,000	800,000
Net increase (decrease) in cash and cash equivalents	(21,358)	627	(9,814)	(137,410)	(167,955)
Cash and cash equivalents at beginning of year	21,358	29,865	71,032	2,101,916	2,224,171
Cash and cash equivalents at end of year	$ -	$ 30,492	$ 61,218	$ 1,964,506	$ 2,056,216
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:					
Operating income (loss)	$ 90,074	$ 1,740	$ 73,183	$ (1,484,115)	$ (1,319,118)
Adjustments:					
Changes in assets/liabilities:					
Increase in material and supplies inventory	(117,603)	-	-	-	(117,603)
Increase in prepaid expenses	-	-	-	(49,736)	(49,736)
Increase (decrease) in accounts payable	6,171	(1,113)	(26,650)	11,204	(10,388)
Decrease in accrued wages and benefits	-	-	(42,392)	(1,366)	(43,758)
Decrease in compensated absences	-	-	(13,955)	-	(13,955)
Increase in self insurance claims payable	-	-	-	586,603	586,603
Total adjustments	(111,432)	(1,113)	(82,997)	546,705	351,163
Net cash provided by (used for) operating activities	$ (21,358)	$ 627	$ (9,814)	$ (937,410)	$ (967,955)

Public Art Deposit Fund
To encourage public art throughout the City and to allow residents to make donations in honor of services rendered by various City departments.

Obstruction Permit Deposit Fund
To account for the receipt of refundable deposits required of individuals to insure that obstructions or openings in public property created during construction are returned to pre-construction condition.

Excavating Permit Deposit Fund
To account for the receipt of refundable deposits required of individuals who wish to excavate and/or haul material over public property. The deposit is to guarantee that the public property will be cleaned and restored to its original condition and that the excavation, if any, will be properly guarded in accordance with applicable provisions of the City Code.

Unclaimed Monies Fund
Fund required by Ohio Revised Code to account for monies received or collected and not otherwise paid out according to law. Monies that are deemed to be unclaimed and credited to this fund that are not claimed within a five year period revert to the General Fund.

Fund for the Future of Shaker Heights Fund
To account for the assets, held by the City as fiscal agent, of the Fund for the Future of Shaker Heights, Inc. (F.F.S.H.), a non-profit corporation formed to promote pro-integrative housing moves within the City of Shaker Heights.

Municipal Court Fund
To account for assets received and disbursed by the Shaker Heights Municipal Court as agent or custodian related to civil and criminal court matters.

Contractor Deposit Fund
To account for the receipt of refundable deposits required of individuals who perform construction electrical work, plumbing, sewer or HVAC work. The deposit is to guarantee that the work will be performed and inspected according to City Code.

Recreation Scholarship Fund
To account for funds solicited to be used for the purpose of providing financial aid and/or services to assist disadvantaged youth who otherwise could not afford to participate in various Recreation Department programs. The scholarship program is a non-profit corporation established under the authority of section 501(c) of the Internal Revenue Service Code.

Shaker Family Resource Center Fund
To account for assets held by the City as fiscal agent for the Shaker Family Resource Center, Inc. The purpose of this non-profit corporation is to enhance the quality of life for families with young children in the Shaker Heights City School District by providing educational, social, and recreational and support programs and services.

Board of Building Standards Fund
To account for state mandated fees collected by the City's Building Department relating to the acceptance, review and approval of building plans and specifications. An amount equal to 3% of fees imposed must be remitted on a monthly basis to the State of Ohio Department of Industrial Relations.

Heights Area Special Rescue Team Fund
To account for assets held by the city for the Heights Area Special Rescue Team (HASRT).

City of Shaker Heights, Ohio

Combining Statements of Changes in Assets and Liabilities
Agency Funds

For The Year Ended December 31, 2009

	Balance December 31, 2008	Additions	Deductions	Balance December 31, 2009
Public Art Deposit Fund				
Assets:				
Equity in pooled cash and cash equivalents	$ 2,531	$ -	$ -	$ 2,531
Liabilities:				
Deposits held and due to others	$ 2,531	$ -	$ -	$ 2,531
Obstruction Permit Deposit Fund				
Assets:				
Equity in pooled cash and cash equivalents	$ 72,640	$ -	$ 24,060	$ 48,580
Liabilities:				
Deposits held and due to others	$ 72,640	$ -	$ 24,060	$ 48,580
Excavating Permit Deposit Fund				
Assets:				
Equity in pooled cash and cash equivalents	$ 11,955	$ 2,580	$ 3,115	$ 11,420
Liabilities:				
Deposits held and due to others	$ 11,955	$ 2,580	$ 3,115	$ 11,420
Unclaimed Monies Fund				
Assets:				
Equity in pooled cash and cash equivalents	$ 225,170	$ 69,973	$ 92,063	$ 203,080
Liabilities:				
Deposits held and due to others	$ 225,170	$ 69,973	$ 92,063	$ 203,080
Fund for the Future of Shaker Heights Fund				
Assets:				
Equity in pooled cash and cash equivalents	$ 697,544	$ 75,956	$ 294,221	$ 479,279
Mortgage loans receivable	158,942	49,475	48,266	160,151
Total Assets	$ 856,486	$ 125,431	$ 342,487	$ 639,430
Liabilities:				
Deposits held and due to others	$ 856,486	$ 125,431	$ 342,487	$ 639,430

(Continued)

City of Shaker Heights, Ohio

Combining Statements of Changes in Assets and Liabilities (Continued)
Agency Funds

For The Year Ended December 31, 2009

	Balance December 31, 2008	Additions	Deductions	Balance December 31, 2009
Municipal Court Fund				
Assets:				
Cash and cash equivalents in segregated accounts	$ 503,044	$ 4,043,877	$ 3,983,709	$ 563,212
Liabilities:				
Intergovernmental payable	$ 287,213	$ 3,341,559	$ 3,328,976	$ 299,796
Deposits held and due to others	215,831	702,318	654,733	263,416
Total Liabilities	$ 503,044	$ 4,043,877	$ 3,983,709	$ 563,212
Contractor Deposit Fund				
Assets:				
Equity in pooled cash and cash equivalents	$ 142,220	$ -	$ -	$ 142,220
Liabilities:				
Deposits held and due to others	$ 142,220	$ -	$ -	$ 142,220
Recreation Scholarship Fund				
Assets:				
Equity in pooled cash and cash equivalents	$ 39,580	$ 6,765	$ 8,440	$ 37,905
Liabilities:				
Deposits held and due to others	$ 39,580	$ 6,765	$ 8,440	$ 37,905
Shaker Family Resource Center				
Assets:				
Equity in pooled cash and cash equivalents	$ 13,099	$ 339,074	$ 352,173	$ -
Liabilities:				
Deposits held and due to others	$ 13,099	$ 339,074	$ 352,173	$ -
Board of Building Standards Fund				
Assets:				
Equity in pooled cash and cash equivalents	$ 509	$ 1,934	$ 1,889	$ 554
Liabilities:				
Intergovernmental payable	$ 509	$ 1,934	$ 1,889	$ 554
Heights Area Special Rescue Team Fund				
Assets:				
Equity in pooled cash and cash equivalents	$ 131,561	$ 49,889	$ 38,915	$ 142,535
Liabilities:				
Intergovernmental payable	$ 131,561	$ 49,889	$ 38,915	$ 142,535

(Continued)

City of Shaker Heights, Ohio

Combining Statements of Changes in Assets and Liabilities (Continued)
Agency Funds

For The Year Ended December 31, 2009

	Balance December 31, 2008	Additions	Deductions	Balance December 31, 2009
Total Agency Funds				
Assets:				
Equity in pooled cash and cash equivalents	$ 1,336,809	$ 546,171	$ 814,876	$ 1,068,104
Cash and cash equivalents				
In segregated accounts	503,044	4,043,877	3,983,709	563,212
Mortgage loan receivable	158,942	49,475	48,266	160,151
Total assets	$ 1,998,795	$ 4,639,523	$ 4,846,851	$ 1,791,467
Liabilities:				
Intergovernmental payable	$ 419,283	$ 3,393,382	$ 3,369,780	$ 442,885
Deposits held and due to others	1,579,512	1,246,141	1,477,071	1,348,582
Total liabilities	$ 1,998,795	$ 4,639,523	$ 4,846,851	$ 1,791,467

STATISTICAL SECTION

Statistical Section

This part of the City of Shaker Heights's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents **Page(s)**

Financial Trends S-3 - S-9

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity S-10 - S-17

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Debt Capacity S-18 - S-23

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.

Economic and Demographic Information S-25 - S-27

These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information S-29 - S-33

These schedules contain service data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant fiscal year. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that fiscal year.

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City of Shaker Heights, Ohio

Net Assets By Component

Last Six Years

(Accrual Basis of Accounting)

	2009	2008	2007	2006	2005	2004
Governmental Activities						
Invested in Capital Assets,						
Net of Related Debt	$ 61,712,406	$ 58,708,166	$ 44,729,593	$ 39,706,310	$ 28,686,344	$ 32,387,135
Restricted:						
Capital Projects	18,947,218	25,606,578	31,339,125	38,040,586	32,600,572	29,667,802
Debt Service	1,237,432	915,681	-	-	-	-
Streets	724,281	906,871	-	-	-	-
Public Safety	1,724,661	1,342,216	-	-	-	-
Judicial Services	637,338	555,708	-	-	-	-
Other	-	-	193,610	665,036	7,998,216	2,781,854
Unrestricted	19,904,961	15,311,338	26,003,445	23,169,111	15,936,739	18,128,161
Total Governmental Activities Net Assets	$ 104,888,297	$ 103,346,558	$ 102,265,773	$ 101,581,043	$ 85,221,871	$ 82,964,952

Source: City Financial Records

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City of Shaker Heights, Ohio

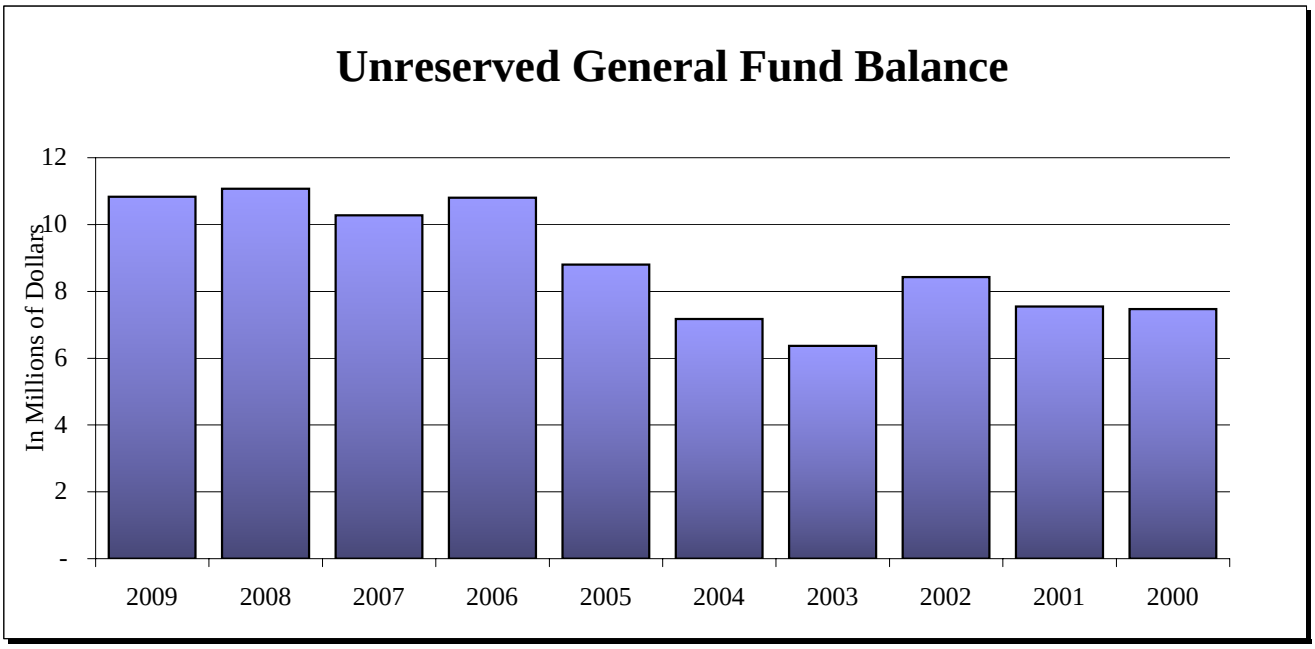
Changes in Net Assets
Last Six Years
(Accrual Basis of Accounting)

	2009	2008	2007	2006	2005	2004
Program Revenues						
Governmental Activities:						
Charges for Services:						
Security of Persons and Property	$ 1,013,943	$ 1,340,465	$ 860,784	$ 908,354	$ 797,872	$ 832,026
Public Health Services	70,133	80,210	82,688	80,425	84,582	73,237
Leisure Time Activities	1,754,838	1,827,419	1,884,955	1,818,800	2,002,191	2,173,065
Housing and Community Development	2,504,195	2,117,015	1,528,272	1,692,407	1,330,108	1,247,013
Sanitation and Sewer Services	1,333,696	1,541,510	1,504,818	1,419,346	1,506,353	1,520,428
Street Maintenance and Repair	8,231	8,238	219,668	205,733	410,546	45,106
Public Works - Other	707,206	711,143	545,830	538,584	427,956	1,221,186
General Government	2,708,388	2,613,369	2,602,509	2,645,655	4,853,488	2,226,749
Operating Grants and Contributions:						
Security of Persons and Property	4,293,912	4,895,746	2,218,326	3,671,222	3,262,043	2,867,495
Public Health Services	4,780	-	26,114	34,335	20,657	119,319
Leisure Time Activities	-	-	1,683	4,238	5,626	-
Housing and Community Development	44,215	35,976	116,139	135,317	45,009	119,227
Sanitation and Sewer Services	295,303	5,901	-	-	38,000	19,454
Street Maintenance and Repair	-	-	-	-	26,630	6,741
General Government	13,000	40,987	75	140	-	1,407,545
Capital Grants and Contributions:						
Security of Persons and Property	4,000	5,000	-	-	37,722	84,316
Public Health Services	-	-	-	-	-	23,712
Housing and Community Development	188,689	1,701,268	163,667	17,531	738,451	-
Sanitation and Sewer Services	298,216	1,467,333	-	-	-	-
Street Maintenance and Repair	1,940	508,705	-	-	1,165,442	73,255
Public Works - Other	-	-	465,443	7,954,422	-	163
Total Governmental Activities Program Revenues	15,244,685	18,900,285	12,220,971	21,126,509	16,752,676	14,060,037
Expenses						
Governmental Activities:						
General Government	6,729,574	7,087,741	6,427,598	6,297,348	6,186,733	6,454,681
Security of Persons and Property	23,988,819	23,458,781	23,903,946	22,068,064	23,038,851	22,909,631
Public Health and Welfare	692,906	448,703	563,495	558,169	538,756	632,970
Leisure Time Activities	4,039,556	3,877,476	3,664,496	4,137,650	3,751,953	3,992,118
Housing and Community Development	7,441,799	6,989,574	7,240,967	7,215,561	7,165,612	7,489,338
Sanitation and Sewer Services	4,024,723	5,018,134	2,167,731	2,830,739	2,688,129	4,076,738
Street Maintenance and Repair	2,388,186	2,817,752	2,181,766	2,181,740	1,513,229	2,962,286
Public Works - Other	2,971,552	3,905,495	2,938,506	3,492,889	4,810,977	3,922,743
Interest and Fiscal Charges	928,950	1,001,492	1,048,868	1,076,682	773,737	491,535
Total Governmental Activities Expenses	53,206,065	54,605,148	50,137,373	49,858,842	50,467,977	52,932,040
Net (Expense)/Revenue						
Governmental Actvities	(37,961,380)	(35,704,863)	(37,916,402)	(28,732,333)	(33,715,301)	(38,872,003)
General Revenues and Other Changes in Net Assets						
Governmental Activities						
Property Taxes	8,579,190	8,224,540	8,966,264	7,380,267	7,384,160	7,264,319
Income and Other Taxes	19,523,078	20,819,652	23,244,676	18,002,688	22,653,723	18,530,905
Grants and Entitlements	7,372,760	5,670,500	7,752,673	17,249,741	4,903,785	7,615,993
Interest Earnings	289,963	629,378	1,963,517	2,411,188	1,024,160	399,676
Miscellaneous Income	451,678	232,203	218,240	47,621	6,393	-
Special Item	-	-	(1,731,108)	-	-	-
Total Governmental Activites	36,216,669	35,576,273	40,414,262	45,091,505	35,972,221	33,810,893
Change in Net Assets						
Governmental Activities	$ (1,744,711)	$ (128,590)	$ 2,497,860	$ 16,359,172	$ 2,256,920	$ (5,061,110)

Source: City Financial Records

City of Shaker Heights, Ohio
Fund Balances, Governmental Funds
Last Ten Years
(Modified Accrual Basis of Accounting)

	2009	2008	2007	2006
General Fund				
Reserved	$ 672,271	$ 658,094	$ 737,765	$ 645,010
Unreserved	10,832,936	11,068,444	10,277,756	10,800,682
Total General Fund	11,505,207	11,726,538	11,015,521	11,445,692
All Other Governmental Funds				
Reserved	5,917,500	8,286,921	21,462,206	25,400,516
Unreserved, Undesignated, Reported in:				
Special Revenue funds	8,165,918	5,830,175	3,638,148	4,625,921
Debt Service funds	1,043,472	793,110	(6,320,440)	(6,444,691)
Capital Projects funds	13,653,858	17,703,298	10,321,345	12,940,408
Total All Other Governmental Funds	28,780,748	32,613,504	29,101,259	36,522,154
Total Governmental Funds	$ 40,285,955	$ 44,340,042	$ 40,116,780	$ 47,967,846

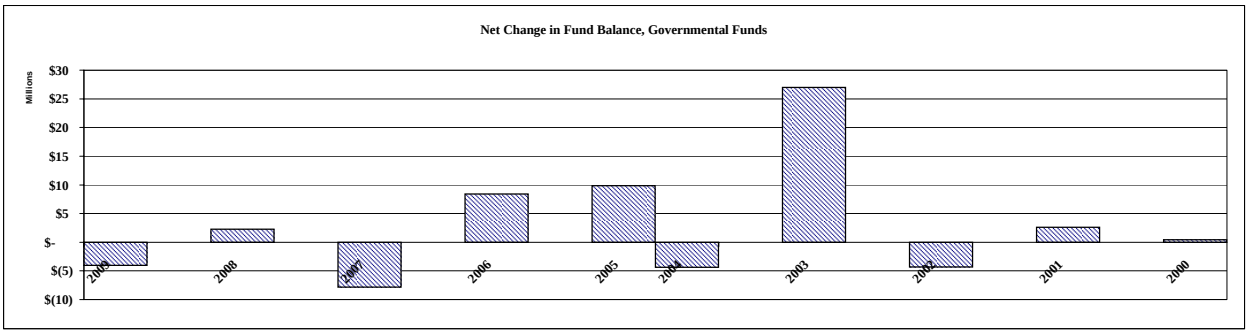


2005	2004	2003	2002	2001	2000
$ 618,498	$ 620,813	$ 493,249	$ 546,667	$ 841,512	$ 795,634
8,803,020	7,177,276	6,368,592	8,431,718	7,548,699	7,474,289
9,421,518	7,798,089	6,861,841	8,978,385	8,390,211	8,269,923
20,831,407	18,534,385	9,577,630	10,279,656	5,457,642	3,292,264
4,227,083	5,485,075	6,147,351	5,614,309	3,282,087	1,908,132
642,972	461,017	325,971	-	-	-
12,377,248	5,384,372	19,118,859	(9,843,621)	1,473,271	2,264,741
38,078,710	29,864,849	35,169,811	6,050,344	10,213,000	7,465,137
$ 47,500,228	$ 37,662,938	$ 42,031,652	$ 15,028,729	$ 18,603,211	$ 15,735,060

City of Shaker Heights, Ohio

Changes in Fund Balances, Governmental Funds
Last Ten Years
(Modified Accrual Basis of Accounting)

	2009	2008	2007	2006	2005
Revenues					
Property taxes	$ 8,399,301	$ 8,256,559	$ 8,889,841	$ 7,428,674	$ 7,331,189
Municipal Income Taxes	20,144,932	20,840,303	20,246,324	19,886,483	21,861,847
Other Local Taxes	53,478	55,599	68,772	72,795	82,208
Intergovernmental	12,338,984	14,936,366	10,218,683	29,295,902	12,452,589
Charges for Services	6,538,429	6,591,980	6,508,530	6,843,816	6,630,592
Fees, Licenses and Permits	577,437	764,096	746,352	848,307	509,945
Fines and Forfeitures	1,069,127	995,703	1,007,083	1,007,772	884,476
Special Assessments	1,830,121	1,767,705	1,437,429	1,551,355	1,421,099
Interest Earnings	254,263	585,912	1,851,297	2,310,585	949,769
Other Revenue	669,754	490,070	633,891	879,638	982,334
Total Revenues	51,875,826	55,284,293	51,608,202	70,125,327	53,106,048
Expenditures					
Current:					
Security of Persons and Property	23,577,387	24,202,081	23,574,673	22,052,139	22,975,164
Public Health and Welfare	572,755	529,080	558,251	556,927	547,922
Leisure Time Activities	3,634,079	3,750,314	7,555,496	4,832,651	3,721,751
Housing and Community Development	7,555,641	8,985,556	7,347,631	8,487,286	7,053,154
Sanitation and Sewer Services	5,031,160	7,498,220	4,242,460	4,719,322	4,682,615
Street Maintenance and Repair	3,345,052	3,280,365	4,300,875	2,520,981	3,080,371
Public Works - Other	2,692,495	2,611,414	3,454,788	3,980,129	4,969,107
General Government	6,400,685	7,113,939	6,645,189	5,732,134	6,058,532
Debt Service:					
Principal Retirement	9,239,281	2,407,571	2,960,142	10,520,233	182,850
Interest and Fiscal Charges	990,355	966,611	1,084,763	1,101,485	565,169
Debt Issuance Costs	107,854	-	-	-	-
Total Expenditures	63,146,744	61,345,151	61,724,268	64,503,287	53,836,635
Excess of Revenues Over (Under) Expenditures	(11,270,918)	(6,060,858)	(10,116,066)	5,622,040	(730,587)
Other Financing Sources (Uses)					
Issuance of Debt	7,775,852	8,660,000	2,265,000	2,800,000	10,567,878
Sale of Capital Assets	64,482	-	-	-	-
Transfers In	9,351,044	3,993,546	3,748,042	4,495,644	4,269,619
Transfers Out	(10,151,044)	(4,293,546)	(3,748,042)	(4,495,644)	(4,269,619)
Premium on Bonds	176,497	-	-	-	-
Total Other Financing Sources (Uses)	7,216,831	8,360,000	2,265,000	2,800,000	10,567,878
Net Change in Fund Balances	$ (4,054,087)	$ 2,299,142	$ (7,851,066)	$ 8,422,040	$ 9,837,291
Debt Service as a Percentage of Noncapital Expenditures	17.77%	6.30%	7.36%	19.35%	1.68%



2004	2003	2002	2001	2000
$ 7,269,251	$ 6,384,628	$ 6,423,446	$ 6,368,356	$ 5,719,115
18,783,048	22,649,166	18,648,908	18,927,461	17,264,797
7,406,893	17,135,868	4,580,163	5,961,216	5,210,818
4,721,227	3,624,484	3,805,168	2,920,659	2,138,177
6,607,922	5,959,401	3,812,324	3,276,315	3,210,192
449,452	487,677	409,093	340,124	363,509
799,324	1,028,445	737,865	718,435	751,017
1,529,226	1,347,023	1,348,169	1,324,288	1,239,530
339,094	490,633	940,869	1,833,419	1,770,726
1,339,428	1,082,301	1,918,912	1,478,583	1,648,313
49,244,865	60,189,626	42,624,917	43,148,856	39,316,194
21,581,448	22,718,906	17,442,316	16,212,087	15,429,843
624,730	629,242	509,328	397,931	375,271
4,039,570	3,702,571	501,136	582,860	570,420
6,049,968	5,648,055	4,838,231	4,590,959	4,377,913
8,710,562	4,073,814	3,563,023	3,182,130	3,168,986
4,676,644	2,588,086	1,361,726	1,542,087	2,144,245
3,506,111	2,501,287	10,076,546	5,463,532	4,529,806
7,212,530	6,545,599	7,412,559	7,219,513	7,157,255
145,375	40,375	40,375	40,375	40,375
664,604	304,627	219,082	191,123	103,932
-	-	-	-	-
57,211,542	48,752,562	45,964,322	39,422,597	37,898,046
(7,966,677)	11,437,064	(3,339,405)	3,726,259	1,418,148
3,597,963	15,543,069	-	-	-
-	-	-	-	-
6,516,731	9,337,294	2,843,725	4,460,545	3,437,075
(6,516,731)	(9,337,294)	(3,826,348)	(5,553,383)	(4,398,237)
-	-	-	-	-
3,597,963	15,543,069	(982,623)	(1,092,838)	(961,162)
$ (4,368,714)	$ 26,980,133	$ (4,322,028)	$ 2,633,421	$ 456,986
1.64%	0.79%	0.64%	0.63%	0.41%

City of Shaker Heights, Ohio

Assessed Valuation and Estimated Actual Values of Taxable Property

Last Ten Years

	Real Property			Tangible Personal Property	
				Public Utility	
Tax Year/ Collection Year	Assessed Value Residential/ Agricultural	Assessed Value Commercial Industrial/PU	Estimated Actual Value	Assessed Value	Estimated Actual Value
2009/2010	$ 742,998,900	$ 72,785,870	$ 2,330,813,629	$ 9,657,800	$ 11,362,118
2008/2009	801,142,110	75,467,590	2,504,599,143	9,080,760	10,683,247
2007/2008	803,262,820	72,752,030	2,502,899,571	8,674,200	10,204,941
2006/2007	805,954,540	76,868,340	2,522,351,086	13,511,530	15,354,011
2005/2006	725,141,720	77,496,570	2,293,252,257	14,062,560	15,980,182
2004/2005	727,292,290	79,064,110	2,303,875,429	15,654,670	17,789,398
2003/2004	726,385,090	80,074,430	2,304,170,057	15,799,910	17,954,443
2002/2003	630,577,980	76,418,240	2,019,989,200	15,306,100	17,393,295
2001/2002	630,875,050	77,190,760	2,023,045,171	16,032,480	18,218,727
2000/2001	630,147,140	74,268,190	2,012,615,229	20,868,560	23,714,273

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. For collection year 2007 both types of general business tangible personal property were assessed at 12.5 percent. The percentage will be 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 ta 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.

(1) Tax rates are per $1,000 of assessed value

Source: Cuyahoga County Auditor

Tangible Personal Property					
General Business			Total		
Assessed Value	Estimated Actual Value	Total Direct Rate (1)	Assessed Value	Estimated Actual Value	Ratio
$ -	$ -	$ 9.90	$ 825,442,570	$ 2,342,175,746	35.24%
3,788,537	30,308,296	9.90	889,478,997	2,545,590,686	34.94%
6,129,221	49,033,768	9.90	890,818,271	2,562,138,281	34.77%
8,478,082	45,216,437	9.90	904,812,492	2,582,921,534	35.03%
9,956,280	39,825,120	9.90	826,657,130	2,349,057,559	35.19%
10,246,645	48,793,548	9.90	832,257,715	2,370,458,374	35.11%
13,064,821	59,385,550	9.90	835,324,251	2,381,510,050	35.08%
16,864,140	73,322,348	9.90	739,166,460	2,110,704,843	35.02%
14,106,723	58,778,013	9.90	738,205,013	2,100,041,911	35.15%
12,360,677	49,442,708	9.90	737,644,567	2,085,772,209	35.37%

City of Shaker Heights, Ohio

Property Tax Rates - Direct and Overlapping Governments
(Per $1,000 of Assessed Valuation)
Last Ten Years

	2009	2008	2007	2006	2005
Unvoted Millage					
Operating	$ 3.80	$ 3.80	$ 3.80	$ 3.80	$ 3.80
Fire Pension	0.30	0.30	0.30	0.30	0.30
Police Pension	0.30	0.30	0.30	0.30	0.30
Total Unvoted Millage	4.40	4.40	4.40	4.40	4.40
Charter Millage					
1948 Charter/Current Expense	2.50	2.50	2.50	2.50	2.50
1966 Charter/Current expense	3.00	3.00	3.00	3.00	3.00
Total Charter Millage	5.50	5.50	5.50	5.50	5.50
Total Millage	$ 9.90	$ 9.90	$ 9.90	$ 9.90	$ 9.90
Overlapping Rates by Taxing District					
Shaker Heights City School District Voted Millage					
Effective Millage Rates					
Residential/Agricultural Real	$ 76.10	$ 71.00	$ 70.47	$ 70.36	$ 67.34
Commercial/Industrial and Public Utility	100.74	98.68	96.61	95.58	90.65
Tangible/Public Utility Personal	170.60	170.60	170.30	170.30	160.50
Cuyahoga County Voted Millage	18.10	18.10	18.20	18.30	18.30
Effective Millage Rates					
Residential/Agricultural Real	17.69	16.82	16.03	16.02	15.27
Commercial/Industrial and Public Utility	17.26	17.21	16.83	17.13	16.50
Tangible/Public Utility Personal	18.10	18.10	18.20	18.30	18.30
Shaker Heights Public Library Voted Millage	4.00	4.00	4.00	4.00	4.00
Effective Millage Rates					
Residential/Agricultural Real	4.00	4.00	3.18	3.52	3.52
Commercial/Industrial and Public Utility	4.00	4.00	3.83	4.00	4.00
Tangible/Public Utility Personal	4.00	4.00	4.00	4.00	4.00

Source: Cuyahoga 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.

2004	2003	2002	2001	2000
$ 3.80	$ 3.80	$ 3.80	$ 3.80	$ 3.80
0.30	0.30	0.30	0.30	0.30
0.30	0.30	0.30	0.30	0.30
4.40	4.40	4.40	4.40	4.40
2.50	2.50	2.50	2.50	2.50
3.00	3.00	3.00	3.00	3.00
5.50	5.50	5.50	5.50	5.50
$ 9.90	$ 9.90	$ 9.90	$ 9.90	$ 9.90
$ 65.93	$ 65.08	$ 64.90	$ 65.33	$ 65.30
86.12	85.87	79.58	78.12	78.12
159.20	158.90	150.00	150.50	150.50
18.00	16.20	16.20	16.20	15.30
14.61	13.74	12.66	12.68	12.84
16.05	14.22	13.34	13.25	13.88
18.00	16.20	16.20	16.20	15.30
4.00	4.00	4.00	4.00	4.00
3.48	4.00	3.29	3.29	3.72
3.87	4.00	3.26	3.33	3.90
4.00	4.00	4.00	4.00	4.00

City of Shaker Heights, 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
2009	$ 9,491,217	$ 8,898,903	93.76%	$ 373,629	$ 9,272,532
2008	9,283,993	8,788,652	94.66%	361,039	9,149,691
2007	9,276,821	8,714,549	93.94%	450,287	9,164,836
2006	8,376,278	7,925,497	94.62%	418,990	8,344,487
2005	8,309,695	7,824,579	94.16%	463,075	8,287,654
2004	8,139,415	7,758,017	95.31%	370,672	8,128,689
2003	7,167,586	6,776,892	94.55%	337,096	7,113,988
2002	7,162,530	6,774,784	94.59%	356,670	7,131,454
2001	7,178,496	6,827,641	95.11%	263,535	7,091,176
2000	6,377,232	6,106,668	95.76%	268,430	6,375,098

Source: Cuyahoga 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.

Percent of Total Tax Collections To Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Total Tax Levy
97.70%	$ 842,165	8.87%
98.55%	433,822	4.67%
98.79%	657,326	7.09%
99.62%	561,799	6.71%
99.73%	622,308	7.49%
99.87%	644,490	7.92%
99.25%	652,146	9.10%
99.57%	542,690	7.58%
98.78%	492,465	6.86%
99.97%	371,021	5.82%

City of Shaker Heights, Ohio

Principal Taxpayers - Real Estate Tax

2009 and 2000

	2009	
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
The Cleveland Electric Illuminating Company	$ 7,525,590	0.92%
EIG Shaker Towne Center	4,369,380	0.54%
Tower East Operating Assoc.	4,195,710	0.51%
University Hospitals	3,185,810	0.39%
Deborah Salzberg Tr.	2,959,460	0.36%
Oliver Family LTD	2,296,110	0.28%
Shaker Plaza LTD	1,504,760	0.18%
East Ohio Gas Company	1,493,660	0.18%
Heartpoint Dev. Co. LLC	1,463,400	0.18%
Cleveland Skating Club	1,383,630	0.17%
Total	$ 30,377,510	3.72%
Total Assessed Valuation	$ 815,784,770	

	2000	
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
The Cleveland Electric Illuminating Company	$ 7,043,620	1.00%
Ohio Bell Telephone Company	6,472,880	0.92%
East Rnd School Assn.	5,832,820	0.83%
Tower Esat Operating	4,278,930	0.61%
University School	3,888,050	0.55%
Shaker Town Centre E&A	3,675,000	0.52%
Community Links Limited Partnership	2,964,540	0.42%
Somerset Point LTD Partnership	2,496,380	0.35%
OfficeMax Incorporated	2,186,170	0.31%
Deborah Salzberg, Tr.	1,876,280	0.27%
Total	$ 40,714,670	5.78%
Total Assessed Valuation	$ 704,415,330	

Source: Cuyahoga County Auditor

(1) The amounts presented represent the assessed values upon which 2010 and 2000 collections were based.

City of Shaker Heights, Ohio

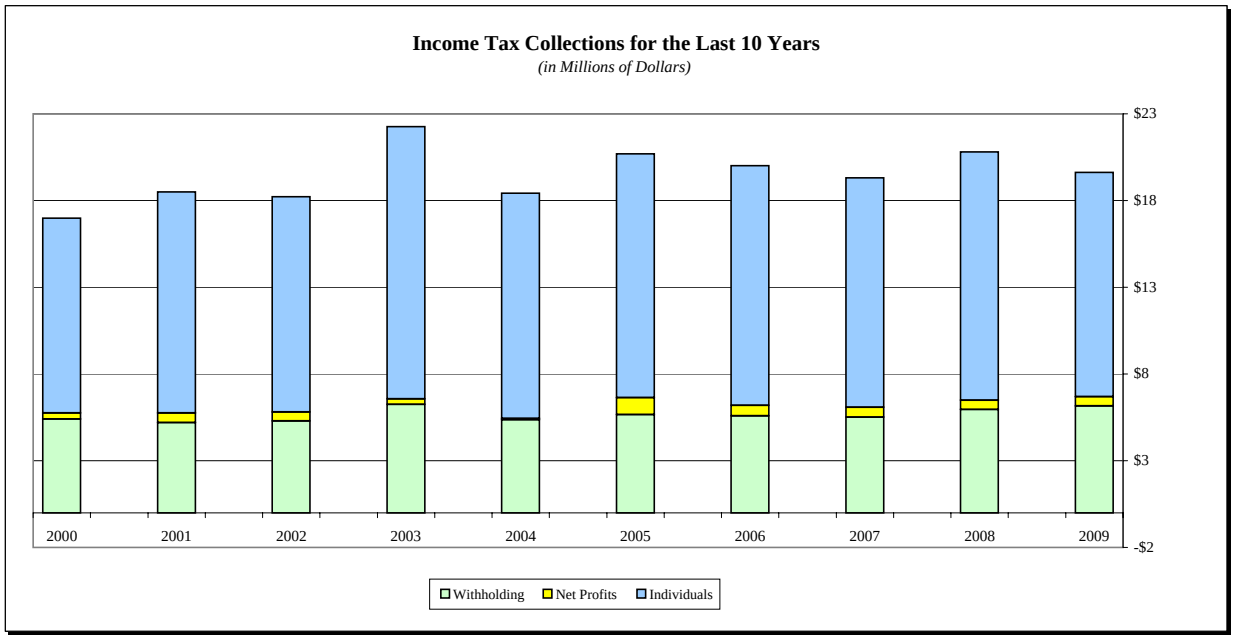
Income Tax Revenue Base and Collections
Last Ten Years

Tax Year (1)	Tax Rate (2)	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes From Individuals	Percentage of Taxes from Individuals
2009	1.75%	$ 19,632,577	$ 6,158,182	31.37%	$ 536,548	2.73%	$ 12,937,847	65.90%
2008	1.75%	20,809,784	5,949,834	28.59%	541,495	2.60%	14,318,455	68.81%
2007	1.75%	19,706,989	5,507,718	27.95%	568,723	2.89%	13,233,471	67.15%
2006	1.75%	19,988,510	5,580,143	27.92%	610,508	3.05%	13,821,363	69.15%
2005	1.75%	20,713,751	5,655,308	27.30%	976,929	4.72%	14,061,219	67.88%
2004	1.75%	18,783,048	5,353,559	28.50%	76,721	0.41%	12,993,713	69.18%
2003	1.75%	22,649,166	6,253,899	27.61%	300,104	1.33%	15,711,901	69.37%
2002	1.75%	18,648,908	5,293,177	28.38%	506,343	2.72%	12,415,761	66.58%
2001	1.75%	18,927,461	5,201,142	27.48%	556,797	2.94%	12,739,568	67.31%
2000	1.75%	17,264,797	5,405,606	31.31%	348,985	2.02%	11,236,797	65.09%

(1) 2002 through 2009 are on a Cash Basis and 2000 through 2001 are on a Modified Accrual Basis

(2) Effective April 1, 1981 .

Note: The City is prohibited by statute from presenting information regarding individual taxpayers.

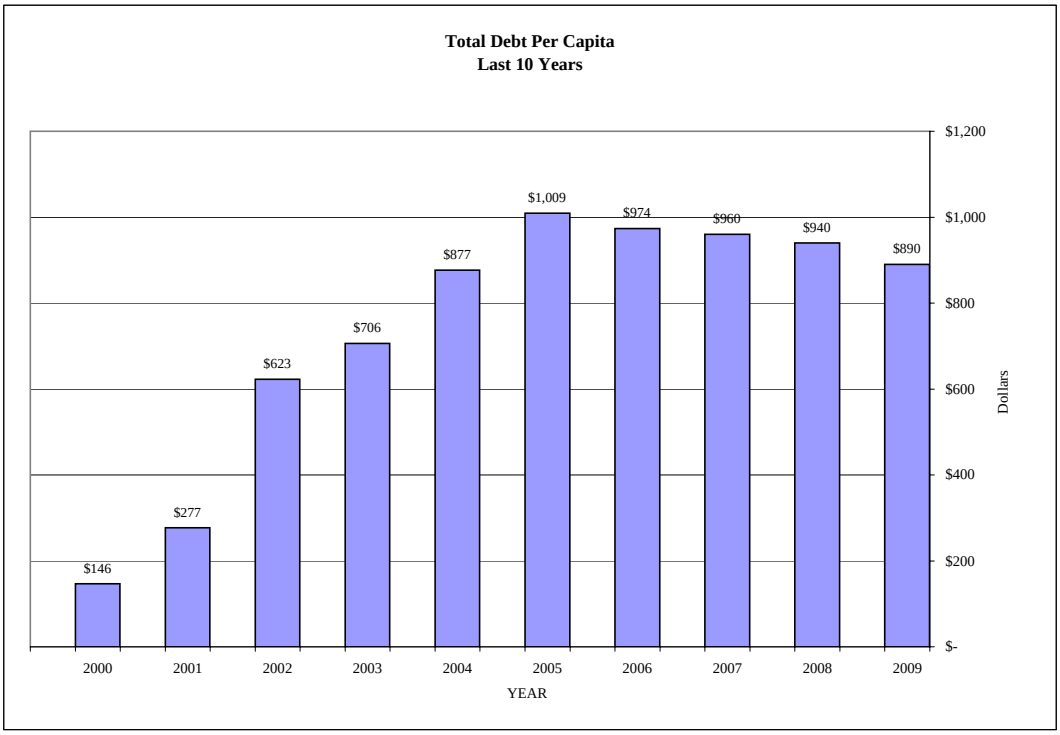


City of Shaker Heights, Ohio

Ratio of Outstanding Debt to
Total Personal Income and Debt Per Capita
Last Ten Years

	Governmental Activities							
Year	General Obligation Bonds	Urban Renewal Temporary Bonds	Bond Anticipation Notes	OPWC Loans	Taxable Special Obligation Housing Notes	Total Debt	Percentage of Personal Income	Per Capita
2009	$ 18,895,000	$ -	$ 865,000	$ 5,675,050	$ 750,000	$ 26,185,050	2.15%	$ 890
2008	14,585,000	6,845,000	1,315,000	3,903,479	1,000,000	27,648,479	2.27	940
2007	14,855,000	6,845,000	1,765,000	4,026,050	750,000	28,241,050	2.32	960
2006	15,020,000	6,845,000	2,250,000	4,271,192	250,000	28,636,192	2.35	974
2005	15,155,000	6,845,000	3,365,000	4,306,928	-	29,671,928	2.44	1,009
2004	15,265,000	2,215,000	4,280,000	4,021,900	-	25,781,900	2.12	877
2003	15,370,000	2,215,000	2,710,000	464,312	-	20,759,312	1.71	706
2002	-	12,825,000	4,975,000	504,687	-	18,304,687	1.51	623
2001	-	3,825,000	3,775,000	545,062	-	8,145,062	0.67	277
2000	-	-	3,935,000	585,437	-	4,520,437	0.45	146

Note: Population and Personal Income data are presented on page S28.



City of Shaker Heights, Ohio

Ratio of General Obligation Bonded Debt to Assessed Value and Bonded Debt Per Capita
Last Ten Years

Year	Population (1)		Assessed 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	29,405	b	$ 825,442,570	$ 19,760,000	2.39%	$ 672
2008	29,405	b	889,478,997	22,745,000	2.56%	774
2007	29,405	b	890,818,271	23,465,000	2.63%	798
2006	29,405	b	904,812,492	24,115,000	2.67%	820
2005	29,405	b	826,657,130	25,365,000	3.07%	863
2004	29,405	b	832,257,715	21,298,983	2.56%	724
2003	29,405	b	835,324,251	19,969,029	2.39%	679
2002	29,405	b	739,166,460	17,475,566	2.36%	594
2001	29,405	b	738,205,013	7,281,125	0.99%	248
2000	30,867	a	737,644,567	3,628,946	0.49%	118

Sources:

(1) U. S. Bureau of Census, Census of Population.
(a) 1990 Federal Census
(b) 2000 Federal Census

(2) Cuyahoga County Auditor

(3) Includes all general obligation bonded debt with the exception of Special Assessment debt.

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City of Shaker Heights, 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			
City of Shaker Heights General Obligation Bonds & Anticipation Notes	$19,760,000	100.00%	$19,760,000
Total Direct Debt	19,760,000		19,760,000
Overlapping			
Shaker Heights City School District			
General Obligation Bonds	25,565,575	94.57%	24,177,364
Notes Payable	600,000	94.57%	567,420
Cuyahoga County			
General Obligation Bonds	336,472,572	2.79%	9,387,585
Regional Transit Authority	163,025,000	2.79%	4,548,398
Total Overlapping Debt	525,663,147		38,680,767
Total	$545,423,147		$58,440,767

Source: Cuyahoga County Auditor and Shaker Heights City School District

(1) Percentages were determined by dividing each overlapping subdivision's assessed valuation within the City by its total assessed valuation.

City of Shaker Heights, Ohio

Legal Debt Margin

Last Ten Years

	2009	2008	2007	2006
Total Assessed Property Value	$ 825,442,570	$ 889,478,997	$ 890,818,271	$ 904,812,492
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	$ 86,671,470	$ 93,395,295	$ 93,535,918	$ 95,005,312
Debt Outstanding:				
General Obligation Bonds	18,895,000	14,585,000	14,855,000	15,020,000
Bond Anticipation Notes	865,000	8,160,000	8,610,000	9,095,000
OPWC Loans	5,675,050	3,903,479	4,026,050	4,271,192
Total Gross Indebtedness	25,435,050	26,648,479	27,491,050	28,386,192
Less:				
Bond Anticipation Notes	-	-	-	-
OPWC Loans	(5,675,050)	(3,903,479)	(4,026,050)	(4,271,192)
TIF Urban Renewal Bonds	(4,600,000)	(6,845,000)	(6,845,000)	(6,845,000)
Permanent Urban Renewal Bonds	(14,295,000)	(14,585,000)	(14,855,000)	(15,020,000)
Debt Service Fund Balance	(209,581)	(178,239)	(53,177)	(325,715)
Total Net Debt Applicable to Debt Limit	655,419	1,136,761	1,711,823	1,924,285
Legal Debt Margin Within 10 ½ % Limitations	$ 86,016,051	$ 92,258,534	$ 91,824,095	$ 93,081,027
Legal Debt Margin as a Percentage of the Debt Limit	99.24%	98.78%	98.17%	97.97%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	$ 45,399,341	$ 48,921,345	$ 48,995,005	$ 49,764,687
Total Gross Indebtedness	25,435,050	26,648,479	27,491,050	28,386,192
Less:				
Bond Anticipation Notes	-	-	-	-
OPWC Loans	(5,675,050)	(3,903,479)	(4,026,050)	(4,271,192)
TIF Urban Renewal Bonds	(4,600,000)	(6,845,000)	(6,845,000)	(6,845,000)
Permanent Urban Renewal Bonds	(14,295,000)	(14,585,000)	(14,855,000)	(15,020,000)
Debt Service Fund Balance	(209,581)	(178,239)	(53,177)	(325,715)
Net Debt Within 5 ½ % Limitations	655,419	1,136,761	1,711,823	1,924,285
Unvoted Legal Debt Margin Within 5 ½ % Limitations	$ 44,743,922	$ 47,784,584	$ 47,283,182	$ 47,840,402
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	98.56%	97.68%	96.51%	96.13%

Source: City Financial Records

2005	2004	2003	2002	2001	2000
$ 826,657,130	$ 832,257,715	$ 835,324,251	$ 739,166,460	$ 738,205,013	$ 737,644,567
$ 86,798,999	$ 87,387,060	$ 87,709,046	$ 77,612,478	$ 77,511,526	$ 77,452,680
15,155,000	15,265,000	15,370,000	17,800,000	-	-
10,210,000	6,495,000	4,925,000	-	7,600,000	3,935,000
4,306,928	4,021,900	464,312	504,687	545,062	585,437
29,671,928	25,781,900	20,759,312	18,304,687	8,145,062	4,520,437
-	-	-	-	(6,380,000)	(3,935,000)
(4,306,928)	(4,021,900)	(464,312)	(504,687)	(545,062)	(585,437)
(6,845,000)	(2,215,000)	(2,215,000)	(12,825,000)	-	-
(15,155,000)	(15,265,000)	(15,370,000)	-	-	-
(642,972)	(461,017)	(325,971)	(324,434)	(318,875)	(306,054)
2,722,028	3,818,983	2,384,029	4,650,566	901,125	(306,054)
$ 84,076,971	$ 83,568,077	$ 85,325,017	$ 72,961,912	$ 76,610,401	$ 77,758,734
96.86%	95.63%	97.28%	94.01%	98.84%	100.40%
$ 45,466,142	$ 45,774,174	$ 45,942,834	$ 40,654,155	$ 40,601,276	$ 40,570,451
29,671,928	25,781,900	20,759,312	18,304,687	8,145,062	4,520,437
-	-	-	-	(6,380,000)	(3,935,000)
(4,306,928)	(4,021,900)	(464,312)	(504,687)	(545,062)	(585,437)
(6,845,000)	(2,215,000)	(2,215,000)	(12,825,000)	-	-
(15,155,000)	(15,265,000)	(15,370,000)	-	-	-
(642,972)	(461,017)	(325,971)	(324,434)	(318,875)	(306,054)
2,722,028	3,818,983	2,384,029	4,650,566	901,125	(306,054)
$ 42,744,114	$ 41,955,191	$ 43,558,805	$ 36,003,589	$ 39,700,151	$ 40,876,505
94.01%	91.66%	94.81%	88.56%	97.78%	100.75%

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City of Shaker Heights, Ohio

Principal Employers

2009

Employer	Nature of Business or Activity	Employees	Percentage of Total
Shaker Heights City School District	Government Entity	1,175	29%
University Hospital Health System	Non Profit Organization	1,103	27%
City of Shaker Heights	Government Entity	679	17%
Hathaway Brown School	Private School	425	10%
Laurel School	Private School	272	7%
University School (Shaker Heights Campus)	Private School	223	5%
Center for Dialysis Care	Medical Facility	151	4%
Equity Rngineering Group	Engineering	66	2%
Total		4,094	100%
Total Employment within the City of Shaker Heights, Ohio		n/a	

Source: Regional Income Tax Agency (RITA)

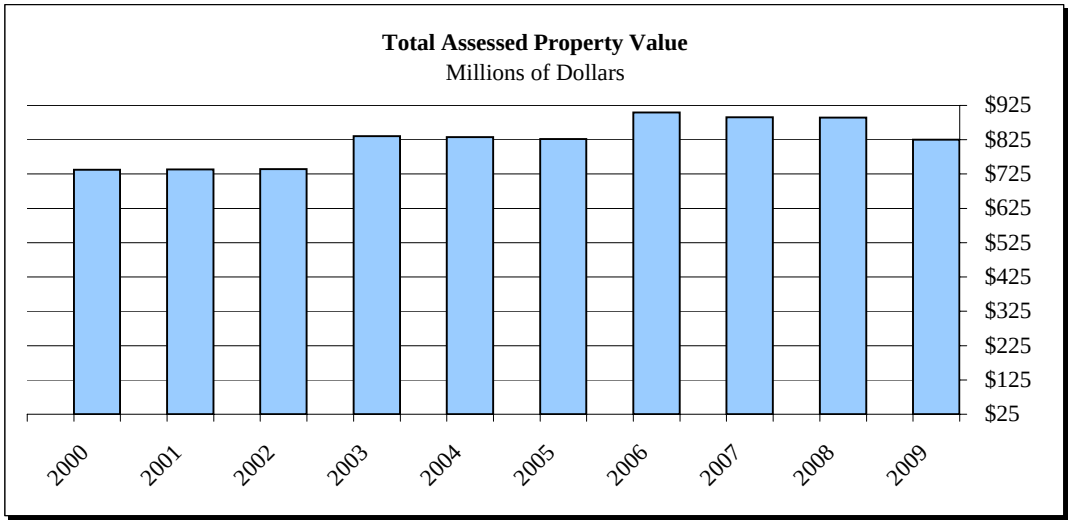
n/a - Information not available

City of Shaker Heights, Ohio

Demographic and Economic Statistics
Last Ten Years

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)	Educational Attainment: Bachelor's Degree or Higher (1)
2009	29,405	$ 1,216,014,370	$ 41,354	$ 85,983	39.6	21.88%
2008	29,405	1,216,014,370	41,354	85,893	39.6	21.88%
2007	29,405	1,216,014,370	41,354	85,893	39.6	21.88%
2006	29,405	1,216,014,370	41,354	85,893	39.6	21.88%
2005	29,405	1,216,014,370	41,354	85,893	39.6	21.88%
2004	29,405	1,216,014,370	41,354	85,893	39.6	21.88%
2003	29,405	1,216,014,370	41,354	85,893	39.6	21.88%
2002	29,405	1,216,014,370	41,354	85,893	39.6	21.88%
2001	29,405	1,216,014,370	41,354	85,893	39.6	21.88%
2000	30,867	1,009,597,836	32,708	65,913	37.8	21.09%

(1) Source: U. S. Census
(a) Years 2001 through 2009 - 2000 Federal Census
(b) Year 2000 - 1990 Federal Census
(2) Source: Ohio Department of Education Website: "**http://www.ode.state.oh.us/data/**"
(3) Source: County Planning Commission
(4) Source: County Auditor
(5) Computation of per capita personal income multiplied by population



School Enrollment (2)	Cuyahoga County Unemployment Rate (3)	Average Sales Price of Residential Property (4)	Total Assessed Property Value (4)
5,469	9.20%	$ 211,955	$ 825,442,570
5,482	6.80%	262,941	889,478,997
5,577	6.10%	262,941	890,818,271
5,628	5.60%	256,128	904,812,492
5,734	5.90%	272,875	826,657,130
5,623	6.60%	258,529	832,257,715
5,608	6.70%	257,319	835,324,251
5,619	4.60%	276,404	739,166,460
5,625	4.50%	229,119	738,205,013
5,714	4.50%	230,000	737,644,567

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City of Shaker Heights, Ohio

Full-Time Equivalent City Government Employees by Function/Program

Last Five Years (1)

Function/Program	2009	2008	2007	2006	2005
General Government					
Council	3.5	3.5	3.0	3.5	3.5
Finance	7.5	9.5	6.0	8.0	9.5
Mayor	2.0	2.0	2.0	2.0	2.0
Law	4.5	6.5	6.5	5.5	4.5
Chief Administrative Officer	2.0	2.0	2.0	2.0	2.0
Service Administration - Public Works	11.0	13.0	12.0	12.5	12.0
Municipal Court	44.0	43.0	41.5	42.5	42.0
Human Resources	4.5	5.5	5.5	5.5	5.5
Information Technology	2.0	3.0	3.0	2.0	2.5
Security of Persons and Property:					
Police	65.0	71.0	68.0	72.0	68.5
Police - Crossing Guards	11.5	11.0	10.5	11.0	11.5
Police - Dispatch/Records/Watch Officer	16.5	15.0	14.0	11.5	11.5
Police - Jailers	3.0	4.5	4.5	3.5	4.0
Police - Administrative	11.0	14.5	14.5	14.0	14.5
Police - HIDTA	12.0	11.0	12.0	9.0	6.0
Fire	58.0	67.0	67.0	66.0	65.0
Fire - Other	2.5	4.0	4.5	4.0	4.0
Security of Persons/Property - Other	1.0	0.0	0.0	0.0	1.0
Public Health Services	19.5	10.0	11.0	9.5	8.0
Leisure Time Activities:					
Recreation	59.5	63.0	71.0	84.5	77.0
Park and Public Land Maintenance	9.0	13.0	14.5	14.5	21.0
Community Development:					
Building	5.0	5.0	6.0	6.5	6.5
Housing	10.0	9.0	9.0	9.0	9.0
Planning	9.5	11.5	12.5	12.0	10.5
Community Development - Other*	22.5	28.0	26.5	34.5	34.5
Street Maintenance and Repair	11.0	12.0	5.0	6.0	7.0
Sanitation and Sewer Services:					
Refuse and Brush Collection	23.0	26.0	25.5	27.5	22.5
Sewer Maintenance	8.0	7.5	6.5	6.0	5.0
Public Works - Other:	20.0	22.0	24.0	26.0	25.5
Totals:	458.5	493.0	488.0	510.5	496.0

Source: Finance Department

Method: Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee at year end.

(1) Information prior to 2002 is not available

* Includes Community Life, Neighborhood Revitalization, Shaker Life Magazine, Communications and Outreach, Leaf Removal and Recycling.

City of Shaker Heights, Ohio

Operating Indicators by Function/Program

Last Five Years (1)

Function/Program	2009	2008	2007	2006	2005
General Government					
Council and Clerk					
Number of Ordinances Passed	135	115	132	143	148
Number of Resolutions Passed	13	16	10	9	20
Number of Planning Commission docket items	15	8	11	17	24
Zoning Board of Appeals docket items	21	21	20	18	29
Finance Department					
Number of checks/vouchers issued	7,281	7,293	7,197	6,948	8,063
Amount of checks written	$ 29,286,008	$ 32,229,682	$ 41,908,141	$ 41,092,604	$ 33,691,141
Interest earnings for fiscal year (cash basis)	$ 261,123	$ 918,229	$ 2,279,750	$ 1,602,151	$ 949,769
Number of Receipts issued	10,662	11,995	1,748	1,801	1,822
Number of Journal Entries issued	1,230	1,102	322	224	388
Agency Ratings - Standard & Poors	Aa1	Aa1	Aa1	Aa1	Aa1
General Fund Receipts (cash basis)	$ 42,276,620	$ 38,875,699	$ 39,696,013	$ 39,052,454	$ 38,596,321
General Fund Expenditures (cash basis)	$ 43,085,953	$ 39,073,922	$ 40,622,949	$ 37,666,848	$ 35,019,392
General Fund Cash Balances	$ 7,809,636	$ 8,293,218	$ 9,400,503	$ 9,903,006	$ 9,421,518
Municipal Court					
Number of Civil Cases	2,005	2,443	1,463	2,200	2,040
Number of Criminal cases	11,802	10,477	12,242	12,248	11,908
Vital Statistics					
Certificates Filed	71	99	137	178	220
Number of Births	0	0	0	0	1
Number of Deaths	71	99	137	178	219
Certificates Issued	470	448	448	537	619
Number of Births	3	1	1	6	3
Number of Deaths	467	447	447	531	616
Burial Permits Issued	185	262	262	409	465
Civil Service					
Number of police entry tests administered	0	1	1	0	1
Number of fire entry tests administered	0	1	1	0	0
Number of police promotional tests administered	0	0	0	1	0
Number of fire promotional tests administered	0	0	0	0	1
Number of hires of Police Officers from certified lists	0	3	3	4	0
Number of hires of Fire/Medics from certified lists	0	1	1	2	3
Number of promotions from police certified lists	0	1	1	1	0
Number of promotions from fire certified lists	0	1	1	2	0

City of Shaker Heights, Ohio

Operating Indicators by Function/Program (continued)

Last Five Years (1)

Function/Program	2009	2008	2007	2006	2005
Security of Persons & Property					
Police					
Total Calls for Services	32,255	33,303	33,303	38,992	38,878
Number of traffic citations issued	10,804	10,923	10,923	11,114	11,582
Number of parking citations issued	3,438	4,349	4,349	5,709	6,273
Number of criminal arrests	1,687	896	896	1,698	1,781
Part 1 Offenses (major offenses)	596	807	807	754	707
Police Dept. Auxiliary hours worked	N/A	N/A	N/A	N/A	N/A
DUI Arrests	433	94	94	136	107
Prisoners	1,340	1,254	1,254	1,218	1,282
Motor Vehicle Accidents	739	958	958	1,019	907
Property damage accidents	641	(879)	(879)	(946)	(813)
Community Diversion Program Youths	59	35	35	69	97
Community Diversion Program - community service hours	187	170	170	120	139
Fire					
EMS Calls	2,403	2,369	2,369	2,186	2,188
Ambulance Billing Collections (net)	$ 574,525	$ 466,505	$ 466,505	$ 455,783	$ 449,910
Fire Calls	71	93	93	39	36
Fires with Loss	38	32	32	35	41
Fires with Losses exceeding $10K	8	10	10	10	7
Fire Losses $	$ 244,235	$ 1,289,500	$ 1,289,500	$ 651,390	$ 1,203,865
Fire Safety Inspections	2,560	2,645	2,645	2,672	2,903
Number of times Mutual Aid given to Fire and EMS	45	41	41	31	45
Number of times Mutual Aid received for Fire and EMS	58	87	87	79	63
Leisure Time Activities					
Recreation					
Recreation Swimming pool receipts	$ 223,917	$ 223,067	$ 223,067	$ 172,873	$ 179,937
Recreation Mens & Womens Leagues receipts	2,800	3,400	3,400	4,200	3,800
Recreation Children's Leagues receipts	22,879	27,742	27,742	26,653	23,444
Senior Van Fees (2)	795	1,583	1,583	1,370	5,119
Facilities rentals	145,394	150,354	150,354	150,831	144,220
Total Recreation Department receipts	$ 395,785	$ 406,146	$ 406,146	$ 355,927	$ 356,520

Source: City Records

City of Shaker Heights, Ohio

Capital Assets Statistics by Function/Program

Last Ten Years

Function/Program	2009	2008	2007	2006
General Government				
Square Footage of City Hall	40,000	40,000	40,000	40,000
Administrative Vehicles	1	1	1	1
Inspection Vehicles	12	12	12	12
Municipal Court Vehicles	0	0	0	0
Police				
Stations	1	1	1	1
Square Footage of Building	29,425	29,425	29,425	29,425
Vehicles	n/a	n/a	n/a	n/a
Fire				
Stations	2	2	2	2
Square Footage of Building #1	21,000	21,000	21,000	21,000
Square Footage of Building #2	15,000	15,000	15,000	15,000
Vehicles	17	17	17	17
Recreation				
Number of Parks	4	4	4	4
Number of Pools	1	1	1	1
Number of Ice Rinks	1	1	1	1
Number of Tennis Courts	10	10	10	10
Number of Skateboarding Areas	1	1	1	0
Number of Baseball Diamonds	5	5	5	5
Number of Playgrounds	5	5	5	5
Number of Soccer Fields	3	3	3	3
Vehicles	6	6	6	6

2005	2004	2003	2002	2001	2000
40,000	40,000	40,000	40,000	40,000	40,000
1	1	1	1	1	1
13	13	13	13	13	13
0	0	0	0	0	0
1	1	1	1	1	1
29,425	29,425	29,425	29,425	29,425	29,425
n/a	n/a	n/a	n/a	n/a	n/a
2	2	2	2	2	2
21,000	21,000	9,800	9,800	9,800	9,800
15,000	15,000	15,000	15,000	15,000	15,000
17	17	17	17	17	17
4	4	4	4	4	4
1	1	1	1	1	1
1	1	1	1	1	1
10	10	10	10	10	10
0	0	0	0	0	0
5	5	5	5	5	5
5	5	5	5	5	5
3	3	3	3	3	3
8	8	8	8	8	6

City of Shaker Heights, Ohio

Single Audit Reports
For the Year Ended December 31, 2009

City of Shaker Heights, Ohio

For The Year Ended December 31, 2009

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Ciuni & Panichi
CPAs and Business Advisors

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*

Members of the City Council
City of Shaker Heights, Ohio

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Shaker Heights, Ohio (the "City") as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 28, 2010, wherein we noted that the City adopted *GASB Statement Nos. 52, 55, and 56*. 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'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's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City'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 City'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.

C&P Advisors, LLC
Ciuni & Panichi, Inc.
Joel Strom Associates LLC
C&P Wealth Management, LLC

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Cleveland, Ohio 44122.5683
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Members of the City Council
City of Shaker Heights, Ohio

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as item 2009-1.

We noted certain matters that we have reported to management of the City in a separate letter dated June 28, 2010.

The City's response to the findings identified in our audit is described in the accompanying schedule of findings. We did not audit the City's response, and accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, City Council, others within the entity, the Auditor of State's Office, 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.

Cuni & Paricki, Inc.

Cleveland, Ohio
June 28, 2010

Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133

Members of the City Council
City of Shaker Heights, Ohio

Compliance

We have audited the compliance of the City of Shaker Heights, Ohio (the "City") 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 each of its major federal programs for the year ended December 31, 2009. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City'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'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's compliance with those requirements.

In our opinion, the City 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 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'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'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, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended December 31, 2009 and have issued our report thereon dated June 28, 2010, which contained unqualified opinions on those financial statements, wherein we noted the City adopted *GASB Statement Nos. 52, 55*, and *56*. 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 the 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, City Council, others within the entity, the Auditor of State's Office, 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.

Cuni & Paricki, Inc.

Cleveland, Ohio
June 28, 2010

City of Shaker Heights, Ohio

Schedule of Expenditures of Federal Awards

For The Year Ended December 31, 2009

Federal Grantor/Pass-Through Grantor Program Title	Catalog of Federal Domestic Assistance No.	Pass-Through Grantor's Number	Federal Cash Receipts	Federal Cash Disbursements
U.S. Department of Justice:				
Bulletproof Vest Partnership Program	16.607	N/A	$ -	$ 2,475
Passed through the City of Cleveland:				
ARRA - Edward Byrne Memorial Justice Assistance Grant	16.804	N/A	100,000	-
Total U.S. Department of Justice			100,000	2,475
U.S. Department of Health and Human Services:				
Passed through the Ohio Department on Aging and the Western Reserve Area Agency on Aging:				
Special Programs for the Aging – Title III, Part B	93.044	N/A	42,821	42,821
Drug Free Community Grant	93.276	N/A	119,205	119,205
Passed through Cuyahoga County:				
Health Department Grants:				
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283	2008/09	28,900	21,079
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283	2009/10	-	16,360
Total passed through Cuyahoga County:			28,900	37,439
Total U.S. Department of Health and Human Services			190,926	199,465

The accompanying notes are an integral part of this schedule

City of Shaker Heights, Ohio

Schedule of Expenditures of Federal Awards (continued)

For The Year Ended December 31, 2009

Federal Grantor/Pass-Through Grantor Program Title	Catalog of Federal Domestic Assistance No.	Pass-Through Grantor's Number	Federal Cash Receipts	Federal Cash Disbursements
U.S. Department of Federal Highway Administration:				
Passed through the Ohio Department of Transportation:				
Highway Planning and Construction	20.205	N/A	1,940	1,940
Highway Planning and Construction	20.205	N/A	31,723	31,723
Total Passed through the Ohio Department of Transportation			33,663	33,663
Passed through the Northeast Ohio Areawide Coordinating Agency:				
Highway Planning and Construction	20.205	N/A	3,745	3,700
Total U.S. Department of Federal Highway Administration			37,408	37,363
U.S. Department of Housing and Urban Development:				
Fair Housing and Assistance Program – State and Local:	14.401	N/A	13,000	13,000

The accompanying notes are an integral part of this schedule

City of Shaker Heights, Ohio

Schedule of Expenditures of Federal Awards (continued)

For The Year Ended December 31, 2009

Federal Grantor/Pass-Through Grantor Program Title	Catalog of Federal Domestic Assistance No.	Pass-Through Grantor's Number	Federal Cash Receipts	Federal Cash Disbursements
Executive Office of the President – Office of National Drug Control Policy Direct Program:				
High Intensity Drug Trafficking Area – Ohio – 2004	N/A	N/A	22,782	22,782
High Intensity Drug Trafficking Area – Ohio – 2005	N/A	N/A	37,339	37,339
High Intensity Drug Trafficking Area – Ohio – 2006	N/A	N/A	44,120	250,787
High Intensity Drug Trafficking Area – Ohio – 2007	N/A	N/A	384,670	384,670
High Intensity Drug Trafficking Area – Ohio – 2008	N/A	N/A	2,177,870	1,722,679
High Intensity Drug Trafficking Area – Ohio – 2009	N/A	N/A	1,136,293	1,168,130
Total Executive Office of the President			3,803,074	3,586,387
Total Federal Assistance			$ 4,144,408	$ 3,838,690

The accompanying notes are an integral part of this schedule

City of Shaker Heights, Ohio

Notes to the Schedule of Expenditures of Federal Awards

For The Year Ended December 31, 2009

Note 1: Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Shaker Heights, Ohio, and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2: Matching Requirements

Certain federal programs require that the City contribute non-federal (matching) funds to support the federally funded programs. The City has complied with the matching requirements. The expenditure of non-federal matching funds is not included on the accompanying Schedule.

N/A – Not applicable

City of Shaker Heights, Ohio

Schedule of Findings
OMB Circular A-133, Section .505

December 31, 2009

1. Summary of Auditors' Results

(d)(I)(I)	Type of Financial Statement Opinion	Unqualified
(d)(I)(ii)	Were there any significant deficiencies reported at the financial statement level (GAGAS)?	No
(d)(I)(ii)	Were there any material weaknesses reported at the financial statement level (GAGAS)?	No
(d)(I)(iii)	Was there any material noncompliance reported at the financial statement level (GAGAS)?	Yes
(d)(I)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(I) (iv)	Were there any other significant control deficiencies reported for major federal programs?	No
(d)(I) (v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(I)(vi)	Are there any reportable findings under Section .510?	No
(d)(I)(vii)	Major Programs	High Intensity Drug Trafficking Area Grant
(d)(I)(viii)	Dollar Threshold: Type A/B Programs	Type A: >$300,000 Type B: All Others
(d)(I)(ix)	Low Risk Auditee?	No

2. Findings Related to the Financial Statements Required to be Reported in Accordance with GAGAS

2009-1 Material Noncompliance

Ohio Revised Code 5705.39 states that the total appropriation from each fund should not exceed the total estimated revenue. No appropriation measure is to become effective until the County Auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate.

At December 31, 2009, the following funds had original appropriations in excess of the original estimated resources plus carryover balances in violation of Section 5705.39, Ohio Revised Code:

	Original Certificate	Original Appropriations	Excess
Law Enforcement Grant Fund	$ 7,592	$ 8,291	$ (699)
High Intensity Drug Trafficking Area Grant Fund	4,514,743	7,584,309	(3,069,566)
Indigent Driver Interlock Fund	1,058	5,400	(4,342)
Central Services Operation Fund	731,108	860,002	(128,894)
Central Purchasing Fund	384,529	662,463	(277,934)

Officials' Response: The City has implemented new policies and procedures for controls over compliance with budgetary requirements, as supported by the fact that there were no budgetary violations at fiscal year end.

City of Shaker Heights, Ohio

Schedule of Prior Audit Findings
OMB Circular A-133, Section .315(b)

December 31, 2009

Finding No.	Finding Summary	Fully Corrected	Explanation
2008-1	Ohio Revised Code 5705.41(B) states that no subdivision or taxing unit is to expend money unless it has been appropriated. At December 31, 2008, the City had expenditures plus encumbrances in excess of final appropriations.	Yes	No noncompliance noted for 2009.
2008-2	Ohio Revised Code 5705.39 states that the total appropriation from each fund should not exceed the total estimated revenue. No appropriation measure is to become effective until the County Auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate.	No	The City has noncompliance again in 2009, however, only for the original estimated revenue vs. original appropriations.
2008-3	A restatement of the prior year capital asset and compensated absences balances was required.	Yes	There were no audit adjustments for 2009.

City of Shaker Heights

3400 Lee Road
Shaker Heights, Ohio 44120
(216) 491-1420

Response to Findings Associated with Audit Conducted in Accordance with *Government Auditing Standards* for the Year Ended December 31, 2009

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2009-1	The City will monitor the Certificate of Estimated Resources as compared to appropriations in all Funds which are legally required to be budgeted to Ensure compliance with the requirement.	12/31/09	Robert H. Baker, Finance Director

Mary Taylor, CPA
Auditor of State

CITY OF SHAKER HEIGHTS

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
AUGUST 17, 2010

88 E. Broad St. / Fourth Floor / Columbus, OH 43215-3506
Telephone: (614) 466-4514 (800) 282-0370 Fax: (614) 466-4490
www.auditor.state.oh.us

SHAKER HEIGHTS

Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2008
City of Shaker Heights, Ohio

Mary Taylor, CPA
Auditor of State

City Council
City of Shaker Heights
3400 Lee Road
Shaker Heights, Ohio 44120

We have reviewed the *Independent Auditors' Report* of the City of Shaker Heights, Cuyahoga County, prepared by Ciuni & Panichi, Inc., for the audit period January 1, 2008 through December 31, 2008. 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 Shaker Heights is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

October 21, 2009

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INTRODUCTORY SECTION

City of Shaker Heights, Ohio

Comprehensive Annual Financial Report
For the Year Ended December 31, 2008

Issued by: Finance Department
Robert H. Baker, Director of Finance

City of Shaker Heights, Ohio

Comprehensive Annual Financial Report
For The Year Ended December 31, 2008

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City of Shaker Heights, Ohio

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SHAKERHEIGHTS

September 9, 2009

Mayor Earl M. Leiken,
Members of City Council and
Citizens of the City of Shaker Heights, Ohio
Shaker Heights City Hall
3400 Lee Road
Shaker Heights, Ohio 44120

Re: **Submission of 2008 Comprehensive Annual Financial Report**

Dear Mayor Leiken, Members of Council, and Citizens of Shaker Heights:

We are pleased to submit for your review the City's 2008 Comprehensive Annual Financial Report. Commonly referred to as a "CAFR", this report is the City's official annual report for the fiscal year ended December 31, 2008. This CAFR is a more extensive report than the basic financial statements, and we believe that it demonstrates the City's ongoing commitment to be accountable not only to its citizenry but also to excellence in financial reporting. Ohio State law requires that the City of Shaker Heights annually publish a complete set of financial statements for the results of its fiscal operations, presented in conformity with generally accepted accounting principles (GAAP). The Finance Department is responsible for the accuracy of the data and the completeness and fairness of its presentation, including disclosures. We believe that the information presented is accurate in all material respects and reported in a manner designed to show the financial position and operating results of the City.

This CAFR consists of management's representations concerning the finances of the City of Shaker Heights. Consequently, the management of the City assumes full responsibility for the completeness and reliability of all of the information presented in this report. In order to provide a reasonable basis for making these representations, the management of the City has established a comprehensive internal control framework. This internal control system has been designed to both protect the City's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As the management of the City of Shaker Heights, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Shaker Heights' financial statements have been audited by Ciuni & Panichi, Inc., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Shaker Heights for the year ended December 31, 2008, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. Based upon the results of the audit, the independent auditor concluded that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the year ended December 31, 2008 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Shaker Heights was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City's separately issued Single Audit Report.

GAAP requires that city management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditor's report.

It is important to note that for the year ending December 31, 2008, in April, 2008, John M. Lehman resigned as Director of Finance, and Robert H. Baker was appointed Director of Finance.

Profile of the City of Shaker Heights, Ohio

The City of Shaker Heights, covering approximately 6.3 square miles and a population of 29,405, (2000 Census) is located approximately ten miles southeast of downtown Cleveland in Cuyahoga County in northeastern Ohio. Incorporated under Ohio law as a village in 1912, Shaker Heights became a city in 1931. As provided by Ohio law, the City operates under the auspices of its own charter, which was adopted by the voters in 1931. The Charter provides for the City to operate under the Mayor-Council form of government with the Mayor serving as the President of Council. The Mayor serves as the City's Chief Executive Officer and appoints, subject to confirmation by City Council, and removes the City's Chief Administrative Officer and appoints and removes all department heads. The City is empowered by state statute to levy a property tax on both real and personal properties located with its boundaries. It is also empowered to levy a tax on the income and net profits of all individuals and businesses earned within the boundaries of the City as well as the income of City residents, regardless of where earned.

Legislative authority is vested in a seven member Council. All council members are elected at-large and serve for four-year terms. Council terms are staggered with four members being elected in one election and three members being elected in the next election two years following. City Council holds its regular monthly council meeting on the fourth Monday of the month. In addition, the Council holds a work session meeting on the second Monday of the month. The various committees of council meet on at least a monthly basis at various times throughout the month. The Mayor appoints all Council committees. The Chief Administrative Officer serves as the Clerk of Council with the Director of Law and the Assistant Director of Law serving as the Clerk of Council Pro-Tem. The City department heads attend all regular council meetings and attend council work sessions whenever required.

Primarily considered to be a residential community, Shaker Heights is the nation's oldest completely planned community and is recognized in the National Register as the Shaker Village Historical District. Combining the "Garden City" movement with comprehensive planning, the City was initially planned and developed to include housing that was diverse in style and in price, large parcels of land for public and private schools and churches, lakes, parks and a golf course. The City is served by a rail transit system to downtown Cleveland. Originally City-owned and operated, the rail system is now owned and operated by the Greater Cleveland Regional Transit Authority.

The City provides a variety of City services to its citizens, including: Police and Fire Protection, Emergency Medical Service, Refuse Collection, Street Maintenance, Recreation, Municipal Court, Public Health, Community Planning and Development, Inspectional Services, Public Improvements and General Administrative Services. First Energy and the Dominion East Ohio Gas Company, both of which are independent, publicly owned

utilities regulated by the State of Ohio, provide the City's residents with electricity and natural gas. The City of Cleveland and the Northeast Ohio Regional Sewer District provide water and sewage service to the City's residents. In addition to fees paid to the Northeast Ohio Sewer District, City residents also pay a local surcharge based upon water consumption that is used by the City for the maintenance and replacement of the sewer lines within the City.

In addition to the basic services, the City continues to make available superior recreational facilities and programs to its residents. The Thornton Park city recreation center is situated on a 13-acre campus and its facilities include an indoor ice arena that provides year-round service, an Olympic size outdoor pool, tot pool, spray pad, sand volleyball courts, outdoor tennis courts, skate park, basketball court and walking trail. Phase I of the Horseshoe Lake Park Master Plan has been completed adding new trails, picnic pavilions, ADA accessible parking, and children's playground amenities to the park. A new multipurpose trail in the Shaker Boulevard median from Warrensville Center Road to the City of Beachwood border, connecting with Beachwood's own multipurpose trail has been built, and a new soccer field which is substantially complete is located on the Shaker Boulevard median near Warrensville Center Road.

In addition to these facilities, a comprehensive range of recreational programs is offered for children and adults. The City also maintains the Shaker Lakes, a 190-acre area that includes two lakes and a duck pond.

The City offers a high level of public service to its residents as exemplified by its back yard refuse collection program. Included in this program is the City's recycling sub-program which allows the co-mingling of glass, plastic and cans. In addition, the City also offers recycling of corrugated cardboard, magazines and other materials at its service center, as well as recycling of old computers and electronic equipment.

The annual operating and capital budgets serve as the basis for the City's financial planning and control. The City's Charter requires the Mayor, with the assistance of the Director of Finance, to submit a draft of the following year's proposed budget not less than forty-five days (November 16th) prior to the end of each fiscal year. The Chief Administrative Officer is responsible for preparing the budget based upon information submitted by each department director. Council is required to adopt either an annual budget for the ensuing year or temporary budget covering the first ninety days of the ensuing year, by no later than December 31st of the current year. If a temporary budget is adopted, a permanent budget must be adopted by no later than the ninetieth day of the budget year, normally March 31st. In recent years, Council has adopted an annual budget prior to December 31 of the preceding year, however, for 2009; the City adopted a temporary budget due to the economic uncertainty at the end of 2008.

The appropriated budget is prepared by fund and category (personal services and all other expenditures). The Mayor or Chief Administrative Officer may transfer appropriations between expenditure categories provided that the fund's total appropriation is not increased. Administratively, department heads may make transfer of appropriations within a department. Transfers between departments must be authorized by either the Mayor or Chief Administrative Officer. Council must authorize the transfer of moneys between funds. Operating budgets expire on December 31st. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented as part of the basic financial statements for the governmental funds. For governmental funds, other than the General Fund, with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report.

Economic Condition and Outlook

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Shaker Heights operates.

Local Economy - The City of Shaker Heights is an inner ring suburb of the City of Cleveland, Ohio. Primarily residential in nature, the City of Shaker Heights has a diverse base of residents working in many professions and industries. The City's economic strength is directly linked to this diversity and the strength of northeast Ohio's economy.

While downtown Cleveland is only twenty minutes by car from the heart of the City, the rapid transit, a light rail public transit system, provides even more accessibility to downtown Cleveland's business community, and attractions. The Greater Cleveland Regional Transit System has extended the original rapid transit rail line to serve not only downtown Cleveland and Cleveland Hopkins International Airport but also the Cleveland waterfront area including the recreational/entertainment area known as the "Flats", the Rock & Roll Hall of Fame and Museum, the Great Lakes Science Museum, Quicken Loans Arena (home of the NBA Cleveland Cavilers), Progressive Field (home of the MLB Cleveland Indians) and Cleveland Browns Stadium. Another contributor to the City's economic strength is its proximity to the University Circle area of Cleveland. University Circle is the home to major cultural, educational and medical facilities including Severance Hall, the home of the world-renown Cleveland Orchestra, the Cleveland Museum of Art, Case Western Reserve University, University Hospitals of Cleveland and the Cleveland Clinic, world-renowned for medical research, teaching and treatment facilities and the two largest employers in Cuyahoga County.

Educational institutions contribute significantly to the fabric of the community. Of the principal employers in 2008, three of the top five are schools; the Shaker Heights City School District, Hathaway Brown School and Laurel School.

In addition, the City of Shaker Heights residents place a noteworthy value in public education. Of the total millage in the City of Shaker Heights for all entities, approximately 84% supports the Shaker Heights City School District. From 2000 to 2008, City residents approved levies increasing the Shaker Heights City School District total millage by 13.15%.

All of these factors have contributed to the continuing economic strength of the community. According to the Cuyahoga County Auditor, the total real property assessed valuation for the 2008 tax year was $889,478,997. For the 1999 tax year the total real property assessed valuation was $652,672,550. This was an increase during the ten year period from 1999 to 2008 of 36.28%.

City income tax revenue grew 16.46% during the ten year period from 1999 to 2008. There was a 4.64% increase in income tax revenue in 2008 compared to 2007. This was primarily attributable to the relocation of the University Hospitals Health System administrative and corporate offices to the former Office Max headquarters building in the City that began during 2007 and was completed in 2008. The income tax revenue from University Hospitals employees nearly equals the income tax revenues paid by the former Office Max employees.

Major Initiatives

Long-Term Financial Planning – The City is continuing to implement redevelopment projects pursuant to its Strategic Development Plan. The City's portion of public infrastructure construction activities for two major projects, Sussex Court and Shaker Towne Centre, including the Avalon Station housing development, and the privately-owned retail shopping center was financed by the issuance in 2003 of $15.4 million in tax increment financing bonds. Beginning in 2001, the City each year issued Temporary Urban Renewal Bonds with one year maturities that funded additional costs of the Shaker Towne Center project. Beginning in 2005, the principal amount of these Temporary Urban Renewal Bonds was $6,845,000. In April 2009, $4,600,000 of these Temporary Urban Renewal Bonds were converted to long term debt and the balance was paid from other funds available to the City. Work has been completed on the Sussex Courts tax increment financing redevelopment project, with 100% occupancy of all 46 townhouse units. This project is located on the north and south sides of

Chagrin Boulevard, one of the City's main east/west thoroughfares. Construction has been completed for Phase 1 of the Avalon Station project, and sales are underway. Due to the problems in the housing market, approximately 50% of the units had been sold or leased by December 31, 2008, and sales are continuing. The debt issued for these projects will be retired using 75% of the additional revenue generated from the new property value created by the projects although all of the debt issued for these projects is a general obligation of the City in addition to being secured by the tax increment payments. It is currently forecast that during the Avalon Station sales period, and probably later, the City's General Capital Fund will be needed to support debt service on the outstanding bonds.

As part of its Strategic Investment Plan, the City acquired approximately 60% of the retail property located on the south side of Chagrin Boulevard in the Shaker Towne Centre shopping district. The City sold the property to Shaker Commons LLC, and they developed and began implementing a plan to renovate these retail and commercial properties. This redevelopment complements the redevelopment on the north side of the street, with the renovation of storefronts and interiors which is upgrading existing retail and commercial tenants and attracting new tenants.

The City also completed the reconstruction of Lee Road, a major north-south thoroughfare, from border to border. A TEA-21 Grant awarded to the City financed 80% of the cost of construction. As part of the project, the City replaced five sewer lines to avoid the need to disturb the newly resurfaced roadway in the future. The cost of these sewer line replacements was financed by revenue from the City's sewer user fee. The related streetscape project was also 50% grant funded.

The City has completed replacement of a mechanical traffic signalization system with a computer-coordinated system. The new system has improved traffic flow throughout the City and allowed the City's Police Department to monitor traffic flow throughout the City and make adjustments where needed from a central command center located in the police station. The system incorporates the traffic signalization requirements of the Greater Cleveland Regional Transit Authority's light rail system that runs through the City at street level.

In 2007 the City worked jointly with the Greater Cleveland Regional Transit Authority (GCRTA) to develop the transit oriented development plan for the RTA rapid transit station at Van Aken and Lee next to City Hall. A design consultant was selected in 2008 for GCRTA's rehabilitation of this station, including ADA improvements. Construction is slated for 2009.

The City employed a consultant and initiated a series of public meetings to create a redevelopment plan for the Warrensville – Van Aken – Chagrin – Northfield intersection. This project will include input from GCRTA, and ODOT, among others. The plan was completed and adopted in 2008. The goal is to transform this district into an exciting, urban, pedestrian-friendly district; design a safer and more efficient street layout; increase the visibility and use of the rapid transit line that terminates in the district; and redevelop the existing area with expanded retail, residential, and commercial properties.

The City has long been a leader in housing preservation, given its residential tax base and its desire to preserve the architectural beauty of its neighborhoods. In the context of the current mortgage and foreclosure crisis in the region, and the U.S. generally, the City's efforts in these areas have been refocused. The Housing Inspection Department encourages reinvestment in the City's housing stock through vigorous point-of-sale inspections and a point-of-sale escrow requirement. In 2008, the point-of-sale escrow program resulted in an additional $3.3 million of private investment in housing. The Housing Inspection Department also works to improve the quality of rental housing for safety and habitability by requiring an annual Certificate of Occupancy for each rental property as well as a complete interior and exterior inspection every three years. Owner-occupied single-family homes receive an exterior inspection every five years, which assists in maintaining and improving the quality of housing in the City.

Foreclosures and properties sold at Sheriff's sales are monitored regularly, and instances of suspected fraud are referred to the City's Police Department for investigation. The City's Vacant Property Ordinance mandates that vacant homes be secured and maintained, and each vacant property is checked monthly by a dedicated Housing Inspector to ensure that it is kept secure and maintained to community standards. Emergency nuisance abatement orders were issued on 36 properties in 2008 for items such as removal of boarded windows, replacement of broken windows, mold, holes in roofs, and demolition of four dwelling structures.

In 2008, the Neighborhood Revitalization Department assisted 180 property owners with housing improvement projects through technical assistance, housing financial assistance and landlord programs. The City leveraged $9.73 of private investment for every $1.00 the City spent through its housing assistance programs.

In 2008, the City conducted nuisance abatement work on 28 properties in an effort to maintain property values in the neighborhoods where these houses are located, representing approximately $491,000 of investment in these neighborhoods.

The City acquired 18 vacant and deteriorated properties for demolition; 12 have been demolished and six are scheduled for demolition. Seven of the properties have been attractively landscaped and five are being actively marketed to neighboring owners through the side yard program.

The Certified Shaker program for marketing quality rental properties continues to be a highly popular program. Of rental units, 27% are Certified, representing 64 rental home units and 31 apartment buildings. On average, Certified owners invest $800 to $2,000 in rental home units and $3,000 to $5,000 in apartment units. The City continues to see a healthy investment in apartment buildings including upgrades/improvements to achieve Certified Shaker status, landscaping, signage and even custom built elevators.

The City's Landlord Training program, which complements its Tenant Screening program and Certified Shaker program, continues to grow in popularity. The goal of the program is to make Shaker the first choice of potential two-family owner-occupant buyers, by distinguishing the City in the marketplace by the landlord support services offered. To date, 47 landlords have taken advantage of the program.

Awards and Acknowledgements

GFOA Certificate of Achievement Award: The City of Shaker Heights was awarded the Government Finance Officers Association of the United States and Canada (GFOA) Certificate of Achievement for Excellence in Financial Reporting (CAFR) for its comprehensive annual financial report for the fiscal years ended December 31, 1996 through 2004. Due to a significant transition of Finance Department personnel in 2006, application for the CAFR for the fiscal year ending December 31, 2005 was waived. For the fiscal years ended December 31, 2006 through 2007, the City was again awarded the Certificate of Achievement for Excellence in Financial Reporting for its comprehensive annual financial report.

A Certificate of Achievement is valid for a period of only one-year. We believe that the City's submission for the fiscal year ended December 31, 2008 continues to conform to the Certificate of Achievement program's requirements and, as such, it will be submitted to the GFOA for review, evaluation and consideration.

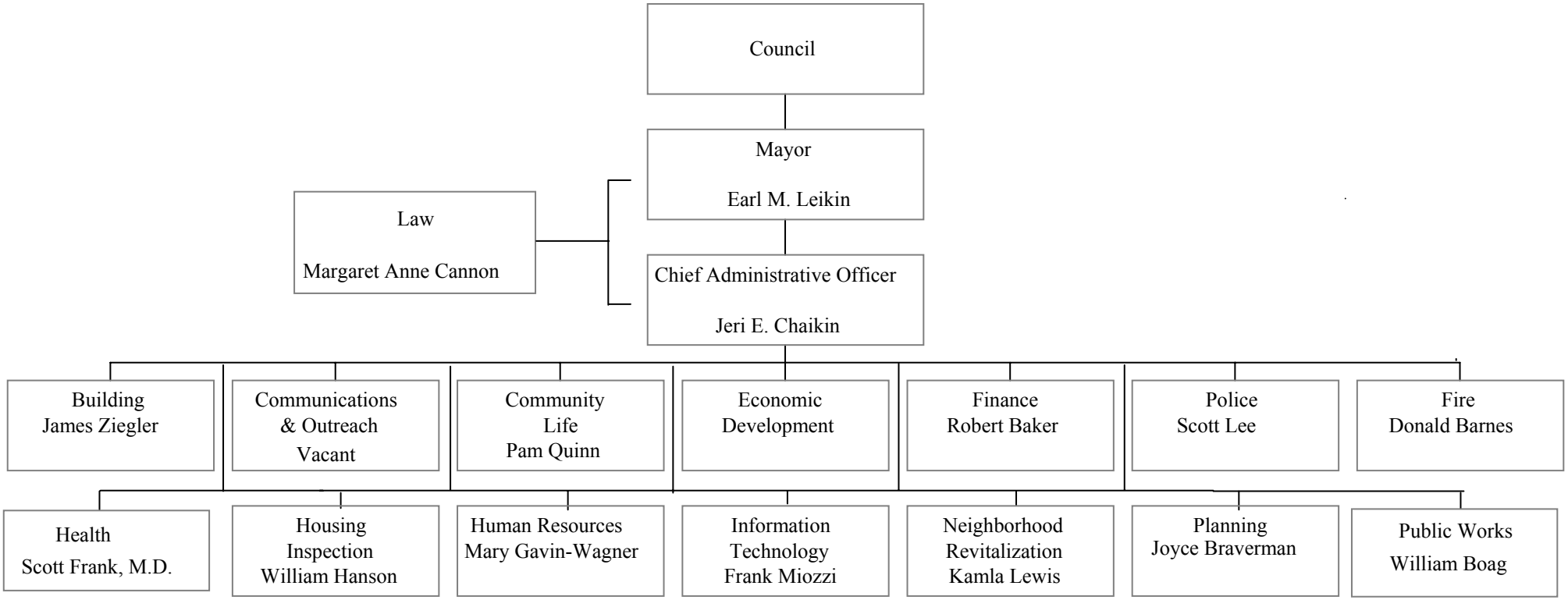
Acknowledgements: The successful completion of a report of this scope depends upon the dedicated contributions of many employees. The sincere appreciation of those primarily responsible for the completion of this CAFR is extended to all contributors, but especially those employees in the Finance Department, particularly Assistant Director of Finance Renee Mahoney, Accountants Paul Beckwith and Lorraine Miller, Accounting Specialist Carolyn Barnes-Hatcher, Accounting Clerk Cheryl Archie and Senior Administrative Assistant Gail Little. Without the dedicated assistance of the Finance Department employees, this report would not have been possible. Finally, the Staff wishes to extend its appreciation to the Mayor, City Council, and the Finance Committee for their support and commitment to responsible fiscal reporting.

Respectfully submitted,

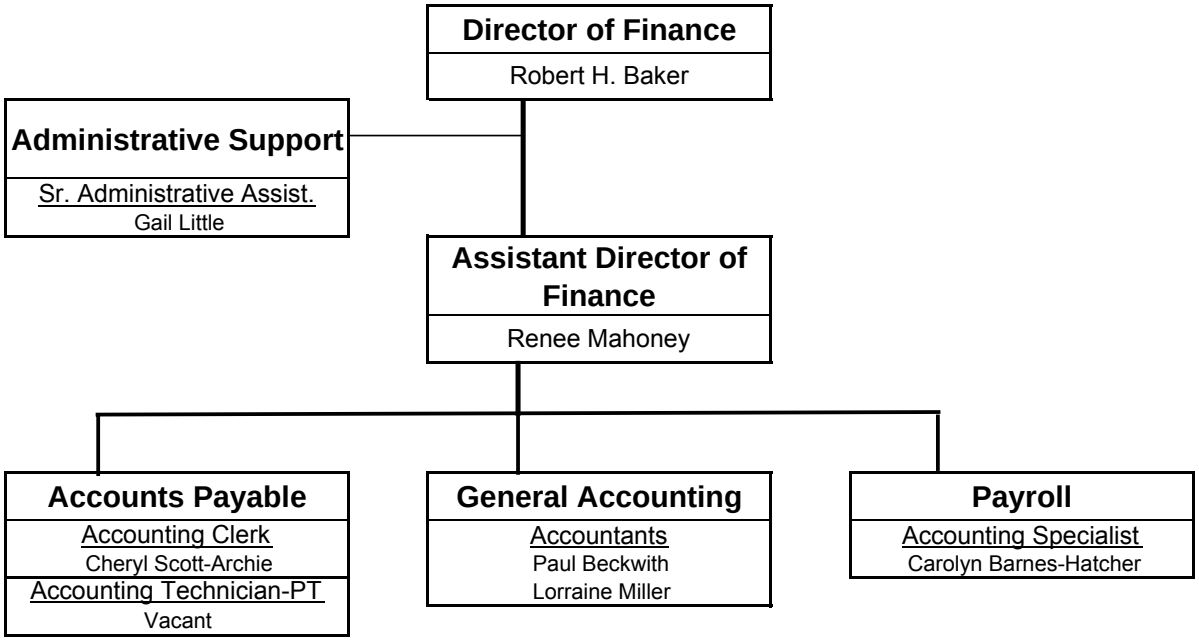
Jeri E. Chaikin
Chief Administrative Officer

Robert H. Baker
Director of Finance

CITY OF SHAKER HEIGHTS, OH
ORGANIZATIONAL CHART
December 31, 2008



City of Shaker Heights, Ohio
Finance Department Organizational Chart
December 31, 2008



City of Shaker Heights, Ohio

Listing of Principal City Officials

For the Year Ended December 31, 2008

Mayor ..... Earl M. Leiken
Council Member/Vice Mayor ..... Nancy R. Moore
Council Member ..... James Brady
Council Member ..... Brian S. Gleisser
Council Member ..... Allen Foster
Council Member ..... Lynn Ruffner
Council Member ..... Earl Williams, Jr.
Council Member ..... Robert Zimmerman

APPOINTED OFFICIALS

Chief Administrative Officer ..... Jeri E. Chaikin
Director of Finance (Effective May 12, 2008) ..... Robert Baker
Director of Building ..... James P. Zeigler
Director of Community Life ..... Pamela Quinn
Director of Economic Development ..... Patrick Campbell
Chief of Fire ..... Donald A. Barnes
Director of Health ..... Dr. Scott H. Frank
Director of Housing Inspection ..... William E. Hanson
Director of Human Resources ..... Mary Gavin-Wagner
Director of Law ..... Margaret Anne Cannon
Director of Planning and Development ..... Joyce G. Braverman
Chief of Police ..... Scott Lee
Director of Public Works ..... William W. Boag
Director of Neighborhood Revitalization ..... Kamla Lewis
Director of Communications and Outreach ..... Vacant

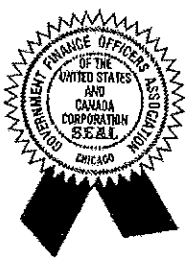
Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Shaker Heights
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

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FINANCIAL SECTION

Ciuni & Panichi
CPAs and Business Advisors

Independent Auditors' Report

Members of the City Council
Shaker Heights, Ohio

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Shaker Heights (the "City"), Ohio as of and for the year ended December 31, 2008, 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's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2008, 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.

As described in Note 3, during the year ended December 31, 2008, the City of Shaker Heights implemented Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (OPEB),* Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations,* and Statement No. 50, *Pension Disclosures.*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 9, 2009 on our consideration of the City'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.

C&P Advisors, LLC
Ciuni & Panichi, Inc.
Joel Strom Associates LLC
C&P Wealth Management, LLC

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www.cp-advisors.com
A member of National Associated CPA Firms

Members of the City Council
Shaker Heights, Ohio

The management's discussion and analysis on pages 3 through 13, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken 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 express no opinion on them.

Ciuni & Panichi, Inc.

Cleveland, Ohio
September 9, 2009

City of Shaker Heights, Ohio

Management's Discussion and Analysis (Unaudited)

For the Year Ended December 31, 2008

The discussion and analysis of the City of Shaker Heights' financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2008. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers are encouraged to consider the information presented here in conjunction with the additional information contained in the transmittal letter, the basic financial statements and the accompanying notes to those financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2008 are as follows:

- The assets of the City of Shaker Heights exceeded its liabilities at the close of the most recent fiscal year by $106,633,008. Of this amount, $15,311,338 may be used to meet the City's ongoing obligations to citizens and creditors.

- Total assets decreased by $1,421,557, which represents a decrease of less than one percent from 2007. The biggest changes were a $5.7 million decrease in cash and cash equivalents offset by a $5 million increase in capital assets.

- Total liabilities decreased by approximately $1.3 million, which represents a decrease of 2.8 percent from 2007. The main factors contributing to this change include a $521,825 decrease in accounts payable and a $453,343 decrease in accrued wages and benefits. In addition, the note payable of $6,845,000 million was rolled into long-term debt, which resulted in a decrease in current liabilities for the same amount. This also contributed to the increase in long-term liabilities of $6,333,301.

- In total, net assets in governmental activities decreased by $128,590 during 2008. This represents a one-tenth percent decrease from 2007.

Using this Annual Financial Report

This discussion and analysis are intended to serve as an introduction to the City of Shaker Heights' basic financial statements. The City of Shaker Heights' basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements – Reporting the City of Shaker Heights as a Whole

Statement of Net Assets and the Statement of Activities

The Statement of Net Assets presents information on all the City of Shaker Heights' assets and liabilities, with the difference between the two reported as *net assets.* Over time, increase or decrease in net assets may serve as a useful indicator of whether the financial position of the City of Shaker Heights is improving or deteriorating. However, in evaluating the overall position of the City, non-financial factors such as the City's tax base, change in property and income tax laws, and the condition of the capital assets should also be considered. Both the Statement of Net Assets and the Statement of Activities use the *accrual basis of accounting* similar to the accounting used by most private-sector companies.

This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

Fund Financial Statements - Reporting the City of Shaker Heights' Most Significant Funds

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 objects. The City of Shaker Heights, 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 of Shaker Heights 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 the balance 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. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all *other financial assets* that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Both the governmental fund balance sheet and the government fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate a comparison between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds.

The City of Shaker Heights maintains 28 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances, for the General Fund, the Capital Fund and the Urban Renewal Debt Service Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Shaker Heights adopts an annual appropriated budget for each of its funds. A budgetary comparison statement (non-GAAP basis) has been provided for each governmental and proprietary fund to demonstrate budgetary compliance.

Proprietary Funds

The City of Shaker Heights maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City has no activity that fits this category. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City maintains four individual internal service funds. Because these activities predominately benefit governmental rather than business functions, they have 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 combined information for the self-insurance, stores, printing and garage operations, all of which are considered to be nonmajor funds. Individual fund data for each of these nonmajor proprietary funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found starting on page 21 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 statement because the resources are not available to support the City's own programs. The City of Shaker Heights has only agency funds to report within the Fiduciary Fund category. Agency funds are reported on a full accrual basis and only present a statement of assets and liabilities.

Notes to the Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 25 of this report.

Government-wide Financial Analysis - City of Shaker Heights as a Whole

As noted earlier, the Statement of Net Assets looks at the City as a Whole and can prove to be a useful indicator of the City's financial position.

The Statement of Net Assets and the Statement of Activities are divided into the following categories:

- Assets
- Liabilities
- Net Assets (Assets minus Liabilities)
- Program Expenses and Revenues
- General Revenues
- Net Assets Beginning and End of Year

Table 1 provides a summary of the City's net assets for 2008 as compared to 2007.

Table 1
Net Assets

	Governmental Activities	
	2008	2007
Assets		
Current and Other Asset	$ 70,225,756	$ 76,666,635
Capital Assets, Net	81,735,790	76,716,468
Total Assets	151,961,546	153,383,103
Liabilities		
Current Liabilities and Other Liabilities	11,667,577	19,293,845
Long-term Liabilities:		
Due Within One Year	5,268,204	1,330,887
Due In More Than One Year	28,392,757	25,996,773
Total Liabilities	45,328,538	46,621,505
Net Assets		
Invested in Capital Assets, Net of Related Debt	58,708,166	49,225,418
Restricted for:		
Capital Projects	25,606,578	31,339,125
Debt Service	915,681	-
Other Purpose	6,091,245	4,082,574
Unrestricted	15,311,338	22,114,481
Total Net Assets	$ 106,633,008	$ 106,761,598

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. For the City of Shaker Heights, assets exceed liabilities by $106,633,008 as of December 31, 2008. The largest portion of the City's net assets (55.1%) reflects investments in capital assets (e.g. land, buildings, infrastructure, machinery and equipment), net of any related debt to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently these net assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be planned for and provided from estate tax or other revenues since the capital assets themselves cannot be used to liquidate these liabilities.

Total assets decreased by $1,421,557 from 2007 to 2008 and total liabilities decreased by $1,292,967. The most significant changes were found in cash and cash equivalents and capital assets. Cash and cash equivalents decreased $5.8 million from the previous year. Capital assets increased $5 million during the fiscal year, offsetting the decrease in cash and cash equivalents. The decrease in liabilities was mainly due to the decrease in accounts payable and accrued wages and benefits. They both decreased due to a change in payment structure. For accounts payable, the City paid invoices bi-weekly in 2007, and in 2008, check-runs were done on a weekly basis. In addition to the change in payment structure, in 2007, the City shut down the accounting system in mid-December to switch accounting systems at the start of 2008. Together, these changes resulted in a larger accounts payable balance at December 31, 2007. For accrued wages and benefits, prior to 2008, the City paid pension quarterly and during 2008, the pension was paid monthly. This resulted in two months less accrual at December 31, 2008.

In order to further understand what makes up the changes in net assets for the current year, the following table gives readers further details regarding the results of activities for the current year.

Table 2 provides a summary of the City's change in net assets for 2008 as compared to 2007.

Table 2
Changes in Net Assets

	2008	2007, Restated
Program Revenues		
Charges for Services	$ 10,239,369	$ 9,229,524
Operating Grants, Contributions, and Interest	4,978,610	2,362,337
Capital Grants and Contributions	3,682,306	629,110
Total Program Revenues	18,900,285	12,220,971
General Revenues		
Property Taxes	8,224,540	8,966,264
Income and Other Taxes	20,819,652	23,244,676
Grants and Entitlements	5,670,500	7,752,673
Investments Earnings	629,378	1,963,517
Miscellaneous Income	232,203	218,240
Total General Revenues	35,576,273	42,145,370
Total Revenues	54,476,558	54,366,341
Program Expenses		
General Government	7,087,741	6,427,598
Security of Persons and Property	23,458,781	23,903,946
Public Health Services	448,703	563,495
Leisure Time Activities	3,877,476	3,664,496
Housing and Community Development	6,989,574	7,240,967
Sanitation and Sewer Services	5,018,134	2,167,731
Street Maintenance and Repair	2,817,752	2,181,766
Public Works – Other	3,905,495	2,938,506
Interest and Fiscal Charges	1,001,492	1,048,868
Total Program Expenses	54,605,148	50,137,373
Increase in Net Assets before Special Item	(128,590)	4,228,968
Special Item	-	(1,731,108)
Increase in Net Assets	(128,590)	2,497,860
Net Assets at Beginning of Year, restated	106,761,598	104,263,738
Net assets at end of year	$ 106,633,008	$ 106,761,598

Governmental Activities

Comparing 2008 to 2007, the City's net assets for Government Activities decreased $128,590. With the combination of income tax, property tax, intergovernmental funding, and program revenues, all expenses in the governmental activities are funded. The City monitors its sources of revenues closely for fluctuations. For the most part, increases in expenses closely parallel inflation and growth in the demand for services.

Several revenue sources serve as the primary funding sources for the City's governmental activities, with the income tax being the biggest contributor followed by revenue from charges for services, property taxes, grants and entitlements and capital grants. The City's income tax rate was 1.75% for 2008. The City's tax rate has been stable since the voters last increased it in 1981. Both residents of the City and non-residents who work inside the City are subject to the income tax. The City grants an income tax credit to residents who work in a locality that has a municipal income tax. The City provides a credit of up to one-half of one percent of the tax rate of the resident's workplace community's income tax rate. City Council could by ordinance choose to vary that income tax credit thereby creating additional revenue for the City. Due to the City's recent history of cash-basis income tax collection increases, which have averaged 1.4% since 2000 after factoring out the extraordinary revenue received in 2003 and 2005 and the extraordinary refund paid in 2006, the City has realized an increase in its net assets making such a tax credit change unnecessary, but a tax credit change or a rate increase are future options, if needed.

Income and other tax revenue for 2008 was $20,819,652, accounting for 38.2% of the City's total 2008 revenue of $54,476,558. Charges for Services of $10,239,369 account for 18.8% of total revenues. Property taxes of $8,224,540 account for 15.1% of total revenues. Unrestricted Grants and Entitlements of $5,670,500 account for 10.4% of total revenue. Capital grants of $3,682,306 account for 6.8% of total revenues. All other revenue of $5,840,191 accounts for the remaining 10.7% of the City's 2008 revenue. The City monitors its sources of revenue very closely for fluctuations throughout the year, especially income tax.

During 2008, City expenses continued to be dominated by its three largest departments, Police, Fire and Public Works. These three departments account for approximately 64.5% of the City's total 2008 program expenses of $54,605,148. Expenses for Security of Persons and Property (primarily the City's Police and Fire Departments) accounted for 43.0% of the City's 2008 expense total. Expenses for Sanitation and Sewer Services (9.2%), Street Maintenance (5.2 %) and other Public Works activities (7.1%) accounted for 21.5% of the City's 2008 expense total. The next largest expense category was General Government, which accounted for 13.0% of the City's expense total. 12.8% of City expenses were for Housing and Community Development activities (building and housing inspection, planning, economic development and neighborhood revitalization activities) while expenses for Leisure Time Activities (primarily recreation and parks maintenance activities) account for 7.1% of total expenses. Public Health and Interest and Fiscal Charges account for the remaining 2.6% of the City's total expenses for 2008. For the most part, City expenses closely paralleled inflation during 2008, however, it should be noted that the ever-increasing cost of providing employee health care negatively impacted the 2008 budget. While the City has lowered the rate of health care cost increases in 2009, this trend is expected to continue into the future.

The City's Funds

Governmental Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Information about the City's major governmental funds starts on page 16. 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 the City's net resources available for spending at the end of the fiscal year. Governmental funds use the modified accrual basis of accounting to account for their assets, liabilities, revenues and expenditures.

As of December 31, 2008, the City's governmental funds reported a combined ending fund balance of $44,340,042 of which $35,395,027 constitutes unreserved fund balances. The City's unreserved fund balance is available for spending at the City's discretion, subject to contractual or legal constraints. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchases of the prior period or ongoing appropriations. As of December 31, 2008, $8,945,015 of the total governmental fund balance was reserved for purchase commitments or capital project appropriations.

For the period ending December 31, 2008, all governmental funds had total revenues and other financing sources of $67,937,839 and expenditures and transfers-out totaling $65,638,697 resulting in an increase in fund balance of $2,299,142. This increase is primarily due to the conversion of short-term debt to long-term debt.

The General Fund is the primary operating fund of the City. As of December 31, 2008, the total fund balance of the General Fund was $11,726,538, of which $658,094 (5.6%) was reserved for encumbrances and $11,068,444 (94.4%) was unreserved. As a measure of the General Fund's liquidity and the City's ability to react to unanticipated economic events, it may be useful to compare the unreserved fund balance to total fund expenditures. As of December 31, 2008 the City's unreserved fund balance was equal to 28.2% of its total operating 2008 expenditures of $37,550,738 plus its transfers to other funds of $1,735,474.

During 2008, the fund balance of the General Fund decreased by $1,028,699. Included in this amount are interfund transfers-in of $90,000 and transfers-out of $1,735,474. Without these transfers, General Fund revenues would have exceeded General Fund expenditures and other uses by $616,775.

During 2008, the fund balance of the Capital Projects Fund decreased by $5,732,547. The decrease is attributable to the use of $3,550,917 from the beginning capital fund balance to fund an expanded capital improvements program started in 2007 and the transfers-out of $2,181,630 for debt service and other purposes.

General Fund Budgeting Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on the basis of cash receipts, disbursements and encumbrances. An annual appropriation budget is legally required to be prepared for all funds of the City other than agency funds. Council is provided with a detailed line item budget for all departments and has discussions at several regularly held council meetings and work sessions, which are open to the public; the budget is adopted at fund level by City Council. Within each fund, appropriations may be transferred between line items or departments with the approval of the Mayor or Chief Administrative Officer. Council must approve any revisions in the budget that alter the fund totals or require the transfer of moneys between funds. Recommendations for budget revisions are reviewed by the Finance Committee of City Council before being presented to the Council for consideration for enactment by ordinance.

The most significant budgeted fund is the General Fund. During the course of 2008, the City used this process to amend its General Fund budget on ten occasions. The differences between the General Fund's original and final amended budget were minor in nature. The Chief Administrative Officer and the Finance Department monitor all departmental budgets closely to monitor compliance with allocated budgets and provide quarterly reports to City Council and its Finance Committee depicting monthly and year-to-date activity.

The original budgeted revenues for the General Fund were $38,470,102; the final budgeted revenues were $40,947,976. The City's ending unencumbered fund balance, computed on a modified cash basis of accounting, was $8,293,221 which was $983,402 more than the final budgeted fund balance of $7,309,819. In recognition of the importance of maintaining an adequate level of fund equity, the City Council adopted a fund balance policy for the General Fund. The City's ending general fund balance was 21.23% of 2008 general fund expenditures and net transfers out.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2008, the City of Shaker Heights had $81,735,790 million invested in land, buildings, land improvements, equipment and infrastructure.

Table 3 shows fiscal 2008 balances of Capital Assets as compared to 2007:

Table 3
Capital Assets at December 31
(Net of Depreciation)

	Governmental Activities	
	2008	2007
Land	$ 17,671,506	$ 17,440,395
Buildings and Improvements	10,132,417	10,153,766
Land Improvements	6,376,478	1,439,687
Machinery and Equipment	6,282,320	6,641,248
Infrastructure		
Street	16,712,410	10,542,345
Sanitary and Storm Sewer System	7,249,534	4,634,381
Traffic Signals System	11,720,187	1,703,117
Bridges	95,364	101,300
Culverts	52,951	53,698
Construction in Progress	5,442,623	24,006,531
Total Capital Assets	$ 81,735,790	$ 76,716,468

Total capital assets of the City as of December 31, 2008 were $5,019,322 greater than 2007. The most significant increases in the City's capital assets came in Infrastructure, more specifically to the streets and traffic signals. The City is committed to a long-term goal of not only meeting its infrastructure, equipment and facility needs, but also satisfying those needs in a continued high quality manner. To meet this need, the City has developed a five-year capital improvement plan that is updated and revised annually.

With regards to the infrastructure, the City's Public Works Department maintains a comprehensive listing of all the streets, culverts and sanitary and storm sewers in the City. As part of the City's annual road maintenance program, the Public Works Director evaluates the condition of each street after each winter and prepares a list of streets to be either resurfaced, repaired or crack sealed. After approval from Council, the projects are bid early in the calendar year to get the best possible pricing from contractors. This program is paid for out of the streets special revenue and the general capital funds of the City. In the case of a major resurfacing project on two of the main arteries in the City of Shaker Heights, as mentioned before, the City has effectively pursued external sources of grant funding to finance up to eighty percent of the project thereby reducing the total amount to be funded by the City.

More detailed information about the City's capital asset activity is presented in Note 7.

Debt

At December 31, 2008, the City of Shaker Heights had $33,660,961 in debt and compensated absences outstanding, of which $5,268,204 is due within one year. Table 4 summarizes the City's debt outstanding as of December 31, 2008 and 2007:

Table 4
Outstanding Debt at Year End

	2008	2007
General Obligation Bonds	$ 14,585,000	$ 14,855,000
Urban Renewal Temporary Bonds	6,845,000	-
Bond Anticipation Notes	1,315,000	1,765,000
Housing Nuisance Notes	1,000,000	750,000
OPWC Loans	3,903,479	4,026,050
Compensated Absences	6,012,482	5,931,610
Total	$ 33,660,961	$ 27,327,660

State statutes limit the total amount of general obligation debt that a city may issue to 10½% of total assessed valuation and limits the total amount of general obligation debt that a city may issue without voter approval to 5½% of total assessed valuation. At December 31, 2008, the City's overall legal debt margin was $91,258,534 and its unvoted debt margin was $47,784,584.

In 2003, the City issued a $15.37 million general obligation bond to fund its urban renewal projects in the Shaker Towne Centre and Sussex Districts of the City. The City was awarded an AA+ rating by Standard & Poors and Fitch Rating Services. The Shaker Towne Centre project included the construction of a new firehouse to replace the fire station located at City Hall. While this bond issue will in part be retired by using tax incremental payments by certain property owners, the debt component of the issue for the fire station will be retired by transfers from the General Capital Fund. The City also issued $6.845 million urban renewal temporary bonds for this project. On April 22, 2009 $4,600,000 of the temporary bonds were replaced by long-term debt maturing December 1, 2031 and the balance of the temporary bonds were paid from funds available to the City. While it was originally expected that tax increment payments would be the source of debt service for this debt and the bonds issued in 2003, it will be necessary to pay a portion of the debt service by transfers from the General Capital Fund.

Excluding the temporary bond for the Shaker Towne Centre and Sussex Projects, the City began 2008 with $1.765 million in short-term notes. These were issued to partially refinance earlier notes issued to finance the renovation of the former Moreland School Building to serve as the new main branch of the Shaker Heights Public Library (originally issued in 1992), the replacement of the City's public safety computer system, the City's portion of the citywide traffic signalization system replacement project not funded by grants, street maintenance and the portion of the Lee Road reconstruction project not funded by grants At maturity, the City retired $450,000 of these notes and issued a new note in the amount of $1.315 million to refinance the balance.

With the exception of the library improvements, the City plans to retire this portion of the note over the next five years with City funds. The library improvements will be retired over the next three years from the proceeds of the City's lease with the Shaker Heights Public Library.

The Ohio Public Works Commission (OPWC) issued the City a twenty-year, interest free loan in 1994 for the Shelburne Road Sanitary Sewer Project. This loan is being repaid by the City using revenue from the sewer system user fees assessed to all system users in the City. The City was also awarded by the OPWC two, twenty-year, interest free loan to replace or reline water lines serving the City. As of December 31, 2008 the unpaid balance of these loans was $3,518,470. In addition, the City was awarded by the OPWC a $1.7 million, twenty-year, interest free loan for the South Woodland Sanitary Sewer Project. The repayment of this loan will begin during 2009 and the loan will be repaid from the sewer system user fees assessed to all system users in the City.

More detailed information about the City's long-term liabilities is presented in Notes 9 and 10.

Current Related Financial Activities

The City of Shaker Heights is strong financially and well managed, as evidenced by the AA+ bond rating awarded the City by Standard and Poors and Fitch Rating Services. This rating is the result of the City's history of creative planning and the combined cooperation of the elected officials, professional administration and employees and, most importantly, its residents. The City is well prepared to meet the challenges of the future. In conclusion, management has been committed to provide the residents of the City of Shaker Heights with full disclosure of the financial position of the City.

The City of Shaker Heights has committed itself to financial excellence. The City received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting since 1996, with the exception of the 2005 audit period due to the transition of Finance Directors.

Contacting the City of Shaker Heights' Financial Management

This financial report is designed to provide our citizen's, taxpayers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Director of Finance Robert H. Baker, at the City of Shaker Heights, 3400 Lee Road, Shaker Heights, Ohio 44120, and (216) 491-1420.

City of Shaker Heights, Ohio

Statement of Net Assets

December 31, 2008

	Governmental Activities
Assets:	
Cash and cash equivalents	$ 45,185,775
Accounts receivable	1,457,764
Accrued interest receivable	15,529
Intergovernmental receivable	2,884,038
Inventory of supplies	259,191
Prepaid items	1,596
Special assessments receivable	3,046,263
Lease receivable	1,235,328
Taxes receivable	16,140,272
Nondepreciable capital assets	23,114,129
Depreciable capital assets, net	58,621,661
Total assets	151,961,546
Liabilities:	
Accounts payable	1,733,185
Accrued wages and benefits	2,612,167
Unearned revenue	7,097,733
Claims payable	88,051
Notes and bonds interest payable	136,441
Long-term liabilities:	
Due within one year	5,268,204
Due in more than one year	28,392,757
Total liabilities	45,328,538
Net assets:	
Invested in capital assets, net of related debt	58,708,166
Restricted for:	
Capital projects	25,606,578
Debt service	915,681
Other purposes	6,091,245
Unreserved	15,311,338
Total net assets	$ 106,633,008

The notes to the basic financial statements are an integral part of this statement

City of Shaker Heights, Ohio

Statement of Activities

For The Year Ended December 31, 2008

	Expense	Program Revenues: Charges for Service	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Total Governmental Funds
Governmental activities:					
Security of persons and property:					
Police	$ 13,711,254	$ 803,508	$ 4,865,971	$ -	$ (8,041,775)
Fire	8,936,715	527,935	29,775	5,000	(8,374,005)
Other	810,812	9,022	-	-	(801,790)
Public health services	448,703	80,210	-	-	(368,493)
Leisure time activities:					
Culture and recreation	2,781,689	1,825,974	-	-	(955,715)
Parks and public land maintenance	1,095,787	1,445	-	-	(1,094,342)
Housing and community development	6,989,574	2,117,015	35,976	1,701,268	(3,135,315)
Sanitation and sewer services	5,018,134	1,541,510	5,901	1,467,333	(2,003,390)
Street maintenance and repair	2,817,752	8,238	-	508,705	(2,300,809)
Public work – other	3,905,495	711,143	-	-	(3,194,352)
General government:					
Legislative and executive	4,727,200	709,614	40,987	-	(3,976,599)
Judicial system	2,360,541	1,903,755	-	-	(456,786)
Interest and fiscal charges	1,001,492	-	-	-	(1,001,492)
Total governmental activities	$ 54,605,148	$ 10,239,369	$ 4,978,610	$ 3,682,306	(35,704,863)

General revenues:	
Property taxes used for:	
General purposes	7,312,216
Police and fire pension	471,805
Debt service	440,519
Municipal Income taxes levied for:	
General purposes	20,764,053
Other local taxes levied for:	
General purposes	55,599
Grants and entitlements not restricted to specific programs	5,670,500
Interest earnings	629,378
Miscellaneous income	232,203
Total general revenues	35,576,273
Change in net assets	(128,590)
Net assets at beginning of year, restated	106,761,598
Net assets at end of year	$ 106,633,008

The notes to the basic financial statements are an integral part of this statement

City of Shaker Heights, Ohio

Governmental Funds Balance Sheet

December 31, 2008

	General	Capital Projects	Urban Renewal Debt Service	Non-Major Governmental Funds	Total Governmental Funds
Assets:					
Cash and cash equivalents	$ 8,331,980	$ 26,199,103	$ 745,684	$ 7,684,837	$ 42,961,604
Taxes receivable	15,679,818	-	-	460,454	16,140,272
Accounts receivable	427,383	-	-	1,027,728	1,455,111
Special assessments receivable	17,530	-	-	3,028,733	3,046,263
Lease receivable	260,922	969,906	-	4,500	1,235,328
Interfund receivable	995,300	46,310	3,143	651,225	1,695,978
Accrued interest receivable	15,529	-	-	-	15,529
Intergovernmental receivable	2,064,298	-	-	819,740	2,884,038
Inventory of supplies	224,288	-	-	-	224,288
Total assets	$ 28,017,048	$ 27,215,319	$ 748,827	$ 13,677,217	$ 69,658,411
Liabilities and fund balances:					
Liabilities:					
Accounts payable	$ 394,335	$ 631,356	$ -	$ 573,322	$ 1,599,013
Accrued wages	1,979,015	-	-	575,032	2,554,047
Interfund payable	119,729	7,479	11,385	1,616,151	1,754,744
Deferred revenue	13,797,431	969,906	-	4,643,228	19,410,565
Total liabilities	16,290,510	1,608,741	11,385	7,407,733	25,318,369
Fund balances:					
Reserved for encumbrances	658,094	3,030,549	-	383,641	4,072,284
Reserved for appropriations	-	4,872,731	-	-	4,872,731
Unreserved:					
Undesignated, reported in:					
General fund	11,068,444	-	-	-	11,068,444
Special revenue funds	-	-	-	5,830,175	5,830,175
Debt service fund	-	-	737,442	55,668	793,110
Capital projects fund	-	17,703,298	-	-	17,703,298
Total fund balances	11,726,538	25,606,578	737,442	6,269,484	44,340,042
Total liabilities and fund balances	$ 28,017,048	$ 27,215,319	$ 748,827	$ 13,677,217	$ 69,658,411

The notes to the basic financial statements are an integral part of this statement

City of Shaker Heights, Ohio

Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities

December 31, 2008

Total Governmental Funds balances		$ 44,340,042
Amounts reported for Governmental Activities in the Statement of Net Assets are different because:		
Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the funds		
Nondepreciable capital assets	$ 23,114,129	
Depreciable capital assets	58,621,661	
Total		81,735,790
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds		
Delinquent property taxes	493,843	
Municipal income taxes	4,838,816	
Special Assessments	3,046,263	
Intergovernmental	1,608,546	
Charges for service	2,325,364	
Total		12,312,832
Internal service funds are used by management to charge the costs of certain activities, such as insurance, worker's compensation, printing supplies, and maintenance and repair of the City's fleet of vehicles to individual funds. The assets and liabilities of the Internal Service Fund are included in Governmental Activities in the Statement of Net Assets		1,903,560
Long-term liabilities are not due and payable in the current period and are therefore not reported in the funds		
Bonds payable	(14,585,000)	
OPWC loans	(3,903,479)	
Notes payable	(9,160,000)	
Interest payable	(136,441)	
Compensated absences	(5,874,296)	
Total		(33,659,216)
Net Assets of Governmental Activities		$ 106,633,008

The notes to the basic financial statements are an integral part of this statement

City of Shaker Heights, Ohio

Statement of Revenues, Expenditures and Changes In Fund Balances - Governmental Funds

For The Year Ended December 31, 2008

	General	Capital Projects	Urban Renewal Debt Service	Non-Major Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	$ 7,342,340	$ -	$ 440,519	$ 473,700	$ 8,256,559
Municipal income taxes	20,840,303	-	-	-	20,840,303
Other local taxes	55,599	-	-	-	55,599
Intergovernmental	3,564,423	4,888,493	24,112	6,459,338	14,936,366
Charges for services	4,359,309	-	-	2,232,671	6,591,980
Fees, and licenses and permits	764,096	-	-	-	764,096
Fines and forfeitures	647,687	-	-	348,016	995,703
Special assessments	2,295	-	-	1,765,410	1,767,705
Interest earnings	387,341	81,482	14,636	102,453	585,912
Other revenue	204,120	19,695	-	266,255	490,070
Total revenues	38,167,513	4,989,670	479,267	11,647,843	55,284,293
Expenditures:					
Current operations and maintenance:					
Security of persons and property:					
Police	9,526,619	797,294	-	4,564,964	14,888,877
Fire	7,199,149	183,881	-	1,244,425	8,627,455
Other	83,767	-	-	601,982	685,749
Public health services	438,003	-	-	91,077	529,080
Leisure time activities:					
Culture and recreation	2,645,357	107,684	-	-	2,753,041
Park and public land maintenance	859,438	137,835	-	-	997,273
Housing and community development	4,521,767	2,989,511	-	1,474,278	8,985,556
Sanitation and sewer services	3,044,745	2,884,508	-	1,568,967	7,498,220
Street maintenance and repair	704,666	1,228,057	-	1,347,642	3,280,365
Public works – other	1,900,302	81,108	-	630,004	2,611,414
General government:					
Legislative and executive	4,449,494	217,709	19,046	115,237	4,801,486
Judicial system	2,177,431	-	-	135,022	2,312,453
Debt service:					
Principal retirement	-	-	270,000	2,137,571	2,407,571
Interest and fiscal charges	-	-	869,350	97,261	966,611
Total expenditures	37,550,738	8,627,587	1,158,396	14,008,430	61,345,151
Excess of revenues over (under) expenditures	616,775	(3,637,917)	(679,129)	(2,360,587)	(6,060,858)
Other financing sources (uses):					
Issuance of debt	-	-	6,845,000	1,815,000	8,660,000
Transfers - in	90,000	87,000	945,188	2,871,358	3,993,546
Transfers - out	(1,735,474)	(2,181,630)	-	(376,442)	(4,293,546)
Total other financing sources (uses)	(1,645,474)	(2,094,630)	7,790,188	4,309,916	8,360,000
Net change in fund balances	(1,028,699)	(5,732,547)	7,111,059	1,949,329	2,299,142
Fund balances (deficit) at beginning of year, restated	12,755,237	31,339,125	(6,373,617)	4,320,155	42,040,900
Fund balances at end of year	$ 11,726,538	$ 25,606,578	$ 737,442	$ 6,269,484	$ 44,340,042

The notes to the basic financial statements are an integral part of this statement

City of Shaker Heights, Ohio

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities

For The Year Ended December 31, 2008

Net Change in Fund Balances - Total Governmental Funds		$ 2,299,142
Amounts Reported for Governmental Activities in the Statement of Activities are different because:		
Governmental Funds report capital outlay as expenditures. However in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period		
Capital outlay	$ 7,767,143	
Depreciation	(2,722,064)	5,045,079
In the Statement of Activities, only the loss on the disposal of property and equipment are reported, whereas, in the Governmental Funds, the proceeds from the disposal increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the property and equipment.		(25,757)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the Funds.		
Delinquent property taxes	(32,019)	
Municipal income taxes	(76,250)	
Special assessments	789,865	
Intergovernmental	(665,335)	
Charges for services	(867,462)	(851,201)
Other financing sources in the Governmental Funds that increase long-term liabilities in the Statement of Net Assets. These sources were attributed to issuance of long-term notes.		(8,660,000)
Repayment of bond principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.		
Principal	2,407,571	
Interest and fiscal charges	(34,881)	2,372,690
Compensated absences reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in Governmental Funds.		(85,064)
Internal service funds are used by management to charge to costs of certain activities, such as insurance worker's compensation, printing supplies and maintaining and repairing the City's fleet of vehicles to individual funds that are not reported in the city wide statement of activities. The net revenue (expense) of the Internal Service Fund is reported with Governmental Activities.		(223,479)
Change in Net Assets of Governmental Activities		$ (128,590)

The notes to the basic financial statements are an integral part of this statement

City of Shaker Heights, Ohio

Statement of Revenues, Expenditures and Changes In Fund Balance – Budget
(Non-GAAP Budgetary Basis) and Actual
General Fund
For The Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	$ 7,757,441	$ 9,287,337	$ 8,513,450	$ (773,887)
Municipal Income Taxes	20,000,000	20,370,214	20,809,784	439,570
Other Local Taxes	60,000	55,000	60,225	5,225
State Levied Shared Taxes	1,252,013	1,522,845	1,541,129	18,284
Intergovernmental	131,100	471,485	540,197	68,712
Charges for Services	5,210,106	5,637,233	4,440,828	(1,196,405)
Fees, Licenses and Permits	646,800	689,666	695,580	5,914
Investment Earnings	2,000,000	800,000	657,916	(142,084)
Fines and Forfeitures	675,000	675,900	652,230	(23,670)
Other Revenues	139,300	578,190	402,386	(175,804)
Total Revenues	37,871,760	40,087,870	38,313,725	(1,774,145)
Expenditures:				
Current:				
Security of Persons and Property	17,595,250	17,441,184	16,586,835	854,349
Public Health Services	430,122	451,633	437,479	14,154
Culture and Recreation	2,625,000	2,960,280	2,720,157	240,123
Parks and Public Lands Maintenance	827,970	867,480	867,425	55
Housing and Community Development	4,833,380	4,782,512	4,535,812	246,700
Sanitation and Sewer Services	3,448,164	3,300,260	3,129,311	170,949
Street Maintenance and Repair	639,604	615,664	682,996	(67,332)
Public Works – Other	2,037,100	2,010,530	1,999,293	11,237
Legislative and Executive	4,560,370	5,046,040	4,184,149	861,891
Judicial System	2,222,219	2,299,745	2,193,236	106,509
Total Expenditures	39,219,179	39,775,328	37,336,693	2,438,635
Excess of Revenues Over (Under) Expenditures	(1,347,419)	312,542	977,032	664,490
Other Financing Sources (Uses):				
Transfers – in	165,859	101,985	95,274	(6,711)
Transfers – out	(1,912,100)	(1,978,230)	(1,735,474)	242,756
Advances – in	432,483	758,121	3,503	(754,618)
Total Other Financing Sources (Uses)	(1,313,758)	(1,118,124)	(1,636,697)	(518,573)
Net Change in Fund Balance	(2,661,177)	(805,582)	(659,665)	145,917
Beginning Cash Fund Balance	9,400,503	9,400,503	9,400,503	-
Prior Year's Reserve for Encumbrances Outstanding At December 31	(203,330)	(203,330)	(203,330)	-
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(1,081,772)	(1,081,772)	(1,081,772)	-
Ending unreserved cash fund balance	$ 5,454,224	$ 7,309,819	7,455,736	$ 145,917
Reserved for Encumbrances – all budget years			837,485	
Total cash fund balance - December 31			$ 8,293,221	

The notes to the basic financial statements are an integral part of this statement

City of Shaker Heights, Ohio

Statement of Fund Net Assets
Proprietary Fund

December 31, 2008

		Governmental Activities Internal Service Fund
Assets:		
Equity in city treasury cash	$	2,224,171
Accounts receivable		2,653
Interfund receivable		101,195
Inventory of supplies		34,903
Prepaid items		1,596
Total assets		2,364,518
Liabilities:		
Current liabilities:		
Accounts payable		134,172
Accrued wages and benefits		58,120
Interfund payable		42,429
Accrued compensated absences		38,555
Claims payable		88,051
Total current liabilities		361,327
Long-term liabilities (net of current portion)		
Accrued compensated absences		99,631
Total liabilities		460,958
Net assets:		
Unrestricted	$	1,903,560

The notes to the basic financial statements are an integral part of this statement

City of Shaker Heights, Ohio

Statement of Revenues, Expenses and Changes In Fund Net Assets
Proprietary Fund

For The Year Ended December 31, 2008

		Governmental Activities Internal Service Fund
Operating revenues:		
Charges for services	$	1,894,329
Reimbursements		34,805
Total operating revenues		1,929,134
Operating expenses:		
Personal services		1,048,669
Travel and education		1,972
Contractual services		759,621
Materials and supplies		685,817
Total operating expenses		2,496,079
Operating loss		(566,945)
Non operating revenues:		
Interest earnings		43,466
Loss before transfers		(523,479)
Transfers – in		300,000
Change in net assets		(223,479)
Net assets at beginning of year		2,127,039
Net assets at end of year	$	1,903,560

The notes to the basic financial statements are an integral part of this statement

City of Shaker Heights, Ohio

Statement of Cash Flows
Proprietary Fund

For The Year Ended December 31, 2008

		Governmental Activities Internal Service Fund
Increase (decrease) in cash and cash equivalents:		
Cash flows from operating activities:		
Cash received from interfund services	$	1,891,676
Cash payments to suppliers		(683,299)
Cash payment for goods and services		(963,519)
Cash payments to employees		(1,084,773)
Cash received for other operating activities		34,805
Net cash used for operating activities		(805,110)
Cash flows from non-capital financing activities:		
Transfers-in		300,000
Cash flows from investing activities:		
Interest earned on investments		43,466
Decrease in cash and cash equivalents		(461,644)
Cash and cash equivalents at beginning of year		2,685,815
Cash and cash equivalents at end of year	$	2,224,171
Reconciliation of operating income to net cash used for operating activities:		
Operating income	$	(566,945)
Adjustments:		
Increase in assets:		
Accounts receivable		(2,653)
Materials and supplies inventory		(4,572)
Increase/ (decrease) in liabilities:		
Accounts payable		13,872
Accrued wages and benefits		(31,912)
Accrued compensated absences		(4,192)
Self insurance claims payable		(208,708)
Total adjustments		(238,165)
Net cash used for operating activities	$	(805,110)

The notes to the basic financial statements are an integral part of this statement

City of Shaker Heights, Ohio

Statement of Fiduciary Net Assets
Fiduciary Funds

December 31, 2008

	Agency
Assets:	
Equity in pooled cash and cash equivalents	$ 1,336,809
Cash and cash equivalents in segregated accounts	503,044
Mortgage loan receivable	158,942
Total assets	$ 1,998,795
Liabilities:	
Intergovernmental payable	$ 419,283
Deposits held and due to others	1,579,512
Total liabilities	$ 1,998,795

The notes to the basic financial statements are an integral part of this statement

Note 1 – Description of the City and Reporting Entity

The City of Shaker Heights (the City) was incorporated under the laws of the State of Ohio in 1912. The City has operated as a home rule municipal corporation under its own charter since the charter's adoption by the residents in 1931. The charter provides that the City operate under the Mayor/Council form of government, with the legislative power vested in the seven-member Council. The Mayor is the Chief Executive Officer of the City. The Mayor appoints the Chief Administrative Officer of the City.

Reporting Entity

The City provides various services including police and fire protection, public health, parks and recreation, street maintenance, planning and zoning, community preservation and development and other general governmental services. None of these services are provided by legally separate organizations; therefore, these operations are included in the primary government.

The City is a member of the Northeast Ohio Public Energy Council ("NOPEC"). NOPEC is a regional council of government formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of electricity. NOPEC is currently comprised of 100 communities who have been authorized by ballot to purchase electricity on behalf of their citizens. The intent of NOPEC is to provide electricity at the lowest possible rates while at the same time insuring stability in prices by entering into long-term contracts with suppliers to provide electricity to the citizens of member communities.

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the eight-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. Financial information can be obtained by contacting the Board Chairman, 31320 Solon Road, Suite 20, Solon, OH, 44139.

As defined by generally accepted accounting principles established by the Governmental Accounting Standards Board (GASB Statement No. 14), the financial reporting entity consists of the City (the primary government), as well as its component units. Component units are defined as legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability of the primary government to impose its will on the component unit, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

Based upon the foregoing criteria, these financial statements do not include any component units.

Note 2 – Summary of Significant Accounting Policies

The financial reporting practices of the City conform to generally accepted accounting principles as applicable to local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The most 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.

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 activity of the internal service funds are eliminated to avoid doubling up revenues and expenses.

The statement of net assets presents the financial condition of the governmental activities of the City at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities 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 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 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. The internal service funds are presented in a single column on the proprietary fund statements. 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.

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 balance. The following are the City's major governmental funds:

> *General Fund* – To account for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the charter of the City and/or the general laws of Ohio.
>
> *Capital Projects Fund* – To account for financial resources to be used for the acquisition or construction of capital facilities.
>
> *Urban Renewal Debt Service Fund* – To account for the accumulation of resources for, and the payment of, Urban Renewal Debt issued pursuant to Ohio Revised Code Section 725 to finance the Sussex Area Revitalization Project and the Shaker Towne Centre Community Development District Revitalization Project.

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. The City has no enterprise funds.

> *Internal Service Funds* – Internal service funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City maintains four separate internal service funds to account for its self-insurance activity, inventory of consumable supplies, copier management, and its municipal garage (fleet maintenance).

Fiduciary Funds – Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore, not available to support the City's own programs. The City has no trust funds. The City's agency funds are custodial in nature (assets equal liabilities) and thus do not involve the measurement of the results of operations. The City's agency funds are for the public art fund, obstruction permit deposits, excavating permit deposits, unclaimed monies, Fund for the Future of Shaker Heights, contractor deposits, municipal court and the Heights Area Special Rescue Team (HASRT).

Note 2 – Summary of Significant Accounting Policies (continued)

C. Measurement Focus

Government –- Wide Financial Statements

The government-wide statements are prepared 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, except for fiduciary funds. The Statement of Activities presents increases (e.g., revenues) and decreases (e.g. 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 of governmental funds.

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 presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets. The statement of cash flows provides information about how the City's finances 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 as well as fiduciary funds are prepared using the accrual basis of accounting. Proprietary funds also use the accrual basis of accounting.

Governmental funds are accounted for using the modified accrual basis of accounting and the current financial resources measurement focus. 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.

Note 2 – Summary of Significant Accounting Policies (continued)

D. Basis of Accounting (continued)

Revenue Recognition

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: municipal income taxes withheld by employers, inheritance taxes, sewerage surcharges, investment earnings, fines and forfeitures and state levied locally shared taxes (including motor vehicle fees). 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. Revenue received by the City within 60 days after year end are deemed to be available. Reimbursements for federally funded grant projects are accrued as revenue at the time the eligible expenditures are made. Property taxes and special assessments though measurable are not available soon enough in the subsequent year to finance current period obligations. Income taxes and sewerage surcharges are considered to be measurable when billed; however, these revenue sources are not considered to be available until they have been received by the collecting agency. Accordingly, these items are recorded and revenue recognition is deferred until they become available.

All other revenue sources, including licenses and permits, certain charges for services, and non-employer withheld income taxes, are recorded as revenue when received in cash because they generally are not measurable until actually received by the City.

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, 2008, but which were levied to finance year 2009 operations, have been recorded as deferred revenue. Special assessments not received within the available period and 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.

Expense/Expenditure Recognition

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. Most expenditures are measurable and are recorded when the related liability is incurred except for unmatured principal and interest on general long-term debt which is recognized when paid. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

Note 2 – Summary of Significant Accounting Policies (continued)

E. Cash and Cash Equivalents

For purposes of the statement of cash flows, the proprietary fund types consider all highly liquid investments that are both readily convertible to known amounts of cash, with a maturity of three months or less when purchased to be cash equivalents.

To improve cash management, cash received by the City is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through City records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents".

During fiscal year 2008, investments were limited to U.S. Treasury Notes and Bonds, securities guaranteed by the United States, and repurchase agreements.

Except for nonparticipating investment contracts, investments are reported at fair value, which is based on, quoted market prices. Nonparticipating investment contracts such as repurchase agreements are reported at cost.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2008 amounted to $387,341.

Investments with an original maturity of three months or less and investments of the cash management pool are presented on the financial statements as cash equivalents.

F. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2008, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid item at the time of the purchase and the expenditure/expense in the year in which the services are consumed.

G. Inventory

Inventory is stated at weighted average cost and is expended/expensed when used. Obsolete inventory has not been valued for financial reporting purposes.

H. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These 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.

Note 2 – Summary of Significant Accounting Policies (continued)

H. Capital Assets (continued)

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City's capitalization threshold is ten thousand dollars. The City's infrastructure consists of curbs, sidewalks, sewers, streets, and other general capital assets that are immovable and of value only to the City. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All capital assets are depreciated except for land and construction in progress. 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:

Description	Estimated Lives
Buildings & Improvements	10 to 60 years
Equipment	3 to 30 years
Land Improvements	10 to 50 years
Infrastructure	25 to 75 years

I. Interfund Balances

During the course of normal operations, the City had numerous transactions between funds, most of which are in the form of transfers of resources to provide services or to service debt. The accompanying financial statements generally reflect such transactions as transfers. The City also advances money between funds throughout the year. To the extent that certain transactions between funds have not been paid or received as of December 31, 2008, interfund amounts receivable or payable have been recorded as Interfund Payables and Interfund Receivables. Interfund balance amounts are eliminated in the Statement of Net Assets and the Statement of Activities.

J. Compensated Absences

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 16, *"Accounting for Compensated Absences"*, the City has accrued a liability for compensated absences (vacation and sick leave) at December 31, 2008 along with any salary-related benefit liabilities associated with the payment of compensated absences. The City uses the vesting method to calculate this liability. The entire compensated absence liability is reported on the government-wide financial statements.

K. 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.

Note 2 – Summary of Significant Accounting Policies (continued)

K. 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, compensated absences, and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and long-term loans are recognized as a liability on the fund financial statements when due.

L. 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. Fund balance reserves have been established for encumbrances and appropriations.

M. 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 City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

N. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

O. 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. Neither occurred in 2008.

P. 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 2 – Summary of Significant Accounting Policies (continued)

Q. Operating Revenues 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, recreation, and fitness center programs. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the fund.

R. Budgetary Process

Tax Budget

A budget of estimated cash receipts and disbursements is submitted to the County Auditor, as secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year.

Estimated Resources

The County Budget Commission certifies its actions relative to the submitted tax budget to the City by September 1. As a part of this certification, the City receives the official certificate of estimated resources, which states the projected resources of each fund. On or about January 1, this certificate is amended to include any unencumbered balances from the preceding year. The City must then revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure.

Appropriations

A temporary appropriation measure to control cash disbursements may be passed on or about January 1 of each year for the period January 1 to March 31. For all operating funds except capital projects and trust and agency funds, an annual appropriation measure must be passed by April 1 of each year for the period January 1 to December 31. For 2008, the annual appropriation measure was passed by City Council on December 17, 2007. The appropriation measure may be amended during the year as new information becomes available provided that total appropriations do not exceed estimated resources as certified. Trust and Agency Funds are deemed to be appropriated for their intended purpose upon receipt. The City appropriates Capital Project Funds on a project by project basis.

As provided by the City's Charter and State Law, amendments to the 2008 appropriation ordinance were approved by City Council. These amendments were deemed to be immaterial in nature and are reflected in the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual for the Year Ended December 31, 2008.

Note 2 – Summary of Significant Accounting Policies (continued)

Lapsing of Appropriations

For all funds, except capital projects funds, unencumbered appropriation balances lapse at year end and revert to the respective funds from which they were originally appropriated, thus becoming available for future appropriation. Capital projects are appropriated on a project basis. Project appropriation balances lapse upon completion of the project; therefore their unencumbered appropriation balances are carried over to the subsequent fiscal year.

Budgeted Level of Expenditure

State law mandates that a fund's total obligations may not exceed the total amount appropriated for the fund. For all funds except fiduciary and capital project funds, the City maintains its legal level of budgetary control at the department level and within each department segregates out expenses between personal services and other. For fiduciary funds, the legal level of budgetary control is maintained at the fund level. For capital project funds, the City maintains its legal level of budgetary control at the project level. Management control is exercised at the department level within each fund. Administrative control is maintained through the establishment of more detailed line item budgets. The Mayor and Chief Administrative Officer are authorized to transfer budgeted amounts between departments within a fund so long as the total amount appropriated for the fund is not exceeded.

S. Comparative Data/Reclassifications

Prior year data presented in Management's Discussion and Analysis and Statistical Section have been reclassified in order to be comparative and provide an understanding of the changes in financial position and operations. Certain reclassifications have been made to the 2007 financial statements in order to conform to the 2008 presentation.

Note 3 – Change in Accounting Principles, Restatement of Net Assets and Restatement of Fund Balances

A. Change in Accounting Principles

For 2008, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (OPEB),* GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations,* and GASB Statement No. 50, *Pension Disclosures*.

GASB Statement No. 45 improves the relevance and usefulness of financial reporting by requiring systematic, accrual-basis measurement and recognition of OPEB costs over a period that approximates employees' years of service and providing information about actuarial accrued liabilities associated with OPEB and whether and to what extent progress is being made in funding the plan. The City has determined that the adoption of this statement did not have an impact on the City's financial statements; however, note disclosures related to post-employment benefits have been modified. An OPEB liability at transition was determined in accordance with this Statement for both the OPERS and OP&F post-employment healthcare plans in the amount of $79,846 and $53,322, respectively, which are the same as the previously reported liabilities.

For The Year Ended December 31, 2008

Note 3 – Change in Accounting Principles, Restatement of Net Assets and Restatement of Fund Balances (continued)

A. Change in Accounting Principles (continued)

GASB Statement No. 49 provides guidance on how to calculate and report costs and obligations associated with pollution cleanup efforts.

GASB Statement No. 50 requires employers contributing to defined benefit pension plans to include the legal or contractual maximum contribution rates in the notes to the financial statements.

B. Restatement of Net Assets

Understatement of capital assets had the following effect on net assets at December 31, 2007:

Net assets, December 31, 2007	$ 102,265,773
Restatement of capital assets	4,495,825
Restated net assets, December 31, 2007	$ 106,761,598

The capital assets were understated due to an accounting error which was detected during a physical count of the City's inventory during 2008.

C. Restatement of Fund Balances

Overstatement of accrued compensated absences had the following effect on fund balances at December 31, 2007:

	General	Capital Projects	Urban Renewal Debt Service	Non-Major Governmental Funds	Total Governmental Funds
Fund Balance, December 31, 2007	$ 11,015,521	$ 31,339,125	$ (6,373,617)	$ 4,135,751	$ 40,116,780
Restatement of Accrued Compensated Absences	1,739,716	-	-	184,404	1,924,120
Adjusted Fund Balance, December 31, 2008	$ 12,755,237	$ 31,339,125	$ (6,373,617)	$ 4,320,155	$ 42,040,900

At December 31, 2007, the accrued compensated absences that were due within one year were incorrectly recorded as liabilities in the General Fund and Non-Major Governmental Funds modified financial statements. This caused the liabilities and expenses to be overstated and the fund balances to be understated. There will not be an adjustment to the Net Assets because the liability and expense were recorded properly in the Governmental Activities. The $1,924,120 shown as a current liability in the prior year Statement of Net Assets will be reclassified as a long-term liability in the Management's Discussion and Analysis for comparison purposes and in the Long-Term Obligation footnote to correct the debt schedule. See Management's Discussion and Analysis starting on Page 3 and the Long-Term Obligation schedule as part of Note 10 beginning on page 45.

Note 4 – Budgetary Basis of Accounting

While reporting financial position, results of operations, and changes in fund equity on the basis of generally accepted accounting principles (GAAP basis), the budgetary basis, as provided by law, is based upon accounting for transactions on a basis of cash receipts and disbursements. The Statements of Revenue, Expenditure, Encumbrance and Changes in Fund Balance-Budget (Non – GAAP Basis) and Actual for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results to the budget. The major differences between the budget basis and the GAAP basis are:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash or encumbered (budget) as opposed to when susceptible to accrual (GAAP).
3. Encumbrances are treated as expenditures (budget) rather then as a reservation of fund balance (GAAP).
4. Investments reported at fair value (GAAP) rather than cost (budget).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund.

Net Change in Fund Balance

GAAP Basis	$ (1,028,699)
Net Adjustment for Revenue Accruals	297,111
Fair Value Adjustment for Investments 2007	(180,881)
Fair Value Adjustment for Investments 2008	38,759
Net Adjustment for Expenditure Accruals	(623,440)
Encumbrances	837,485
Budget Basis	$ (659,665)

Note 5 – 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 treasury. Such monies must be maintained either as cash in the City treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Note 5 – Deposits and Investments (continued)

Inactive deposits are monies 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 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. The City's investment policies are governed by the City's charter and ordinances. The charter authorizes the City to invest in the following securities:

1. Bonds or notes which are issued by and are obligations of the City of Shaker Heights, Ohio.
2. Bonds, notes, certificates of indebtedness, treasury bills or other securities issued by and constituting direct obligations of, or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest thereon.
3. Bonds or notes which are issued by and are the obligations of the State of Ohio, provided that such bonds or notes have a rating assigned to them by Standard and Poor's Corporation or Moody's Investor Services, Inc. which rating:

    a. As to bonds, is one of the two highest rating categories that my be assigned; and
    b. As to notes, is the highest rating category that may be assigned.

In order to be eligible investments under points (2) and (3), there must be no outstanding default for the payment of the principal or interest on such securities and the securities must mature or be subject to redemption at the option of the City within five years of the date the City purchased such security.

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. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

Written repurchase agreements in the securities listed above are permitted provided that the fair 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 the market daily. The term of the agreement may not exceed thirty days.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Finance Director or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Note 5 – Deposits and Investments (continued)

Deposits

Custodial credit risk is the risk that in the event of bank failure, the City's deposits may not be returned to it. Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution, by surety company bonds or by a single collateral pool established by the financial institution. In accordance with Chapter 135 of the Ohio Revised Code, any public depository receiving deposits pursuant to an award of City funds shall be required to pledge as security for repayment of all public moneys.

At year-end, the carrying amount of the City's deposits was $1,149,118 (including $13,146 of petty cash) and the bank balance was $1,730,834. Of the bank balance, $760,802 was covered by Federal depository insurance, and $970,032 was collateralized with securities held by the pledging institution's agent in the City's name.

Investments

Investments are reported at fair value. As of December 31, 2008, the City had the following investments:

		Maturities (in years)	
	Fair Value	Less than 1	1-2
US Treasury Notes	$ 2,086,251	$ 1,012,188	$ 1,074,063
Temporary TLGP Securities	4,060,183	-	4,060,183
Repurchase Agreement	39,730,076	39,730,076	-
Total Portfolio	$ 45,876,510	$ 40,742,264	$ 5,134,246

Interest Rate Risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The City's investment policy addresses interest rate risk requiring that the City's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding that need to sell securities on the open market prior to maturity and by investing operating funds primarily in short-term investments. The City investment policy also limits security purchases to those that mature five years unless specifically matched to a specific cash flow. To date, no investments have been purchased with a life greater than five years.

Custodial Risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. All financial institutions and broker/dealers who desire to become qualified for investment transactions with the City must meet a set of prescribed standards and be periodically reviewed.

Credit Risk is addressed in the City's investment policy by the requirements that all investments are authorized by Ohio Revised Code and that the portfolio be diversified both by types of investment and issuer. All investments of the city are registered and carry a rating AAA by Standard & Poor's.

Note 5 – Deposits and Investments (continued)

Investments (continued)

Concentration of Credit Risk is defined by the Governmental Accounting Standards Board as five percent or more in the securities of a single issuer. The City's investment policy requires diversification of the portfolio but does not indicate specific percentage allocations.

Investment Issuer	Percentage of Investments
US Treasury Notes	4.55 %
Temporary TLGP Securities	8.85 %
Repurchase Agreements	86.60 %

Note 6 – Receivables

Receivables at December 31, 2008, consisted primarily of municipal income taxes, property and other taxes, accounts, special assessments, interest, and intergovernmental receivables arising from grants, entitlements, and shared revenues. All receivables are deemed collectible in full. Special assessments are expected to be collected within one year.

A. Property Taxes

Property taxes include amounts levied against all real, public utility and tangible personal property located in the City. The City receives property taxes from the following sources:

Real Estate - Residential, commercial and public utility real property is taxed at 35% of market value.

Tangible Personal Property - Historically, the true value of personal property is based upon composite annual allowances and is assessed at 88%, except for the following:

Electric Utility Production Equipment	-	Assessed at 100% of true value (50% of cost).
Rural Electric Companies	-	Assessed at 50% of true value.
Railroads	-	Assessed at 25% of true value.
Telephone Utility	-	Effective in tax year 1995, all interchange telephone personal property is assessed at 25% of true value. Local exchange telephone personal property added to the tax roles during tax year 1995 and thereafter is assessed at 25% of true value; existing personal property is assessed at 88% of true value.

The tangible personal property tax is being phased out – the assessment percentage for all property including inventory for tax year 2007 is 12.50%. This will be reduced to 6.25% for tax year 2008, and zero for tax year 2009.

Real property taxes (other than public utility property) are levied after October 1 on the assessed value listed as of the prior January 1, the lien date. Assessed values are established by the Cuyahoga County Auditor at 35%
Real property taxes (other than public utility property) are levied after October 1 on the assessed value listed as

Note 6 – Receivables (continued)

A. Property Taxes (continued)

of the prior January 1, the lien date. Assessed values are established by the Cuyahoga County Auditor at 35% of the current market value, and reappraisal of all property is required every six years with a triennial update. The last reappraisal was completed for tax year 2006 affecting collections beginning in 2007.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 20; if paid semi-annually, the first payment is due mid January with the remainder payable by mid July. Taxes not paid become delinquent after December 31 of the year in which payable. Under certain circumstances, state statute permits earlier or later payment dates to be established.

Taxpayers become liable for tangible personal property taxes (other than public utility property) on January 1 of the current calendar year based on tax rates determined in the preceding year and assessed values determined as of the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of the current calendar year. Since 1992, tangible personal property used in business (except for public utilities) was assessed for ad valorem taxation purposes at 25% of its true value.

Amounts 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 by September 20. Under Ohio law, personal property taxes do not attach as a lien on the personal property.

Public utility real and tangible personal property taxes collected during the calendar year were levied in the preceding calendar year based on assessed values as of January 1 of that preceding year, the lien date.

The majority of public utility tangible personal property currently is assessed at 35% of its true value. Public utility property taxes are payable on the same dates as real property taxes described previously.

While property tax rates are levied by the City, the Cuyahoga County Auditor is statutorily responsible for administering and collecting real property taxes on the behalf of all taxing authorities in the county, including the City.

The assessed values per category applicable to the 2008 and 2007 tax are as follows:

	Tax Year/Collection Year	
	2008/2009	2007/2008
Real Estate (other then public utility)	$ 876,609,700	$ 876,014,850
Public Utilities Real and Tangible Personal Property	9,080,760	8,674,200
Tangible Personal Property (other than public utility)	3,788,537	6,129,221
Total Valuation	$ 889,478,997	$ 890,818,271

The tax rate levied to finance the City's services for the years ended December 31, 2008 and December 31, 2007 was $9.90 per $1,000 of real estate and personal property valuation.

Note 6 – Receivables (continued)

A. Property Taxes (continued)

The receivable and related deferred revenue does not include property tax entitlements in the amount of $1,220,127 that the City expects to receive in 2009 from the State of Ohio to finance 2009 operations. These entitlements are based upon 2008 local property tax relief granted by the State to qualified classes of real property owners in the form of homestead exemptions and tax rollbacks.

B. Municipal Income Taxes

The City income tax is applied to the gross salaries, wages and other personal service compensation earned by residents of the City and to the earnings of nonresidents working within the City. This tax also applies to the net income of businesses operating within the City. The tax rate was 1.75% of earnings for 2008 and 2007. Both residents of the City and non-residents who work inside the City are subject to the income tax. The City grants an income tax credit to residents who work in a locality that has a municipal income tax. The City provides a credit of up to one-half of one percent of the tax rate of the resident's workplace community's income tax rate. A receivable totaling $8,544,040 has been recorded in the General Fund. This total includes $3,705,224 for the portion of taxes that is due prior to December 31, 2008, but is not received until January and February of the following year, and $4,838,816 which has been billed, but is not available in the current period.

C. Intergovernmental Receivable

A summary of intergovernmental receivables at December 31, 2008, include the following:

Governmental Activities		Amounts
Local Government Contracts	$	315,087
Auto Registration Fees		24,354
Homestead & Rollback		556,070
Gas Tax		392,142
Liquor Tax		2,125
Estate Tax		437,594
Local Government – State		166,483
Local Government – County		565,954
Federal Grants		356,316
CAT Tax		16,540
Other		51,373
Total	$	2,884,038

For The Year Ended December 31, 2008

Note 7 – Capital Assets

Capital asset activity for the year ended December 31, 2008, was as follows:

Governmental Activities:	Restated Balances 12/31/07	Additions	Deletions	Balances 12/31/08
Capital Assets not being depreciated:				
Land	$ 17,440,395	$ 245,611	$ (14,500)	$ 17,671,506
Construction in Progress	24,006,531	2,856,006	(21,419,914)	5,442,623
Total Capital Assets not being depreciated	41,446,926	3,101,617	(21,434,414)	23,114,129
Capital Assets being depreciated:				
Buildings and Improvements	15,687,085	341,931	-	16,029,016
Land Improvements	2,854,754	5,247,500	-	8,102,254
Machinery and Equipment	14,570,303	824,498	(44,248)	15,350,553
Infrastructure:				
Streets	14,028,591	6,622,339	-	20,650,930
Storm and Sanitary Sewers	5,025,542	2,713,369	-	7,738,911
Bridges	148,389	-	-	148,389
Culverts	56,000	-	-	56,000
Traffic Signals	2,531,645	10,335,803	-	12,867,448
Total Capital Assets being depreciated	54,902,309	26,085,440	(44,248)	80,943,501
Less Accumulated Depreciation:				
Buildings and Improvements	(5,533,319)	(363,280)	-	(5,896,599)
Land Improvements	(1,415,067)	(310,709)	-	(1,725,776)
Machinery and Equipment	(7,929,055)	(1,172,169)	32,991	(9,068,233)
Infrastructure:				
Streets	(3,486,246)	(452,274)	-	(3,938,520)
Storm and Sanitary Sewers	(391,161)	(98,216)	-	(489,377)
Bridges	(47,089)	(5,936)	-	(53,025)
Culverts	(2,302)	(747)	-	(3,049)
Traffic Signals	(828,528)	(318,733)	-	(1,147,261)
Total Accumulated Depreciation	(19,632,767)	(2,722,064)	32,991	(22,321,840)
Net Capital Assets being depreciated	35,269,542	23,363,376	(11,257)	58,621,661
Governmental Activities Capital Assets, Net	$ 76,716,468	$ 26,464,993	$ (21,445,671)	$ 81,735,790

Note 7 – Capital Assets (continued)

Depreciation expense was charged to governmental activities as follows:

Security of Persons and Property	$ 604,558
Public Health Services	3,025
Leisure Time Activities	459,163
Housing and Community Development	84,565
Sanitation and Sewer Services	297,710
Street Maintenance and Repair	538,482
Public Works – Other	418,996
General Government – Legislative and Executive	292,506
General Government – Judicial System	23,059
Total	$ 2,722,064

Note 8 – Compensated Absences

Vacation is earned by City employees at varying rates based upon length of service. Vacation accumulates and the maximum amounts vary from a range of 160 hours to 600 hours, based on bargaining units. In the case of death, termination or retirement an employee (or the employee's estate), is paid for the accumulated, unused vacation leave.

All full-time employees earn sick leave at a rate of fifteen (15) workdays per year. In November of each year full-time employees of the City have the right to convert accumulated sick leave days earned during the last year in excess of a total accumulation of ninety (90) days at the ratio of three days of accumulated sick leave for one day's pay. Sick leave not converted under this option may be used through time off from work. Dependent upon bargaining unit membership, full-time employees with minimum continuous service with the City ranging from five to ten years who terminate employment for other than disciplinary reasons may receive payment for their accumulated sick leave according to various formulae with maximums ranging from 600 to 1,300 hours. Compensated absences are charged to various funds of the City in accordance to where an employee's salary is charged.

Note 9 – Notes Payable

Notes payable at December 31, 2008, consisted of the general obligation bond anticipation notes listed below. All of the debt listed has a term of one year or less, except for the Taxable Special Obligation Housing Notes, and was issued to finance improvements to City owned property and to acquire equipment. The City has been retiring a portion of the notes as they mature and is issuing new notes for the remaining balance. The City will either convert this debt to bonds or pay off the debt within six years. Temporary Urban Renewal Bonds are dated October 31, 2008 and are due April 22, 2009, at an interest rate of 3.65%. Various Improvement Notes are dated May 8, 2008, and are due May 8, 2009, at an interest rate of 2.50%. One series of Taxable Special Obligation Housing Notes is dated September 8, 2006, and is due on September 8, 2010, at an interest rate of 4.76%. A second series of Taxable Special Obligation Housing Notes is dated June 12, 2007 and is due June 12, 2011 at an interest rate of 4.9%. A third series of Taxable Special Obligation Housing Notes is dated July 15, 2008 and is due July 15, 2012 at an interest rate of 3.8%. Subsequent to year-end, the Various Purpose Improvement Notes and the Temporary Urban Renewal Bonds were refinanced. Therefore, these notes payable are recorded as long-term obligations.

A summary of all note debt activity for the year ended December 31, 2008, as follows:

General Obligation Bond Anticipation	Balance 12/31/07	Net/Addition (Reduction)	Balance 12/31/08
STC Northwest Quadrant Note – Library (Renewal 17)	$ 500,000	$ (500,000)	$ -
2004 Public Safety System Note	320,000	(320,000)	-
2001 Traffic Signal Project Note	350,000	(350,000)	-
2004 Street Restoration Note	315,000	(315,000)	-
2004 Lee Road Construction Note	280,000	(280,000)	-
STC TIF Project Temporary Bond, Series 2007	6,845,000	(6,845,000)	-
Taxable Special Obligation Housing Notes, Series 2006	250,000	-	250,000
Taxable Special Obligation Housing Notes, Series 2007	500,000	(250,000)	250,000
Taxable Special Obligation Housing Notes, Series 2008	-	500,000	500,000
STC Northwest Quadrant note – Library (Renewal 18)	-	345,000	345,000
2004 Public Safety System Note	-	160,000	160,000
2001 Traffic Signal Project Note	-	300,000	300,000
2004 Street Restoration Note	-	270,000	270,000
2004 Lee Road Construction Note	-	240,000	240,000
STC TIF Project Temporary Bond, Series 2008	-	6,845,000	6,845,000
Total Notes Payable	$ 9,360,000	$ (200,000)	$ 9,160,000

For The Year Ended December 31, 2008

Note 10 – Long Term Obligation

Changes in the City's long-term obligations during the year were as follows:

	Balance 12/31/2007	Addition (Reduction)	Balance 12/31/2008	Amounts Due in One Year
Bonds Payable @ Various Interest Rates				
Firehouse No. 1 Construction Permanent Urban Renewal Bond, due 12/1/2031	$ 4,560,000	$ (115,000)	$ 4,445,000	$ 120,000
Sussex Area Revitalization District Permanent Urban Renewal Bond, due 12/1/2031	2,650,000	(55,000)	2,595,000	70,000
Shaker Town Centre Revitalization Permanent Urban Renewal Bond, due 12/1/2031	7,645,000	(100,000)	7,545,000	100,000
Total Bonds Payable	14,855,000	(270,000)	14,585,000	290,000
Loans Payable Ohio Public Works Commission Loans				
CA611 - Shelburne Road Sanitary Sewer Replacement, due 7/1/2015, semi-annual installment of $20,188	302,812	(20,188)	282,624	40,375
CA08F - -Water System Improvement, due 07/01/2025, semi-annual installments of $69,908	2,586,613	(69,909)	2,516,704	139,817
CA17E - City Water Line Improvements due 07/01/2025, semi-annual installment of $32,475	1,136,625	(32,474)	1,104,151	64,950
Total Loans Payable	4,026,050	(122,571)	3,903,479	245,142
Notes Payable				
Various Purpose Improvement Notes	1,765,000	1,315,000		
		(1,765,000)	1,315,000	450,000
Taxable Special Obligation Housing Notes	750,000	500,000		
		(250,000)	1,000,000	250,000
STC TIF Project Temporary Bond	-	6,845,000	6,845,000	2,245,000
Total Long-term Notes Payable	2,515,000	6,645,000	9,160,000	2,945,000
Compensated absences	5,931,610	3,123,268		
		(3,042,396)	6,012,482	1,788,062
Total long –term obligations	$ 27,327,660	$ 6,333,301	$ 33,660,961	$ 5,268,204

As of December 31, 2008, the City's future debt service requirements consisted of bonds and notes payable at various interest rates, three non-interest bearing Ohio Public Works Commission Loans numbered CA611, CA08F and CA17E and compensated absences. For governmental activities, compensated absences are generally liquidated by the general fund.

Note 10 – Long Term Obligation (continued)

The annual debt service requirements are as follows:

	Bonds Payable		Loans Payable Principal		
Year	**Principal**	**Interest**	**CA611**	**CA08F**	**CA17E**
2009	$ 290,000	$ 673,709	$ 40,375	$ 139,817	$ 64,950
2010	405,000	666,169	40,375	139,817	64,950
2011	420,000	654,424	40,375	139,817	64,950
2012	430,000	640,774	40,375	139,817	64,950
2013	450,000	625,724	40,375	139,817	64,950
2014-2018	2,540,000	2,844,326	80,749	699,085	324,750
2019-2023	3,145,000	2,169,204	-	699,085	324,750
2024-2028	3,995,000	1,273,756	-	419,449	129,901
2029-2031	2,910,000	273,338	-	-	-
Total	$ 14,585,000	$ 9,821,424	$ 282,624	$ 2,516,704	$ 1,104,151

Legal Debt Margin Under the Uniform Bond Act of the Ohio Revised Code, at December 31, 2008, the City's overall debt limitation is $93,395,295 (10.5% of the City's total assessed property valuation of $889,478,997) of which $92,258,534 is available for additional voted and unvoted general obligation debt. Of this total general obligation debt capacity, the City's unvoted general obligation debt capacity is $48,921,345 (5.5% of the City's total assessed property valuation) at December 31, 2008, of which $47,784,584 is available.

Note 11 – Pension and Retirement Plans

A. Ohio Public Employees Retirement System (OPERS)

The City of Shaker Heights participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan 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 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 the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-5601.

Note 11 – Pension and Retirement Plans (continued)

A. Ohio Public Employees Retirement System (OPERS) (continued)

For 2008, member and employer contribution rates were consistent across all three plans. For the year ended December 31, 2008, the members of all three plans were required to contribute 10.0 percent of their annual covered salary to fund pension obligations. The City contributed 14.0 percent of covered payroll, of which 7.0 percent was used to fund health care coverage for retirees. The contribution rate is determined actuarially. The Ohio Revised Code provides statutory authority for member and employer contributions.

The City's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2008, 2007, and 2006 were $1,937,741, $2,113,796, and $1,942,243, respectively; 91.8 percent has been contributed for 2008 and 100 percent for 2007 and 2006.

B. Ohio Police and Fire Pension Fund (OP&F)

The City of Shaker Heights 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 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10.0 percent of their annual covered salary, while employers are required to contribute 19.5 percent for police officers and 24.0 percent for firefighters. Contributions are authorized by state statute. The City's contributions to OP&F for the years ended December 31, 2008, 2007, and 2006 were $2,092,172, $2,244,685, and $2,167,359, respectively. The full amount has been contributed for 2007 and 2006. For 2008, 92.0 percent for police and 91.6 percent for firefighters has been contributed, with the remainder being reported as a liability.

Note 12 – Postemployment Benefits

A. Ohio Public Employees Retirement System (OPERS)

The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the Traditional Plan (TP) – a cost-sharing multiple-employer defined benefit pension plan; the Member-Directed Plan (MD) – a defined contribution plan; and the Combined Plan (CO) – a cost-sharing multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing multiple employer defined benefit 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.

Note 12 – Postemployment Benefits (continued)

A. Ohio Public Employees Retirement System (OPERS) (continued)

In order to qualify for post-retirement health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and qualified survivor recipients is available. 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 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. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 E. Town St., Columbus, OH, 43215-4642, or by calling (614) 222-5601.

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. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2008, the City contributed at a rate of 14.0 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0 percent of covered payroll for state and local employer units. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of the post employment health care benefits. For 2008, the employer contribution allocated to the health care plan was 7.0 percent of covered payroll. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions for health care for the years ended December 31, 2008, 2007, and 2006 were $968,871 , $839,414, and $637,963, respectively; 91.8 percent has been contributed for 2008 and 100 percent for 2007 and 2006.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Board of Trustees 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.

Note 12 – Post Employment Benefits (continued)

B. Ohio Police and Fire Pension Fund (OP&F)

The City of Shaker Heights 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 healthcare benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code allows, but does not mandate OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That report may be obtained by writing to OP&F, 140 E. Town St., Columbus, Ohio 43215-5164.

The Ohio Revised Code provides for contribution requirements of the participating employers and of the plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5 percent and 24.0 percent of covered payroll for police and fire employers, respectively. The Ohio revised Code states that the employer contribution may not exceed 19.5 percent of the covered payroll for police employer units and 24.0 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements 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, 2008, the employer contribution allocated to health care plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 1150 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.

Note 12 – Post Employment Benefits (continued)

B. Ohio Police and Fire Pension Fund (OP&F) (continued)

The City's contributions to OP&F for the years ended December 31, 2008, 2007, and 2006 were $2,092,172, $2,244,685, and $2,167,359, respectively, of which $650,569, $696,626, and $772,277, respectively, was allocated to the healthcare plan. The full amount has been contributed for 2007 and 2006. For 2008, 92.0 percent for police and 91.6 percent for firefighters has been contributed, with the remainder being reported as a liability.

Note 13 – Interfund Activity

A. Interfund activity for the year ended December 31, 2008 consisted of the following:

	Interfund Payable					
Interfund Receivable	General Fund	Capital Fund	Urban Renewal	Non Major Funds	Internal Service	Total
General Fund	$ -	$ -	$ -	$ 952,871	$ 42,429	$ 995,300
Capital Projects Fund	-	-	11,385	34,925	-	46,310
Urban Renewal Debt Service Fund	-	3,143	-	-	-	3,143
Nonmajor Governmental Funds	18,534	4,336	-	628,355	-	651,225
Internal Service Funds	101,195	-	-	-	-	101,195
Total	$ 119,729	$ 7,479	$ 11,385	$ 1,616,151	$ 42,429	$ 1,797,173

The interfund receivables and payables listed above result from a difference in the timing of when expenses are recognized in accordance with generally accepted accounting principles and when the related interfund subsidies are budgeted for payment on a cash basis.

B. Interfund transfers for the year ended December 31, 2008, consisted of the following:

	Transfer From			
Transfer To	General Fund	Capital Fund	Non Major Funds	Total
General Fund	$ -	$ 90,000	$ -	$ 90,000
Capital Projects	38,000	-	49,000	87,000
Urban Renewal Debt Service Fund	-	945,188	-	945,188
Nonmajor Governmental Funds	1,697,474	846,442	327,442	2,871,358
Internal Service	-	300,000	-	300,000
Totals	$ 1,735,474	$ 2,181,630	$ 376,442	$ 4,293,546

Note 13 – Interfund Activity (continued)

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and to return money to the fund from which it was originally provided once a project is completed.

The City had no transfers that either do not occur on a regular basis or were inconsistent with the purpose of the fund making the transfer. In addition, each of the above transfers is in compliance with the Ohio Revised Code.

Note 14 – Direct Financing Leases

As of December 31, 2008, the City has leased four pieces of real property. All of the leases are accounted for as direct financing leases. The value of the City's investment in direct financing leases is reflected as a lease receivable and deferred revenue in the General Fund of $260,922 Capital Projects Fund of $969,906 and Economic Development Fund of $4,500.

Former Moreland School Building: This property was leased to the Shaker Heights Public Library during 1991 to serve as the library districts' new main library facility. The initial lease term expires in 2013 with four ten-year renewal options. Under the terms of the lease, the Library Board of Directors completed approximately $4.3 million in renovations to the facility. The lease required the City to finance $2.6 million of the project. The annual basic lease payment is $100 plus the annual debt service on the financing amortized over the life of the lease.

Warrensville Center Road Center Strip/Parking Lots: This lease was entered into with University Hospitals Health System, Inc. in June 2007 for a term of 15 years. Under the terms of the lease, the City constructed and made necessary improvements to existing parking lots on City owned property along Warrensville Center Road.

3470 Warrensville Center Road: This lease was entered into with Starbucks Corporation in 1999 for a 10 year period. In 2008, Starbucks exercised its first option to extend the lease for an additional five-year period. It was extended through August 2014, commencing September 1, 2009. Under the terms of the lease, upon expiration, the lessee has the right to renew the lease with scheduled rent increases for one additional five-year period.

3558 Lee Road: This lease was entered into in 2005, for the former Zalud Oldsmobile property, with First Energy Corp. and expired in January 2009.

Note 14 – Direct Financing Leases (continued)

The following lists the components of the net investment in direct financing leases as of December 31,2008:

Year Ending December 31,	General Fund	Capital Projects Fund	Economic Development	Total
2009	$ 55,283	$ 158,851	$ 4,500	$ 218,634
2010	58,550	158,851	-	217,401
2011	58,550	38,851	-	97,401
2012	58,550	3,851	-	62,401
2013	58,450	3,851	-	62,301
2014-2018	43,750	49,251	-	93,001
2019	-	33,850	-	33,850
Total minimum lease receivable	333,133	447,356	4,500	784,989
Less: Amounts representing executory costs	(86,100)	(42,350)	-	(128,450)
Net minimum lease receivable	247,033	405,006	4,500	656,539
Estimated residual value of leased property	13,889	564,900	-	578,789
Net investment in direct financing leases	$ 260,922	$ 969,906	$ 4,500	$ 1,235,328

Note 15 – Risk Management

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. During 2008, the City contracted with the following insurance companies:

Argonaut (Trident) – provided public entity broad form liability insurance. This insurance included law enforcement, public officials, and emergency medical liability insurance, and is limited to $10,000,000 with a self-retention of $100,000. This insurance also included excess insurance for automobile liability with no retention limit. AAIC provided the excess liability (umbrella) insurance.

Trident – provided liability insurance for all City-owned vehicles (excluding scooters) and physical damage insurance for all units valued at $50,001 and above with a deductible of $500. Any vehicle valued below $50,001 does not carry comprehensive or collision insurance. The vehicles not carried under the plan are self-insured by the City. This coverage includes $1,000,000 for Liability, $25,000 for uninsured/under insured motorist, $1,000,000 for leased or rented vehicles, and a $500 comprehensive and collision deductible.

Trident – provided commercial insurance for property and inland marine. Property insurance, with a deductible of $5,000, was limited to $40,074,544 for property and contents and $1,706,443 for contractor's equipment. This coverage also included coverage of valuable papers and records, which was limited to $100,000 with a deductible of $500.

Trident– provided commercial crime and public employee dishonesty insurance with an aggregate limit of $500,000 and a deductible of $5,000.

Trident – provided catastrophic loss coverage for the City's vehicle fleet (provided for all vehicles valued $50,000 and under for catastrophic loss). This insurance coverage has a maximum limit of $500,000 and deductible of $5,000.

Note 15 – Risk Management (continued)

The City accounts for its general liability and property insurance premiums in the Self-Insurance Fund (an Internal Service Fund). The claims liability reported in the Self-Insurance Fund is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable. Several claims and lawsuits are pending against the City. At December 31, 2008, the general and property liabilities balance is zero. The amount of the liability, if any, cannot be reasonably estimated at this time. Settled claims have not exceeded commercial coverage in any of the past three fiscal years. There were no reductions of coverage in 2008 when compared to the prior year.

The City makes available a choice of health care plans for full-time permanent employees and their qualified dependents. The current providers are an HMO and commercial hospitalization insurance carrier. Hospitalization premiums are paid on a monthly basis and allocated to proper funds. Benefits of these plans include hospitalization and dental insurance. Other insurance carriers provide accidental death and dismemberment, disability, and life insurance benefits.

Historically, under the Ohio Workers' Compensation System for public employer taxing districts, a city could be fully insured against worker compensation claims. The city paid a premium determined by the "base rate" as modified by the "experience factor." Prior to 1994 and subsequent to 1999, the City was part of the fully insured program.

Ohio law was amended to permit a plan based on a so called "Retrospective Rating." Ohio employers that meet the eligibility requirements and standards are able to participate in this plan which transfers a certain portion of the claim risk to the employer. Under the terms of the Retrospective Rating Plan, an employer is required to make three forms of payment.

- First a minimum premium payment, which is a fraction of the premium it would have been under the fully insured plan.
- Second, the employer is responsible for all selection year claims paid by the Bureau within the next ten years.
- Third, at the end of the ten-year period, the Bureau will compute a final premium liability for all remaining, unresolved claims.

The City applied for and was accepted into the Retrospective Rating Plan for the years 1994 through 1999. The City's Self-Insurance Fund (an Internal Service Fund) was used to account for and pay Workers' Compensation claims from the accumulated assets of the fund. The City's Retrospective Rating Plan provided for a catastrophic limit per claim and an aggregate claim limit of 200% fully insured premium that would have been payable by the City for the year in which the injury occurred. Beginning in 2000 and for each year since up through August 31, 2008, the City has elected to participate in the fully insured plan of the Ohio Bureau of Workers' Compensation.

Note 15 – Risk Management (continued)

On September 1, 2008, the City elected to provide worker's compensation coverage through a partially self-insured program. The City is accounting for the worker's compensation self-insurance through the Self-Insurance Fund (an Internal Service Fund). Compensable Benefits LLC is the City's third-party administrator. The retention point for excess insurance is $500,000, which is through Midwest Employer's Casualty Company. The insurance will cover the City for each incident that goes beyond $500,000.

At December 31, 2008, $ 88,051 had been accrued for Self Insurance claims. This represents estimates to be paid for Workers' Compensation and Property and Casualty for unpaid claims costs, including an estimate of costs relating to incurred but not yet reported claims based on the current information available.

A reconciliation of changes in the balances of claims liabilities during the fiscal years 2008 and 2007 were as follows:

	Property and Casualty		Workers' Compensation	
	2008	2007	2008	2007
Beginning of the Year Liability	$ -	$ -	$ 296,758	$ 1,017,324
Current Year Claims And Changes in Estimates	57,355	59,696	(180,613)	(474,608)
Claim Payments	(57,355)	(59,696)	(28,094)	(245,958)
Balance at End of Year	$ -	$ -	$ 88,051	$ 296,758

Note 16 – Subsequent Event

On March 23, 2009, the City entered into an agreement with the Ohio Public Works Commission for a zero interest loan in the amount of $1,765,549, maturing on January 1, 2029, for the purpose of making infrastructure improvements to the South Woodland area.

On April 21, 2009, the City issued General Obligation Urban Renewal Bonds, Series 2009, in the amount of $4,600,000 with varying interest rates from 2.0% to 5.0%, maturing December 1, 2031, to retire previously outstanding Urban Renewal Temporary Bonds, Series 2008 and to pay the costs of carrying out the City urban renewal project activities.

On May 8, 2009, the City issued Various Purpose Improvement Notes in the amount of $865,000 with an interest rate of 1.75%, maturing on May 7, 2010, to retire previously outstanding notes and for the following purposes: (i) renovating and improving the former Moreland school building for library and other municipal purposes; (ii) improving streets within the City by installing traffic signalization and by resurfacing and reconstructing surfaces; and (iii) acquiring, installing, and equipping a new computer system for the Public Safety Department; each all together with all necessary equipment and appurtenances thereto.

Note 17 – Construction Commitments

The City has active construction projects as of December 31, 2008. As of December 31, 2008, the City's construction commitments with contractors were as follows:

Project	Project Expenditures as of 12/31/2008	Remaining Commitment
Horseshoe Lake Trail	$ 12,576	$ 20,600
Westbury Road Beautification	28,550	1,450
Street Improvements:		
2005 Street Repair Program	804,302	1,920
2006 Street Repair Program	689,724	87,908
2008 Street Repair Program	666,655	501,446
Total Street Improvements	2,160,681	591,274
Storm and Sanitary Sewer Improvements:		
South Woodland Project	2,123,373	1,207,062
Lee Road Sanitary Sewer	682,193	107,807
Horseshoe Lake Dam and Spillway	27,153	82,847
Lomond Project	54,117	6,013
Total Storm and Sanitary Sewer Improvements	2,886,836	1,403,729
Total All Projects	$ 5,088,643	$ 2,017,053

Note 18 – Claims and Judgments

Several claims and lawsuits are pending against the City. The amount of the liability, if any, cannot be reasonably estimated at this time. However, it is in the opinion of management that such claims and lawsuits will not have a material adverse effect on the financial condition of the City.

The City has received several federal and state grants for specific purposes which are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to grantor agencies for expenditures disallowed under the terms of the grants. However, it is the opinion of management that any such disallowances, if any, will be immaterial.

Note 19 – Noncompliance

Ohio Revised Code 5705.41(B) states that no subdivision or taxing unit is to expend money unless it has been appropriated. At December 31, 2008, the City had expenditures plus encumbrances in excess of appropriations as follows:

	Final Appropriations	Actual Expenditures	Excess
General Fund:			
Parks and Public Lands Maintenance:			
Personal Services	$ 498,980	$ 511,204	$ (12,224)
Tree Maintenance and Leaf Collection:			
Other	181,600	185,152	(3,552)
Refuse Collection and Disposal:			
Personal Services	1,437,140	1,457,749	(20,609)
Brush Collection and Disposal:			
Other	176,900	185,124	(8,224)
Street Maintenance and Repair:			
Personal Services	240,040	346,735	(106,695)
Public Works Administration:			
Other	60,900	68,543	(7,643)
Public Building Maintenance:			
Personal Services	531,430	535,448	(4,018)
Special Revenue Funds:			
Economic Development Fund:			
Housing and Community Development	100,000	108,269	(8,269)
H.I.D.T.A. Fund:			
Police	3,385,317	3,776,332	(391,015)
Drug Free Community Grant Fund:			
Advances – out	-	3,503	(3,503)
Internal Service Funds:			
Municipal Garage Fund:			
Materials and Supplies	29,500	42,117	(12,617)
Self Insurance Fund:			
Personal Services	78,100	79,445	(1,345)

Ohio Revised Code 5705.39 states that the total appropriation from each fund should not exceed the total estimated revenue. No appropriation measure is to become effective until the County Auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate.

Note 19 – Noncompliance (continued)

At December 31, 2008, the following funds had final appropriations in excess of final estimated resources plus carryover balances in violation of Section 5705.39, Ohio Revised Code:

	Final Certificate	Final Appropriations	Excess
Central Service Operating Fund	$ 1,166,700	$ 1,190,650	$ (23,950)

At December 31, 2008, the following funds had original appropriations in excess of the original estimated resources plus carryover balances in violation of Section 5705.39, Ohio Revised Code:

	Original Certificate	Original Appropriations	Excess
Housing and Nuisance Abatement Fund	$ 499,418	$ 500,000	$ (582)
Central Services Operating Fund	788,429	800,000	(11,571)
Copier Management Fund	82,283	87,000	(4,717)
Municipal Garage Fund	1,269,571	1,372,064	(102,493)

Note 20 – Fund Deficits

Fund balances at December 31, 2008 included the following individual fund deficits:

Funds	Deficit Fund Balance
Nonmajor Special Revenue Funds:	
High Intensity Drug Trafficking Area Fund	$ 419,645
Drug Free Community Grant Fund	681
Nonmajor Internal Service Fund:	
Central Purchasing Fund	10,070
Municipal Garage Fund	87,375

These fund deficits are the result of the recognition of liabilities in accordance with general accepted accounting principles. Management is analyzing the operations of these funds to determine appropriate steps to eliminate the deficits.

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Non-Major Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of special revenue resources (other than expendable trusts of major capital projects) that are legally restricted to expenditure for specified purposes.

Street Maintenance and Repair
One of two funds legally required by the Ohio Revised Code (the other being the State Highway Maintenance Fund) to account for revenue from the state gasoline tax and motor vehicle registration fees. The Revised Code requires that 92.5% of these revenues be used for the maintenance and repair of streets within the City.

State Highway Fund
One of two funds legally required by the Ohio Revised Code (the other being the Street Maintenance and Repair Fund) to account for revenue from the state gasoline tax and motor vehicle registration fees. The Revised Code requires that 7.5% of these revenues be used exclusively for the maintenance and repair of state highways within the City.

Economic Development Fund
To account for funds used to attract and retain businesses within the City.

Sewer Maintenance
To account for funds derived from a surcharge levied upon all users of the sewer system with the City. This surcharge pays for sewer system maintenance, replacement and repair. The surcharge is levied in addition to the treatment and disposal rate set by the Northeast Ohio Regional Sewer District.

Police Pension Fund
To account for the payment of current and accrued police pension liability to the Police and Fireman's Disability and Pension Fund of Ohio. The Ohio Revised Code requires that the City levy .3 mills of property tax annually for the partial payment of this liability. The remaining liability is financed by an operating transfer primarily from the City's General Fund.

Fire Pension Fund
To account for the payment of current and accrued fire pension liability to the Police and Firemen's Disability and Pension Fund of Ohio. The Ohio Revised Code requires that the City levy .3 mills of property tax annually for the partial payment of this liability. The remaining liability is financed by an operating transfer primarily from the City's General Fund.

Indigent Driver/Alcohol Treatment
To account for reinstatement fees collected by the State Bureau of Motor Vehicles in connection with driving under the influence offenses. Section 4511.191(L) provides that payments are to be made only upon order of the Municipal Court Judge for alcohol and other drug treatment costs for indigent drivers.

Court Computer Legal Research
To account for revenues from court costs assessed under the authority of Ohio Revised Code Section 1901.261(A) by the Municipal Court on the filing of each cause of action or appeal for the purposes of computerizing the court and to make available computerized legal research services.

Non-Major Special Revenue Funds (Continued)

Clerk's Computerization
To account for revenues from court costs assessed under the authority of Ohio Revised Code Section 1901.261(B) by the Municipal Court on the filing of each cause of action or appeal, certificate of judgment or modification of judgment for the purpose of procuring and maintaining computer systems for the office of the clerk of the Municipal Court.

Exterior Home Maintenance
To account for monies received from the Cuyahoga County Community Development Block Grant Program to be used to provide funding for improvements to owner-occupied homes within the City.

Fair Housing Grant
To account for monies received from the Department of Housing and Urban Development. The funds are to be used to monitor fair housing practices within the City.

Community Preservation Partnership Program
To account for the Gund and Cleveland Foundation Grant monies to be used for home improvement education and mortgage assistance.

Law Enforcement Grant
To account for grants received by the Shaker Heights Police Department whose primary purpose is to reduce the amounts and effects of external harm to individuals and property.

Court Community Service Fund
To account for the collection and use of an additional court cost imposed by the Shaker Heights Municipal Court, under the authority of Ohio Revised Code Section 1901.26, on each DUI and substance related offenses as well as first-offender criminal cases to fund court service programming.

Court Alternate Disputer Resolution Fund
To account for the collection and use of an additional court cost imposed by the Shaker Heights Municipal Court, under the authority of Ohio Revised Code Section 1901.26, on each civil and small claims case to fund alternate dispute resolution programming and materials.

Ohio Court Security Project Fund
To account for a grant received from the State of Ohio to be used to upgrade court security by replacing door entry locks with a computerized keyless entry system.

High Intensity Drug Trafficking Area Grant Fund (HIDTA)
The City is the grantee and acts as the fiscal agent for the federally funded Ohio HIDTA. The HIDTA Program functions as a coordination umbrella by forging partnerships among local, state, and federal law enforcement agencies in designated areas to combine resources and efforts in order to reduce drug trafficking and distribution.

Drug Free Community Grant
To account for a grant received by the City's Health Department whose primary purpose is to reduce and prevent the use of alcohol, tobacco and other drugs by Shaker Heights youth through influencing social norms regarding substance abuse.

Non-Major Special Revenue Funds (Continued)

Housing and Nuisance Abatement
To account for funds received from the levy of special assessments against nuisance properties and charges for services from nuisance properties for the maintenance of such properties.

Indigent Driver Interlock
To account for funds received from court costs that are collected on each OVI offense. The fund was created with the purpose of funding interlock and SCRAM (Secure Continuous Remote Alcohol Monitoring) for indigent drivers.

Street Lighting Assessment
To account for funds received from the levy of special assessments against property with frontage on public streets for the legally restricted purpose of paying the cost of street lighting with the City.

Tree Maintenance Assessment
To account for funds received from the levy of special assessments against property with frontage on public streets for the legally restricted purpose of paying the cost of tree care on the City's public right-of-way.

Central Services Operation
To provide a central cost center for work for other governmental agencies, utilities, and individuals that is not considered to be a normal city function and is billable back to the responsible party. Included in this fund is the maintenance of the rapid transit tracks for the Regional Transit Authority, street openings and closings, public property damage repair, sidewalk repair and replacement and other miscellaneous activities.

Law Enforcement Trust
To account for the proceeds of property deemed contraband by the courts and ordered forfeited to the City. The Ohio Revised Code permits these funds to be expended only for the cost of protracted or complex investigations or prosecutions, to provide reasonable technical training or expertise or other such law enforcement purposes as determined by Council. The fund may not be used to meet operating costs of the City that are not related to law enforcement.

Debt Service Administration
To account for the accumulation of resources for, and the payment of all General Long Term Debt Principal and Interest except for Urban Renewal Debt.

City of Shaker Heights, Ohio

Combining Balance Sheet
Non-Major Governmental Funds

December 31, 2008

	Non-Major Special Revenue Funds	Non-Major Debt Service Funds	Total Non-Major Governmental Funds
Assets:			
Equity in city treasury cash	$ 7,476,009	$ 208,828	$ 7,684,837
Taxes receivable	460,454	-	460,454
Accounts receivable	1,027,728	-	1,027,728
Special assessments receivable	3,028,733	-	3,028,733
Lease receivable	4,500	-	4,500
Interfund receivable	646,889	4,336	651,225
Intergovernmental receivable	819,740	-	819,740
Total assets	$ 13,464,053	$ 213,164	$ 13,677,217
Liabilities and fund balances:			
Liabilities:			
Accounts payable	$ 573,322	$ -	$ 573,322
Accrued wages	575,032	-	575,032
Interfund payable	1,581,226	34,925	1,616,151
Deferred revenue	4,643,228	-	4,643,228
Total liabilities	7,372,808	34,925	7,407,733
Fund balances:			
Reserved for encumbrances	261,070	122,571	383,641
Unreserved; undesignated	5,830,175	55,668	5,885,843
Total fund balances	6,091,245	178,239	6,269,484
Total liabilities and fund balances	$ 13,464,053	$ 213,164	$ 13,677,217

City of Shaker Heights, Ohio

Combining Statement of Revenues, Expenditures and Changes In Fund Balances
Non-Major Governmental Funds

For the Year Ended December 31, 2008

	Non-Major Special Revenue Funds	Non-Major Debt Service Funds	Total Non-Major Governmental Funds
Revenues:			
Property taxes	$ 473,700	$ -	$ 473,700
Intergovernmental	6,459,338	-	6,459,338
Charges for services	2,232,671	-	2,232,671
Interest earnings	100,618	1,835	102,453
Fines and forfeitures	348,016	-	348,016
Special assessments	1,765,410	-	1,765,410
Other revenue	91,389	174,866	266,255
Total revenues	11,471,142	176,701	11,647,843
Expenditures:			
Current operations and maintenance:			
Security of persons and property:			
Police	4,564,964	-	4,564,964
Fire	1,244,425	-	1,244,425
Other	601,982	-	601,982
Public health service	91,077	-	91,077
Housing and community development	1,474,278	-	1,474,278
Sanitation and sewer service	1,568,967	-	1,568,967
Street maintenance and repair	1,347,642	-	1,347,642
Public works – other	630,004	-	630,004
General government:			
Legislative and executive	110,213	5,024	115,237
Judicial system	135,022	-	135,022
Debt service:			
Principal retirement	-	2,137,571	2,137,571
Interest and fiscal charges	-	97,261	97,261
Total expenditures	11,768,574	2,239,856	14,008,430
Excess of revenues over (under) expenditures	(297,432)	(2,063,155)	(2,360,587)
Other financing sources (uses):			
Issuance of debt	500,000	1,315,000	1,815,000
Transfers – in	1,998,141	873,217	2,871,358
Transfers – out	(376,442)	-	(376,442)
Total other financing sources (uses)	2,121,699	2,188,217	4,309,916
Net change in fund balances	1,824,267	125,062	1,949,329
Fund balances at beginning of year, restated	4,266,978	53,177	4,320,155
Fund balances at end of year	$ 6,091,245	$ 178,239	$ 6,269,484

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City of Shaker Heights, Ohio

Combining Balance Sheet
Non-Major Special Revenue Funds

December 31, 2008

	Street Maintenance	State Highway	Economic Development	Sewer Maintenance	Police Pension
Assets:					
Equity in city treasury cash	$ 731,390	$ 69,589	$ 403,432	$ 1,452,993	$ 469,474
Taxes receivable	-	-	-	-	230,227
Accounts receivable	2,460	-	-	576,834	-
Special assessments receivable	-	-	-	-	-
Lease receivable	-	-	4,500	-	-
Interfund receivable	-	-	-	-	-
Intergovernmental receivable	386,252	30,244	-	-	18,083
Total assets	$ 1,120,102	$ 99,833	$ 407,932	$ 2,029,827	$ 717,784
Liabilities and fund balances:					
Liabilities:					
Accounts payable	$ 1,393	$ 2,108	$ 40,679	$ 34,723	$ -
Accrued wages	48,152	-	-	39,469	191,915
Interfund payable	-	-	-	-	-
Deferred revenue	241,990	19,421	4,500	483,921	248,310
Total liabilities	291,535	21,529	45,179	558,113	440,225
Fund balances:					
Reserved for encumbrances	48,834	-	3,072	60,281	-
Undesignated, reported in:					
Special Revenue funds	779,733	78,304	359,681	1,411,433	277,559
Total fund balances (deficits)	828,567	78,304	362,753	1,471,714	277,559
Total liabilities and fund balances	$ 1,120,102	$ 99,833	$ 407,932	$ 2,029,827	$ 717,784

Fire Pension	Indigent Driver / Alcohol Treatment	Court Computer	Clerk's Computerization	Exterior Home Maintenance	Fair Housing Grant	Community Preservation	Law Enforcement Grants	Court Community Service
$ 332,454	$ 42,868	$ 134,981	$ 250,154	$ 36,392	$ 102,460	$ 459,455	$ 2,592	$ 43,865
230,227	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
18,534	-	-	-	-	-	34,002	-	-
18,082	32	2,706	9,015	-	-	-	-	881
$ 599,297	$ 42,900	$ 137,687	$ 259,169	$ 36,392	$ 102,460	$ 493,457	$ 2,592	$ 44,746
$ -	$ 3,680	$ 4,472	$ -	$ -	$ -	$ 1,400	$ -	$ 607
203,000	-	460	-	-	1,187	-	145	-
-	-	-	-	34,002	-	-	-	-
248,310	-	-	-	-	-	-	-	-
451,310	3,680	4,932	-	34,002	1,187	1,400	145	607
-	-	730	5,765	-	-	2,486	-	606
147,987	39,220	132,025	253,404	2,390	101,273	489,571	2,447	43,533
147,987	39,220	132,755	259,169	2,390	101,273	492,057	2,447	44,139
$ 599,297	$ 42,900	$ 137,687	$ 259,169	$ 36,392	$ 102,460	$ 493,457	$ 2,592	$ 44,746

(Continued)

City of Shaker Heights, Ohio

Combining Balance Sheet
Non-Major Special Revenue Funds (Continued)

December 31, 2008

	Court Alternate Dispute Resolution	Ohio Court Security Project Fund	H.I.D.T.A. Grant	Drug Free Community Grant	Housing and Nuisance Abatement	Indigent Driver Interlock
Assets:						
Equity in city treasury cash	$ 47,233	$ 29,922	$ 1,102,046	$ 181	$ 721,144	$ 1,058
Taxes receivable	-	-	-	-	-	-
Accounts receivable	-	-	-	-	89,742	-
Special assessments receivable	-	-	-	-	1,077,551	-
Lease receivable	-	-	-	-	-	-
Interfund receivable	-	-	-	-	-	-
Intergovernmental receivable	4,086	729	346,524	2,423	-	683
Total assets	$ 51,319	$ 30,651	$ 1,448,570	$ 2,604	$ 1,888,437	$ 1,741
Liabilities and fund balances:						
Liabilities:						
Accounts payable	$ -	$ 781	$ 319,675	$ -	$ 37,954	$ -
Accrued wages	764	-	50,080	3,285	-	-
Interfund payable	-	-	1,497,224	-	-	-
Deferred revenue	-	-	1,236	-	1,167,293	-
Total liabilities	764	781	1,868,215	3,285	1,205,247	-
Fund balances:						
Reserved for encumbrances	-	2,948	15,857	-	41,214	-
Undesignated, reported in:						
Special revenue funds	50,555	26,922	(435,502)	(681)	641,976	1,741
Total fund balances (deficits)	50,555	29,870	(419,645)	(681)	683,190	1,741
Total liabilities and fund balances	$ 51,319	$ 30,651	$ 1,448,570	$ 2,604	$ 1,888,437	$ 1,741

Street Lighting Assessment	Tree Maintenance Assessment	Central Services Operation	Law Enforcement Trust Fund	Total
$ 355,021	$ 554,508	$ 33,663	$ 99,134	$ 7,476,009
-	-	-	-	460,454
-	-	358,692	-	1,027,728
718,201	958,271	274,710	-	3,028,733
-	-	-	-	4,500
-	-	-	594,353	646,889
-	-	-	-	819,740
$ 1,073,222	$ 1,512,779	$ 667,065	$ 693,487	$ 13,464,053
$ 98,701	$ 22,257	$ 4,892	$ -	$ 573,322
-	31,255	5,082	238	575,032
-	-	50,000	-	1,581,226
718,201	958,271	551,775	-	4,643,228
816,902	1,011,783	611,749	238	7,372,808
194	10,828	50,263	17,992	261,070
256,126	490,168	5,053	675,257	5,830,175
256,320	500,996	55,316	693,249	6,091,245
$ 1,073,222	$ 1,512,779	$ 667,065	$ 693,487	$ 13,464,053

City of Shaker Heights, Ohio

Combining Statement of Revenues, Expenditures and Changes In Fund Balances
Non-Major Special Revenue Funds

For The Year Ended December 31, 2008

	Street Maintenance	State Highway	Economic Development	Sewer Maintenance	Police Pension
Revenues:					
Property taxes	$ -	$ -	$ -	$ -	$ 236,850
Intergovernmental	1,036,560	71,163	175,000	5,901	37,777
Charges for services	-	-	127,628	1,377,833	-
Interest earnings	-	1,009	-	67,745	-
Fines and forfeitures	-	-	-	-	-
Special assessments	-	-	-	-	-
Other revenue	-	-	-	-	-
Total revenues	1,036,560	72,172	302,628	1,451,479	274,627
Expenditures:					
Current:					
Security of persons and property:					
Police	-	-	-	-	1,048,849
Fire	-	-	-	-	-
Other	-	-	-	-	-
Public health services	-	-	-	-	-
Housing and community development	-	-	202,813	-	-
Sanitation and sewer services	-	-	-	1,540,967	-
Street maintenance and repair	1,236,588	61,843	-	-	-
Public works – other	-	-	-	-	-
General government:					
Legislative and executive	-	-	-	-	-
Judicial system	-	-	-	-	-
Total expenditures	1,236,588	61,843	202,813	1,540,967	1,048,849
Excess of revenues over (under) expenditures	(200,028)	10,329	99,815	(89,488)	(774,222)
Other financing sources (uses):					
Issuance of debt	-	-	-	-	-
Transfers – in	200,000	-	100,000	-	744,958
Transfers – out	-	-	-	(89,375)	-
Total other financing sources (uses)	200,000	-	100,000	(89,375)	744,958
Net change in fund balances	(28)	10,329	199,815	(178,863)	(29,264)
Fund balances (deficit) at beginning of year, restated	828,595	67,975	162,938	1,650,577	306,823
Fund balances (deficit) at end of year	$ 828,567	$ 78,304	$ 362,753	$ 1,471,714	$ 277,559

Fire Pension	Indigent Driver / Alcohol Treatment	Court Computer	Clerk's Computerization	Exterior Home Maintenance	Fair Housing Grant	Community Preservation	Law Enforcement Grants	Court Community Service
$ 236,850	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
37,777	-	-	-	-	40,987	62,630	6,900	-
-	-	-	-	-	-	-	-	-
-	891	2,945	4,534	-	2,468	-	-	870
-	6,981	33,926	113,041	-	-	-	-	8,499
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
274,627	7,872	36,871	117,575	-	43,455	62,630	6,900	9,369
-	-	-	-	-	-	-	9,050	-
1,241,891	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	74,264	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	75,626	-	-	-
-	9,170	39,860	40,710	-	-	-	-	3,640
1,241,891	9,170	39,860	40,710	-	75,626	74,264	9,050	3,640
(967,264)	(1,298)	(2,989)	76,865	-	(32,171)	(11,634)	(2,150)	5,729
-	-	-	-	-	-	-	-	-
941,083	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	(560)	-
941,083	-	-	-	-	-	-	(560)	-
(26,181)	(1,298)	(2,989)	76,865	-	(32,171)	(11,634)	(2,710)	5,729
174,168	40,518	135,744	182,304	2,390	133,444	503,691	5,157	38,410
$ 147,987	$ 39,220	$ 132,755	$ 259,169	$ 2,390	$ 101,273	$ 492,057	$ 2,447	$ 44,139

(Continued)

City of Shaker Heights, Ohio

Combining Statement of Revenues, Expenditures and Changes In Fund Balances
Non-Major Special Revenues Funds (Continued)

For the Year Ended December 31, 2008

	Court Alternate Dispute Resolution	Ohio Court Security Project Fund	H.I.D.T.A. Grant	Drug Free Community Grant	Housing and Nuisance Abatement	Indigent Driver Interlock
Revenues:						
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	4,871,524	87,619	25,500	-
Charges for services	-	-	-	-	243,776	-
Interest Earnings	960	577	-	-	18,487	2
Fines and forfeitures	43,470	8,444	-	-	-	1,739
Special assessments	-	-	-	-	258,282	-
Other revenue	-	-	17,785	-	-	-
Total revenues	44,430	9,021	4,889,309	87,619	546,045	1,741
Expenditures:						
Current:						
Security of persons and property:						
Police	-	-	3,474,239	-	-	-
Fire	-	-	-	-	-	-
Other	-	-	-	-	-	-
Public health services	-	-	-	91,077	-	-
Housing and community development	-	-	-	-	267,918	-
Sanitation and sewer services	-	-	-	-	-	-
Street maintenance and repair	-	-	-	-	-	-
Public works - other	-	-	-	-	-	-
General government:						
Legislative and executive	-	-	-	-	-	-
Judicial system	37,288	4,354	-	-	-	-
Total expenditures	37,288	4,354	3,474,239	91,077	267,918	-
Excess of revenues over (under) expenditures	7,142	4,667	1,415,070	(3,458)	278,127	1,741
Other financing sources (uses):						
Issuance of debt	-	-	-	-	500,000	-
Transfers - in	-	-	-	-	-	-
Transfers - out	-	-	-	-	(286,400)	-
Total other financing sources (uses)	-	-	-	-	213,600	-
Net change in fund balances	7,142	4,667	1,415,070	(3,458)	491,727	1,741
Fund balances (deficit) at beginning of year, restated	43,413	25,203	(1,834,715)	2,777	191,463	-
Fund balances (deficit) at end of year	$ 50,555	$ 29,870	$ (419,645)	$ (681)	$ 683,190	$ 1,741

Street Lighting Assessment	Tree Maintenance Assessment	Central Services Operation	Law Enforcement Trust Fund	Total
$ -	$ -	$ -	$ -	$ 473,700
-	-	-	-	6,459,338
-	5,250	478,184	-	2,232,671
-	-	-	130	100,618
-	-	-	131,916	348,016
593,428	790,386	123,314	-	1,765,410
-	-	73,604	-	91,389
593,428	795,636	675,102	132,046	11,471,142
-	-	-	32,826	4,564,964
-	-	2,534	-	1,244,425
601,982	-	-	-	601,982
-	-	-	-	91,077
-	929,283	-	-	1,474,278
-	-	28,000	-	1,568,967
-	-	49,211	-	1,347,642
-	-	630,004	-	630,004
-	-	34,587	-	110,213
-	-	-	-	135,022
601,982	929,283	744,336	32,826	11,768,574
(8,554)	(133,647)	(69,234)	99,220	(297,432)
-	-	-	-	500,000
12,100	-	-	-	1,998,141
-	-	(107)	-	(376,442)
12,100	-	(107)	-	2,121,699
3,546	(133,647)	(69,341)	99,220	1,824,267
252,774	634,643	124,657	594,029	4,266,978
$ 256,320	$ 500,996	$ 55,316	$ 693,249	$ 6,091,245

Individual Fund
Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget (Non – GAAP Basis) and Actual

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
General Fund
For The Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	$ 7,757,441	$ 9,287,337	$ 8,513,450	$ (773,887)
Municipal Income Taxes	20,000,000	20,370,214	20,809,784	439,570
Other Local Taxes	60,000	55,000	60,225	5,225
State Levied Shared Taxes	1,252,013	1,522,845	1,541,129	18,284
Intergovernmental	131,100	471,485	540,197	68,712
Charges for Services	5,210,106	5,637,233	4,440,828	(1,196,405)
Fees, Licenses, and Permits	646,800	689,666	695,580	5,914
Investment Earnings	2,000,000	800,000	657,916	(142,084)
Fines and Forfeitures	675,000	675,900	652,230	(23,670)
Other Revenues	139,300	578,190	402,386	(175,804)
Total Revenues	37,871,760	40,087,870	38,313,725	(1,774,145)
Expenditures:				
Current:				
Security of Persons and Property:				
Police:				
Personal Services	9,491,337	9,335,600	8,794,011	541,589
Other	749,300	773,000	723,548	49,452
Total Police	10,240,637	10,108,600	9,517,559	591,041
Fire:				
Personal Services	6,757,173	6,729,363	6,540,167	189,196
Other	542,440	548,221	478,239	69,982
Total Fire	7,299,613	7,277,584	7,018,406	259,178
Other:				
Other	55,000	55,000	50,870	4,130
Total Security of Persons and Property	17,595,250	17,441,184	16,586,835	854,349
Public Health Services:				
Personal Services	380,242	398,003	387,773	10,230
Other	49,880	53,630	49,706	3,924
Total Public Health Services	430,122	451,633	437,479	14,154
Leisure Time Activities:				
Culture and Recreation:				
Personal Services	1,681,200	1,910,280	1,754,139	156,141
Other	943,800	1,050,000	966,018	83,982
Total Culture and Recreation	2,625,000	2,960,280	2,720,157	240,123
Parks and Public Lands Maintenance:				
Personal Services	503,820	498,980	511,204	(12,224)
Other	324,150	368,500	356,221	12,279
Total Parks and Public Lands Maintenance	827,970	867,480	867,425	55
Total Leisure Time Activities	3,452,970	3,827,760	3,587,582	240,178

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
General Fund (Continued)
For The Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Housing and Community Development:				
Housing Inspection:				
Personal Services	831,117	849,200	848,566	634
Other	39,950	39,950	36,069	3,881
Total Housing Inspection	871,067	889,150	884,635	4,515
Building Inspection:				
Personal Services	534,038	509,600	501,276	8,324
Other	73,300	73,300	45,599	27,701
Total Building Inspection	607,338	582,900	546,875	36,025
Planning and Development:				
Personal Services	486,808	481,500	481,272	228
Other	62,012	62,012	42,274	19,738
Total Planning and Development	548,820	543,512	523,546	19,966
Neighborhood Revitalization:				
Personal Services	540,000	552,000	495,433	56,567
Other	20,800	20,800	13,426	7,374
Total Neighborhood Revitalization	560,800	572,800	508,859	63,941
Economic Development:				
Personal Services	250,031	177,300	175,518	1,782
Other	30,300	30,300	18,549	11,751
Total Economic Development	280,331	207,600	194,067	13,533
Community Life:				
Personal Services	414,219	423,000	422,994	6
Other	179,900	179,900	174,622	5,278
Total Community Life	594,119	602,900	597,616	5,284
Communications and Outreach:				
Personal Services	411,855	395,800	350,630	45,170
Other	481,250	507,750	472,319	35,431
Total Communications and Outreach	893,105	903,550	822,949	80,601
Tree Maintenance and Leaf Collection:				
Personal Services	296,200	298,500	272,113	26,387
Other	181,600	181,600	185,152	(3,552)
Total Tree Maintenance and Leaf Collection	477,800	480,100	457,265	22,835
Total Housing and Community Development	4,833,380	4,782,512	4,535,812	246,700

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
General Fund (Continued)
For The Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Sanitation and Sewer Services:				
Sewer Maintenance:				
Other	44,404	48,900	33,863	15,037
Total Sewer Maintenance	44,404	48,900	33,863	15,037
Refuse Collection and Disposal:				
Personal Services	1,537,030	1,437,140	1,457,749	(20,609)
Other	1,066,500	1,066,500	1,037,132	29,368
Total Refuse Collection and Disposal	2,603,530	2,503,640	2,494,881	8,759
Solid Waste Recycling:				
Personal Services	83,130	81,300	78,441	2,859
Other	22,200	22,200	19,137	3,063
Total Solid Waste Recycling	105,330	103,500	97,578	5,922
Brush Collection and Disposal:				
Personal Services	518,000	467,320	317,865	149,455
Other	176,900	176,900	185,124	(8,224)
Total Brush Collection and Disposal	694,900	644,220	502,989	141,231
Total Sanitation and Sewer Services	3,448,164	3,300,260	3,129,311	170,949
Street Maintenance and Repair:				
Personal Services	263,980	240,040	346,735	(106,695)
Other	375,624	375,624	336,261	39,363
Total Street Maintenance and Repair	639,604	615,664	682,996	(67,332)
Public Works – Other:				
Public Works Administration:				
Personal Services	761,330	735,300	714,403	20,897
Other	60,900	60,900	68,543	(7,643)
Total Public Works Administration	822,230	796,200	782,946	13,254
Public Building Maintenance:				
Personal Services	531,970	531,430	535,448	(4,018)
Other	682,900	682,900	680,899	2,001
Total Public Building Maintenance	1,214,870	1,214,330	1,216,347	(2,017)
Total Public Works-Other	2,037,100	2,010,530	1,999,293	11,237
Legislative and Executive:				
Mayor's Office:				
Personal Services	195,369	275,600	268,215	7,385
Other	27,900	27,900	27,860	40
Total Mayor's Office	223,269	303,500	296,075	7,425

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
General Fund (Continued)
For The Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Council:				
Personal Services	120,156	118,200	117,723	477
Other	17,400	17,400	15,975	1,425
Total Council	137,556	135,600	133,698	1,902
Chief Administrative Officer:				
Personal Services	235,944	250,400	250,119	281
Other	12,200	12,200	9,359	2,841
Total Chief Administrative Officer	248,144	262,600	259,478	3,122
Information Technology:				
Personal Services	299,080	288,200	281,799	6,401
Other	142,200	142,200	109,338	32,862
Total Information Technology	441,280	430,400	391,137	39,263
Contract Charges and Statutory Expenses:				
Personal Services	33,000	78,000	77,306	694
Other	1,499,700	1,769,907	1,279,960	489,947
Total Contract Charges and Statutory Expenses	1,532,700	1,847,907	1,357,266	490,641
Legal Administration:				
Personal Services	503,162	496,900	496,811	89
Other	215,000	290,120	256,598	33,522
Total Legal Administration	718,162	787,020	753,409	33,611
Finance:				
Personal Services	721,439	715,080	457,316	257,764
Other	108,800	124,180	113,473	10,707
Total Finance	830,239	839,260	570,789	268,471
Human Resources:				
Personal Services	359,820	367,553	366,964	589
Other	69,200	72,200	55,333	16,867
Total Human Resources	429,020	439,753	422,297	17,456
Total Legislative and Executive	4,560,370	5,046,040	4,184,149	861,891
Judicial System:				
Personal Services	2,094,419	2,177,030	2,103,479	73,551
Other	127,800	122,715	89,757	32,958
Total Judicial System	2,222,219	2,299,745	2,193,236	106,509
Total Expenditures	39,219,179	39,775,328	37,336,693	2,438,635

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
General Fund (Continued)
For The Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Excess of Revenues Over Expenditures	(1,347,419)	312,542	977,032	664,490
Other Financing Sources (Uses):				
Transfers – In	165,859	101,985	95,274	(6,711)
Transfers – Out	(1,912,100)	(1,978,230)	(1,735,474)	242,756
Advances – In	432,483	758,121	3,503	(754,618)
Total Other Financing Sources (Uses)	(1,313,758)	(1,118,124)	(1,636,697)	(518,573)
Net Change in Fund Balance	(2,661,177)	(805,582)	(659,665)	145,917
Beginning Cash Fund Balance	9,400,503	9,400,503	9,400,503	-
Prior Year's Reserve for Encumbrances Outstanding At December 31	(203,330)	(203,330)	(203,330)	-
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(1,081,772)	(1,081,772)	(1,081,772)	-
Ending Unreserved Cash Fund Balance	$ 5,454,224	$ 7,309,819	$ 7,455,736	$ 145,917
Reserved for Encumbrances-All Budget Years			837,485	
Total Cash Fund Balance-December 31			$ 8,293,221	

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Urban Renewal Debt Service Fund
For The Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	$ -	$ -	$ 440,519	$ 440,519
Intergovernmental	-	-	24,111	24,111
Other Revenue	-	-	14,636	14,636
Total Revenues	-	-	479,266	479,266
Expenditures:				
Current:				
General Government:				
Legislative and Executive	15,000	15,000	7,067	7,933
Debt Service:				
Principal Retirements	7,030,720	7,115,000	7,115,000	-
Interest and Fiscal Charges	1,229,280	1,229,280	948,767	280,513
Total Expenditures	8,275,000	8,359,280	8,070,834	288,446
Excess of Revenues Over (Under) Expenditures	(8,275,000)	(8,359,280)	(7,591,568)	767,712
Other Financing Sources (Uses):				
Proceeds from the Sale of Bonds	7,800,000	8,125,000	6,870,806	(1,254,194)
Transfers - In	325,000	947,700	945,188	(2,512)
Total Other Financing Sources (Uses)	8,125,000	9,072,700	7,815,994	(1,256,706)
Net Change in Fund Balance	(150,000)	713,420	224,426	(488,994)
Beginning Cash Fund Balance	521,258	521,258	521,258	-
Ending Cash Fund Balance	$ 371,258	$ 1,234,678	$ 745,684	$ (488,994)

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Street Maintenance and Repair
For The Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
State Levied Shared Taxes	$ 800,000	$ 751,000	$ 1,040,870	$ 289,870
Expenditures:				
Current:				
Street Maintenance and Repair	1,411,341	1,347,370	1,276,818	70,552
Excess of Revenues Over (Under) Expenditures	(611,341)	(596,370)	(235,948)	360,422
Other Financing Sources (Uses):				
Transfer – In	200,000	200,000	200,000	-
Net Change in Fund Balance	(411,341)	(396,370)	(35,948)	360,422
Beginning Cash Fund Balance	736,751	736,751	736,751	-
Prior Year's Reserve for Encumbrances Outstanding At December 31	(4,781)	(4,781)	(4,781)	-
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(14,859)	(14,859)	(14,859)	-
Ending Unreserved Cash Fund Balance	$ 305,770	$ 320,741	681,163	$ 360,422
Reserved for Encumbrances- All Budget Years			50,227	
Total Cash Fund Balance-December 31			$ 731,390	

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
State Highway Fund
For The Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
State Levied Shared Taxes	$ 75,000	$ 50,000	$ 71,514	$ 21,514
Investment Earnings	-	1,000	1,009	9
Total Revenues	75,000	51,000	72,523	21,523
Expenditures:				
Current:				
Street Maintenance and Repair	63,971	63,971	44,812	19,159
Net Change in Fund Balance	11,029	(12,971)	27,711	40,682
Beginning Cash Fund Balance	65,412	65,412	65,412	-
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(25,642)	(25,642)	(25,642)	-
Ending Unreserved Cash Fund Balance	$ 50,799	$ 26,799	67,481	$ 40,682
Reserved for Encumbrances All Budget Years			2,108	
Total Cash Fund Balance-December 31			$ 69,589	

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Economic Development Fund
For The Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	$ -	$ -	$ 175,000	$ 175,000
Rents	150,000	-	127,628	127,628
Total Revenues	150,000	-	302,628	302,628
Expenditures:				
Current:				
Housing and Community Development	224,000	100,000	108,269	(8,269)
Excess of Revenues Over (Under) Expenditures	(74,000)	(100,000)	194,359	294,359
Other Financing Sources (Uses):				
Transfers – In	100,000	100,000	100,000	-
Transfers – Out	-	(100,000)	-	100,000
Total Other Financing Sources (Uses)	100,000	-	100,000	100,000
Net Change in Fund Balance	26,000	(100,000)	294,359	394,359
Beginning Cash Fund Balance	319,974	319,974	319,974	-
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(213,973)	(213,973)	(213,973)	-
Ending Unreserved Cash Fund Balance	$ 132,001	$ 6,001	400,360	$ 394,359
Reserved for Encumbrances All Budget Years			3,072	
Total Cash Fund Balance-December 31			$ 403,432	

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Sewer Maintenance Fund
For The Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	$ -	$ 5,900	$ 5,902	$ 2
Charges for Services	1,480,000	801,000	1,284,920	483,920
Investment Earnings	-	55,000	67,745	12,745
Total Revenues	1,480,000	861,900	1,358,567	496,667
Expenditures:				
Current:				
Sanitation and Sewer Services	1,302,755	1,355,780	1,333,176	22,604
Excess of Revenues Over (Under) Expenditures	177,245	(493,880)	25,391	519,271
Other Financing Sources (Uses):				
Transfers - Out	(40,400)	(89,400)	(89,375)	25
Net Change in Fund Balance	136,845	(583,280)	(63,984)	519,296
Beginning Cash Fund Balance	1,636,377	1,636,377	1,636,377	-
Prior Year's Reserve for Encumbrances Outstanding At December 31	(6,015)	(6,015)	(6,015)	-
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(179,334)	(179,334)	(179,334)	-
Ending Unreserved Cash Fund Balance	$ 1,587,873	$ 867,748	1,387,044	$ 519,296
Reserved for Encumbrances All Budget Years			65,949	
Total Cash Fund Balance-December 31			$ 1,452,993	

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City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Police Pension Fund
For The Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	$ 250,240	$ 250,000	$ 236,850	$ (13,150)
Intergovernmental	-	-	37,777	37,777
Total Revenues	250,240	250,000	274,627	24,627
Expenditures:				
Current:				
Security of Persons and Property:				
Police	1,169,300	1,169,300	918,044	251,256
Excess of Revenues Over (Under) Expenditures	(919,060)	(919,300)	(643,417)	275,883
Other Financing Sources (Uses):				
Transfers - In	750,000	900,560	744,958	(155,602)
Net Change in Fund Balance	(169,060)	(18,740)	101,541	120,281
Beginning Cash Fund Balance	614,308	614,308	614,308	-
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(246,375)	(246,375)	(246,375)	-
Ending Unreserved Cash Fund Balance	$ 198,873	$ 349,193	$ 469,474	$ 120,281

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Fire Pension Fund
For The Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	$ 250,240	$ 250,000	$ 236,850	$ (13,150)
Intergovernmental	-	-	37,777	37,777
Total Revenues	250,240	250,000	274,627	24,627
Expenditures:				
Current:				
Security of Persons and Property:				
Fire	1,200,239	1,315,516	1,094,856	220,660
Excess of Revenues Over (Under) Expenditures	(949,999)	(1,065,516)	(820,229)	245,287
Other Financing Sources (Uses):				
Transfers – In	800,000	1,028,790	941,083	(87,707)
Net Change in Fund Balance	(149,999)	(36,726)	120,854	157,580
Beginning Cash Fund Balance	488,877	488,877	488,877	-
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(277,277)	(277,277)	(277,277)	-
Ending Unreserved Cash Fund Balance	$ 61,601	$ 174,874	$ 332,454	$ 157,580

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Indigent Driver Alcohol Treatment Fund
For The Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	$ 8,000	$ 8,000	$ 6,949	$ (1,051)
Investment Earnings	-	1,000	891	(109)
Total Revenues	8,000	9,000	7,840	(1,160)
Expenditures:				
Current:				
General Government:				
Judicial System	10,000	10,000	6,530	3,470
Net Change in Fund Balance	(2,000)	(1,000)	1,310	2,310
Beginning Cash Fund Balance	41,558	41,558	41,558	-
Total Cash Fund Balance – December 31	$ 39,558	$ 40,558	$ 42,868	$ 2,310

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Court Computer Legal Research Fund
For The Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	$ 15,000	$ -	$ -	$ -
Investment Earnings	-	2,600	2,945	345
Fines and Forfeitures	40,000	35,000	34,053	(947)
Total Revenues	55,000	37,600	36,998	(602)
Expenditures:				
Current:				
General Government:				
Judicial System	75,000	84,400	37,803	46,597
Net Change in Fund Balance	(20,000)	(46,800)	(805)	45,995
Beginning Cash Fund Balance	134,096	134,096	134,096	-
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(239)	(239)	(239)	-
Ending Unreserved Cash Fund Balance	$ 113,857	$ 87,057	133,052	$ 45,995
Reserved for Encumbrances- All Budget Years			1,929	
Total Cash Fund Balance-December 31			$ 134,981	

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Clerk's Computerization Fund
For The Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Investment Earnings	$ -	$ 4,500	$ 4,534	$ 34
Fines and Forfeitures	120,000	100,000	113,496	13,496
Total Revenues	120,000	104,500	118,030	13,530
Expenditures:				
Current:				
General Government:				
Judicial System	114,500	114,500	35,834	78,666
Net Change in Fund Balance	5,500	(10,000)	82,196	92,196
Beginning Cash Fund Balance	175,248	175,248	175,248	-
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(13,055)	(13,055)	(13,055)	-
Ending Unreserved Cash Fund Balance	$ 167,693	$ 152,193	244,389	$ 92,196
Reserved for Encumbrances All Budget Years			5,765	
Total Cash Fund Balance-December 31			$ 250,154	

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Exterior Home Maintenance Fund
For The Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	$ 50,000	$ -	$ -	$ -
Excess of Revenues Over (Under) Expenditures	50,000	-	-	-
Net Change in Fund Balance	50,000	-	-	-
Beginning Cash Fund Balance	36,392	36,392	36,392	-
Total Cash Fund Balance-December 31	$ 86,392	$ 36,392	$ 36,392	$ -

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Fair Housing Grant Fund
For The Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	$ 50,000	$ 42,000	$ 40,988	$ (1,012)
Investment Earnings	-	2,500	2,468	(32)
Total Revenues	50,000	44,500	43,456	(1,044)
Expenditures:				
Current:				
General Government:				
Legislative and Executive	104,857	104,857	75,799	29,058
Net Change in Fund Balance	(54,857)	(60,357)	(32,343)	28,014
Beginning Cash Fund Balance	136,130	136,130	136,130	-
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(1,327)	(1,327)	(1,327)	-
Ending Unreserved Cash Fund Balance	$ 79,946	$ 74,446	$ 102,460	$ 28,014

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Community Preservation Partnership Fund
For The Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	$ 100,000	$ -	$ -	$ -
Other Revenue	-	-	100,000	100,000
Total Revenues	100,000	-	100,000	100,000
Expenditures:				
Current:				
Housing and Community Development	390,210	390,210	98,700	291,510
Net Change in Fund Balance	(290,210)	(390,210)	1,300	391,510
Beginning Cash Fund Balance	457,994	457,994	457,994	-
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(3,724)	(3,724)	(3,724)	-
Ending Unreserved Cash Fund Balance	$ 164,060	$ 64,060	455,570	$ 391,510
Reserved for Encumbrances All Budget Years			3,885	
Total Cash Fund Balance-December 31			$ 459,455	

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Law Enforcement Grant Fund
For The Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	$ 5,000	$ 7,000	$ 6,900	$ (100)
Expenditures:				
Current:				
Security of Persons and Property:				
Police	-	11,840	9,715	2,125
Excess of Revenues Over (Under) Expenditures	5,000	(4,840)	(2,815)	2,025
Other Financing Sources (Uses):				
Transfers – Out	-	(560)	-	560
Net Change in Fund Balance	5,000	(5,400)	(2,815)	2,585
Beginning Cash Fund Balance	5,520	5,520	5,520	-
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(113)	(113)	(113)	-
Ending Unreserved Cash Fund Balance	$ 10,407	$ 7	$ 2,592	$ 2,585

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Court Community Service Fund
For The Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	$ 6,000	$ 7,000	$ 8,080	$ 1,080
Investment Earnings	-	1,000	870	(130)
Total Revenues	6,000	8,000	8,950	950
Expenditures:				
Current:				
General Government:				
Judicial System	7,000	7,000	303	6,697
Net Change in Fund Balance	(1,000)	1,000	8,647	7,647
Beginning Cash Fund Balance	37,948	37,948	37,948	-
Prior Year's Reserve for Encumbrances Outstanding At December 31	(1,213)	(1,213)	(1,213)	-
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(2,730)	(2,730)	(2,730)	-
Total Cash Fund Balance – December 31	$ 33,005	$ 35,005	42,652	$ 7,647
Reserved for Encumbrances All Budget Years			1,213	
Total Cash Fund Balance-December 31			$ 43,865	

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Court Alternate Disputer Resolution Fund
For The Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	$ 40,000	$ 36,000	$ 43,146	$ 7,146
Investment Earnings	-	1,000	960	(40)
Total Revenues	40,000	37,000	44,106	7,106
Expenditures:				
Current:				
General Government:				
Judicial System	42,300	43,000	37,609	5,391
Net Change in Fund Balance	(2,300)	(6,000)	6,497	12,497
Beginning Cash Fund Balance	41,736	41,736	41,736	-
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(1,000)	(1,000)	(1,000)	-
Ending Unreserved Cash Fund Balance	$ 38,436	$ 34,736	$ 47,233	$ 12,497

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Ohio Court Security Project Fund
For The Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	$ 8,500	$ -	$ -	$ -
Investment Earnings	-	600	577	(23)
Other Revenues	-	7,500	8,394	894
Total Revenues	8,500	8,100	8,971	871
Expenditures:				
Current:				
General Government:				
Judicial System	16,000	16,000	5,070	10,930
Net Change in Fund Balance	(7,500)	(7,900)	3,901	11,801
Beginning Cash Fund Balance	24,524	24,524	24,524	-
Prior Year's Reserve for Encumbrances Outstanding At December 31	(1,012)	(1,012)	(1,012)	-
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(1,220)	(1,220)	(1,220)	-
Total Cash Fund Balance – December 31	$ 14,792	$ 14,392	26,193	$ 11,801
Reserved for Encumbrances All Budget Years			3,729	
Total Cash Fund Balance – December 31			$ 29,922	

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
High Intensity Drug Trafficking Area Grant (H.I.D.T.A.) Fund
For The Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	$ 3,500,000	$ 4,882,539	$ 4,759,972	$ (122,567)
Other Revenues	-	-	17,786	17,786
Total Revenues	3,500,000	4,882,539	4,777,758	(104,781)
Expenditures:				
Current:				
Security of Persons and Property:				
Police	2,977,174	3,385,317	3,776,332	(391,015)
Excess of Revenues Over (Under) Expenditures	522,826	1,497,222	1,001,426	(495,796)
Other Financing Sources (Uses):				
Advances – In	-	150,000	-	(150,000)
Advances – Out	(457,683)	(1,497,222)	-	1,497,222
Total Other Financing Sources (Uses)	(457,683)	(1,347,222)	-	1,347,222
Net Change in Fund Balance	65,143	150,000	1,001,426	851,426
Beginning Cash Fund Balance	23,057	23,057	23,057	-
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(23,057)	(23,057)	(23,057)	-
Ending Unreserved Cash Fund Balance	$ 65,143	$ 150,000	1,001,426	$ 851,426
Reserved for Encumbrances All Budget Years			100,620	
Total Cash Fund Balance – December 31			$ 1,102,046	

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Drug Free Community Grant Fund
For The Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	$ 100,000	$ 100,000	$ 93,066	$ (6,934)
Expenditures:				
Current:				
Public Health Services	100,000	100,000	89,382	10,618
Excess of Revenues Over (Under) Expenditures	-	-	3,684	3,684
Other Financing Sources (Uses):				
Advances – Out	-	-	(3,503)	(3,503)
Net Change in Fund Balance	-	-	181	181
Beginning Cash Fund Balance	671	671	671	-
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(671)	(671)	(671)	-
Ending Unreserved Cash Fund Balance	$ -	$ -	$ 181	$ 181

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Housing and Nuisance Abatement Fund
For The Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	$ 300,000	$ 245,000	$ 243,776	$ (1,224)
Special Assessments	-	285,500	283,782	(1,718)
Investment Earnings	-	17,000	18,487	1,487
Other Revenue	-	500,000	500,000	-
Total Revenues	300,000	1,047,500	1,046,045	(1,455)
Expenditures:				
Current:				
Housing and Community Development	438,000	615,000	317,087	297,913
Excess of Revenues Over (Under) Expenditures	(138,000)	432,500	728,958	296,458
Other Financing Sources (Uses):				
Transfers – Out	(62,000)	(286,400)	(286,400)	-
Net Change in Fund Balance	(200,000)	146,100	442,558	296,458
Beginning Cash Fund Balance	211,228	211,228	211,228	-
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(11,810)	(11,810)	(11,810)	-
Ending Unreserved Cash Fund Balance	$ (582)	$ 345,518	641,976	$ 296,458
Reserved for Encumbrances All Budget Years			79,168	
Total CashFundBalance-December31			$ 721,144	

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Indigent Driver Interlock Device Fund
For The Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	$ -	$ -	$ 1,056	$ 1,056
Investment Earnings	-	-	2	2
Net Change in Fund Balance	-	-	1,058	1,058
Beginning Cash Fund Balance	-	-	-	-
Total Cash Fund Balance - December 31	$ -	$ -	$ 1,058	$ 1,058

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Street Lighting Special Assessment Fund
For The Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Special Assessments	$ 587,900	$ 600,000	$ 593,429	$ (6,571)
Expenditures:				
Current:				
Security of Persons and Property:				
Other	605,800	605,800	550,653	55,147
Excess of Revenues Over (Under) Expenditures	(17,900)	(5,800)	42,776	48,576
Other Financing Sources (Uses):				
Transfers - In	12,100	12,100	12,100	-
Net Change in Fund Balance	(5,800)	6,300	54,876	48,576
Beginning Cash Fund Balance	299,951	299,951	299,951	-
Ending Unreserved Cash Fund Balance	$ 294,151	$ 306,251	354,827	$ 48,576
Reserved for Encumbrances- All Budget Years			194	
Total Cash Fund Balance-December 31			$ 355,021	

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Tree Maintenance Assessment Fund
For The Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Special Assessments	$ 500,000	$ 820,000	$ 790,386	$ (29,614)
Charges for Services	-	-	5,250	5,250
Total Revenues	500,000	820,000	795,636	(24,364)
Expenditures:				
Current:				
Housing and Community Development	987,970	987,970	929,035	58,935
Net Change in Fund Balance	(487,970)	(167,970)	(133,399)	34,571
Beginning Cash Fund Balance	679,791	679,791	679,791	-
Prior Year's Reserve for Encumbrances Outstanding at December 31	(902)	(902)	(902)	-
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(20,388)	(20,388)	(20,388)	-
Ending Unreserved Cash Fund Balance	$ 170,531	$ 490,531	525,102	$ 34,571
Reserved for Encumbrances All Budget Years			29,406	
Total Cash Fund Balance – December 31			$ 554,508	

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Central Service Operation Fund
For The Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	$ 750,000	$ 1,128,271	$ 684,679	$ (443,592)
Expenditures:				
Current:				
Security of Persons and Property:				
Police	11459	10,000	-	10,000
Fire	2,700	5,534	2,611	2,923
Public Works-Other	709,541	1,080,956	679,294	401,662
General Government:				
Legislative and Executive	75,700	93,500	62,587	30,913
Total Expenditures	799,400	1,189,990	744,492	445,498
Excess of Revenues (Under) Over Expenditures	(49,400)	(61,719)	(59,813)	1,906
Other Financing Sources (Uses):				
Transfers - Out	(600)	(660)	(107)	553
Net Change in Fund Balance	(50,000)	(62,379)	(59,920)	2,459
Beginning Cash Fund Balance	123,134	123,134	123,134	-
Current Year Cash Expenditures Against Prior Year's Cash Fund Balance Reserved For Encumbrance	(84,705)	(84,705)	(84,705)	-
Ending Unreserved Cash Fund Balance	$ (11,571)	$ (23,950)	(21,491)	$ 2,459
Reserved for Encumbrances- All Budget Years			55,154	
Total Cash Fund Balance-December 31			$ 33,663	

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Law Enforcement Trust Fund
For The Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Investment Earnings	$ -	$ -	$ 130	$ 130
Fines and Forfeitures	250,000	131,900	131,916	16
Total Revenues	250,000	131,900	132,046	146
Expenditures:				
Current:				
Security of Persons and Property:				
Police	-	131,900	50,982	80,918
Excess of Revenues Over (Under) Expenditures	250,000	-	81,064	81,064
Other Financing Sources (Uses):				
Transfers – Out	-	(150,000)	-	150,000
Advance – In	-	594,367	-	(594,367)
Total Other Financing Sources (Uses)	-	444,367	-	(444,367)
Net Change in Fund Balance	250,000	444,367	81,064	(363,303)
Beginning Cash Fund Balance	78	78	78	-
Ending Unreserved Cash Fund Balance	$ 250,078	$ 444,445	81,142	$ (363,303)
Reserved for Encumbrances All Budget Years			17,992	
Total Cash Fund Balance-December 31			$ 99,134	

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Debt Service Administration Fund
For The Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Investment Earnings	$ -	$ -	$ 1,835	$ 1,835
Other Revenue	-	-	174,866	174,866
Total Revenues	-	-	176,701	176,701
Expenditures:				
Current:				
General Government:				
Legislative and Executive	15,000	15,000	5,024	9,976
Debt Service:				
Principal Retirements	795,375	2,660,375	2,260,142	400,233
Interest and Fiscal Charges	101,534	101,534	101,524	10
Total Expenditures	911,909	2,776,909	2,366,690	410,219
Excess of Revenues Over (Under) Expenditures	(911,909)	(2,776,909)	(2,189,989)	586,920
Other Financing Sources (Uses):				
Proceeds from the Sale of Notes	1,337,745	2,693,426	1,319,263	(1,374,163)
Transfers - In	662,255	886,655	873,217	(13,438)
Total Other Financing Sources (Uses)	2,000,000	3,580,081	2,192,480	(1,387,601)
Net Change in Fund Balance	1,088,091	803,172	2,491	(800,681)
Beginning Cash Fund Balance	83,766	83,766	83,766	-
Ending Unreserved Cash Fund Equity	$ 1,171,857	$ 886,938	86,257	$ (800,681)
Reserved for Encumbrances- All Budget Years			122,571	
Total Cash Fund Balance-December 31			$ 208,828	

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Central Purchasing Fund
For The Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	$ 380,000	$ 610,000	$ 558,691	$ (51,309)
Expenses:				
Materials and Supplies	430,000	715,700	662,877	52,823
Net Change in Fund Equity	(50,000)	(105,700)	(104,186)	1,514
Beginning Cash Fund Equity	108,376	108,376	108,376	-
Ending Unreserved Cash Fund Equity	$ 58,376	$ 2,676	4,190	$ 1,514
Reserved for Encumbrances				
All Budget Years			17,168	
Total Cash Fund Equity – December 31			$ 21,358	

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Copier Management Fund
For The Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	$ 75,000	$ 89,400	$ 22,582	$ (66,818)
Expenses:				
Contractual Services	87,000	89,400	4,254	85,146
Net Change in Fund Equity	(12,000)	-	18,328	18,328
Beginning Cash Fund Equity	7,283	7,283	7,283	-
Ending Unreserved Cash Fund Equity	$ (4,717)	$ 7,283	25,611	$ 18,328
Reserved for Encumbrances – All Budget Years			4,254	
Total Cash Fund Equity – December 31			$ 29,865	

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Municipal Garage Fund
For The Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	$ 1,200,000	$ 1,350,000	$ 1,222,318	$ (127,682)
Expenses:				
Personal Services	1,125,064	1,119,130	979,080	140,050
Travel and Education	1,500	1,500	1,500	-
Contractual Services	216,000	243,580	237,807	5,773
Materials and Supplies	29,500	29,500	42,117	(12,617)
Total Expenses	1,372,064	1,393,710	1,260,504	133,206
Net Change in Fund Equity	(172,064)	(43,710)	(38,186)	5,524
Beginning Cash Fund Equity	101,301	101,301	101,301	-
Prior Year's Reserve for Encumbrances Outstanding at December 31	(3,131)	(3,131)	(3,131)	-
Current Year Cash Expenditures Against Prior Year's Cash Fund Equity Reserved For Encumbrance	(28,599)	(28,599)	(28,599)	-
Ending Unreserved Cash Fund Equity	$ (102,493)	$ 25,861	31,385	$ 5,524
Reserved for Encumbrances All Budget Years			39,647	
Total Cash Fund Equity-December 31			$ 71,032	

City of Shaker Heights, Ohio

Schedule of Revenues, Expenditures and Changes In Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
Self Insurance Fund
For The Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Investment Earnings	$ -	$ 40,000	$ 43,466	$ 3,466
Other Revenues	-	-	122,890	122,890
Total Revenues	-	40,000	166,356	126,356
Expenses:				
Personal Services	91,670	78,100	79,445	(1,345)
Travel and Education	1,000	1,000	472	528
Contractual Services	424,000	728,270	615,366	112,904
Materials and Supplies	2,500	2,500	1,255	1,245
Other Expenses	50,000	145,000	135,575	9,425
Total Expenses	569,170	954,870	832,113	122,757
Excess of Revenues Over Expenses	(569,170)	(954,870)	(709,223)	245,647
Other Financing Sources:				
Transfers-In	200,000	300,000	300,000	-
Net Change in Fund Equity	(369,170)	(614,870)	(365,757)	249,113
Beginning Cash Fund Equity	2,468,855	2,468,855	2,468,855	-
Prior Year's Reserve for Encumbrances Outstanding At December 31	(290,989)	(290,989)	(290,989)	-
Current Year Cash Expenditures Against Prior Year's Cash Fund Equity Reserved For Encumbrance	(11,527)	(11,527)	(11,527)	-
Ending Unreserved Cash Fund Equity	$ 1,797,169	$ 1,551,469	1,800,582	$ 249,113
Reserved for Encumbrances- All Budget Years			301,334	
Total Cash Fund Equity-December 31			$ 2,101,916	

City of Shaker Heights, Ohio

Combining Statements
Non-Major Internal Services Funds

For The Year Ended December 31, 2008

Central Purchasing Fund
To provide a central cost center to account for the purchasing of office supplies, road materials, sidewalk materials, fuel, fire hydrants, and other miscellaneous supplies to be charged back to the individual City departments as the supplies are drawn.

Copier Management Fund
To provide a central cost center to account for the cost of copying performed by City departments.

Municipal Garage Fund
To provide a central cost center to account for the cost of repairing and maintaining the City's fleet of vehicles and heavy equipment Operating costs are charged back to City departments based upon the number of vehicles and equipment maintained and upon the department's actual utilization of the garage.

Self Insurance Fund
To account for monies charged to the General and the Enterprise funds of the City by the Self-Insurance Reserve Fund. Since 1986 the City has directly assumed the risk of less from general liability claims. The Self-Insurance Reserve was created by Council to provide for a loss reserve, for the administration of the self-insurance activity and to account for the workers' compensation claims. The Self-Insurance Reserve is not available to fund the general operations of the City.

City of Shaker Heights, Ohio

Combining Statement of Fund Net Assets
Nonmajor Internal Service Funds

December 31, 2008

	Central Purchasing	Copier Management	Municipal Garage	Self Insurance	Total Internal Service Funds
Assets:					
Equity in city treasury cash	$ 21,358	$ 29,865	$ 71,032	$ 2,101,916	$ 2,224,171
Accounts receivable	-	-	-	2,653	2,653
Interfund receivable	11,537	-	89,658	-	101,195
Inventory of supplies	34,903	-	-	-	34,903
Prepaid items	-	-	-	1,596	1,596
Total assets	67,798	29,865	160,690	2,106,165	2,364,518
Liabilities:					
Accounts payable	35,439	1,113	53,125	44,495	134,172
Accrued wages and benefits	-	-	56,754	1,366	58,120
Accrued compensated absences	-	-	38,555	-	38,555
Interfund payable	42,429	-	-	-	42,429
Claims payable	-	-	-	88,051	88,051
Total current liabilities	77,868	1,113	148,434	133,912	361,327
Long-term liabilities (net of current portion):					
Accrued compensated absences	-	-	99,631	-	99,631
Total liabilities	77,868	1,113	248,065	133,912	460,958
Net assets:					
Unrestricted (deficit)	$ (10,070)	$ 28,752	$ (87,375)	$ 1,972,253	$ 1,903,560

City of Shaker Heights, Ohio

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Nonmajor Internal Service Funds

For The Year Ended December 31, 2008

	Central Purchasing	Copier Management	Municipal Garage	Self Insurance	Total Internal Service Funds
Operating revenues:					
Charges for services	$ 546,158	$ 311	$ 1,222,318	$ 125,542	$ 1,894,329
Reimbursements	12,534	22,271	-	-	34,805
Total operating revenues	558,692	22,582	1,222,318	125,542	1,929,134
Operating expenses:					
Personal services	-	-	970,540	78,129	1,048,669
Travel and education	-	-	1,501	471	1,972
Contractual services	3,434	-	185,626	570,561	759,621
Material and supplies	643,474	1,113	39,974	1,256	685,817
Total operating expenses	646,908	1,113	1,197,641	650,417	2,496,079
Operating income (loss)	(88,216)	21,469	24,677	(524,875)	(566,945)
Non operating revenues:					
Interest earnings	-	-	-	43,466	43,466
Operating income (loss) before transfers	(88,216)	21,469	24,677	(481,409)	(566,945)
Transfers-in	-	-	-	300,000	300,000
Change in net assets	(88,216)	21,469	24,677	(181,409)	(223,479)
Net assets (deficit) at beginning of year	78,146	7,283	(112,052)	2,153,662	2,127,039
Net assets (deficit) at end of year	$ (10,070)	$ 28,752	$ (87,375)	$ 1,972,253	$ 1,903,560

City of Shaker Heights, Ohio

Combining Statements of Cash Flows
Non-Major Internal Services Funds

For The Year Ended December 31, 2008

	Central Purchasing	Copier Management	Municipal Garage	Self Insurance	Total Internal Service Funds
Increase (decrease) in cash and cash equivalents:					
Cash flows from operating activities:					
Cash received from internal services	$ 546,158	$ 311	$ 1,222,318	$ 122,889	$ 1,891,676
Cash payments to suppliers	(642,276)	-	(39,878)	(1,145)	(683,299)
Cash payments for goods and services	(3,434)	-	(209,077)	(751,008)	(963,519)
Cash payments to employees	-	-	(1,003,632)	(81,141)	(1,084,773)
Cash received for other operating Activities	12,534	22,271	-	-	34,805
Net cash provided by (used for) operating activities	(87,018)	22,582	(30,269)	(710,405)	(805,110)
Cash flows from non-capital financing activities:					
Transfers-in	-	-	-	300,000	300,000
Cash flows from investing activities:					
Interest earned on investments	-	-	-	43,466	43,466
Net increase (decrease) in cash and cash equivalents	(87,018)	22,582	(30,269)	(366,939)	(761,644)
Cash and cash equivalents at beginning of year	108,376	7,283	101,301	2,468,855	2,685,815
Cash and cash equivalents at end of year	$ 21,358	$ 29,865	$ 71,032	$ 2,101,916	$ 2,224,171
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:					
Operating income (loss)	$ (88,216)	$ 21,469	$ 24,677	$ (524,875)	$ (566,945)
Adjustments:					
Changes in assets/liabilities:					
Increase in accounts receivable	-	-	-	(2,653)	(2,653)
Increase in material and supplies inventory	(4,572)	-	-	-	(4,572)
Increase (decrease) in accounts payable	5,770	1,113	(21,854)	28,843	13,872
Decrease in accrued wages and benefits	-	-	(28,900)	(3,012)	(31,912)
Decrease in compensated absences	-	-	(4,192)	-	(4,192)
Decrease in self insurance claims payable	-	-	-	(208,708)	(208,708)
Total adjustments	1,198	1,113	(54,946)	(185,530)	(238,165)
Net cash provided by (used for) operating activities	$ (87,018)	$ 22,582	$ (30,269)	$ (710,405)	$ (805,110)

Public Art Deposit Fund
To encourage public art throughout the City and to allow residents to make donations in honor of services rendered by various City departments.

Obstruction Permit Deposit Fund
To account for the receipt of refundable deposits required of individuals to insure that obstructions or openings in public property created during construction are returned to pre-construction condition.

Excavating Permit Deposit Fund
To account for the receipt of refundable deposits required of individuals who wish to excavate and/or haul material over public property. The deposit is to guarantee that the public property will be cleaned and restored to its original condition and that the excavation, if any, will be properly guarded in accordance with applicable provisions of the City Code.

Unclaimed Monies Fund
Fund required by Ohio Revised Code to account for monies received or collected and not otherwise paid out according to law. Monies that are deemed to be unclaimed and credited to this fund that are not claimed within a five year period revert to the General Fund.

Fund for the Future of Shaker Heights Fund
To account for the assets, held by the City as fiscal agent, of the Fund for the Future of Shaker Heights, Inc. (F.F.S.H.), a non-profit corporation formed to promote pro-integrative housing moves within the City of Shaker Heights.

Municipal Court Fund
To account for assets received and disbursed by the Shaker Heights Municipal Court as agent or custodian related to civil and criminal court matters.

Contractor Deposit Fund
To account for the receipt of refundable deposits required of individuals who perform construction electrical work, plumbing, sewer or HVAC work. The deposit is to guarantee that the work will be performed and inspected according to City Code.

Recreation Scholarship Fund
To account for funds solicited to be used for the purpose of providing financial aid and/or services to assist disadvantaged youth who otherwise could not afford to participate in various Recreation Department programs. The scholarship program is a non-profit corporation established under the authority of section 501(c) of the Internal Revenue Service Code.

Shaker Family Resource Center Fund
To account for assets held by the City as fiscal agent for the Shaker Family Resource Center, Inc. The purpose of this non-profit corporation is to enhance the quality of life for families with young children in the Shaker Heights City School District by providing educational, social, and recreational and support programs and services.

Board of Building Standards Fund
To account for state mandated fees collected by the City's Building Department relating to the acceptance, review and approval of building plans and specifications. An amount equal to 3% of fees imposed must be remitted on a monthly basis to the State of Ohio Department of Industrial Relations.

Heights Area Special Rescue Team Fund
To account for assets held by the city for the Heights Area Special Rescue Team (HASRT).

City of Shaker Heights, Ohio

Combining Statements of Changes in Assets and Liabilities
Agency Funds

For The Year Ended December 31, 2008

	Balance December 31, 2007	Additions	Deductions	Balance December 31, 2008
Public Art Deposit Fund				
Assets:				
Equity in pooled cash and cash equivalents	$ 2,531	$ -	$ -	$ 2,531
Liabilities:				
Deposits held and due to others	$ 2,531	$ -	$ -	$ 2,531
Obstruction Permit Deposit Fund				
Assets:				
Equity in pooled cash and cash equivalents	$ 74,416	$ -	$ 1,776	$ 72,640
Liabilities:				
Deposits held and due to others	$ 74,416	$ -	$ 1,776	$ 72,640
Excavating Permit Deposit Fund				
Assets:				
Equity in pooled cash and cash equivalents	$ 13,825	$ -	$ 1,870	$ 11,955
Liabilities:				
Deposits held and due to others	$ 13,825	$ -	$ 1,870	$ 11,955
Unclaimed Monies Fund				
Assets:				
Equity in pooled cash and cash equivalents	$ 260,989	$ 74,362	$ 110,181	$ 225,170
Liabilities:				
Deposits held and due to others	$ 260,989	$ 74,362	$ 110,181	$ 225,170
Fund for the Future of Shaker Heights Fund				
Assets:				
Equity in pooled cash and cash equivalents	$ 744,224	$ 141,581	$ 188,261	$ 697,544
Mortgage loans receivable	198,510	48,050	87,618	158,942
Total Assets	$ 942,734	$ 189,631	$ 275,879	$ 856,486
Liabilities:				
Deposits held and due to others	$ 942,734	$ 189,631	$ 275,879	$ 856,486

City of Shaker Heights, Ohio

Combining Statements of Changes in Assets and Liabilities
Agency Funds

For The Year Ended December 31, 2008

	Balance December 31, 2007	Additions	Deductions	Balance December 31, 2008
Municipal Court Fund				
Assets:				
Cash and cash equivalents in segregated accounts	$ 472,632	$ 3,390,585	$ 3,360,173	$ 503,044
Liabilities:				
Intergovernmental payable	$ 258,910	$ 2,787,978	$ 2,759,675	$ 287,213
Deposits held and due to others	213,722	602,607	600,498	215,831
Total Liabilities	$ 472,632	$ 3,390,585	$ 3,360,173	$ 503,044
Contractor Deposit Fund				
Assets:				
Equity in pooled cash and cash equivalents	$ 142,220	$ -	$ -	$ 142,220
Liabilities:				
Deposits held and due to others	$ 142,220	$ -	$ -	$ 142,220
Recreation Scholarship Fund				
Assets:				
Equity in pooled cash and cash equivalents	$ 39,675	$ 6,262	$ 6,357	$ 39,580
Liabilities:				
Deposits held and due to others	$ 39,675	$ 6,262	$ 6,357	$ 39,580
Shaker Family Resource Center				
Assets:				
Equity in pooled cash and cash equivalents	$ 60	$ 317,442	$ 304,403	$ 13,099
Liabilities:				
Deposits held and due to others	$ 60	$ 317,442	$ 304,403	$ 13,099
Board of Building Standards Fund				
Assets:				
Equity in pooled cash and cash equivalents	$ 542	$ 2,689	$ 2,722	$ 509
Liabilities:				
Intergovernmental payable	$ 542	$ 2,689	$ 2,722	$ 509
Heights Area Special Rescue Team Fund				
Assets:				
Equity in pooled cash and cash equivalents	$ 108,134	$ 51,635	$ 28,208	$ 131,561
Liabilities:				
Intergovernmental payable	$ 108,134	$ 51,635	$ 28,208	$ 131,561

City of Shaker Heights, Ohio

Combining Statements of Changes in Assets and Liabilities
Agency Funds

For The Year Ended December 31, 2008

	Balance December 31, 2007	Additions	Deductions	Balance December 31, 2008
Total Agency Funds				
Assets:				
Equity in pooled cash and cash equivalents	$ 1,386,616	$ 593,971	$ 643,778	$ 1,336,809
Cash and cash equivalents				
In segregated accounts	472,632	3,390,585	3,360,173	503,044
Mortgage loan receivable	198,510	48,050	87,618	158,942
Total assets	$ 2,057,758	$ 4,032,606	$ 4,091,569	$ 1,998,795
Liabilities:				
Intergovernmental payable	$ 367,586	$ 2,842,302	$ 2,790,605	$ 419,283
Deposits held and due to others	1,690,172	1,190,304	1,300,964	1,579,512
Total liabilities	$ 2,057,758	$ 4,032,606	$ 4,091,569	$ 1,998,795

STATISTICAL SECTION

This part of the City of Shaker Heights's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents **Page(s)**

Financial Trends S3 - S9

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity S10 - S17

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Debt Capacity S18 - S23

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.

Economic and Demographic Information S25 - S27

These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information S29 - S33

These schedules contain service data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant fiscal year. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that fiscal year.

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City of Shaker Heights, Ohio

Net Assets By Component
Last Five Years
(Accrual Basis of Accounting)

	2008	2007	2006	2005	2004
Governmental Activities					
Invested in Capital Assets,					
Net of Related Debt	$ 58,708,166	$ 44,729,593	$ 39,706,310	$ 28,686,344	$ 32,387,135
Restricted:					
Capital Projects	25,606,578	31,339,125	38,040,586	32,600,572	29,667,802
Debt Service	915,681	-	-	-	-
Other Purposes	6,091,245	193,610	665,036	7,998,216	2,781,854
Unrestricted	15,311,338	26,003,445	23,169,111	15,936,739	18,128,161
Total Governmental Activities Net Assets	$ 106,633,008	$ 102,265,773	$ 101,581,043	$ 85,221,871	$ 82,964,952

Source: City Financial Records

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City of Shaker Heights, Ohio

Changes in Net Assets
Last Five Years
(Accrual Basis of Accounting)

	2008	2007	2006	2005	2004
Program Revenues					
Governmental Activities:					
Charges for Services:					
Security of Persons and Property	$ 1,340,465	$ 860,784	$ 908,354	$ 797,872	$ 832,026
Public Health Services	80,210	82,688	80,425	84,582	73,237
Leisure Time Activities	1,827,419	1,884,955	1,818,800	2,002,191	2,173,065
Housing and Community Development	2,117,015	1,528,272	1,692,407	1,330,108	1,247,013
Sanitation and Sewer Services	1,541,510	1,504,818	1,419,346	1,506,353	1,520,428
Street Maintenance and Repair	8,238	219,668	205,733	410,546	45,106
Public Works - Other	711,143	545,830	538,584	427,956	1,221,186
General Government	2,613,369	2,602,509	2,645,655	4,853,488	2,226,749
Operating Grants and Contributions:					
Security of Persons and Property	4,895,746	2,218,326	3,671,222	3,262,043	2,867,495
Public Health Services	-	26,114	34,335	20,657	119,319
Leisure Time Activities	-	1,683	4,238	5,626	-
Housing and Community Development	35,976	116,139	135,317	45,009	119,227
Sanitation and Sewer Services	5,901	-	-	38,000	19,454
Street Maintenance and Repair	-	-	-	26,630	6,741
General Government	40,987	75	140	-	1,407,545
Capital Grants and Contributions:					
Security of Persons and Property	5,000	-	-	37,722	84,316
Public Health Services	-	-	-	-	23,712
Housing and Community Development	1,701,268	163,667	17,531	738,451	-
Sanitation and Sewer Services	1,467,333	-	-	-	-
Street Maintenance and Repair	508,705	-	-	1,165,442	73,255
Public Works - Other	-	465,443	7,954,422	-	163
Total Governmental Activities Program Revenues	18,900,285	12,220,971	21,126,509	16,752,676	14,060,037
Expenses					
Governmental Activities:					
General Government	7,087,741	6,427,598	6,297,348	6,186,733	6,454,681
Security of Persons and Property	23,458,781	23,903,946	22,068,064	23,038,851	22,909,631
Public Health and Welfare	448,703	563,495	558,169	538,756	632,970
Leisure Time Activities	3,877,476	3,664,496	4,137,650	3,751,953	3,992,118
Housing and Community Development	6,989,574	7,240,967	7,215,561	7,165,612	7,489,338
Sanitation and Sewer Services	5,018,134	2,167,731	2,830,739	2,688,129	4,076,738
Street Maintenance and Repair	2,817,752	2,181,766	2,181,740	1,513,229	2,962,286
Public Works - Other	3,905,495	2,938,506	3,492,889	4,810,977	3,922,743
Interest and Fiscal Charges	1,001,492	1,048,868	1,076,682	773,737	491,535
Total Governmental Activities Expenses	54,605,148	50,137,373	49,858,842	50,467,977	52,932,040
Net (Expense)/Revenue					
Governmental Actvities	(35,704,863)	(37,916,402)	(28,732,333)	(33,715,301)	(38,872,003)
General Revenues and Other Changes in Net Assets					
Governmental Activities					
Property Taxes	8,224,540	8,966,264	7,380,267	7,384,160	7,264,319
Income and Other Taxes	20,819,652	23,244,676	18,002,688	22,653,723	18,530,905
Grants and Entitlements	5,670,500	7,752,673	17,249,741	4,903,785	7,615,993
Investment Earnings	629,378	1,963,517	2,411,188	1,024,160	399,676
Miscellaneous Income	232,203	218,240	47,621	6,393	-
Special Item	-	(1,731,108)	-	-	-
Total Governmental Activites	35,576,273	40,414,262	45,091,505	35,972,221	33,810,893
Change in Net Assets					
Governmental Activities	$ (128,590)	$ 2,497,860	$ 16,359,172	$ 2,256,920	$ (5,061,110)

Source: City Financial Records

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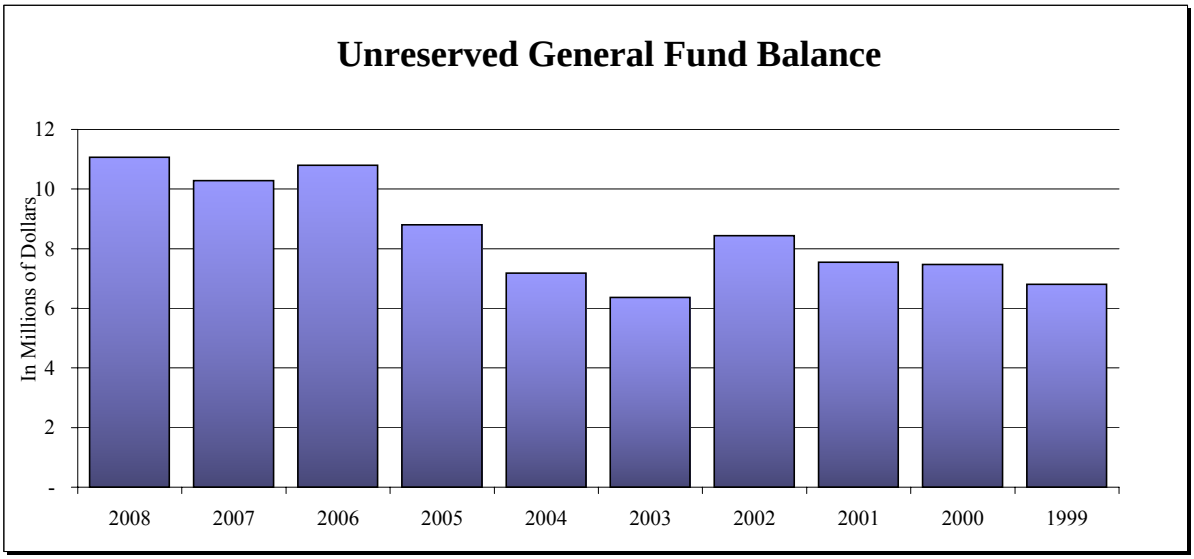
City of Shaker Heights, Ohio
Fund Balances, Governmental Funds
Last Ten Years
(Modified Accrual Basis of Accounting)

	2008	2007	2006	2005	2004
General Fund					
Reserved	$ 658,094	$ 737,765	$ 645,010	$ 618,498	$ 620,813
Unreserved	11,068,444	10,277,756	10,800,682	8,803,020	7,177,276
Total General Fund	11,726,538	11,015,521	11,445,692	9,421,518	7,798,089
All Other Governmental Funds					
Reserved	8,286,921	21,462,206	25,400,516	20,831,407	18,534,385
Unreserved, Undesignated, Reported in:					
Special Revenue funds	5,830,175	3,638,148	4,625,921	4,227,083	5,485,075
Debt Service funds	793,110	(6,320,440)	(6,444,691)	642,972	461,017
Capital Projects funds	17,703,298	10,321,345	12,940,408	12,377,248	5,384,372
Total All Other Governmental Funds	32,613,504	29,101,259	36,522,154	38,078,710	29,864,849
Total Governmental Funds	$ 44,340,042	$ 40,116,780	$ 47,967,846	$ 47,500,228	$ 37,662,938

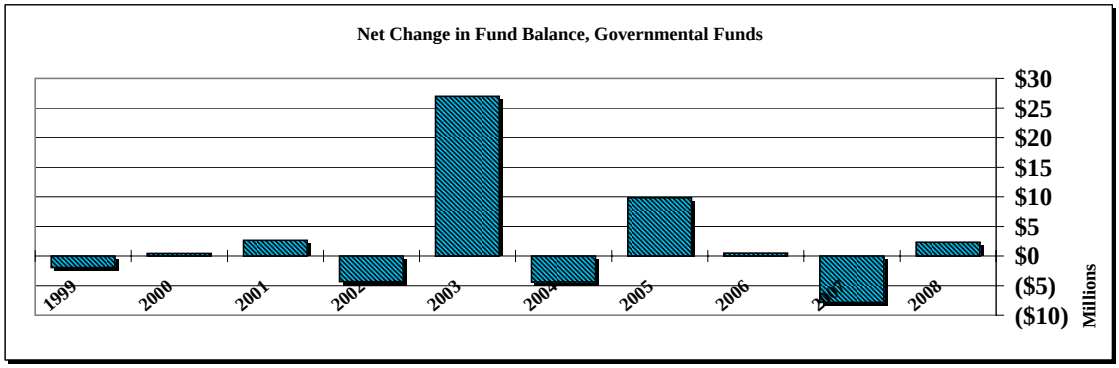


2003	2002	2001	2000	1999
$ 493,249	$ 546,667	$ 841,512	$ 795,634	$ 654,456
6,368,592	8,431,718	7,548,699	7,474,289	6,808,407
6,861,841	8,978,385	8,390,211	8,269,923	7,462,863
9,577,630	10,279,656	5,457,642	3,292,264	3,999,027
6,147,351	5,614,309	3,282,087	1,908,132	1,675,144
325,971	-	-	-	-
19,118,859	(9,843,621)	1,473,271	2,264,741	2,093,295
35,169,811	6,050,344	10,213,000	7,465,137	7,767,466
$ 42,031,652	$ 15,028,729	$ 18,603,211	$ 15,735,060	$ 15,230,329

City of Shaker Heights, Ohio

Changes in Fund Balances, Governmental Funds
Last Ten Years
(Modified Accrual Basis of Accounting)

	2008	2007	2006	2005	2004
Revenues					
Property taxes	$ 8,256,559	$ 8,889,841	$ 7,428,674	$ 7,331,189	$ 7,269,251
Municipal Income Taxes	20,840,303	20,246,324	19,886,483	21,861,847	18,783,048
Other Local Taxes	55,599	68,772	72,795	82,208	7,406,893
Intergovernmental	14,936,366	10,218,683	29,295,902	12,452,589	4,721,227
Charges for Services	6,591,980	6,508,530	6,843,816	6,630,592	6,607,922
Fees, Licenses and Permits	764,096	746,352	848,307	509,945	449,452
Fines and Forfeitures	995,703	1,007,083	1,007,772	884,476	799,324
Special Assessments	1,767,705	1,437,429	1,551,355	1,421,099	1,529,226
Interest Earnings	585,912	1,851,297	2,310,585	949,769	339,094
Other Revenue	490,070	633,891	879,638	982,334	1,339,428
Total Revenues	55,284,293	51,608,202	70,125,327	53,106,048	49,244,865
Expenditures					
Current:					
Security of Persons and Property	24,202,081	23,574,673	22,052,139	22,975,164	21,581,448
Public Health and Welfare	529,080	558,251	556,927	547,922	624,730
Leisure Time Activities	3,750,314	7,555,496	4,832,651	3,721,751	4,039,570
Housing and Community Development	8,985,556	7,347,631	8,487,286	7,053,154	6,049,968
Sanitation and Sewer Services	7,498,220	4,242,460	4,719,322	4,682,615	8,710,562
Street Maintenance and Repair	3,280,365	4,300,875	2,520,981	3,080,371	4,676,644
Public Works - Other	2,611,414	3,454,788	11,934,551	4,969,107	3,506,111
General Government	7,113,939	6,645,189	5,732,134	6,058,532	7,212,530
Debt Service:					
Principal Retirement	2,407,571	2,960,142	10,520,233	182,850	145,375
Interest and Fiscal Charges	966,611	1,084,763	1,101,485	565,169	664,604
Total Expenditures	61,345,151	61,724,268	72,457,709	53,836,635	57,211,542
Excess of Revenues Over (Under) Expenditures	(6,060,858)	(10,116,066)	(2,332,382)	(730,587)	(7,966,677)
Other Financing Sources (Uses)					
Issuance of Debt	8,660,000	2,265,000	2,800,000	10,567,878	3,597,963
Transfers In	3,993,546	3,748,042	4,495,644	4,269,619	6,516,731
Transfers Out	(4,293,546)	(3,748,042)	(4,495,644)	(4,269,619)	(6,516,731)
Total Other Financing Sources (Uses)	8,360,000	2,265,000	2,800,000	10,567,878	3,597,963
Net Change in Fund Balances	$ 2,299,142	$ (7,851,066)	$ 467,618	$ 9,837,291	$ (4,368,714)
Debt Service as a Percentage of Noncapital Expenditures	6.30%	7.36%	19.35%	1.68%	1.64%



2003	2002	2001	2000	1999
$ 6,384,628	$ 6,423,446	$ 6,368,356	$ 5,719,115	$ 5,770,937
22,649,166	18,648,908	18,927,461	17,264,797	17,486,702
17,135,868	4,580,163	5,961,216	5,210,818	4,582,569
3,624,484	3,805,168	2,920,659	2,138,177	2,360,440
5,959,401	3,812,324	3,276,315	3,210,192	3,356,057
487,677	409,093	340,124	363,509	385,808
1,028,445	737,865	718,435	751,017	797,967
1,347,023	1,348,169	1,324,288	1,239,530	1,247,115
490,633	940,869	1,833,419	1,770,726	500,799
1,082,301	1,918,912	1,478,583	1,648,313	1,728,859
60,189,626	42,624,917	43,148,856	39,316,194	38,217,253
22,718,906	17,442,316	16,212,087	15,429,843	14,384,253
629,242	509,328	397,931	375,271	378,668
3,702,571	501,136	582,860	570,420	604,396
5,648,055	4,838,231	4,590,959	4,377,913	4,694,019
4,073,814	3,563,023	3,182,130	3,168,986	3,159,114
2,588,086	1,361,726	1,542,087	2,144,245	1,909,710
2,501,287	10,076,546	5,463,532	4,529,806	4,711,457
6,545,599	7,412,559	7,219,513	7,157,255	6,959,563
40,375	40,375	40,375	40,375	2,091,421
304,627	219,082	191,123	103,932	184,730
48,752,562	45,964,322	39,422,597	37,898,046	39,077,331
11,437,064	(3,339,405)	3,726,259	1,418,148	(860,078)
15,543,069	-	-	-	-
9,337,294	2,843,725	4,460,545	3,437,075	2,864,054
(9,337,294)	(3,826,348)	(5,553,383)	(4,398,237)	(3,974,146)
15,543,069	(982,623)	(1,092,838)	(961,162)	(1,110,092)
$ 26,980,133	$ (4,322,028)	$ 2,633,421	$ 456,986	$ (1,970,170)
0.79%	0.64%	0.63%	0.41%	6.06%

City of Shaker Heights, Ohio

Assessed Valuation and Estimated Actual Values of Taxable Property
Last Ten Years

	Real Property			Tangible Personal Property	
				Public Utility	
Tax Year/ Collection Year	Assessed Value Residential/ Agricultural	Assessed Value Commercial Industrial/PU	Estimated Actual Value	Assessed Value	Estimated Actual Value
2008/2009	$ 801,142,110	$ 75,467,590	$ 2,504,599,143	$ 9,080,760	$ 10,683,247
2007/2008	803,262,820	72,752,030	2,502,899,571	8,674,200	10,204,941
2006/2007	805,954,540	76,868,340	2,522,351,086	13,511,530	15,354,011
2005/2006	725,141,720	77,496,570	2,293,252,257	14,062,560	15,980,182
2004/2005	727,292,290	79,064,110	2,303,875,429	15,654,670	17,789,398
2003/2004	726,385,090	80,074,430	2,304,170,057	15,799,910	17,954,443
2002/2003	630,577,980	76,418,240	2,019,989,200	15,306,100	17,393,295
2001/2002	630,875,050	77,190,760	2,023,045,171	16,032,480	18,218,727
2000/2001	630,147,140	74,268,190	2,012,615,229	20,868,560	23,714,273
1999/2000	556,661,160	63,754,230	1,772,615,400	21,083,660	23,958,705

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. For collection year 2007 both types of general business tangible personal property were assessed at 12.5 percent. The percentage will be 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.

(1) Tax rates are per $1,000 of assessed value

Source: Cuyahoga County Auditor

Tangible Personal Property					
General Business			Total		
Assessed Value	Estimated Actual Value	Total Direct Rate (1)	Assessed Value	Estimated Actual Value	Ratio
$ 3,788,537	$ 30,308,296	$ 9.90	$ 889,478,997	$ 2,545,590,686	34.94%
6,129,221	49,033,768	9.90	890,818,271	2,562,138,281	34.77%
8,478,082	45,216,437	9.90	904,812,492	2,582,921,534	35.03%
9,956,280	39,825,120	9.90	826,657,130	2,349,057,559	35.19%
10,246,645	48,793,548	9.90	832,257,715	2,370,458,374	35.11%
13,064,821	59,385,550	9.90	835,324,251	2,381,510,050	35.08%
16,864,140	73,322,348	9.90	739,166,460	2,110,704,843	35.02%
14,106,723	58,778,013	9.90	738,205,013	2,100,041,911	35.15%
12,360,677	49,442,708	9.90	737,644,567	2,085,772,209	35.37%
11,173,500	44,694,000	9.90	652,672,550	1,841,268,105	35.45%

City of Shaker Heights, Ohio

Property Tax Rates - Direct and Overlapping Governments
(Per $1,000 of Assessed Valuation)
Last Ten Years

	2008	2007	2006	2005	2004
Unvoted Millage					
Operating	$ 3.80	$ 3.80	$ 3.80	$ 3.80	$ 3.80
Fire Pension	0.30	0.30	0.30	0.30	0.30
Police Pension	0.30	0.30	0.30	0.30	0.30
Total Unvoted Millage	4.40	4.40	4.40	4.40	4.40
Charter Millage					
1948 Charter/Current Expense	2.50	2.50	2.50	2.50	2.50
1966 Charter/Current expense	3.00	3.00	3.00	3.00	3.00
Total Charter Millage	5.50	5.50	5.50	5.50	5.50
Total Millage	$ 9.90	$ 9.90	$ 9.90	$ 9.90	$ 9.90
Overlapping Rates by Taxing District					
Shaker Heights City School District Voted Millage					
Effective Millage Rates					
Residential/Agricultural Real	$ 71.00	$ 70.47	$ 70.36	$ 67.34	$ 65.93
Commercial/Industrial and Public Utility	98.68	96.61	95.58	90.65	86.12
Tangible/Public Utility Personal	170.60	170.30	170.30	160.50	159.20
Cuyahoga County Voted Millage	18.10	18.20	18.30	18.30	18.00
Effective Millage Rates					
Residential/Agricultural Real	16.82	16.03	16.02	15.27	14.61
Commercial/Industrial and Public Utility	17.21	16.83	17.13	16.50	16.05
Tangible/Public Utility Personal	18.10	18.20	18.30	18.30	18.00
Shaker Heights Public Library Voted Millage	4.00	4.00	4.00	4.00	4.00
Effective Millage Rates					
Residential/Agricultural Real	4.00	3.18	3.52	3.52	3.48
Commercial/Industrial and Public Utility	4.00	3.83	4.00	4.00	3.87
Tangible/Public Utility Personal	4.00	4.00	4.00	4.00	4.00

Source: Cuyahoga 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.

2003	2002	2001	2000	1999
$ 3.80	$ 3.80	$ 3.80	$ 3.80	$ 3.80
0.30	0.30	0.30	0.30	0.30
0.30	0.30	0.30	0.30	0.30
4.40	4.40	4.40	4.40	4.40
2.50	2.50	2.50	2.50	2.50
3.00	3.00	3.00	3.00	3.00
5.50	5.50	5.50	5.50	5.50
$ 9.90	$ 9.90	$ 9.90	$ 9.90	$ 9.90
$ 65.08	$ 64.90	$ 65.33	$ 65.30	$ 63.40
85.87	79.58	78.12	78.12	80.80
158.90	150.00	150.50	150.50	141.00
16.20	16.20	16.20	15.30	15.30
13.74	12.66	12.68	12.84	12.85
14.22	13.34	13.25	13.88	13.91
16.20	16.20	16.20	15.30	15.30
4.00	4.00	4.00	4.00	4.00
4.00	3.29	3.29	3.72	3.72
4.00	3.26	3.33	3.90	3.89
4.00	4.00	4.00	4.00	4.00

City of Shaker Heights, 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
2008	$ 9,283,993	$ 8,788,652	94.66%	$ 611,039	$ 9,399,691
2007	9,276,821	8,714,549	93.94%	350,287	9,064,836
2006	8,376,278	7,925,497	94.62%	343,990	8,269,487
2005	8,309,695	7,824,579	94.16%	388,075	8,212,654
2004	8,139,415	7,758,017	95.31%	370,672	8,128,689
2003	7,167,586	6,776,892	94.55%	337,096	7,113,988
2002	7,162,530	6,774,784	94.59%	356,670	7,131,454
2001	7,178,496	6,827,641	95.11%	263,535	7,091,176
2000	6,377,232	6,106,668	95.76%	268,430	6,375,098
1999	6,374,373	6,134,194	96.23%	282,750	6,416,944

Source: Cuyahoga 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.

Percent of Total Tax Collections To Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Total Tax Levy
101.25%	$ 433,822	4.67%
97.71%	657,326	7.09%
98.73%	561,799	6.71%
98.83%	622,308	7.49%
99.87%	644,490	7.92%
99.25%	652,146	9.10%
99.57%	542,690	7.58%
98.78%	492,465	6.86%
99.97%	371,021	5.82%
100.67%	386,184	6.06%

City of Shaker Heights, Ohio

Principal Taxpayers - Real Estate Tax

2008 and 1999

	2008	
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
The Cleveland Electric Illuminating Company	$ 6,620,800	0.76%
University Hospitals	5,226,940	0.60%
Tower East Operating Assoc.	4,416,510	0.50%
Deborah Salzberg Tr.	2,959,460	0.34%
Oliver Family LTD	2,296,110	0.26%
Shaker Town Centre E&A	2,150,890	0.25%
Shaker Town Center E&A LLC	1,735,030	0.20%
Shaker Plaza LTD	1,504,760	0.17%
East Ohio Gas Company	1,452,220	0.17%
Cleveland Skating Club	1,383,630	0.16%
Total	$ 29,746,350	3.39%
Total Assessed Valuation	$ 876,609,700	

	1999	
Taxpayer	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
The Cleveland Electric Illuminating Company	$ 10,131,340	1.63%
Ohio Bell Telephone Company	8,949,370	1.44%
East Ohio Gas Company	4,276,010	0.69%
Shaker Town Centre LTD Partnership	3,272,500	0.53%
Community Links Limited Partnership	2,975,000	0.48%
WKB Value Partners Limited Partnership	2,867,240	0.46%
OfficeMax Incorporated	2,613,170	0.42%
Somerset Point LTD Partnership	1,850,800	0.30%
Karrington Acquisition Inc.	1,595,300	0.26%
Albert Ratner, Trustee ETAL	1,583,120	0.26%
Total	$ 40,113,850	6.47%
Total Assessed Valuation	$ 620,415,390	

Source: Cuyahoga County Auditor

(1) The amounts presented represent the assessed values upon which 2007 and 1998 collections were based.

City of Shaker Heights, Ohio

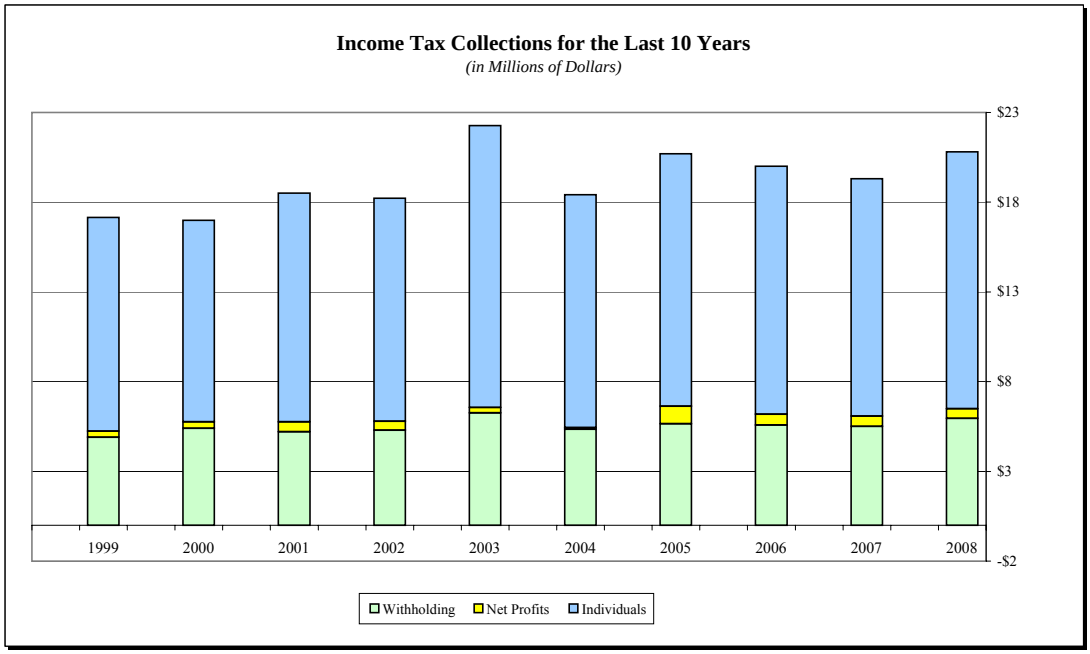
Income Tax Revenue Base and Collections
Last Ten Years

Tax Year (1)	Tax Rate (2)	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes From Individuals	Percentage of Taxes from Individuals
2008	1.75%	$ 20,809,784	$ 5,949,834	28.59%	$ 541,495	2.60%	$ 14,318,455	68.81%
2007	1.75%	19,706,989	5,507,718	27.95%	568,723	2.89%	13,233,471	67.15%
2006	1.75%	19,988,510	5,580,143	27.92%	610,508	3.05%	13,821,363	69.15%
2005	1.75%	20,713,751	5,655,308	27.30%	976,929	4.72%	14,061,219	67.88%
2004	1.75%	18,783,048	5,353,559	28.50%	76,721	0.41%	12,993,713	69.18%
2003	1.75%	22,649,166	6,253,899	27.61%	300,104	1.33%	15,711,901	69.37%
2002	1.75%	18,648,908	5,293,177	28.38%	506,343	2.72%	12,415,761	66.58%
2001	1.75%	18,927,461	5,201,142	27.48%	556,797	2.94%	12,739,568	67.31%
2000	1.75%	17,264,797	5,405,606	31.31%	348,985	2.02%	11,236,797	65.09%
1999	1.75%	17,486,702	4,899,988	28.02%	342,527	1.96%	11,900,607	68.06%

(1) 2002 through 2008 are on a Cash Basis and 1999 through 2001 are on a Modified Accrual Basis

(2) Effective April 1, 1981 .

Note: The City is prohibited by statute from presenting information regarding individual taxpayers.

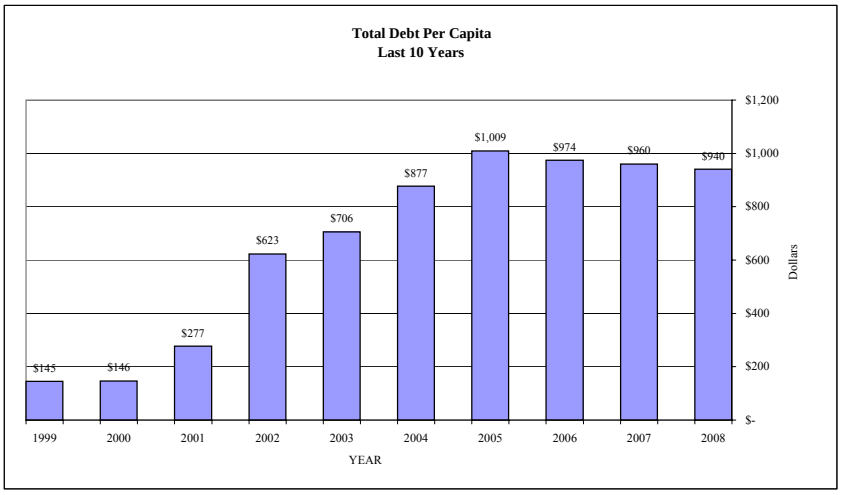


City of Shaker Heights, Ohio

Ratio of Outstanding Debt to
Total Personal Income and Debt Per Capita
Last Ten Years

	Governmental Activities							
Year	General Obligation Bonds	Urban Renewal Temporary Bonds	Bond Anticipation Notes	OPWC Loans	Taxable Special Obligation Housing Notes	Total Debt	Percentage of Personal Income	Per Capita
2008	$ 14,585,000	$ 6,845,000	$ 1,315,000	$ 3,903,479	$ 1,000,000	$ 27,648,479	2.27%	$ 940
2007	14,855,000	6,845,000	1,765,000	4,026,050	750,000	28,241,050	2.32	960
2006	15,020,000	6,845,000	2,250,000	4,271,192	250,000	28,636,192	2.35	974
2005	15,155,000	6,845,000	3,365,000	4,306,928	-	29,671,928	2.44	1,009
2004	15,265,000	2,215,000	4,280,000	4,021,900	-	25,781,900	2.12	877
2003	15,370,000	2,215,000	2,710,000	464,312	-	20,759,312	1.71	706
2002	-	12,825,000	4,975,000	504,687	-	18,304,687	1.51	623
2001	-	3,825,000	3,775,000	545,062	-	8,145,062	0.67	277
2000	-	-	3,935,000	585,437	-	4,520,437	0.45	146
1999	-	-	3,845,000	625,812	-	4,470,812	0.44	145

Note: Population and Personal Income data are presented on page S28.



City of Shaker Heights, Ohio

Ratio of General Obligation Bonded Debt to Assessed Value and Bonded Debt Per Capita
Last Ten Years

Year	Population (1)		Assessed 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
2008	29,405	b	$ 889,478,997	$ 22,745,000	2.56 %	$ 773.51
2007	29,405	b	890,818,271	23,465,000	2.63 %	797.99
2006	29,405	b	904,812,492	24,115,000	2.67 %	820.10
2005	29,405	b	826,657,130	25,365,000	3.07 %	862.61
2004	29,405	b	832,257,715	21,298,983	2.56 %	724.33
2003	29,405	b	835,324,251	19,969,029	2.39 %	679.10
2002	29,405	b	739,166,460	17,475,566	2.36 %	594.31
2001	29,405	b	738,205,013	7,281,125	0.99 %	247.62
2000	30,867	a	737,644,567	3,628,946	0.49 %	117.57
1999	30,867	a	652,672,550	3,553,776	0.54 %	115.13

Sources:

(1) U. S. Bureau of Census, Census of Population.
(a) 1990 Federal Census
(b) 2000 Federal Census

(2) Cuyahoga County Auditor

(3) Includes all general obligation bonded debt with the exception of Special Assessment debt.

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City of Shaker Heights, Ohio

Computation of Direct and Overlapping Governmental Activities Debt
December 31, 2008

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
Direct - City of			
City of Shaker Heights General Obligation Bonds & Anticipation Notes	$22,745,000	100.00%	$22,745,000
Total Direct Debt	22,745,000		22,745,000
Overlapping			
Shaker Heights City School District			
General Obligation Bonds	28,044,592	94.50%	26,502,139
Notes Payable	500,000	94.50%	472,500
Cuyahoga County			
General Obligation Bonds	248,899,326	2.72%	6,770,062
Regional Transit Authority	172,765,000	2.72%	4,699,208
Total Overlapping Debt	450,208,918		38,443,909
Total	$472,953,918		$61,188,909

Source: Cuyahoga County Auditor

(1) Percentages were determined by dividing each overlapping subdivision's assessed valuation within the City by its total assessed valuation.

City of Shaker Heights, Ohio

Legal Debt Margin

Last Ten Years

	2008	2007	2006	2005
Total Assessed Property Value	$ 889,478,997	$ 890,818,271	$ 904,812,492	$ 826,657,130
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	$ 93,395,295	$ 93,535,918	$ 95,005,312	$ 86,798,999
Debt Outstanding:				
General Obligation Bonds	14,585,000	14,855,000	15,020,000	15,155,000
Bond Anticipation Notes	8,160,000	8,610,000	9,095,000	10,210,000
OPWC Loans	3,903,479	4,026,050	4,271,192	4,306,928
Total Gross Indebtedness	26,648,479	27,491,050	28,386,192	29,671,928
Less:				
Bond Anticipation Notes	-	-	-	-
OPWC Loans	(3,903,479)	(4,026,050)	(4,271,192)	(4,306,928)
Temporary Urban Renewal Bonds	(6,845,000)	(6,845,000)	(6,845,000)	(6,845,000)
Permanent Urban Renewal Bonds	(14,585,000)	(14,855,000)	(15,020,000)	(15,155,000)
Debt Service Fund Balance	(178,239)	(53,177)	(325,715)	(642,972)
Total Net Debt Applicable to Debt Limit	1,136,761	1,711,823	1,924,285	2,722,028
Legal Debt Margin Within 10 ½ % Limitations	$ 92,258,534	$ 91,824,095	$ 93,081,027	$ 84,076,971
Legal Debt Margin as a Percentage of the Debt Limit	98.78%	98.17%	97.97%	96.86%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	$ 48,921,345	$ 48,995,005	$ 49,764,687	$ 45,466,142
Total Gross Indebtedness	26,648,479	27,491,050	28,386,192	29,671,928
Less:				
Bond Anticipation Notes	-	-	-	-
OPWC Loans	(3,903,479)	(4,026,050)	(4,271,192)	(4,306,928)
Temporary Urban Renewal Bonds	(6,845,000)	(6,845,000)	(6,845,000)	(6,845,000)
Permanent Urban Renewal Bonds	(14,585,000)	(14,855,000)	(15,020,000)	(15,155,000)
Debt Service Fund Balance	(178,239)	(53,177)	(325,715)	(642,972)
Net Debt Within 5 ½ % Limitations	1,136,761	1,711,823	1,924,285	2,722,028
Unvoted Legal Debt Margin Within 5 ½ % Limitations	$ 47,784,584	$ 47,283,182	$ 47,840,402	$ 42,744,114
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	97.68%	96.51%	96.13%	94.01%

Source: City Financial Records

2004	2003	2002	2001	2000	1999
$ 832,257,715	$ 835,324,251	$ 739,166,460	$ 738,205,013	$ 737,644,567	$ 652,672,550
$ 87,387,060	$ 87,709,046	$ 77,612,478	$ 77,511,526	$ 77,452,680	$ 68,530,618
15,265,000	15,370,000	17,800,000	-	-	-
6,495,000	4,925,000	-	7,600,000	3,935,000	3,845,000
4,021,900	464,312	504,687	545,062	585,437	625,812
25,781,900	20,759,312	18,304,687	8,145,062	4,520,437	4,470,812
-	-	-	(6,380,000)	(3,935,000)	(3,845,000)
(4,021,900)	(464,312)	(504,687)	(545,062)	(585,437)	(625,812)
(2,215,000)	(2,215,000)	(12,825,000)	-	-	
(15,265,000)	(15,370,000)	-	-	-	
(461,017)	(325,971)	(324,434)	(318,875)	(306,054)	(291,224)
3,818,983	2,384,029	4,650,566	901,125	(306,054)	(291,224)
$ 83,568,077	$ 85,325,017	$ 72,961,912	$ 76,610,401	$ 77,758,734	$ 68,821,842
95.63%	97.28%	94.01%	98.84%	100.40%	100.42%
$ 45,774,174	$ 45,942,834	$ 40,654,155	$ 40,601,276	$ 40,570,451	$ 35,896,990
25,781,900	20,759,312	18,304,687	8,145,062	4,520,437	4,470,812
-	-	-	(6,380,000)	(3,935,000)	(3,845,000)
(4,021,900)	(464,312)	(504,687)	(545,062)	(585,437)	(625,812)
(2,215,000)	(2,215,000)	(12,825,000)	-	-	-
(15,265,000)	(15,370,000)	-	-	-	-
(461,017)	(325,971)	(324,434)	(318,875)	(306,054)	(291,224)
3,818,983	2,384,029	4,650,566	901,125	(306,054)	(291,224)
$ 41,955,191	$ 43,558,805	$ 36,003,589	$ 39,700,151	$ 40,876,505	$ 36,188,214
91.66%	94.81%	88.56%	97.78%	100.75%	100.81%

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City of Shaker Heights, Ohio

Principal Employers

2008 (1)

2008			
Employer	Nature of Business or Activity	Employees	Percentage of Total
Shaker Heights City School District	Government Entity	1,127	27%
University Hospital Health System	Non Profit Organization	1,013	25%
City of Shaker Heights	Government Entity	683	17%
Hathaway Brown School	Private School	413	10%
Center for Dialysis Care	Medical Facility	334	8%
University School (Shaker Heights Campus)	Private School	221	5%
Laurel School	Private School	183	4%
Life Banc	Medical Facility	87	2%
The Equity Engineering Group	Engineering Support	53	1%
Total		4,114	100%
Total Employment within the City of Shaker Heights, Ohio		n/a	

Source: Regional Income Tax Agency (RITA)

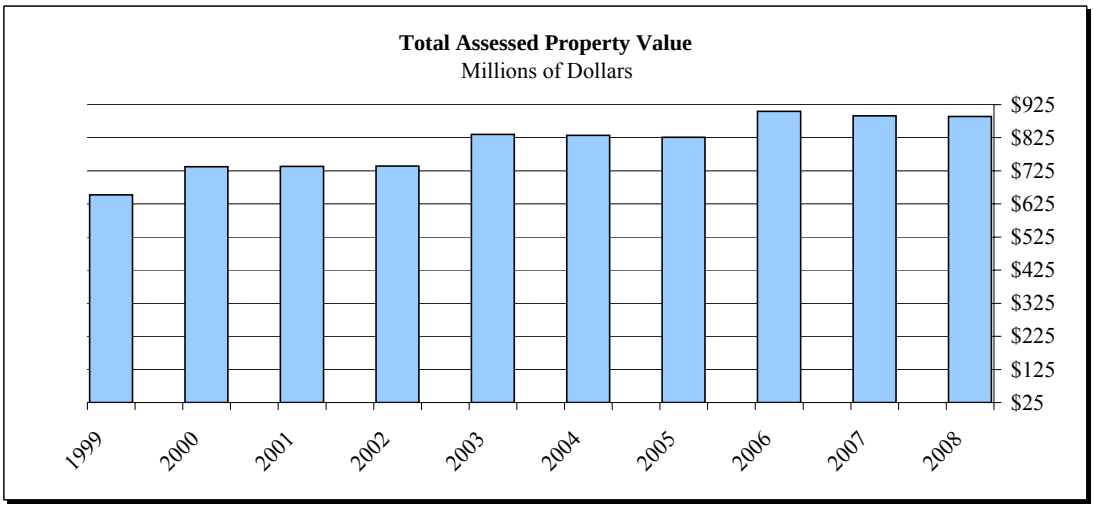
(1) Information prior to 2006 is not available.
n/a - Information not available

City of Shaker Heights, Ohio

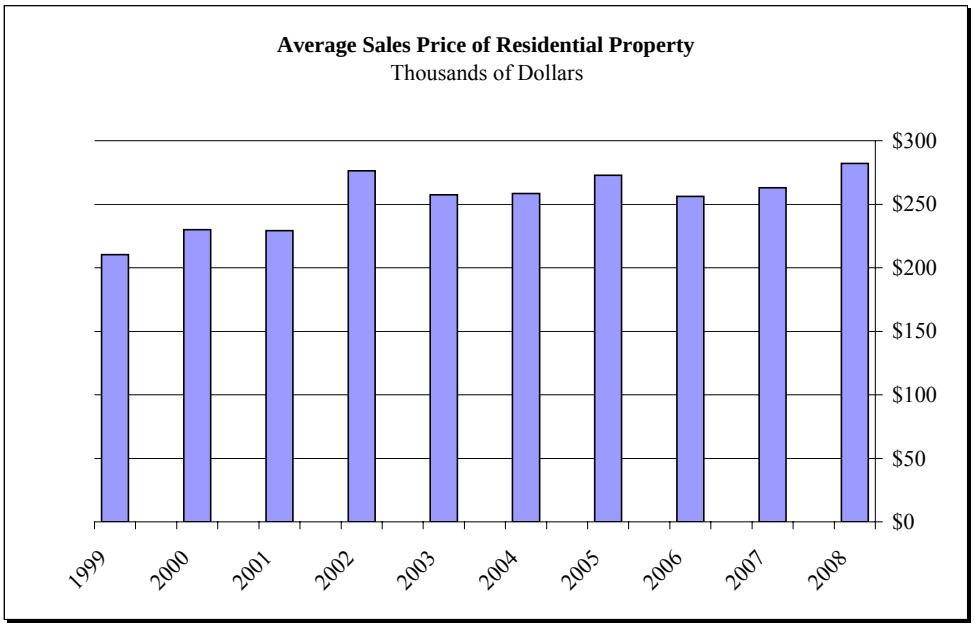
Demographic and Economic Statistics
Last Ten Years

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)
2008	29,405	$1,216,014,370	$41,354	$85,893	39.6
2007	29,405	1,216,014,370	41,354	85,893	39.6
2006	29,405	1,216,014,370	41,354	85,893	39.6
2005	29,405	1,216,014,370	41,354	85,893	39.6
2004	29,405	1,216,014,370	41,354	85,893	39.6
2003	29,405	1,216,014,370	41,354	85,893	39.6
2002	29,405	1,216,014,370	41,354	85,893	39.6
2001	29,405	1,216,014,370	41,354	85,893	39.6
2000	30,867	1,009,597,836	32,708	65,913	37.8
1999	30,867	1,009,597,836	32,708	65,913	37.8

(1) Source: U. S. Census
(a) Years 2000 through 2006 - 2000 Federal Census
(b) Years 1997 through 1999 - 1990 Federal Census
(2) Source: Ohio Department of Education Website: "**http://www.ode.state.oh.us/data/**"
(3) Source: Ohio Department of Job and Family Services
(4) Source: County Auditor
(5) Computation of per capita personal income multiplied by population



Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Cuyahoga County Unemployment Rate (3)	Average Sales Price of Residential Property (4)	Total Assessed Property Value (4)
21.88%	5,482	6.8%	$282,019	$889,478,997
21.88	5,577	6.1	262,941	890,818,271
21.88	5,628	5.6	256,128	904,812,492
21.88	5,734	5.9	272,875	826,657,130
21.88	5,623	6.6	258,529	832,257,715
21.88	5,608	6.7	257,319	835,324,251
21.88	5,619	4.6	276,404	739,166,460
21.88	5,625	4.5	229,119	738,205,013
21.09	5,714	4.5	230,000	737,644,567
21.09	5,640	4.6	210,300	652,672,550



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City of Shaker Heights, Ohio

Full-Time Equivalent City Government Employees by Function/Program

Last Five Years (1)

Function/Program	2008	2007	2006	2005	2004
General Government					
Council	3.5	3.5	3.0	3.5	3.5
Finance	7.0	9.5	6.0	8.0	9.5
Mayor	2.0	2.0	2.0	2.0	2.0
Law	5.5	6.5	6.5	5.5	4.5
Chief Administrative Officer	2.0	2.0	2.0	2.0	2.0
Service Administration - Public Works	11.0	13.0	12.0	12.5	12.0
Municipal Court	44.0	43.0	41.5	42.5	42.0
Human Resources	5.5	5.5	5.5	5.5	5.5
Information Technology	2.0	3.0	3.0	2.0	2.5
Security of Persons and Property:					
Police	63.0	71.0	68.0	72.0	68.5
Police - Crossing Guards	11.5	11.0	10.5	11.0	11.5
Police - Dispatchers/Watch Officer	10.0	15.0	14.0	11.5	11.5
Police - Jailers	4.0	4.5	4.5	3.5	4.0
Police - Administrative	16.5	14.5	14.5	14.0	14.5
Police - HIDTA	9.0	11.0	12.0	9.0	6.0
Fire	57.0	67.0	67.0	66.0	65.0
Fire - Other	6.0	4.0	4.5	4.0	4.0
Security of Persons/Property - Other	0.0	0.0	0.0	0.0	1.0
Public Health Services	10.0	10.0	11.0	9.5	8.0
Leisure Time Activities:					
Recreation	53.5	63.0	71.0	84.5	77.0
Park and Public Land Maintenance	17.0	13.0	14.5	14.5	21.0
Community Development:					
Building	5.0	5.0	6.0	6.5	6.5
Housing	11.0	9.0	9.0	9.0	9.0
Planning	8.5	11.5	12.5	12.0	10.5
Community Development - Other*	20.5	28.0	26.5	34.5	34.5
Street Maintenance and Repair	11.0	12.0	5.0	6.0	7.0
Sanitation and Sewer Services:					
Refuse and Brush Collection	20.0	26.0	25.5	27.5	22.5
Sewer Maintenance	8.0	7.5	6.5	6.0	5.0
Public Works - Other:	19.0	22.0	24.0	26.0	25.5
Totals:	443.0	493.0	488.0	510.5	496.0

Source: Finance Department

Method: Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee at year end.

* Includes Community Life, Neighborhood Revitalization, Economic Development, Shaker Life Magazine, Communications and Outreach, Leaf Removal and Recycling .

City of Shaker Heights, Ohio
Operating Indicators by Function/Program
Last Five Years (1)

Function/Program	2008	2007	2006	2005	2004
General Government					
Council and Clerk					
Number of Ordinances Passed	115	132	143	148	178
Number of Resolutions Passed	16	10	9	20	14
Number of Planning Commission docket items	8	11	17	24	23
Zoning Board of Appeals docket items	21	20	18	29	22
Finance Department					
Number of checks/vouchers issued, A/P	7,293	7,197	6,948	8,063	7,710
Amount of checks written, A/P	$ 32,229,682	$ 41,908,141	$ 41,092,604	$ 33,691,141	$ 31,795,540
Interest earnings for fiscal year (cash basis)	$ 918,229	$ 2,279,750	$ 1,602,151	$ 949,769	$ 339,094
Number of Receipts issued	11,995	1,748	1,801	1,822	n/a
Number of Journal Entries issued	1,102	322	224	388	449
Agency Ratings - Standard & Poors	Aa1	Aa1	Aa1	Aa1	Aa1
General Fund Receipts (cash basis)	$ 38,875,699	$ 39,696,013	$ 39,052,454	$ 38,596,321	$ 35,107,330
General Fund Expenditures (cash basis)	$ 39,073,922	$ 40,622,949	$ 37,666,848	$ 35,019,392	$ 34,650,735
General Fund Cash Balances	$ 8,293,218	$ 9,400,503	$ 9,903,006	$ 9,421,518	$ 7,798,089
Municipal Court					
Number of Civil Cases	2,443	1,463	2,200	2,040	1,976
Number of Criminal cases	10,477	12,242	12,248	11,908	11,938
Vital Statistics					
Certificates Filed	99	137	178	220	224
Number of Births	0	0	0	1	1
Number of Deaths	99	137	178	219	223
Certificates Issued	455	448	537	619	480
Number of Births	5	1	6	3	6
Number of Deaths	450	447	531	616	474
Burial Permits Issued	246	262	409	465	452
Civil Service					
Number of police entry tests administered	0	1	0	1	0
Number of fire entry tests administered	0	1	0	0	1
Number of police promotional tests administered	0	0	1	0	0
Number of fire promotional tests administered	0	0	0	1	0
Number of hires of Police Officers from certified lists	0	3	4	0	6
Number of hires of Fire/Medics from certified lists	0	1	2	3	2
Number of promotions from police certified lists	0	1	1	0	4
Number of promotions from fire certified lists	0	1	2	0	0

City of Shaker Heights, Ohio

Operating Indicators by Function/Program (continued)

Last Five Years (1)

Function/Program	2008	2007	2006	2005	2004
Security of Persons & Property					
Police					
Total Calls for Services	29,333	33,303	38,992	38,878	38,059
Number of traffic citations issued	8,964	10,923	11,114	11,582	10,147
Number of parking citations issued	3,969	4,349	5,709	6,273	4,930
Number of criminal arrests	1,168	896	1,698	1,781	1,749
Part 1 Offenses (major offenses)	704	807	754	707	758
Police Dept. Auxiliary hours worked	N/A	N/A	N/A	N/A	N/A
DUI Arrests	254	94	136	107	81
Prisoners	1,269	1,254	1,218	1,282	1,342
Motor Vehicle Accidents	898	958	1,019	907	1,077
Property damage accidents	(813)	(879)	(946)	(813)	(960)
Community Diversion Program Youths	99	126	69	97	114
Community Diversion Program - community service hours	165	170	120	139	163
Fire					
EMS Calls	2,448	2,369	2,186	2,188	2,212
Ambulance Billing Collections (net)	$ 529,381	$ 466,505	$ 455,783	$ 449,910	$ 434,269
Fire Calls	1,284	93	39	36	50
Fires with Loss	7	32	35	41	37
Fires with Losses exceeding $10K	7	10	10	7	9
Fire Losses	$ 737,800	$ 1,289,500	$ 651,390	$ 1,203,865	$ 739,680
Fire Safety Inspections	1,847	2,645	2,672	2,903	2,891
Number of times Mutual Aid given to Fire and EMS	52	41	31	45	43
Number of times Mutual Aid received for Fire and EMS	52	87	79	63	72
Leisure Time Activities					
Recreation					
Recreation Swimming pool receipts	$ 229,347	$ 223,067	$ 172,873	$ 179,937	$ 163,183
Recreation Mens & Womens Leagues receipts	2,800	3,400	4,200	3,800	3,700
Recreation Children's Leagues receipts	26,827	27,742	26,653	23,444	30,730
Senior Van Fees (2)	1,376	1,583	1,370	5,119	7,617
Facilities rentals	152,688	150,354	150,831	144,220	142,237
Total Recreation Department receipts	$ 413,038	$ 406,146	$ 355,927	$ 356,520	$ 347,467

Source: City Records

City of Shaker Heights, Ohio

Capital Assets Statistics by Function/Program

Last Ten Years

Function/Program	2008	2007	2006	2005
General Government				
Square Footage of City Hall	40,000	40,000	40,000	40,000
Administrative Vehicles	1	1	1	1
Inspection Vehicles	12	12	12	13
Municipal Court Vehicles	0	0	0	0
Police				
Stations	1	1	1	1
Square Footage of Building	29,425	29,425	29,425	29,425
Vehicles	n/a	n/a	n/a	n/a
Fire				
Stations	2	2	2	2
Square Footage of Building #1	21,000	21,000	21,000	21,000
Square Footage of Building #2	15,000	15,000	15,000	15,000
Vehicles	17	17	17	17
Recreation				
Number of Parks	4	4	4	4
Number of Pools	1	1	1	1
Number of Ice Rinks	1	1	1	1
Number of Tennis Courts	10	10	10	10
Number of Skateboarding Areas	1	1	0	0
Number of Baseball Diamonds	5	5	5	5
Number of Playgrounds	5	5	5	5
Number of Soccer Fields	3	3	3	3
Vehicles	6	6	6	8

2004	2003	2002	2001	2000	1999
40,000	40,000	40,000	40,000	40,000	40,000
1	1	1	1	1	1
13	13	13	13	13	13
0	0	0	0	0	0
1	1	1	1	1	1
29,425	29,425	29,425	29,425	29,425	29,425
n/a	n/a	n/a	n/a	n/a	n/a
2	2	2	2	2	2
21,000	9,800	9,800	9,800	9,800	9,800
15,000	15,000	15,000	15,000	15,000	15,000
17	17	17	17	17	17
4	4	4	4	4	4
1	1	1	1	1	1
1	1	1	1	1	1
10	10	10	10	10	10
0	0	0	0	0	0
5	5	5	5	5	5
5	5	5	5	5	5
3	3	3	3	3	3
8	8	8	8	6	6

City of Shaker Heights, Ohio

Single Audit Reports
For the Year Ended December 31, 2008

City of Shaker Heights, Ohio

For The Year Ended December 31, 2008

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Ciuni & Panichi
CPAs and Business Advisors

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*

Members of the City Council
City of Shaker Heights, Ohio

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Shaker Heights (the "City") as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements and have issued our report thereon dated September 9, 2009, wherein we noted that the City adopted *GASB Statement Nos. 45, 49, and 50*. 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'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's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A *control deficiency* 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 misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control. We consider the deficiency described in the accompanying schedule of findings and responses to be a significant deficiency in internal control over financial reporting: 2008-3.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that the significant deficiency described above is considered to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 2008-1 and 2008-2.

We noted certain matters that we have reported to management of the City in a separate letter dated September 9, 2009.

The City's response to the findings identified in our audit is described in the accompanying schedule of findings. We did not audit the City's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the City Council, Finance Committee, Management, Auditor of State's Office, 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.

Cuni & Paricki, Inc.

Cleveland, Ohio
September 9, 2009

Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133

Members of the City Council
City of Shaker Heights, Ohio

Compliance

We have audited the compliance of the City of Shaker Heights (the "City") 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 each of its major federal programs for the year ended December 31, 2008. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City'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'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's compliance with those requirements.

In our opinion, the City 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, 2008.

Internal Control over Compliance

The management of the City 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's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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's internal control over compliance.

A *control deficiency* in the City's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the City's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the City's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended December 31, 2008, and have issued our report thereon dated September 9, 2009, wherein we noted the City adopted *GASB Statement Nos. 45, 49 and 50*. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the City Council, Finance Committee, Management, Auditor of State's Office, 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.

Cuni & Paniki, Inc.

Cleveland, Ohio
September 9, 2009

City of Shaker Heights, Ohio

Schedule of Expenditures of Federal Awards

For The Year Ended December 31, 2008

Federal Grantor/Pass-Through Grantor Program Title	Catalog of Federal Domestic Assistance No.	Pass-Through Grantor's Number	Federal Cash Receipts	Federal Cash Disbursements
U.S. Department of Justice:				
Bulletproof Vest Partnership Program	16.607	N/A	$ 4,410	$ 4,410
U.S. Department of Health and Human Services:				
Passed through the Ohio Department on Aging and the Western Reserve Area Agency on Aging:				
Special Programs for the Aging – Title III, Part B	93.044	N/A	38,740	38,740
Drug Free Community Grant	93.276	N/A	93,066	93,556
Passed through Cuyahoga County:				
Health Department Grants:				
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283	N/A	19,447	19,447
Center for Disease Control and Prevention Investigations and Technical Assistance	93.283	N/A	8,212	8,212
Total passed through Cuyahoga County:			27,659	27,659
Total U.S. Department of Health and Human Services			159,465	159,955

The accompanying notes are an integral part of this schedule

City of Shaker Heights, Ohio

Schedule of Expenditures of Federal Awards (continued)

For The Year Ended December 31, 2008

Federal Grantor/Pass-Through Grantor Program Title	Catalog of Federal Domestic Assistance No.	Pass-Through Grantor's Number	Federal Cash Receipts	Federal Cash Disbursements
U.S. Department of Interior:				
Passed through the Ohio Historical Society:				
Historic Preservation Fund Grants-In-Aid	15.904	N/A	8,412	8,412
U.S. Department of Housing and Urban Development:				
Fair Housing Assistance Program – State and Local	14.401	N/A	40,987	77,125
Executive Office of the President - Office of National Drug Control Policy Direct Program:				
High Intensity Drug Trafficking Area – Ohio – 2003	N/A	N/A	347	347
High Intensity Drug Trafficking Area – Ohio – 2004	N/A	N/A	320	320
High Intensity Drug Trafficking Area – Ohio – 2005	N/A	N/A	247,191	247,191
High Intensity Drug Trafficking Area – Ohio – 2006	N/A	N/A	863,790	863,790
High Intensity Drug Trafficking Area – Ohio – 2007	N/A	N/A	2,479,178	2,479,178
High Intensity Drug Trafficking Area – Ohio – 2008	N/A	N/A	1,169,147	1,169,147
Total Executive Office of the President			4,759,973	4,759,973

The accompanying notes are an integral part of this schedule

City of Shaker Heights, Ohio

Schedule of Expenditures of Federal Awards (continued)

For The Year Ended December 31, 2008

Federal Grantor/Pass-Through Grantor Program Title	Catalog of Federal Domestic Assistance No.	Pass-Through Grantor's Number	Federal Cash Receipts	Federal Cash Disbursements
U.S. Department of Federal Highway Administration:				
Passed through NOACA				
Surface Transportation Program:				
Transportation for Livable Communities (TLCI) Grants	20.205	N/A	37,125	24,331
Transportation for Livable Communities (TLCI) Grants	20.205	N/A	75,000	75,000
Total Surface Transportation Program			112,125	99,331
Passed through Ohio Department of Transportation				
Highway Planning and Construction	20.205	15395	174,790	174,790
Highway Planning and Construction	20.205	15396	144,042	144,042
Total Highway Planning and Construction			318,832	318,832
Total U.S. Department of Federal Highway Administration			430,957	418,163
Total Federal Assistance			$ 5,404,204	$ 5,428,038

The accompanying notes are an integral part of this schedule

City of Shaker Heights, Ohio

Notes to the Schedule of Expenditures of Federal Awards

For The Year Ended December 31, 2008

Note 1: Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Shaker Heights, Ohio and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2: Matching Requirements

Certain federal programs require that the City contribute non-federal (matching) funds to support the federally funded programs. The City has complied with the matching requirements. The expenditure of non-federal matching funds is not included on the accompanying Schedule.

N/A – Not Applicable

City of Shaker Heights, Ohio

Schedule of Findings
OMB Circular A-133, Section .505

December 31, 2008

1. Summary of Auditors' Results

(d)(I)(I)	Type of Financial Statement Opinion	Unqualified
(d)(I)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	Yes
(d)(I)(ii)	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	Yes
(d)(I)(iii)	Was there any material reported noncompliance at the financial statement level (GAGAS)?	Yes
(d)(I)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(I) (iv)	Were there any other significant control deficiencies reported for major federal programs?	No
(d)(I) (v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(I)(vi)	Are there any reportable findings under Section .510?	No
(d)(I)(vii)	Major Programs	High Intensity Drug Trafficking Area Grant; CFDA #20.205 Highway Planning and Construction
(d)(I)(viii)	Dollar Threshold: Type A/B Programs	Type A: >$300,000 Type B: All Others
(d)(I)(ix)	Low Risk Auditee?	No

City of Shaker Heights, Ohio

Schedule of Findings
OMB Circular A-133, Section .505 (continued)

December 31, 2008

2. Findings Related to the Financial Statements Required To Be Reported In Accordance With GAGAS

2008-1 Material Noncompliance

Ohio Revised Code 5705.41(B) states that no subdivision or taxing unit is to expend money unless it has been appropriated. At December 31, 2008, the City had expenditures plus encumbrances in excess of final appropriations as follows:

	Final Appropriations	Actual Expenditures	Excess
General Fund:			
Parks and Public Lands Maintenance:			
Personal Services	$ 498,980	$ 511,204	$ (12,224)
Tree Maintenance and Leaf Collection:			
Other	181,600	185,152	(3,552)
Refuse Collection and Disposal:			
Personal Services	1,437,140	1,457,749	(20,609)
Brush Collection and Disposal:			
Other	176,900	185,124	(8,224)
Street Maintenance and Repair:			
Personal Services	240,040	346,735	(106,695)
Public Works Administration:			
Other	60,900	68,543	(7,643)
Public Building Maintenance:			
Personal Services	531,430	535,448	(4,018)
Special Revenue Funds:			
Economic Development Fund			
Housing and Community Development	100,000	108,269	(8,269)
H.I.D.T.A Fund			
Police	3,385,317	3,776,332	(391,015)
Drug Free Community Grant Fund			
Advances – out	-	3,503	(3,503)
Internal Service Funds:			
Municipal Garage Fund:			
Materials and Supplies	29,500	42,117	(12,617)
Self Insurance Fund:			
Personal Services	78,100	79,445	(1,345)

2. Findings Related to the Financial Statements Required To Be Reported In Accordance With GAGAS (continued)

2008-2 Material Noncompliance

Ohio Revised Code 5705.39 states that the total appropriation from each fund should not exceed the total estimated revenue. No appropriation measure is to become effective until the County Auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate.

At December 31, 2008, the following funds had final appropriations in excess of final estimated resources plus carryover balances in violation of Section 5705.39, Ohio Revised Code:

	Final Certificate	Final Appropriations	Excess
Central Service Operating Fund	$ 1,166,700	$ 1,190,650	$ (23,950)

At December 31, 2008, the following funds had original appropriations in excess of the original estimated resources plus carryover balances in violation of Section 5705.39, Ohio Revised Code:

	Original Certificate	Original Appropriations	Excess
Housing and Nuisance Abatement Fund	$ 499,418	$ 500,000	$ (582)
Central Services Operating Fund	788,429	800,000	(11,571)
Copier Management Fund	82,283	87,000	(4,717)
Municipal Garage Fund	1,269,571	1,372,064	(102,493)

2008-3 Financial Reporting – Significant Deficiency / Material Weakness

Sound financial reporting is the responsibility of the Finance Director and the City Council and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

The following audit adjustments were made to the financial statements, and where applicable, to the City's accounting records:

1. Restated capital assets due to a physical inventory performed during 2008.
2. Restated compensated absences that were due within one year.

The lack of controls over capital asset financial reporting can result in errors that may go undetected and decreases the reliability of financial data at year-end.

Officials Response: The City has implemented new policies and procedures for controls over capital assets, as noted by the physical inventory performed, to help ensure the information accurately reflects the activity of the City, thereby increasing the reliability of the financial data at year-end. Management will also develop a process to oversee the GAAP process more closely.

City of Shaker Heights, Ohio

Schedule of Prior Audit Findings
OMB Circular A-133, Section .315(b)

December 31, 2008

Finding No.	Finding Summary	Fully Corrected	Explanation
2007-1	The City does not maintain a complete detailed list of all capital assets.	Yes	The City performed a physical inventory of capital assets during 2008 and maintains a complete detailed list.
	The City does not have a written capital asset policy.	No	The City has not adopted a written capital asset policy.
	A restatement of the prior year capital asset balance was required due to the City not recording infrastructure relating to the City-wide signalization project in the prior year.	No	A restatement of capital assets was required again in 2008 due to the physical inventory performed.
2007-2	Ohio Revised Code 5705.41(B) states that no subdivision or taxing unit is to expend money unless it has been appropriated. At December 31, 2007, the City had expenditures plus encumbrances in excess of final appropriations.	No	The City has noncompliance again in 2008.
2007-3	Ohio Revised Code 5705.39 states that the total appropriation from each fund should not exceed the total estimated revenue. No appropriation measure is to become effective until the County Auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate. At December 31, 2007, the municipal garage fund had original and final appropriations in excess of original and final estimated resources plus carryover balances in violation of Section 5705.39, Ohio Revised Code.	No	The City has noncompliance again in 2008.

City of Shaker Heights

3400 Lee Road
Shaker Heights, Ohio 44120
(216) 491-1420

Response to Findings Associated with Audit Conducted
in Accordance with *Government Auditing Standards*
For the Year Ended December 31, 2008

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2008-1	The City will monitor actual expenditures closely to ensure that budgeted appropriations in all funds are not exceeded.	12/31/08	Robert H. Baker, Finance Director
2008-2	The City will monitor the Certificate of Estimated Resources as compared to appropriations in all Funds which are legally required to be budgeted to Ensure compliance with the requirement.	12/31/08	Robert H. Baker, Finance Director
2008-3	The City will monitor the GAAP conversion process more closely. The City has already performed a physical inventory of capital assets.	12/31/08	Robert H. Baker, Finance Director

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Mary Taylor, CPA
Auditor of State

CITY OF SHAKER HEIGHTS

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
NOVEMBER 5, 2009

88 E. Broad St. / Fourth Floor / Columbus, OH 43215-3506
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CITY OF UNIVERSITY HEIGHTS
CUYAHOGA COUNTY

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2010

Mary Taylor, CPA
Auditor of State

CITY OF UNIVERSITY HEIGHTS
CUYAHOGA COUNTY

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

City of University Heights
Cuyahoga County
2300 Warrensville Center Road
University Heights, Ohio 44118

To the City Council:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of University Heights, Cuyahoga County, Ohio (the City), as of and for the year ended December 31, 2010, 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'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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of University Heights, Cuyahoga County, Ohio, as of December 31, 2010, and the respective changes in financial position thereof and the respective budgetary comparisons for the General, Sewer Maintenance "A", and Urban Redevelopment funds 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 September 21, 2011, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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www.auditor.state.oh.us

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

Dave Yost
Auditor of State

September 21, 2011

City of University Heights, Ohio

Management's Discussion and Analysis (Unaudited)

For the Year Ended December 31, 2010

The discussion and analysis of the City of University Heights's (the "City") financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2010. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers are encouraged to consider the information presented here in conjunction with the additional information contained in the financial statements and the notes thereof.

Financial Highlights

Key financial highlights for 2010 are as follows:

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by $6,269,818. Of this amount, $4,075,684 may be used to meet the City's on-going obligations to citizens and creditors.

- The net assets decreased by $648,356 from the prior year. Assets decreased by $697,078, and liabilities decreased by $48,722.

- The total fund balance for the General Fund was $1,852,756, an increase of $720,600 from prior year. The General Fund revenues decreased by $415,832 or 3.1 percent. The General Fund expenditures increased by $183,509 or 1.7 percent from prior year. Transfers from the General Fund to the other funds decreased by $807,968 or 46.1 percent.

Using this Annual Financial Report

This discussion and analysis are intended to serve as an introduction to the City of University Heights's basic financial statements. The City of University Heights's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide financial statements – Reporting the City of University Heights as a Whole

Statement of Net Assets and the Statement of Activities

The Statement of Net Assets presents information on all the City's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increase or decrease in net assets may serve as a useful indicator of whether the financial position of the City of University Heights is improving or deteriorating. However, in evaluating the overall position of the City, non-financial factors such as the City's tax base, change in property and income tax laws, and the condition of the capital assets should also be considered. Both the Statement of Net Assets and the Statement of Activities use the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

Fund Financial Statements - Reporting the City of University Heights's Most Significant Funds

Fund Financial Statements

The fund financial statements are used to report additional and detailed information about the City. These statements focus on major funds of the City. 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 of University Heights can be divided into two categories: governmental 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 the balance 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. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all *other financial assets* that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Both the governmental fund balance sheet and the government fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate a comparison between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds.

For the City's governmental funds, information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances, for the General fund, and other major funds.

The basic governmental fund financial statements can be found starting on page 13 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 are not available to support the City's own programs. The fiduciary fund financial statements can be found starting on page 22 of this report.

Notes to the Basic Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found starting on page 23 of this report.

City of University Heights, Ohio

Management's Discussion and Analysis (Unaudited)

For the Year Ended December 31, 2010

Government-wide Financial Analysis - City of University Heights as a Whole

As noted earlier, the Statement of Net Assets looks at the City as a whole and can prove to be a useful indicator of the City's financial position.

The Statement of Net Assets and the Statement of Activities are divided into the following categories:

- Assets
- Liabilities
- Net Assets (Assets minus Liabilities)
- Program Expenses and Revenues
- General Revenues
- Net Assets Beginning and End of Year

Table 1 provides a summary of the City's net assets for 2010 as compared to 2009.

Table 1
Net Assets

	Governmental Activities	
	2010	2009 Restated
Assets:		
Current and other assets	$ 11,347,323	$ 11,612,392
Capital assets, net	5,904,146	6,336,155
Total assets	17,251,469	17,948,547
Liabilities:		
Current liabilities	3,698,995	4,784,500
Long-term liabilities		
Due within one year	5,401,408	4,001,469
Due in more than one year	1,881,248	2,244,404
Total liabilities	10,981,651	11,030,373
Net assets:		
Invested in capital assets, net of related debt	1,765,963	1,897,319
Restricted for:		
Capital projects	41,572	41,572
Debt service	386,599	345,044
Unrestricted	4,075,684	4,634,239
Total net assets	$ 6,269,818	$ 6,918,174

Total assets decreased $697,078. The majority of decrease was due to a $432,009 decrease in capital assets since depreciation expense exceeded capital asset additions. Total liabilities remained fairly consistent from the prior year. Long-term liabilities increased $1,036,783 mainly due to the $1,496,927 payable for payments in lieu of taxes the City is required to make to the Trustee in 2011 related to the University Square Parking Garage. This increase was offset by decreases in accounts payable, including contracts and retainage payables, and accrued wages of $866,449. These decreases were mainly due to less projects in 2010 compared to 2009 and timing differences in year-end payroll.

A portion of the City's net assets (28.17 percent) reflects the investments in capital assets less any related debt to acquire those assets that is still outstanding. These capital assets are used to provide services to the City's citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net assets (6.83 percent) represents resources that have been restricted on how they may be used. The remaining balance of unrestricted net assets $4,075,684 may be used to meet the government's on-going obligations to its citizens and creditors.

In order to further understand what makes up the changes in net assets for the current year, Table 2 provides further details regarding the results of activities for the current year.

Table 2
Changes in Net Assets

	Governmental Activities	
	2010	2009
Program revenues:		
Charges for services	$ 2,432,803	$ 1,300,808
Operating grants and contributions	78,229	125,989
Capital grants and contributions	1,694,702	1,833,228
Total program revenues	4,205,734	3,260,025
General revenues:		
Property taxes	2,553,132	3,292,276
Income taxes	8,943,267	7,777,904
Payments in lieu of taxes	3,681,784	4,131,516
Grants and entitlements	1,084,721	1,786,221
Investment earnings	2,184	6,181
Miscellaneous	46,064	66,348
Total general revenues	16,311,152	17,060,446
Total revenues	20,516,886	20,320,471
Program expenses:		
Security of persons and property	8,114,598	7,630,618
Public health services	26,290	52,340
Leisure time activities	344,131	374,608
Community environment	6,450,370	5,084,921
Public works	3,109,165	3,558,956
Transportation	1,422,251	1,891,848
General government	1,556,279	1,566,591
Interest and fiscal charges	142,158	123,112
Total program expenses	21,165,242	20,282,994
Increase (decrease) in net assets before special item	(648,356)	37,477
Special item	-	(712,397)
Change in net assets	(648,356)	(674,920)
Net assets at beginning of year, restated	6,918,174	7,593,094
Net assets at end of year	$ 6,269,818	$ 6,918,174

Total revenues increased $196,415 or 0.97 percent mainly due to an increase in income tax receipts in 2010. The City's largest revenue source is income tax. The City's income tax rate is 2.5 percent of gross income. There is a credit of 1.0 percent for those residents who work in another municipality/subdivision where income tax is withheld. The City's collection agency is the Regional Income Tax Agency located in Brecksville, Ohio. During 2010, the income tax revenue was $8,943,267. Another major revenue source is property taxes. The effective tax rate for 2010 was $13.20 per $1,000 of assessed valuation. The annual property tax is calculated using the taxable value (market value multiplied by 35 percent) of the property multiplied by the property effective tax rate levied by the City, Cuyahoga County, Cleveland Heights-University Heights City School District and Cleveland Heights-University Heights Public Library. During 2010, the property tax revenue was approximately $2,553,132. The City received $3,681,784 in payments in lieu of taxes from the University Square Tax Increment Financing Project. This was the third year in which revenue was generated from the project.

Total program expenses increased $882,248 or 4.35 percent mainly due to the $1,496,927 payable for payments in lieu of taxes the City is required to make to the Trustee in 2011 related to the University Square Parking Garage. Expenses are categorized by functions. The largest program, security of persons and property which includes police, fire, police and fire communications, traffic control, animal control, and public safety was around 38.34 percent of the governmental expenses. Training plays a crucial role in keeping up with the rapidly changing laws, practices and technology. Training among our employees is performed in-house, attending seminars/conferences, continuing education classes, practice drills, and watching training videos. The second largest program is community environment which is made up of the building department, community services, and urban redevelopment tax increment financing and was approximately 30.48 percent of the governmental expenses. The City is a labor intensive industry and the expenses of the governmental activities are mainly salaries, wages and benefits. The City does have an annual road program which entails major and minor resurfacing of the various streets in University Heights. For the major resurfacing projects, the City has actively pursued grants and financial assistance from the Ohio Public Works Commission and the Ohio Water Development Authority. In addition, the City borrows on the open market by way of general obligation notes issued and rolled over year to year until paid down.

The City's Funds

Information about the City's major funds starts on page 15. These funds are accounted for using the modified accrual basis of accounting.

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.

As of the end of the year, the City's governmental funds reported combined ending fund balances of $3,604,703. In 2010, unreserved fund balance, which is available for spending at the government's discretion, is at $3,350,964. The fund balance of $253,739 is reserved to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchase orders of prior periods and for a variety of other purposes.

The General Fund is the main operating fund of the City. At the end of 2010, total fund balance for the General Fund was $1,852,756 of which $1,654,399 was undesignated for financial reporting purposes. The general fund balance increased by $720,600 during the current fiscal year. Key factors for this are as follows: The General

Fund revenues decreased by $415,832 or 3.1 percent from prior year, expenditures in total increased only $183,509 or 1.6 percent from the prior year and net other financing uses decreased $805,746 or 46.1 percent. Overall, the revenue base continued to meet City obligations. To combat the uncertain economic times, the City has taken cost-cutting measures to ensure its viability for many years to come.

General Fund Budgeting Highlights

The most significant budgeted fund is the General Fund. Over the course of the year, the City Council revised the City's general fund budget to prevent budget overruns.

For the General Fund, final budgeted basis revenues were $678,686 above the original estimate of $12,425,797, primarily due to increases in the estimate of collections for municipal income taxes.

The original appropriations, including other financing uses of $12,492,245 were increased to $12,984,845. Even with these adjustments, the actual charges to appropriations (expenditures) were $475,540 below the final budgeted amount for the General Fund.

Capital Assets and Debt Administration

Capital Assets

At the end of 2010, the City of University Heights had $5,904,146 invested in a broad range of capital assets, including land, buildings, improvements, machinery and equipment, park facilities, furniture and fixtures and vehicles.

Table 3 shows fiscal 2010 balances of capital assets as compared to 2009:

Table 3
Capital Assets at December 31

	Governmental Activities	
	2010	2009
Land	$ 212,260	$ 212,260
Buildings and improvements	1,697,143	1,697,143
Vehicles	2,774,562	2,774,562
Equipment	1,218,646	1,131,974
Infrastructure	6,032,676	5,429,631
Construction in progress	-	575,845
Less: accumulated depreciation	(6,031,141)	(5,485,260)
Total capital assets	$ 5,904,146	$ 6,336,155

The City has an aggressive stance on maintaining its assets, including infrastructure, in excellent condition. Vehicles such as fire trucks are planned for well in advance by the respective department heads and a scheduled maintenance and replacement timetable is followed to provide peak performance for the maximum time frame. During 2010, the City purchased equipment for $86,672. The City also completed the University Parkway street reconstruction project. More detailed information about the City's capital assets is presented in Note 7 to the financial statements.

Debt

At December 31, 2010, the City of University Heights had $4,410,717 in outstanding debt, of which $520,000 was in general obligation bonds. Table 4 summarizes the outstanding debt obligations of the City.

Table 4
Outstanding Debt at Year End

	Governmental Activities	
	2010	2009
General obligation bonds	$ 520,000	$ 630,000
OWDA loans	-	47,338
OPWC loans	433,783	465,362
Accrued police pension	272,534	278,679
Capital leases	283,400	382,136
General obligation bond anticipation notes	2,901,000	2,914,000
Total	$ 4,410,717	$ 4,717,515

The City paid $110,000 on principal for general obligation bonds on the Purvis Park Pool. General obligation bond anticipation notes were issued mainly for street programs in the amount of $2,901,000. The City's general obligation bond rating continues to carry an A1 rating, assigned by national rating agencies to the City's debt since 1997. The State limits the amount of general obligation debt that cities can issue to 5.50 percent of the assessed value of all taxable property within the City's corporate limits. The City's outstanding general obligation debt is significantly below the state imposed limit.

Other obligations include police pension liability, accrued vacation and sick leave, OPWC loans, capital leases and accrued settlements. More detailed information about the City's long-term liabilities is presented in Note 10, Note 11 and Note 14 to the financial statements.

Current Related Financial Activities

The City's elected and appointed officials considered many factors when setting the fiscal year 2011 budget, tax rates, and fees that will be charged for activities. One main, continuing factor is the economy. In preparing estimates for General Fund revenues, the City anticipates decreased revenues in several areas. Of particular interest are anticipated reduced collections of property taxes and municipal income taxes in 2011 over 2010 revenues. The City is continuing with prior years cuts to help maintain the integrity of the budget, included limited capital expenditures and cutting of overtime budgets as well as maintain current levels of staffing with no new hires. The City has added no major programs or initiatives; however, the City will

continue to pursue grants for projects. If these estimates are realized, the City's General Fund balance is expected to increase modestly by the close of 2011.

Contacting the City of University Heights's Finance Department

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the City's finances and to show the City's accountability for all money it receives, spends, or invests. If you have any questions about this report or need additional financial information, contact Jenny Esarey, Director of Finance, at 2300 Warrensville Center Road, University Heights, Ohio 44118.

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City of University Heights, Ohio

Statement of Net Assets

December 31, 2010

	Governmental Activities
Assets:	
Equity in pooled cash and cash equivalents	$ 3,020,279
Materials and supplies inventory	74,575
Accounts receivable	186,404
Prepaids	44,656
Project receivable	315,000
Intergovernmental receivable	861,093
Income taxes receivable	3,030,026
Property taxes receivable	2,705,776
Special assessment receivable	1,109,514
Nondepreciable capital assets	212,260
Depreciable capital assets, net	5,691,886
Total assets	17,251,469
Liabilities:	
Accounts payable	169,829
Accrued wages and benefits	117,900
Matured compensated absences	81,965
Intergovernmental payable	559,898
Accrued interest payable	34,574
Deferred revenue	2,734,829
Long term liabilities:	
Due within one year	5,401,408
Due in more than one year	1,881,248
Total liabilities	10,981,651
Net assets:	
Invested in capital assets, net of related debt	1,765,963
Restricted for:	
Capital projects	41,572
Debt service	386,599
Unrestricted	4,075,684
Total net assets	$ 6,269,818

The accompanying notes are an integral part of these basic financial statements

City of University Heights, Ohio

Statement of Activities

For the Year Ended December 31, 2010

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Governmental Activities
Primary government:					
Government activities:					
Security of persons and property	$ 8,114,598	$ 783,647	$ 65,749	$ -	$ (7,265,202)
Public health and welfare	26,290	-	-	-	(26,290)
Leisure time activities	344,131	84,361	-	-	(259,770)
Community environment	6,450,370	327,824	3,663	-	(6,118,883)
Public works	3,109,165	495,779	-	1,694,702	(918,684)
Transportation	1,422,251	466	-	-	(1,421,785)
General government	1,556,279	740,726	8,817	-	(806,736)
Interest and fiscal charges	142,158	-	-	-	(142,158)
Total governmental activities	$ 21,165,242	$ 2,432,803	$ 78,229	$ 1,694,702	(16,959,508)
General revenues:					
Property and other local taxes levied for:					
General purposes					2,014,252
Special revenue					119,750
Debt services					419,130
Payments in lieu of taxes					3,681,784
Municipal income taxes levied for:					
General purposes					8,943,267
Grants and entitlements not restricted to specific programs					1,084,721
Investment income					2,184
Miscellaneous income					46,064
Total general revenues					16,311,152
Change in net assets					(648,356)
Net assets at beginning of year, restated					6,918,174
Net assets at end of year					$ 6,269,818

The accompanying notes are an integral part of these basic financial statements

City of University Heights, Ohio

Balance Sheet
Governmental Funds

December 31, 2010

	General	Sewer Maintenance A Special Revenue	Urban Redevelopment Special Revenue	General Bond Retirement Debt Service	Other Governmental Funds	Total Governmental Funds
Assets:						
Equity in pooled cash and cash equivalents	$ 912,053	$ 75,601	$ 1,496,927	$ 98,430	$ 437,268	$ 3,020,279
Material and supplies inventory	44,575	-	-	-	30,000	74,575
Accounts receivable	186,404	-	-	-	-	186,404
Interfund receivable	54,943	-	-	-	-	54,943
Prepaids	44,656	-	-	-	-	44,656
Project receivable	315,000	-	-	-	-	315,000
Intergovernmental receivable	620,724	-	-	35,665	204,704	861,093
Income taxes receivable	3,030,026	-	-	-	-	3,030,026
Property taxes receivable	2,143,870	-	-	437,040	124,866	2,705,776
Special assessments receivable	20,298	502,319	-	-	586,897	1,109,514
Total assets	$ 7,372,549	$ 577,920	$ 1,496,927	$ 571,135	$ 1,383,735	$ 11,402,266
Liabilities and fund balances:						
Liabilities:						
Accounts payable	$ 108,524	$ 11,487	$ -	$ -	$ 49,818	$ 169,829
Accrued wages and benefits	112,113	975	-	-	4,812	117,900
Matured compensated absences	81,965	-	-	-	-	81,965
Intergovernmental payable	263,991	1,932	-	-	293,975	559,898
Interfund payable	-	-	-	-	54,943	54,943
Deferred revenue	4,953,200	502,319	-	506,749	850,760	6,813,028
Total liabilities	5,519,793	516,713	-	506,749	1,254,308	7,797,563
Fund balances:						
Reserved for encumbrances	109,126	41,750	-	-	13,632	164,508
Reserved for inventory	44,575	-	-	-	-	44,575
Reserved for prepaids	44,656	-	-	-	-	44,656
Unreserved (deficit), reported in:						
General fund	1,654,399	-	-	-	-	1,654,399
Debt service fund	-	-	-	64,386	161,187	225,573
Capital projects funds	-	-	-	-	41,572	41,572
Special revenue funds	-	19,457	1,496,927	-	(86,964)	1,429,420
Total fund balances	1,852,756	61,207	1,496,927	64,386	129,427	3,604,703
Total liabilities and fund balances	$ 7,372,549	$ 577,920	$ 1,496,927	$ 571,135	$ 1,383,735	$ 11,402,266

The accompanying notes are an integral part of these basic financial statements

City of University Heights, Ohio

Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities

December 31, 2010

Total Governmental Funds Balances		$ 3,604,703
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		5,904,146
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Property taxes	$ 226,267	
Municipal income taxes	1,719,577	
Charges for services	100,114	
Special assessments	1,109,514	
Intergovernmental	922,727	
Total		4,078,199
In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		(34,574)
Long-term liabilities are not due and payable in the current period and are therefore not reported in the funds.		
General obligation bonds	(520,000)	
Long-term notes payable	(2,901,000)	
OPWC loans	(433,783)	
Accrued police pension	(272,534)	
Capital leases payable	(283,400)	
Settlements/judgments	(1,496,927)	
Accrued compensated absences	(1,375,012)	
Total		(7,282,656)
Net Assets of Governmental Activities		$ 6,269,818

The accompanying notes are an integral part of these basic financial statements

City of University Heights, Ohio

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds

For the Year Ended December 31, 2010

	General	Sewer Maintenance A Special Revenue	Urban Redevelopment Special Revenue	General Bond Retirement Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues:						
Property and other local taxes	$ 2,038,553	$ -	$ -	$ 419,130	$ 119,750	$ 2,577,433
Municipal income taxes	9,284,183	-	-	-	-	9,284,183
Payments in lieu of taxes	-	-	3,681,784	-	-	3,681,784
Intergovernmental	354,346	1,694,702	-	69,362	531,450	2,649,860
Charges for services	459,799	-	-	-	-	459,799
Licenses, permits and fees	701,404	-	-	-	14,521	715,925
Special assessments	16,763	378,785	-	-	440,621	836,169
Investment income	2,171	-	-	-	13	2,184
Miscellaneous income	37,546	-	-	-	6,919	44,465
Total revenues	12,894,765	2,073,487	3,681,784	488,492	1,113,274	20,251,802
Expenditures:						
Current operations and maintenance:						
Security of persons and property	7,077,282	1,170	-	-	1,158,027	8,236,479
Public health and welfare	26,290	-	-	-	-	26,290
Leisure time activities	342,295	-	-	-	-	342,295
Community environment	696,861	-	4,181,784	-	134,048	5,012,693
Public works	1,108,950	1,751,357	-	-	210,061	3,070,368
Transportation	393,618	-	-	-	594,872	988,490
General government	1,510,313	-	-	-	60,566	1,570,879
Debt service:						
Principal retirement	63,268	-	-	3,024,000	120,530	3,207,798
Interest and fiscal charges	11,339	-	-	108,975	18,445	138,759
Total expenditures	11,230,216	1,752,527	4,181,784	3,132,975	2,296,549	22,594,051
Excess of revenues over (under) expenditures	1,664,549	320,960	(500,000)	(2,644,483)	(1,183,275)	(2,342,249)
Other financing sources (uses):						
Issuance of notes	-	308,000	-	-	2,593,000	2,901,000
Transfers-in	-	-	-	2,676,000	943,949	3,619,949
Transfers-out	(943,949)	(308,000)	-	-	(2,368,000)	(3,619,949)
Total other financing sources (uses)	(943,949)	-	-	2,676,000	1,168,949	2,901,000
Net change in fund balances	720,600	320,960	(500,000)	31,517	(14,326)	558,751
Fund balances (deficits) at beginning of year, restated	1,132,156	(259,753)	1,996,927	32,869	143,753	3,045,952
Fund balances at end of year	$ 1,852,756	$ 61,207	$ 1,496,927	$ 64,386	$ 129,427	$ 3,604,703

The accompanying notes are an integral part of these basic financial statements

City of University Heights, 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, 2010

Net Change in Fund Balances - Total Governmental Funds		$ 558,751
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlay as expenditures. However in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.		
Capital outlay	$ 113,872	
Depreciation	(545,881)	
Total		(432,009)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Property and other taxes	(24,301)	
Municipal income taxes	(340,916)	
Charges for services	100,114	
Special assessments	322,150	
Intergovernmental	208,037	
Total		265,084
Repayments of bond, note, loan and capital lease principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.		3,207,798
Proceeds from debt issues and inceptions of capital leases are other financing sources in the funds, but debt issues and new leases increase long-term liabilities in the Statement of Net Assets		(2,901,000)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Accrued compensated absences	153,346	
Settlements/judgments	(1,496,927)	
Accrued interest on debt	(3,399)	
Total		(1,346,980)
Change in Net Assets of Governmental Activities		$ (648,356)

The accompanying notes are an integral part of these basic financial statements

City of University Heights, Ohio

Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget (Non-GAAP Budgetary Basis) and Actual - General Fund

For the Year Ended December 31, 2010

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Property and other local taxes	$ 2,583,257	$ 2,583,257	$ 2,250,101	$ (333,156)
Municipal income taxes	7,230,424	7,728,994	7,973,734	244,740
Intergovernmental	1,514,552	1,618,987	1,670,253	51,266
Charges for services	410,181	438,465	452,349	13,884
Licenses, permits and fees	607,876	649,791	670,367	20,576
Investment income	2,559	2,735	2,822	87
Miscellaneous income	76,948	82,254	84,859	2,605
Total revenues	12,425,797	13,104,483	13,104,485	2
Expenditures:				
Current operations and maintenance:				
General government	1,642,667	1,781,818	1,531,117	250,701
Security of persons and property	7,089,066	7,269,566	7,181,587	87,979
Public works	1,111,954	1,229,454	1,220,707	8,747
Transportation	434,178	440,178	412,043	28,135
Public health and welfare	52,500	52,500	26,290	26,210
Community environment	753,493	777,993	753,400	24,593
Leisure time activities	391,431	397,431	348,256	49,175
Debt service:				
Principal	70,852	70,852	70,852	-
Interest and fiscal charges	12,161	12,161	12,161	-
Total expenditures	11,558,302	12,031,953	11,556,413	475,540
Excess of revenues over (under) expenditures	867,495	1,072,530	1,548,072	475,542
Other financing sources (uses):				
Transfers-out	(925,000)	(943,949)	(943,949)	-
Advances-out	(8,943)	(8,943)	(8,943)	-
Total financing sources (uses):	(933,943)	(952,892)	(952,892)	-
Net change in fund balance	(66,448)	119,638	595,180	475,542
Prior year encumbrances appropriated	142,678	142,678	142,678	-
Fund balance at beginning of year	36,373	36,373	36,373	-
Fund balance at end of year	$ 112,603	$ 298,689	$ 774,231	$ 475,542

The accompanying notes are an integral part of these basic financial statements

City of University Heights, Ohio

Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget (Non-GAAP Budgetary Basis) and Actual – Sewer Maintenance "A" Fund

For the Year Ended December 31, 2010

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Special assessments	$ 84,946	$ 378,785	$ 378,785	$ -
Intergovernmental	380,054	1,694,702	1,694,702	-
Total revenues	465,000	2,073,487	2,073,487	-
Expenditures:				
Current operations and maintenance:				
Public works	571,844	2,225,844	2,164,805	61,039
Excess of revenues over (under) expenditures	(106,844)	(152,357)	(91,318)	61,039
Other financing sources (uses):				
Sale of notes	300,000	308,000	308,000	-
Transfers-out	(300,000)	(308,000)	(308,000)	-
Other financing sources (uses)	-	-	-	-
Net change in fund balance	(106,844)	(152,357)	(91,318)	61,039
Prior year encumbrances appropriated	33,784	33,784	33,784	-
Fund balance at beginning of year	91,385	91,385	91,385	-
Fund balance at end of year	$ 18,325	$ (27,188)	$ 33,851	$ 61,039

The accompanying notes are an integral part of these basic financial statements

City of University Heights, Ohio

Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget (Non-GAAP Budgetary Basis) and Actual – Urban Redevelopment Fund

For the Year Ended December 31, 2010

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Payments in lieu of taxes	$ 4,130,000	$ 3,681,784	$ 3,681,784	$ -
Expenditures:				
Current operations and maintenance:				
Community environment	4,130,000	4,181,785	4,181,784	1
Net change in fund balance	-	(500,001)	(500,000)	1
Fund balance at beginning of year	1,996,927	1,996,927	1,996,927	-
Fund balance at end of year	$ 1,996,927	$ 1,496,926	$ 1,496,927	$ 1

The accompanying notes are an integral part of these basic financial statements

City of University Heights, Ohio

Statement of Fiduciary Net Assets
Agency Funds

December 31, 2010

Assets:	
Equity in pooled cash and cash equivalents	$ 302,069
Liabilities:	
Deposits held and due to others	$ 302,069

The accompanying notes are an integral part of these basic financial statements

Note 1: The Reporting Entity

The City of University Heights, Ohio (the "City") is a municipal corporation governed by an elected mayor and council.

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, departments, boards and agencies that are not legally separate from the City. For the City of University Heights, this includes police protection, fire fighting and prevention, street maintenance and repairs, building inspection, parks and recreation.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance deficits of, or provide financial support to, the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the budget, the issuance of debt, or the levying of taxes. The City does not have any component units.

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 local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The City also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities provided they do not conflict with or contradict GASB pronouncements. The most 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.

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. Internal activity is eliminated to avoid doubling up revenues and expenses.

Note 2: Summary of Significant Accounting Policies (continued)

A. Basis of Presentation (continued)

The Statement of Net Assets presents the financial condition of the governmental activities of the City at year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues 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 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 two categories of funds: governmental and fiduciary.

Governmental Funds - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used.

Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the City's major governmental funds:

> *General Fund* - The General Fund accounts for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the City for any purpose provided it is expended or transferred according to the charter of the City and/or the general laws of Ohio.
>
> *Sewer Maintenance "A" Special Revenue Fund* - The Sewer Maintenance "A" Special Revenue Fund accounts for all maintenance of the sewers.

Note 2: Summary of Significant Accounting Policies (continued)

B. Fund Accounting (continued)

Urban Redevelopment Special Revenue Fund - The Urban Redevelopment Tax Increment Equivalent Special Revenue Fund is used to collect service payments made in lieu of taxes and distributed to the Cleveland-Cuyahoga County Port Authority and Cleveland Heights-University Heights City School District.

General Bond Retirement Debt Service Fund - The General Bond Retirement Debt Service Fund accounts for the accumulation of resources to pay principal and interest on general obligation debt.

The other governmental funds of the City account for grants and other resources whose use is restricted to a particular purpose.

Fiduciary Funds

Fiduciary fund reporting focuses on net assets. 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's agency funds are purely custodial in nature (assets equal liabilities) and thus do not involve measurement of results of operations. The City's own fiduciary funds are agency funds which consist primarily of construction deposits.

C. Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared 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, except for fiduciary funds. The Statement of Activities presents increases (e.g. revenues) and decreases (e.g. 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 reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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 Net Assets. The Statement of Revenues, Expenses and Changes in Fund Net Assets presents 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. The City has no proprietary funds.

Fiduciary funds are reported using a flow of the economic resources measurement focus.

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 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 Non-Exchange 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. Available period for the City is sixty days after year-end.

Non-exchange 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 6).

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 a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: income tax, state-levied locally shared taxes (including gasoline tax and motor vehicle license fees), fines and forfeitures, interest, grants and entitlements, and rentals.

Note 2: Summary of Significant Accounting Policies (continued)

D. Basis of Accounting (continued)

Deferred Revenue/Unearned 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, 2010, but which were levied to finance year 2011 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.

E. Budgetary Process

Annual budgets are adopted on a cash basis for all governmental funds. All annual appropriations lapse at fiscal year end.

The Mayor submits an annual tax budget for the following fiscal year to City Council by July 15 for consideration and passage. The adopted budget is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year for the period January 1 to December 31 of the following year.

The appropriated budget is prepared at the fund, department, personal services and other expenses level for all funds, which is the legal level of control. Contrary to Ohio Revised Code, the City's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the Council. Expenditures may not exceed appropriations at the legal level of control.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders and contracts) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

Note 2: Summary of Significant Accounting Policies (continued)

F. Cash and Cash Equivalents

To improve cash management, cash received by the City is pooled. Monies for all funds, except the investment trust fund, are maintained in this pool. Individual fund integrity is maintained through City records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the balance sheet.

During 2010, the portfolio was limited to the State Treasury Asset Reserve of Ohio (STAR Ohio).

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as nonnegotiable certificates of deposit and repurchase agreements are reported at cost.

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2010.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2010 amounted to $2,171, of which, $1,804 was assigned from other funds.

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.

G. Inventory

Inventories are stated at cost, on the first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when purchased.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2010, are recorded as prepaid items using the allocation 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 those long-lived assets of the City as a whole. These assets generally result from expenditures in the governmental funds. These 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.

Note 2: Summary of Significant Accounting Policies (continued)

I. Capital Assets (continued)

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of five thousand dollars. The City's infrastructure consists of pavement, storm sewers, and sanitary sewers. Improvements that add to the value of the asset or materially extend the life of an asset are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All capital assets are depreciated except for land and construction in progress. 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:

Description	Estimated Lives
Buildings and improvements	40 years
Equipment	5-7 years
Vehicles	5-7 years
Infrastructure	20-99 years

K. Interfund Balances

On the fund financial statements, receivables and payables resulting from transactions between funds for services provided or goods received and from short-term interfund loans are classified as "interfund receivables/payables." Interfund balance amounts are eliminated in the Statement of Net Assets.

L. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims, 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 fund financial statements when due.

Note 2: Summary of Significant Accounting Policies (continued)

M. Compensated Absences

The City accrues vacation and sick leave benefits as earned by its employees if the leave is attributable to past service and it is probable that the City will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement. The City accrued these benefits for those employees who currently are eligible to receive termination payments, as well as other employees who are expected to become eligible in the future. These benefits are measured using the pay rates in effect at December 31, 2010.

N. 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. Fund balance reserves have been established for encumbrances, prepaids, and inventories.

O. 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 City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

P. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures to the funds that initially paid for them are not presented on the financial statements.

Q. 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. Neither type of transaction occurred during 2010.

Note 2: Summary of Significant Accounting Policies (continued)

R. 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/Policies and Restatement of Prior Year's Balances

A. Change in Accounting Principles

For 2010, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 51, *Accounting and Financial Reporting for Intangible Assets,* GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments,* and GASB Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*.

GASB Statement No. 51 establishes accounting and financial reporting requirements for intangible assets to reduce inconsistencies thereby enhancing the comparability of accounting and financial reporting of such assets among state and local governments. The implementation of this statement did not result in any change to the financial statements.

GASB Statement No. 53 enhances the usefulness and comparability of derivative instrument information reported by the state and local governments. This statement provides a comprehensive framework for the measurement, recognition, and disclosure of derivative instrument transactions. The implementation of this statement did not result in any change to the financial statements.

GASB Statement No. 58 provides accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. The requirements in this statement will provide more consistent recognition, measurement, display, and disclosure guidance for governments that file for Chapter 9 bankruptcy. The implementation of this statement did not result in any changes to the financial statements as the City has not applied for such protection.

Note 3: Change in Accounting Principles/Policies and Restatement of Prior Year's Balances

B. Change in Accounting Policies/Restatement of Prior Year's Balances

	General	Sewer Maintenance "A"	Urban Redevelopment	General Bond Retirement	Other Governmental Funds	Total
Fund Balance, December 31, 2009	$ 1,152,653	$ (259,753)	$ 1,996,927	$ 32,869	$ 198,626	$ 3,121,322
Cash restatement	(20,497)	-	-	-	(54,873)	(75,370)
Adjusted Fund Balance, December 31, 2009	$ 1,132,156	$ (259,753)	$ 1,996,927	$ 32,869	$ 143,753	$ 3,045,952

	Governmental Activities
Net assets, December 31, 2009	$ 7,204,310
Cash restatement	(75,370)
Restatement of capital assets	(210,766)
Restated net assets, December 31, 2009	$ 6,918,174

The December 31, 2009 cash balances for the General Fund and Street Maintenance Fund were overstated due to an error in the reconciliation process. The December 31, 2009 Net Assets have been restated due to a change in the City's capital asset accounting policy. In 2010, the City changed the capital asset capitalization threshold from three hundred dollars to five thousand dollars.

Note 4: Budgetary Basis of Accounting

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

The Statements of Revenues, Expenditures, and Changes in Fund Balances - Budget (Non-GAAP Budgetary Basis) and Actual 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 identified as follows:

(a) Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);

(b) Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);

(c) Encumbrances are treated as expenditures (budget basis) rather than a reservation of fund balance (GAAP basis).

Note 4: Budgetary Basis of Accounting (continued)

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund, Sewer Maintenance "A" Fund and Urban Redevelopment Fund.

	Net Change in Fund Balance		
	General	Sewer Maintenance "A" Fund	Urban Redevelopment
GAAP basis	$ 720,600	$ 320,960	$ (500,000)
Increase (decrease) due to:			
Revenue accruals	209,720	-	-
Expenditure accruals	(226,014)	(370,528)	-
Outstanding encumbrances	(109,126)	(41,750)	-
Budget basis	$ 595,180	$ (91,318)	(500,000)

Note 5: 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 treasury. Such monies must be maintained either as cash in the City treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are monies 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 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 monies may be deposited or invested in the following securities:

1. United States Treasury notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, 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;

Note 5: Deposits and Investments (continued)

3. 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;

4. Investment grade obligations of state and local governments, and public authorities;

5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) 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,

6. The State Treasurer's investment pool (STAR Ohio).

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. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits

Custodial credit risk is the risk that in the event of bank failure, the City's deposits may not be returned to it. The City has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by eligible securities pledged to and deposited either within 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 and five percent of the deposits being secured.

At year-end, the carrying amount of the City's deposits was $3,286,571 and the bank balance was $3,438,769. Of the bank balance $500,000 was covered by Federal depository insurance and $2,938,769 was uninsured and collateralized with securities held by the pledging institution's trust department, not in the City's name.

Note 5: Deposits and Investments (continued)

Investments

Investments are reported at fair value. As of December 31, 2010, the city had the following investments:

	Fair Value	Weighted Average Maturity (Days)
STAR Ohio	$ 35,777	58 days

Interest Rate Risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The City's investment policy addresses interest rate risk requiring that the City's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding that need to sell securities on the open market prior to maturity and by investing operating funds primarily in short-term investments. The City's investment policy also limits security purchases to those that mature within five years unless specifically matched to a specific cash flow. To date, no investments have been purchased with a life greater than one year.

Custodial Risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. All financial institutions and broker/dealers who desire to become qualified for investment transactions with the City must meet a set of prescribed standards and be periodically reviewed.

Credit Risk is addressed by the City's investment policy by the requirements that all investments are authorized by Ohio Revised Code and that portfolio be diversified both by types of investment and issuer. All investments of the city are registered and carry a rating AAA by Standard & Poor's.

Concentration of Credit Risk is defined by the Governmental Accounting Standards Board as five percent or more in the securities of a single issuer. The City's investment policy places no limit on the amount the City may invest in one issuer.

Note 6: Receivables

A. Property Taxes

Property taxes include amounts levied against all real property and public utility tangible personal property located in the City. Property tax revenue received during 2010 for real and public utility property taxes represents collections for 2009 taxes. Property tax payments received during 2010 for tangible personal property, except for public utility property, are for prior year unpaid tangible personal property taxes.

Note 6: Receivables (continued)

A. Property Taxes (continued)

Real property taxes (other than public utility property) are levied after October 1 on the assessed value listed as of the prior January 1, the lien date. Assessed values are established by the Cuyahoga County Auditor at 35 percent of the appraised market value, and reappraisal of all property is required every six years with a triennial update. The last reappraisal was completed for tax year 2009 affecting collections beginning in 2010.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 20; if paid semi-annually, the first payment is due mid January with the remainder payable by mid July. Taxes not paid become delinquent after December 31 of the year in which payable. Under certain circumstances, state statute permits earlier or later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. Public utility real and tangible personal property taxes collected during the calendar year were levied in the preceding calendar year based on assessed values as of January 1 of that preceding year, the lien date.

Tangible personal property used in business (except for public utilities) was phased out – the assessment percentage for all property including inventory for 2010 is zero. Amounts for prior year unpaid tangible personal property taxes may still be collected. Under Ohio law, personal property taxes do not attach as a lien on the personal property.

While property tax rates are levied by the City, the Cuyahoga County Auditor is statutorily responsible for administering and collecting real property taxes on the behalf of all taxing authorities in the county, including the City.

The tax rate levied to finance the City's services for the year ended December 31, 2010 was $13.20. The assessed values of real and public utility property upon which 2010 property tax receipts were based are as follows:

	Assessed Value
Category:	
Residential/agricultural	$ 223,027,700
Commercial/industrial	26,189,890
Public utilities	2,495,660
Total	$ 251,713,250

B. Income Taxes

The City levies municipal income tax of 2.5 percent on all salaries, wages, commissions and other compensation, and net profits earned within the City, as well as incomes of residents earned outside of the City. In the latter case, the City does allow a 1 percent credit for income tax paid to another municipality.

Note 6: Receivables (continued)

B. Income Taxes (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 as required. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. The Regional Income Tax Agency collects municipal income taxes for the City. Income tax revenue is credited entirely to the General Fund.

C. Intergovernmental Receivables

A summary of intergovernmental receivables follows:

Governmental activities:	
Estate tax	$ 55,384
Local government	374,545
Homestead and rollback	217,996
Gasoline tax and auto registration	180,337
CAT tax	8,783
Court costs	10,012
Permissive tax	5,218
Miscellaneous	8,818
Total	$ 861,093

D. Loan Receivables

The City has a long-term project development agreement accounts receivable due in annual installments on the first business day of January through 2032 in the amount of $15,000. As of December 31, 2010, $315,000 is outstanding.

Note 7: Capital Assets

Capital asset activity for government the year ended December 31, 2010, was as follows:

	Restated Balances 12/31/09	Additions	Deletions	Balances 12/31/10
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 212,260	$ -	$ -	$ 212,260
Construction in progress	575,845	27,200	(603,045)	-
Total non-depreciable capital assets	788,105	27,200	(603,045)	212,260
Capital assets being depreciated:				
Buildings and improvements	1,697,143	-	-	1,697,143
Vehicles	2,774,562	-	-	2,774,562
Equipment	1,131,974	86,672	-	1,218,646
Infrastructure:				
Pavement	3,964,303	603,045	-	4,567,348
Storm sewers	230,271	-	-	230,271
Sanitary sewers	1,235,057	-	-	1,235,057
Total capital assets being depreciated	11,033,310	689,717	-	11,723,027
Less: accumulated depreciation				
Buildings and improvements	(875,732)	(33,588)	-	(909,320)
Vehicles	(2,171,196)	(216,216)	-	(2,387,412)
Equipment	(865,937)	(71,048)	-	(936,985)
Infrastructure:				
Pavement	(1,440,728)	(205,753)	-	(1,646,481)
Storm sewers	(41,276)	(3,838)	-	(45,114)
Sanitary sewers	(90,391)	(15,438)	-	(105,829)
Total accumulated depreciation	(5,485,260)	(545,881)	-	(6,031,141)
Net capital assets being depreciated	5,548,050	143,836	-	5,691,886
Governmental activities capital assets, net	$ 6,336,155	$ 171,036	$ (603,045)	$ 5,904,146

Depreciation expense was charged to governmental activities as follows:

Security of persons and property	$ 29,592
Leisure time activities	1,836
Community environment	2,551
Public works	51,454
Transportation	449,224
General government	11,224
Total	$ 545,881

Note 8: Pension Plans

A. Ohio Public Employees Retirement System

The City of University Heights participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the Traditional 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 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 E. Town St., Columbus, OH 43215-4642 or by calling 614-222-5601 or 800-222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units and 18.1 percent of covered payroll for law and public safety employer units. Member contribution rates, as set in the Ohio Revised Code, are not to exceed 10 percent. For the year ended December 31, 2010, members in state and local classifications contributed 10 percent of covered payroll while public safety and law enforcement members contributed 10.5 percent and 11.1 percent, respectively; however, no police or fire officers of the City are members of OPERS. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan. For 2010, member and employer contribution rates were consistent across all three plans.

The City's required contributions for pension obligations, excluding the health care portion, to all three plans for the years ended December 31, 2010, 2009, and 2008 were $224,295, $212,398, and $181,648, respectively; 92.63 percent has been contributed for 2010 and 100 percent for 2009 and 2008. Contributions to the member-directed plan for 2010 were $8,659 made by the City of University Heights and $6,185 made by the plan members.

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 pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly

Note 8: Pension Plans (continued)

B. Ohio Police and Fire Pension Fund (continued)

available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10.0 percent of their annual covered salary, while employers are required to contribute 19.5 percent for police officers and 24.0 percent for firefighters. Contributions are authorized by state statute. The City's contributions to the OP&F for police and firefighters were $312,693 and $400,667, respectively, for the year ended December 31, 2010, $300,571 and $388,210, respectively, for the year ended December 31, 2009, and $293,880 and $402,047, respectively, for the year ended December 31, 2008. The full amount has been contributed for 2009 and 2008. For 2010, 72.72 percent for police and 73.16 percent for firefighters has been contributed, with the remainder being reported as a liability.

Note 9: Postemployment Benefits

A. Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the Traditional Plan – a cost-sharing multiple-employer defined benefit pension plan; the Member-Directed Plan – a defined contribution plan; and the Combined Plan – a cost-sharing multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care 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.

In order to qualify for post-retirement health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and qualified survivor 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 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. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 E. Town St., Columbus, OH, 43215-4642, or by calling 614-222-5601 or 800-222-7377.

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. Employer contribution rates are expressed as a

Note 9: Postemployment Benefits (continued)

A. Ohio Public Employees Retirement System

percentage of the covered payroll of active members. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0 percent of covered payroll for state and local employer units and 18.1 percent of covered payroll for law enforcement and public safety employer units. In 2010, the City's contribution rate was 14.0 percent of covered payroll for local employees and 17.87 percent of covered payroll for law enforcement and public safety employees; no police or fire officers of the City are members of OPERS. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of the post employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 5.5 percent from January 1 through February 28, 2010 and 5.0 percent from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73 percent from January 1 through February 28, 2010 and 4.23 percent from March 1 through December 31, 2010. The OPERS Board of Trustees 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 contributions for health care for the years ended December 31, 2010, 2009, and 2008 were $127,854, $151,426, and $181,648, respectively; 92.63 percent has been contributed for 2010 and 100 percent for 2009 and 2008.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Board of Trustees 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.

B. Ohio Police and Fire Pension Fund

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 healthcare benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

Note 9: Postemployment Benefits (continued)

B. Ohio Police and Fire Pension Fund (continued)

The Ohio Revised Code allows, but does not mandate OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

The Ohio Revised Code provides for contribution requirements of the participating employers and of the plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5 percent and 24.0 percent of covered payroll for police and fire employers, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of the covered payroll for police employer units and 24.0 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements 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 OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions to OP&F for police and fire for the years ending December 31, 2010, 2009, and 2008 were $165,431 and $156,588, $159,126 and $151,908, and $155,615 and $157,340, respectively. For 2010, 72 percent for police and 73 percent for firefighters has been contributed, with the remainder being reported as a liability. The full amount has been contributed for 2009 and 2008.

Note 10: Long-Term Obligations

Bonded debt and other long-term obligations payable activity for the year ended December 31, 2010 was as follows:

	Balance 12/31/09	Additions	Deletions	Balance 12/31/10	Due in One Year
Governmental activities:					
General obligation bonds:					
6.25% 1995 Purvis Park Improvement Series A & B	$ 630,000	$ -	$ (110,000)	$ 520,000	$ 115,000
Other long-term obligations :					
5.77% OWDA loan – Baintree	32,270	-	(32,270)	-	-
5.06% OWDA loan – Sewer Project	15,068	-	(15,068)	-	-
0.00% OPWC Issue II loan	232,292	-	(17,869)	214,423	17,869
0.00% OPWC Meadowbrook	233,070	-	(13,710)	219,360	13,710
Accrued police pension	278,679	-	(6,145)	272,534	6,513
Capital leases payable	382,136	-	(98,736)	283,400	103,475
2.50% Various purpose general obligation bond anticipation notes	2,914,000	-	(2,914,000)	-	-
1.50% Various purpose general obligation bond anticipation notes	-	2,901,000	-	2,901,000	2,901,000
Settlements/judgments (see Note 14)	-	1,496,927	-	1,496,927	1,496,927
Accrued compensated absences	1,528,358	617,499	(770,845)	1,375,012	746,914
Total other long-term obligations	5,615,873	5,015,426	(3,868,643)	6,762,656	5,286,408
Total governmental long-term liabilities	$ 6,245,873	$ 5,015,426	$ (3,978,643)	$ 7,282,656	$ 5,401,408

Principal and interest requirements to retire the long-term debt obligations outstanding at December 31, 2010 were as follows:

	Governmental Activities				
	General Obligation Bonds		OPWC Loans	Accrued Pension Liability	
Year	Principal	Interest	Principal	Principal	Interest
2011	$ 115,000	$ 32,240	$ 31,579	$ 6,513	$ 11,510
2012	130,000	25,110	31,579	6,793	11,230
2013	135,000	17,050	31,579	7,084	10,938
2014	140,000	8,680	31,579	7,389	10,634
2015	-	-	31,579	7,706	10,317
2016-2020	-	-	157,895	43,840	46,327
2021-2025	-	-	104,283	54,036	36,077
2026-2030	-	-	13,710	66,681	21,932
2031-2035	-	-	-	72,492	7,848
	$ 520,000	$ 83,080	$ 433,783	$ 272,534	$ 166,813

Note 10: Long-Term Obligations (continued)

	Governmental Activities	
	Total	
Year	Principal	Interest
2011	$ 153,092	$ 43,750
2012	168,372	36,340
2013	173,663	27,988
2014	178,968	19,314
2015	39,285	10,317
2016-2020	201,735	46,327
2021-2025	158,319	36,077
2026-2030	80,391	21,932
2031-2035	72,492	7,848
	$ 1,226,317	$ 249,893

General obligation bonds are direct obligations of the City and will be paid from the General Bond retirement Fund using property tax revenues. In 1995, the City issued $1,660,000 of bonds improving Purvis Park.

The Ohio Water Development Authority (OWDA) loans were paid from the Sewer Replacement "A" Fund. The Baintree loan was issued in 2000 for $253,170. The sewer project loan was issued in 2004 for $135,002. The Ohio Public Works Commission (OPWC) intercommunity sewer project will be paid from the Sewer Replacement "A" Fund. This loan was issued in 2001 for $330,270 and an additional $27,105 in 2002. The OPWC Meadowbrook Boulevard loan will be paid from the Issue II fund. This loan was issued in 2007 for $274,200.

On May 5, 2010, the City issued various purpose General Obligation Bond Anticipation Notes of $2,901,000 with an interest rate of 1.5 percent in anticipation of the issuance of bonds for the purpose of acquiring motorized equipment and for resurfacing streets and repairing curbs.

The accrued police pension liability will be paid from the Police Pension Fund. See Note 11 for detail on capital leases. The settlements/judgments will be paid from the Urban Redevelopment Fund. Compensated absences will be paid by the fund from which the employee's salary is paid.

Note 11: Capital Leases

The City has entered into lease agreements as lessee for various vehicles and building improvements. The lease agreements qualify as capital leases for accounting purposes, and therefore, have been recorded at present value of the future minimum lease payments as of the inception date.

	Governmental Activities
Assets:	
Buildings and improvements	$ 112,430
Vehicles	438,926
Less: accumulated depreciation	(246,714)
Total	$ 304,642

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments.

Year	Governmental Activities
2011	$ 114,960
2012	65,921
2013	65,771
2014	40,988
2015	20,564
Total minimum lease payments	308,204
Less: Amount representing interest	(24,804)
Present value of minimum lease payments	$ 283,400

Lease payments are made from the General Fund and Street Maintenance Fund. The lease payment amounts will be paid with current, available resources that have accumulated in the fund for payment early in the following year.

Note 12: Risk Management

A. Property and Liability

The City is exposed to various risk of loss related to torts, theft, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. In October 2008, the City joined the Northern Ohio Risk Management Agency (NORMA), a not-for-profit corporation, for the purpose of obtaining property, liability and vehicle insurance and providing for a formalized, jointly administered self insurance fund. The City pays an annual premium to NORMA for its insurance coverage. The agreement of formation of NORMA provides that NORMA will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of the limits described in the agreement. This coverage is paid from the General Fund. There has not been a significant reduction in coverage from the prior year and claims have not exceeded coverage provided by NORMA.

Note 12: Risk Management

B. Worker's Compensation

The City pays the State Workers' Compensation System a premium based on a rate per $100 of salaries. This rate is calculated based on accident history and administrative costs.

C. Other

The City also purchases insurance coverage to provide employee health benefits and pays unemployment claims to the State of Ohio as incurred. The City continues to carry commercial insurance for other risks of loss, including employees health and life insurance. Settled claims resulting from these risks, have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 13: Compensated Absences

Vacation leave is earned at rates which vary depending upon length of service and standard work week. All full-time employees may carry over 40 vacation hours for use during the first three months of the following year. City employees are paid for earned, unused vacation leave at the time of termination of employment if the employees have acquired at least one year of service to the City.

Sick leave is earned at the rate of 10 hours to 14 hours for each month worked. The total amount of accumulated sick leave shall not exceed 960 hours to 1,344 hours, depending upon the employment contract. Each employee upon retirement, with fifteen years of employment, is paid a portion of the employee's earned unused sick leave balances.

Note 14: Contingencies/Pending Litigation

A. Grants

The City has received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and a condition specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2010.

B. Litigation

Several claims and lawsuits are pending against the City. The amount of liability, if any, cannot be reasonably estimated at this time. However, in the opinion of management, any such claims and lawsuits will not have a material effect on the overall financial position of the City at December 31, 2010.

Note 14: Contingencies/Pending Litigation

C. Settlements

In 2010, in connection with the University Square Parking Garage in University Heights, it was discovered that the City had failed to make certain payments in lieu of taxes (PILOTS) to the Trustee. As a result, the parties to the TIF agreement agreed to permit the City to make the missed payments in 2011. This liability has been recorded on the government-wide financial statements and will be paid from the Urban Redevelopment Fund.

Note 15: Interfund Transactions

A. Interfund Balances

Interfund receivables and payables for the year ended December 31, 2010 consisted of the following:

Receivable Fund	Payable Fund	Amount
General Fund	Non-Major Governmental Funds	$ 54,943

B. Interfund Transfers

Interfund transfers for the year ended December 31, 2010, consisted of the following:

	Transfer from			
Transfer to:	General Fund	Sewer Maintenance "A"	Other Governmental Funds	Total
General Bond Retirement	$ -	$ 308,000	$ 2,368,000	$ 2,676,000
Other Governmental Funds	943,949	-	-	943,949
	$ 943,949	$ 308,000	$ 2,368,000	$ 3,619,949

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; and to return money to the fund from which it was originally provided once a project is completed. The City had no transfers that either do not occur on a regular basis or were inconsistent with the purpose of the fund making the transfer.

Note 16: Accountability

There are deficits in the Street Lighting Fund, Community Development Block Grant Fund, Police Pension Fund and Fire Pension Fund of $16,636, $19,959, $130,429 and $149,592, respectively, caused by the application of generally accepted accounting principles to these funds. The General Fund is liable for any deficit in these funds and provides operating transfers when cash is required, not when accruals occur.

Note 17: Shared Risk Pool

The Northern Ohio Risk Management Association (NORMA) is a shared risk pool comprised of the Cities of Bedford Heights, Chagrin Falls, Eastlake, Highland Heights, Hudson, Maple Heights, Mayfield Heights, Richmond Heights, Solon, South Euclid and University Heights. NORMA was formed to enable its members to obtain property and liability insurance, including vehicles, and provide for a formalized, jointly administered self-insurance fund. The members formed a not-for-profit corporation known as NORMA, Inc. to administer the pool. NORMA is governed by a board of trustees that consists of one representative from each of the participating members.

Each entity must remain a member for at least three years from the commencement date of October 1, 1987, with the exception of the Cities of Eastlake and Solon whose commencement date is October 1, 1989, and the City of Maple Heights, whose commencement date is October 1, 1993 and the City of University Heights whose commencement date is October 1, 2008. After the initial three years, each City may extend its term in three-year increments.

Each member provides operating resources to NORMA based on actuarially determined rates. In the event of losses, the first $2,500 of any valid claim will be paid by the member. The next payment, generally a maximum of $97,500 per occurrence, will come from the self-insurance pool with any excess paid from the stop-loss coverage carried by the pool. Any loss over these amounts would be the obligation of the individual member. If the aggregate claims paid by the pool exceed the available resources, the pool may require the members to make additional supplementary payments up to a maximum of the regular annual payment.

Note 18: Subsequent Event

On May 3, 2011, the City issued $2,716,000 in bond anticipation notes for the various purposes. The notes mature in May, 2012 and have an interest rate of 1.25%.

Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

City of University Heights
Cuyahoga County
2300 Warrensville Center Road
University Heights, Ohio 44118

To the City Council:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of University Heights, Cuyahoga County, (the City) as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements and have issued our report thereon dated September 21, 2011. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the City's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the City'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, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency or combination of deficiencies in internal control such that there is a reasonable possibility that material financial statement misstatements will not be prevented, or detected and timely corrected.

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 material weaknesses, as defined above.

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Compliance and Other Matters

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed an instance of noncompliance or other matter we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2010-001.

We also noted certain matters not requiring inclusion in this report that we reported to the City's management in a separate letter dated September 21, 2011.

The City's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the City's response and, accordingly, we express no opinion on it.

We intend this report solely for the information and use of management, the audit committee, the City Council, and others within the City. We intend it for no one other than these specified parties.

Dave Yost
Auditor of State

September 21, 2011

SCHEDULE OF FINDINGS
DECEMBER 31, 2010

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

FINDING NUMBER 2010-001

Material Noncompliance Citation

Proper Encumbrance of Funds

Ohio Revised Code Section 5705.41(D) prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

"Then and Now" certificate – If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the City can authorize the drawing of a warrant for the payment of the amount due. The City has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution.

Amounts of less than $3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the City.

Blanket Certificate – Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.

Super Blanket Certificate – The City may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

During our testing of non-payroll expenditures, we noted 10 out of 40 expenditures tested (or $20,171 out of $100,208) were not properly encumbered. We also noted that the City does not issue purchase orders for utilities expenditures.

FINDING NUMBER 2010-001
(Continued)

Proper Encumbrance of Funds (Continued)

Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances. Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the City's funds exceeding budgetary spending limitations, we recommend that the Financer Director utilize the encumbrance method of accounting and certify that the funds are or will be available prior to obligation by the City. When prior certification is not possible, "then and now" certification should be used.

We recommend the City certify the availability of funds prior to entering into any expenditure commitment.

Official's Response:

The City of University Heights will continue to maintain Blanket Certificates (Purchase Orders) and will begin issuing Super Blanket Certificates (Purchase Orders) beginning fourth (4th) quarter 2011 for all utilities with each specific vendor having their own certificate issued.

A written policy will also be created and distributed to all directors reiterating a verbal policy that all purchases need to have prior approval by the Mayor and Finance Director, and in cases of all emergency purchases the "Then and Now" Certificate will be used in accordance with the ORC.

CITY OF UNIVERSITY HEIGHTS
CUYAHOGA COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2010

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; ***Explain***
2009-001	Performing Timely Bank Reconciliations and Separation of Duties over the Deposit Process	No	Partially Corrected – Repeated as a matter reported to the City's management in a separate letter.
2009-002	Payroll Procedures	Yes	
2009-003	Completion of Finance Director Time Sheets for Additional Work	Yes	
2009-004	Proper Approval of Journal Entries	Yes	
2009-005	ORC 5705.5.41(b) Expenditures Exceeding Appropriations	Yes	

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Dave Yost • Auditor of State

CITY OF UNIVERSITY HEIGHTS

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
OCTOBER 18, 2011

88 East Broad Street, Fifth Floor, Columbus, Ohio 43215-3506
Phone: 614-466-4514 or 800-282-0370 Fax: 614-466-4490
www.auditor.state.oh.us

CITY OF UNIVERSITY HEIGHTS, OHIO

AUDIT REPORT

FOR THE YEAR ENDED DECEMBER 31, 2009

James G. Zupka, CPA, Inc.
Certified Public Accountants

Mary Taylor, CPA
Auditor of State

City Council
City of University Heights
2300 Warrensville Center Road
University Heights, Ohio 44118

We have reviewed the *Independent Auditor's Report* of the City of University Heights, 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 University Heights is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

August 6, 2010

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CITY OF UNIVERSITY HEIGHTS, OHIO
AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2009

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INDEPENDENT AUDITOR'S REPORT

To Members of City Council
City of University Heights, Ohio

The Honorable Mary Taylor
Auditor of State
State of Ohio

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of University Heights, 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 University Heights, Ohio's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of University Heights, Ohio, as of December 31, 2009, and the respective changes in financial position, and the respective budgetary comparison for the General Fund, the Sewer Maintenance "A" Fund, and the Urban Redevelopment Fund thereof 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 June 16, 2010, on our consideration of the City of University Heights, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

James G. Zupka, CPA, Inc.
Certified Public Accountants

June 16, 2010

The Management's Discussion and Analysis of the City of University Heights' financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2009. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers are encouraged to consider the information presented here in conjunction with the additional information contained in the financial statements and the notes thereof.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2009 are as follows:

- The assets of the City of University Heights exceeded its liabilities at the close of the most recent fiscal year by $7,204,310. Of this amount, $4,709,609 may be used to meet the City's ongoing obligations to citizens and creditors.

- The net assets decreased by $674,920 from prior year. Assets decreased by $1,197,410, and liabilities decreased by $522,490.

- The unreserved fund balance for the general fund was $948,660, an increase of $418,716 from prior year. The general fund revenues increased by $298,072 or 2.3 percent mainly due to higher income tax collections. The general fund expenditures decreased by $728,216 or 6.2 percent from prior year. Transfers from the general fund to the other funds increased by $875,190 million or 99.8 percent.

USING THIS ANNUAL REPORT

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide statements; 2) fund financial statements; and 3) notes to the financial statements.

Government-Wide Statements

The government-wide statements are designed to provide readers with a broad overview of the City's finances on a full accrual basis of accounting, which is similar to a 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 net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The statement of activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying events giving rise to the changes occur, regardless of the timing of 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 sick 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 other 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 include general government, security of persons and property, transportation, public works, community environment, leisure time activities, and public health services. There are no business-type activities reported for the City.

Fund Financial Statements
The fund financial statements are used to report additional and detailed information about the City. These statements focus on major funds of the City. 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 two categories: governmental funds and fiduciary funds.

Governmental Funds - Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in reconciliation in the financial statements.

Fiduciary Funds - Used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used in proprietary funds.

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 CITY AS A WHOLE

Government-Wide Financial Analysis
As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The City's combined net assets decreased from a year ago - decreasing from $7,879,230 to $7,204,310. Our analysis below focuses on the net assets (Table1) and changes in net assets (Table 2) of the City's governmental type activities.

Table 1-Net Assets

	2009	2008 Restated
Assets		
Current and Other Assets	$11,687,762	$12,291,437
Capital Assets, Net	6,546,921	7,140,656
Total Assets	$18,234,683	$19,432,093
Liabilities		
Long-Term Liabilities	$ 6,245,873	$ 6,464,629
Other Liabilities	4,784,500	5,088,234
Total Liabilities	11,030,373	11,552,863
Net Assets		
Invested in Capital Assets, Net of Debt	2,108,085	2,371,695
Restricted	386,616	539,336
Unrestricted	4,709,609	4,968,199
Total Net Assets	$ 7,204,310	$ 7,879,230

The City's net assets decreased $674,920 or 8.6 percent.

Table 2-Changes in Net Assets

	2009	2008 Restated
Revenues		
Program Revenues:		
Charges for Services	$ 1,300,808	$ 920,618
Operating Grants and Contributions	125,989	29,569
Capital Grants and Contributions	1,833,228	2,848,780
General Revenues:		
Property Taxes	3,292,276	3,269,242
Income Taxes	7,777,904	8,174,969
Payments in Lieu of Taxes	4,131,516	4,031,788
Grant and Entitlements	1,786,221	1,908,242
Investment Earnings	6,181	48,726
Miscellaneous	66,348	89,315
Total Revenues	20,320,471	21,321,249
Program Expenses		
Security of Persons and Property	7,630,618	8,362,494
Public Health Services	52,340	50,926
Leisure Time Activities	374,608	397,991
Community Environment	5,084,921	5,238,704
Public Works	3,558,956	2,797,336
Transportation	1,891,848	1,685,186
General Government	1,566,591	1,774,913
Interest and Fiscal Charges	123,112	245,486
Total Program Expenses	20,282,994	20,553,036
Special Item	(712,397)	0
Increase (Decrease) in Net Assets	$ (674,920)	$ 768,213

Total revenues decreased $1,000,778 or 4.7 percent mainly due to the receipt of funds in 2008 from the City of Cleveland Water Department for two projects to repair waterlines at University Parkway, Silsby Road, Charney Road, and Bushnell Road estimated at $1.8 million. The City's largest revenue source is income tax. The City's income tax rate is 2.5 percent on gross income. There is a credit of 1.0 percent for those residents who work in another municipality/subdivision where income tax is withheld. The City's collection agency is the Regional Income Tax Agency located in Brecksville, Ohio. During 2009 the income tax revenue was approximately $7,777,904 which was a decrease of $397,065 or 4.9 percent from prior year. Another major revenue source is property taxes. The effective tax rate for 2009 was $13.2 per $1,000 of assessed valuation. The annual property tax is calculated using the taxable value (market value multiplied by 35 percent) of the property multiplied by the property effective tax rate levied by the City, Cuyahoga County, Cleveland-Heights-University Heights City School District, and Cleveland Heights-University Heights Public Library. During 2009, the property tax revenue was approximately $3,292,276, up $23,034 or 0.7 percent from prior year. The City received $4,131,516 in payment in lieu of taxes from the University Square Tax Increment Financing Project. This was the second year in which revenue was generated from the project.

Total program expenses decreased $270,042 or 1.0 percent mainly due to the Cleveland Water Department funding two projects to repair waterlines at University Parkway, Silsby Road, Charney Road, and Bushnell Road. Special items increased by $712,397 due to the disposal of waterlines per an agreement with the City of Cleveland. See Notes 8 and 19 for further detail. Expenses are categorized by functions. The largest program, security of persons and property which includes police, fire, police and fire communications, traffic control, animal control, and public safety was around 36.7 percent of the governmental expenses. The police department is made up of 1 chief, 1 deputy chief; 28 full-time sworn officers, 3 full-time dispatchers, and 2 secretaries. The fire department is composed of 1 chief; 1 executive captain; and 27 full-time fire fighters/paramedics. Training plays a crucial role in keeping up with the rapidly changing laws, practices and technology. Training among our employees is performed in-house, attending seminars/conferences, continuing education classes, practice drills, and watching training videos. The second largest program is community environment which is made up of the building department, community services, and urban redevelopment tax increment financing and was approximately 24.4 percent of the governmental expenses. The City is a labor intensive industry and the expenses of the governmental activities are mainly salaries, wages, and benefits. The City does have an annual road program which entails major and minor resurfacing of the various streets in University Heights. For the major resurfacing projects, the City has actively pursued obtaining grants and financial assistance from the Ohio Public Works Commission and the Ohio Water Development Authority. In addition, the City borrows on the open market by way of general obligation notes issued and rolled over year to year until paid down.

THE CITY'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resource. 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.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $3,121,322. Of this amount, $2,795,909 constitutes unreserved fund balance. The remainder of fund balance is reserved to indicate that it is not available for new spending because is has already been committed for various restricted purposes.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unreserved fund balance of the general fund was $948,660, while the total general fund balance was $1,152,653. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. The unreserved general fund balance represents 8.6 percent of total general fund expenditures. The total general fund balance represents 10.4 percent of total general fund expenditures. The general fund balance increased by $514,195 during the current fiscal year. Key factors for this are as follows:

- The general fund revenues increased by $298,072 million or 2.3 percent from prior year.

- The general fund expenditures in total decreased $728,216 or 6.2 percent from prior year. However, transfers to other funds increased $875,190 or 99.8 percent. During 2009 the net change in fund balance was $514,195.

GENERAL FUND BUDGETARY HIGHLIGHTS

The most significant budgeted fund is the general fund. Over the course of the year, the City Council revised the City's general fund budget once to prevent budget overruns.

For the general fund, budgeted basis revenue was $436,263 below the revised budget estimate of $12,765,496.

The original appropriation of $12,649,860 was increased to $12,950,776. With these adjustments, the actual charges to appropriations (expenditures) were $76,463 above the final budgeted amounts for the general fund.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2009, the City had $6,546,921 invested in a broad range of capital assets, including land, buildings, improvements, machinery and equipment, park facilities, swimming pool, roads, and water and sewer lines. (See Table 3 below.) This amount represents a net decrease (including additions and deductions) of approximately $593,735, or 8.3 percent over last year.

Table 3-Capital Assets at Year-end (Net of Depreciation)

	2009	2008 Restated
Land	$ 217,056	$ 217,056
Construction in Progress	575,845	727,392
Buildings and Improvements	839,561	873,404
Vehicles	684,045	909,632
Equipment	373,178	338,445
Infrastructure:		
Pavement	2,523,575	2,721,790
Storm Sewers	188,995	192,833
Sanitary Sewers	1,144,666	1,160,104
Total Capital Assets	$ 6,546,921	$ 7,140,656

The City purchased equipment and vehicles for the various departments in the amount of $154,071. The City purchased one (1) vehicle, five (5) body armor and seven (7) Digital Systems for police vehicles for the police department; one (1) City watch system for the fire department; one (1) Digital Recording Sound System for Council Chambers and one (1) Yard Leaf Collector for the tree improvement department.

More detailed information about the City's capital assets is presented in Note 8 to the financial statements.

Debt

At year-end, the City had $4,717,515 in outstanding debt verus $5,053,627 last year- a decrease of 6.7 percent - as shown in Table 4.

Table 4-Outstanding Debt at Year-end

	Governmental Activities	
	2009	2008
General Obligation Bonds	$ 630,000	$ 735,000
OWDA loans	47,338	77,494
OPWC loans	465,362	481,151
Accrued Police Pension	278,679	284,666
Capital Leases	382,136	461,316
General Obligation Notes	2,914,000	3,014,000
Totals	$ 4,717,515	$ 5,053,627

The City paid $105,000 on principal for general obligation bonds on the Purvis Park Pool. General obligation notes were issued mainly for street programs in the amount of $2,914,000.

The City's general obligation bond rating continues to carry an A1 rating, assigned by national rating agencies to the City's debt since 1997. The State limits the amount of general obligation debt that cities can issue to 5.50 percent of the assessed value of all taxable property within the City's corporate limits. The City's outstanding general obligation debt is significantly below the state-imposed limit.

Other obligations include police pension liability, accrued vacation and sick leave, OPWC loan, OWDA loans, and capital leases. More detailed information about the City's long-term liabilities is presented in Note 13 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's elected and appointed officials considered many factors when setting the fiscal year 2010 budget, tax rates, and fees that will be charged for activities. One main, continuing factor is the economy. In preparing estimates for General Fund revenues, the City anticipates decreased revenues in several areas. Of particular interest are anticipated reduced collections of property taxes and municipal income taxes in 2010 over 2009 revenues. The City is continuing with prior years cuts to help maintain the integrity of the budget, including limited capital expenditures and cutting of overtime budgets as well as maintaining current levels of staffing with no new hires. The City has added no major programs or initiatives; however, the City will continue to pursue grants for projects. If these estimates are realized, the City's General Fund balance is expected to increase modestly by the close of 2010.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Jenny Esarey, Director of Finance, at 2300 Warrensville Center Road, University Heights, Ohio 44118.

CITY OF UNIVERSITY HEIGHTS, OHIO
STATEMENT OF NET ASSETS
DECEMBER 31, 2009

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	$ 2,970,231
Materials and Supplies Inventory	120,369
Accounts Receivable	213,018
Project Receivable	330,000
Intergovernmental Receivable	849,699
Prepaid Items	42,374
Taxes Receivable	6,374,707
Special Assessments Receivable	787,364
Nondepreciable Capital Assets	792,901
Depreciable Capital Assets, Net	5,754,020
Total Assets	18,234,683
Liabilities	
Accounts Payable	393,591
Accrued Wages and Benefits	402,736
Contracts Payable	292,813
Intergovernmental Payable	496,043
Accrued Interest Payable	31,175
Retainage Payable	65,038
Deferred Revenue	3,103,104
Long-Term Liabilities:	
Due within One Year	4,001,469
Due in More Than One Year	2,244,404
Total Liabilities	11,030,373
Net Assets	
Invested in Capital Assets, Net of Related Debt	2,108,085
Restricted for:	
Debt Service	345,044
Capital Projects	41,572
Unrestricted	4,709,609
Total Net Assets	$ 7,204,310

See accompanying notes to the basic financial statements.

CITY OF UNIVERSITY HEIGHTS, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2009

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
Security of Persons and Property	$7,630,618	$ 590,226	$ 114,642	$ 0	$ (6,925,750)
Public Health Services	52,340	0	0	0	(52,340)
Leisure Time Activities	374,608	85,764	0	0	(288,844)
Community Environment	5,084,921	268,440	0	0	(4,816,481)
Public Works	3,558,956	165,186	0	1,833,228	(1,560,542)
Transportation	1,891,848	0	11,347	0	(1,880,501)
General Government	1,566,591	191,192	0	0	(1,375,399)
Interest and Fiscal Charges	123,112	0	0	0	(123,112)
Total Governmental Activities	$20,282,994	$1,300,808	$ 125,989	$ 1,833,228	(17,022,969)

General Revenues:	
Property Taxes Levied for:	
General Purposes	2,636,589
Special Revenue	145,708
Debt Service	509,979
Payment in Lieu of Taxes	4,131,516
Income Taxes Levied for:	
General Purposes	7,777,904
Grants and Entitlements not Restricted to Special Programs	1,786,221
Investment Earnings	6,181
Miscellaneous	66,348
Total General Revenues	17,060,446
Special Item	(712,397)
Total General Revenues and Special Item	16,348,049
Change in Net Assets	(674,920)
Net Assets Beginning of Year, Restated	7,879,230
Net Assets End of Year	$ 7,204,310

See accompanying notes to the basic financial statements.

CITY OF UNIVERSITY HEIGHTS, OHIO
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2009

	General	Sewer Maintenance "A" Special Revenue	Urban Redevelopment Special Revenue	General Bond Retirement Debt Service	Other Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash and Cash Equivalents	$ 199,548	$ 125,169	$ 1,996,927	$ 32,869	$ 615,718	$ 2,970,231
Receivables:						
Taxes	5,756,228	0	0	481,039	137,440	6,374,707
Accounts	213,018	0	0	0	0	213,018
Special Assessments	22,721	354,250	0	0	410,393	787,364
Project Receivable	330,000	0	0	0	0	330,000
Due from Governments	617,353	0	0	37,738	194,608	849,699
Advances to Other Funds	46,000	0	0	0	0	46,000
Inventory	60,295	0	0	0	60,074	120,369
Prepaid Items	42,374	0	0	0	0	42,374
Total Assets	7,287,537	479,419	1,996,927	551,646	1,418,233	11,733,762
Liabilities						
Accounts Payable	171,420	74,239	0	0	147,932	393,591
Contracts Payable	0	236,468	0	0	56,345	292,813
Retainage Payable	0	65,038	0	0	0	65,038
Accrued Wages and Benefits	385,383	5,392	0	0	11,961	402,736
Advances from Other Funds	0	0	0	0	46,000	46,000
Due to Governments	211,603	3,785	0	0	280,655	496,043
Deferred Revenue	5,366,478	354,250	0	518,777	676,714	6,916,219
Total Liabilities	6,134,884	739,172	0	518,777	1,219,607	8,612,440
Fund Balances						
Reserved for Prepaid Items	42,374	0	0	0	0	42,374
Reserved for Encumbrances	101,324	9,572	0	0	51,774	162,670
Reserved for Inventory	60,295	0	0	0	60,074	120,369
Unreserved:						
Undesignated (Deficits) Reported in:						
General Fund	948,660	0	0	0	0	948,660
Special Revenue Funds	0	(269,325)	1,996,927	0	(106,811)	1,620,791
Debt Service Funds	0	0	0	32,869	152,017	184,886
Capital Projects Funds	0	0	0	0	41,572	41,572
Total Fund Balances (Deficits)	1,152,653	(259,753)	1,996,927	32,869	198,626	3,121,322
Total Liabilities and Fund Balances	$ 7,287,537	$ 479,419	$ 1,996,927	$ 551,646	$ 1,418,233	$11,733,762

See accompanying notes to the basic financial statements.

CITY OF UNIVERSITY HEIGHTS, OHIO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2009

Total Governmental Funds Balance		$ 3,121,322
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital Assets used in governmental activities are not financial resources and therefore are not reported in the funds.		6,546,921
Other long-term assets are not available to pay for current-period expenditures and therefore are not deferred in the funds:		
Property Taxes	$ 250,568	
Grants and Entitlements	714,690	
Income Tax	2,060,493	
Special Assessments	787,364	
Total		3,813,115
Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds:		
General Obligation Bonds	(630,000)	
Bond Anticipation Notes	(2,914,000)	
OWDA Loans	(47,338)	
OPWC Loans	(465,362)	
Accrued Police Pension	(278,679)	
Capital Leases	(382,136)	
Compensated Absences	(1,528,358)	
Accrued Interest Payable	(31,175)	
Total		(6,277,048)
Net Assets of Governmental Activities		$ 7,204,310

See accompanying notes to the basic financial statements.

CITY OF UNIVERSITY HEIGHTS, OHIO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
DECEMBER 31, 2009

	General	Sewer Maintenance "A" Special Revenue	Urban Redevelopment Special Revenue	General Bond Retirement Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues						
Local Taxes - Income Tax	$ 8,254,523	$ 0	$ 0	$ 0	$ 0	$ 8,254,523
Local Taxes - Property Tax	2,618,452	0	0	506,430	144,694	3,269,576
Other Taxes	0	0	4,131,516	0	0	4,131,516
Intergovernmental Revenue	1,299,678	1,365,246	0	75,476	553,122	3,293,522
Special Assessments	31,844	403,869	0	0	489,095	924,808
Charges for Services	563,033	0	0	0	0	563,033
Fines, Licenses, and Permits	473,809	0	0	0	0	473,809
Interest Income	6,131	0	0	0	50	6,181
Miscellaneous	63,127	0	0	0	1,000	64,127
Total Revenues	13,310,597	1,769,115	4,131,516	581,906	1,187,961	20,981,095
Expenditures						
Security of Persons and Property	6,733,832	0	0	0	762,937	7,496,769
Public Health Services	52,340	0	0	0	0	52,340
Leisure Time Activities	372,523	0	0	0	0	372,523
Community Environment	777,343	0	4,131,516	0	165,741	5,074,600
Public Works	993,045	2,876,358	0	0	202,722	4,072,125
Transportation	461,242	0	0	0	924,429	1,385,671
General Government	1,552,030	0	0	0	1,060	1,553,090
Capital Outlay	50,306	0	0	0	103,764	154,070
Debt Service:						
Principal Retirement	45,124	0	0	3,119,000	85,988	3,250,112
Interest and Fiscal Charges	8,922	0	0	117,103	20,610	146,635
Total Expenditures	11,046,707	2,876,358	4,131,516	3,236,103	2,267,251	23,557,935
Excess of Revenues Over (Under) Expenditures	2,263,890	(1,107,243)	0	(2,654,197)	(1,079,290)	(2,576,840)
Other Financing Sources (Uses)						
Sale of Capital Assets	2,222	0	0	0	0	2,222
Proceeds from Sale of Notes	0	300,000	0	0	2,614,000	2,914,000
Transfers In	0	750,000	0	2,650,000	1,001,917	4,401,917
Transfers Out	(1,751,917)	(300,000)	0	0	(2,350,000)	(4,401,917)
Total Other Financing Sources (Uses)	(1,749,695)	750,000	0	2,650,000	1,265,917	2,916,222
Net Change in Fund Balances	514,195	(357,243)	0	(4,197)	186,627	339,382
Fund Balances Beginning of Year	638,458	97,490	1,996,927	37,066	11,999	2,781,940
Fund Balances (Deficits) -End of Year	$ 1,152,653	$ (259,753)	$ 1,996,927	$ 32,869	$ 198,626	$ 3,121,322

See accompanying notes to the basic financial statements.

CITY OF UNIVERSITY HEIGHTS, 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		$ 339,382
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.		(593,735)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Grants and Entitlements	$ 91,824	
Income Tax	(476,619)	
Special Assessments	(300,751)	
Property Tax	22,700	
Total		(662,846)
Proceeds from debt issues are in other financing sources in the funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.		(2,914,000)
Repayment of bond, note, loan, accrued police pension and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.		3,250,112
In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds an interest expenditure is reported when due.		23,523
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 in governmental funds.		
Compensated Absences	(117,356)	
Total		(117,356)
Change in Net Assets of Governmental Activities		$ (674,920)

See accompanying notes to the basic financial statements.

CITY OF UNIVERSITY HEIGHTS, OHIO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Property Taxes	$ 2,530,091	$ 2,619,617	$ 2,618,452	$ (1,165)
Income Taxes	7,559,998	7,827,504	7,827,502	(2)
Intergovernmental	1,351,482	1,399,304	1,399,559	255
Licenses and Permits	285,557	295,661	300,987	5,326
Fines and Forfeitures	178,374	184,686	185,733	1,047
Special Assessments	30,804	31,894	31,844	(50)
Charges for Services	377,211	390,558	391,575	1,017
Interest Earnings	1,932	2,000	6,131	4,131
Miscellaneous	13,784	14,272	19,359	5,087
Total Revenues	12,329,233	12,765,496	12,781,142	15,646
Expenditures				
Current:				
General Government	1,488,611	1,446,960	1,598,442	(151,482)
Security of Persons and Property	7,148,069	6,943,528	6,939,864	3,664
Public Works	1,097,927	1,039,000	1,002,883	36,117
Transportation	442,921	442,950	462,668	(19,718)
Public Health Services	52,451	52,454	52,340	114
Community Environment	819,921	789,975	779,675	10,300
Leisure Time Activities	404,343	409,370	393,810	15,560
Principal Repayment	66,518	66,522	37,540	28,982
Interest and Fiscal Charges	8,099	8,100	8,100	0
Total Expenditures	11,528,860	11,198,859	11,275,322	(76,463)
Excess (Deficiency) of Revenues Over (Under) Expenditures	800,373	1,566,637	1,505,820	(60,817)
Other Financing Sources (Uses)				
Transfers Out	(1,121,000)	(1,751,917)	(1,751,917)	0
Total Other Financing Sources (Uses)	(1,121,000)	(1,751,917)	(1,751,917)	0
Net Change in Fund Balance	(320,627)	(185,280)	(246,097)	(60,817)
Fund Balance (Deficit)-Beginning of Year	282,470	282,470	282,470	0
Fund Balance (Deficit)-End of Year	$ (38,157)	$ 97,190	$ 36,373	$ (60,817)

See accompanying notes to the basic financial statements.

CITY OF UNIVERSITY HEIGHTS, OHIO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET (NON-GAAP BASIS) AND ACTUAL -
SEWER MAINTENANCE "A" FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Special Assessments	$ 280,000	$ 407,225	$ 403,869	$ (3,356)
Grants	0	1,364,000	1,365,246	1,246
Total Revenues	280,000	1,771,225	1,769,115	(2,110)
Expenditures				
Public Works	364,500	2,634,887	2,657,513	(22,626)
Total Expenditures	364,500	2,634,887	2,657,513	(22,626)
Excess (Deficiency) of Revenues Over Expenditures	(84,500)	(863,662)	(888,398)	(24,736)
Other Financing Sources (Uses)				
Sale of Notes	300,000	300,000	300,000	0
Transfers In	0	747,775	750,000	2,225
Transfers Out	(300,000)	(300,000)	(300,000)	0
Total Other Financing Sources (Uses)	0	747,775	750,000	2,225
Net Change in Fund Balance	(84,500)	(115,887)	(138,398)	(22,511)
Fund Balance-Beginning of Year	229,783	229,783	229,783	0
Fund Balance-End of Year	$ 145,283	$ 113,896	$ 91,385	$ (22,511)

See accompanying notes to the basic financial statements.

CITY OF UNIVERSITY HEIGHTS, OHIO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-BUDGET (NON-GAAP BASIS) AND ACTUAL - URBAN REDEVELOPMENT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Payment in Lieu of Taxes	$ 3,200,000	$ 4,131,500	$ 4,131,516	$ 16
Total Revenues	3,200,000	4,131,500	4,131,516	16
Expenditures				
Community Environment	4,300,000	4,300,000	4,131,516	168,484
Total Expenditures	4,300,000	4,300,000	4,131,516	168,484
Net Change in Fund Balance	(1,100,000)	(168,500)	0	168,500
Fund Balance-Beginning of Year	1,996,927	1,996,927	1,996,927	0
Fund Balance-End of Year	$ 896,927	$ 1,828,427	$ 1,996,927	$ 168,500

See accompanying notes to the basic financial statements.

CITY OF UNIVERSITY HEIGHTS, OHIO
STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
DECEMBER 31, 2009

Assets	
Equity in Pooled Cash and Cash Equivalents	$ 296,385
Total Assets	$ 296,385
Liabilities	
Deposits Held and Due to Others	$ 296,385
Total Liabilities	$ 296,385

See accompanying notes to the basic financial statements.

NOTE 1: REPORTING ENTITY

The City of University Heights, Ohio (the "City") is a municipal corporation governed by an elected mayor and council. The accompanying financial statements present the City and do not include any component units.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (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 activities provided they do not conflict with or contradict GASB pronouncements. 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.

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 statement of net assets presents the financial condition of the governmental activities of the City at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contribution 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 is self-financing or draws from the general revenues of the City.

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

A. **Basis of Presentation** (Continued)

Fund Financial Statements
During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

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. The City has two categories of funds: governmental and fiduciary.

Governmental Funds
Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets 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 differences between governmental fund assets and liabilities is reported as fund balance. The following are the City's major governmental funds:

General Fund - The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the City for any purpose, provided it is expended or transferred in accordance with the charter of the City and/or the general laws of Ohio.

Sewer Maintenance "A" Special Revenue Fund - The sewer maintenance "A" special revenue fund accounts for all maintenance of the sewers.

Urban Redevelopment Special Revenue Fund - The urban redevelopment tax increment equivalent special revenue fund is used to collect service payments made in lieu of taxes and distributed to the Cleveland-Cuyahoga County Port Authority and Cleveland Heights-University Heights School District.

General Bond Retirement Debt Service Fund - The general bond retirement debt service fund accounts for the accumulation of resources to pay principal and interest on general obligation debt.

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

B. **Fund Accounting** (Continued)

Governmental Funds (Continued)

The other governmental funds of the City account for grants and other resources whose use is restricted to a particular purpose.

Fiduciary Funds
Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City's agency funds are purely custodial in nature (assets equal liabilities) and thus do not involve measurement of results of operations. The City's only fiduciary funds are agency funds which consist primarily of construction deposits.

C. **Measurement Focus**

Government-wide Financial Statements
The government-wide financial statements are prepared 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.

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 liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared.

Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

C. **Measurement Focus** (Continued)

Fund Financial Statements (Continued)
Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities. The City has no proprietary funds.

Fiduciary funds are reported using a flow of the economic resources measurement focus.

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. Governmental funds use the modified accrual basis of accounting. Fiduciary funds also use the 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 Non-exchange 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 fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, available means expected to be received within sixty days of year-end.

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

D. **Basis of Accounting** (Continued)

Revenues - Exchange and Non-exchange Transactions (Continued)
Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements, and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (See Note 7). Revenue from grants, entitlements, and donations is recognized in the fiscal 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 a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: income tax, state-levied locally shared taxes, 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.

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

D. **Basis of Accounting** (Continued)

Expenses/Expenditures (Continued)
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.

E. **Cash and Investments**

To improve cash management, cash received by the City is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the City's records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the balance sheet.

During 2009, the portfolio was limited to the State Treasury Asset Reserve of Ohio (STAROhio).

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.

Aside from investments clearly identified as belonging to a specific fund, any unrealized gain/loss resulting from the valuation is recognized within the general fund to the extent its cash and investment balances exceeds the cumulative value of those investments.

The City's policy is to hold investments until maturity, or until market values equal or exceed cost.

Following Ohio statutes, the City has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2009 amounted to $5,459, which includes $5,025 from other City funds.

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

E. **Cash and Investments** (Continued)

For presentation on the financial statements, 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 considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

F. **Inventory**

Inventory is stated at the lower of cost (first-in, first-out) or market. Inventories of governmental funds are recorded as expenditures when purchased (purchase method).

G. **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. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure is reported in the year in which services are consumed.

H. **Capital Assets**

General capital assets are long-lived assets of the City as a whole. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of five hundred dollars. The City's infrastructure consists of pavement, storm sewers, and sanitary sewers. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets are depreciated net of salvage value except for land and construction in progress. 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:

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

H. **Capital Assets** (Continued)

Description	Estimated Lives
Land	N/A
Buildings and Improvements	40 years
Equipment	5-7 years
Vehicles	5-7 years
Infrastructure	20-99 years

I. **Interfund Balances**

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "Advances To/Advances From Other Funds". Receivables and payables resulting from negative cash fund balances are classified as "Due to/Due From Other Funds". These amounts are eliminated in the governmental activities column of the statement of net assets.

J. **Compensated Absences**

In conformity with GASB Statement No. 16, the City accrues vacation and sick leave benefits as earned by its employees if the leave is attributable to past service and it is probable that the City will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement. The City accrued these benefits for those employees who currently are eligible to receive termination payments, as well as other employees who are expected to become eligible in the future. These benefits are measured using the pay rates in effect at December 31, 2009.

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental funds, compensated absences are recognized as liability and expenditure tot he extent payment comes due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the amount "compensated absences payable" in the fund from which the employees who have accumulated leave are paid.

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

K. **Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits, 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 fund financial statements when due.

L. **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, prepaids, and inventories are recorded as a reservation of fund balance.

M. **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 City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

N. **Interfund Activity**

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures to the funds that initially paid for them are not presented on the financial statements.

O. **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. No extraordinary items occurred in 2009. See Note 19 for further explanation on the Special Item transaction in 2009.

P. **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**

For fiscal year 2009, the City implemented GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*. 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.

Implementation of GASB Statement No. 52 did not affect the presentation of the financial statements of the City.

NOTE 4: COMPLIANCE AND ACCOUNTABILITY

Fund balances at December 31, 2009, included the following individual fund deficits:

Special Revenue Funds:		
Street Lighting	$	22,011
Tree Improvement		25,318
Police Pension		128,092
Fire Pension		144,929
CDBG		19,959
Sewer Maintenance "A"		259,753

These fund deficits result from the recognition of expenditures on the modified accrual basis of accounting that are greater than expenditures recognized on the budgetary basis. These funds incurred expenditures that will be reimbursed from grant revenue or transfer of funds from the general fund.

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NOTE 5: BUDGETARY

A. Budgetary Information

Annual budgets are adopted on a cash basis for all governmental funds. All annual appropriations lapse at fiscal year end.

The Mayor submits an annual tax budget for the following fiscal year to City Council by July 15 for consideration and passage. The adopted budget is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year for the period January 1 to December 31 of the following year.

The appropriated budget is prepared at the fund, department, personal services and other expenses level for all funds, which is the legal level of control. Contrary to Ohio Revised Code, the City's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the Council. Expenditures may not exceed appropriations at the legal level of control.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders and contracts) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

While the City is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statements of Revenues, Expenditures, and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual for the general fund and major special revenue fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).

2. Expenditures/expenses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).

3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).

NOTE 5: **BUDGETARY** (Continued)

B. **Budgetary Basis of Accounting**

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund and for the major special revenue fund.

Net Change in Fund Balance
Major Governmental Funds

	General	Sewer Maintenance "A" Fund	Urban Redevelopment
GAAP Basis	$ 514,195	$ (357,243)	$ 0
Net Adjustment for Revenue Accruals	(531,677)	0	0
Net Adjustment for Expenditure Accruals	(85,937)	252,629	0
Encumbrances	(142,678)	(33,784)	0
Budget Basis	$ (246,097)	$ (138,398)	$ 0

NOTE 6: **CASH, CASH EQUIVALENTS, AND INVESTMENTS**

The City maintains a separate cash and investment pool that is available for use by all funds and accounts. Each fund type's portion of this pool is displayed on the balance sheet as Equity in Pooled Cash and Cash Equivalents.

Legal Requirements - Statutes require the classifications of monies held by the City into three categories:

Category 1 consists of "active" monies, those monies required to be kept in a "cash" or a "near-cash" status for immediate use by the City. Such monies must be maintained either as cash in the City's treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

Category 2 consists of "inactive" monies, those monies not required for use within the current five year period of designation of depositories. Inactive monies may be deposited or invested only as certificates of deposit maturing not later than the end of the current period of designation of depositories.

Category 3 consists of "interim" monies, those monies which are not needed for immediate use but which will be needed before the end of the current period of depositories. Interim monies may be invested or deposited in the following securities.

NOTE 6: **CASH, CASH EQUIVALENTS, AND INVESTMENTS** (Continued)

Legislation permits interim monies to be deposited or invested in the following securities:

1. United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, 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 directly issuances of federal government agencies or instrumentalities;

3. 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;

4. Bonds or other obligations of the State of Ohio;

5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) 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

6. The State Treasury Asset Reserve of Ohio (STAROhio).

Collateral is required for demand deposits and certificates of deposits in excess of all deposits not covered by Federal Depository Insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies, obligations of the State of Ohio and its municipalities, and obligations of the other states.

Obligations pledged to secure deposits must be delivered to a bank other than the institution in which the deposit is made. Written custodial agreements are required.

NOTE 6: **CASH, CASH EQUIVALENTS, AND INVESTMENTS** (Continued)

A. **Deposits**

At December 31, 2009, the carrying amount of the City's deposits was $3,230,874 and the bank balance was $3,215,069. Based on criteria described in GASB Statement No. 40, *Deposits and Investments Risk Disclosures*, as of December 31, 2009, $500,000 of the City's bank balance was covered by Federal Depository Insurance.

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposit may not be returned. The City's policy is to place deposits with major local banks approved by the City's Council. All deposits, except for deposits held by fiscal and escrow agents, are collateralized with eligible securities in amounts equal to a least 105% of the carrying value of the deposits. Such collateral, as permitted by Charter 135 of the ORC is held in financial institution pools at Federal Reserve Banks, or at member banks of the federal reserve system in the name of the respective depository bank, and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at a Federal Reserve Bank in the name of the City.

B. **Investments**

The City has a formal investment policy. The City follows GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, and records all its investments at fair value. At December 31, 2009, fair value of $35,742 equals the City's net cost for investments. Fair value is determined by quoted market prices and acceptable other pricing methodologies.

C. **Interest Rate Risk**

As a means of limiting its exposure to fair value of 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 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.

D. **Credit Risk**

The credit risk of the City's investments are in the table below. The credit ratings were provided from Moody's and Standard and Poor's. The City has no investment policy that would further limit its investment choices.

NOTE 6: **CASH, CASH EQUIVALENTS, AND INVESTMENTS** (Continued)

E. **Custodial Credit Risk**

For an investment, custodial credit 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 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.

F. **Concentration of Credit Risk**

Safety of principal is the foremost objective of the City's investment program. Investments of the City shall be undertaken in a manner that seeks to ensure preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed income generated from the remainder of the portfolio.

Investments at year-end were as follows:

Investment Type	Fair Value	Credit Rating (*)	Investment Maturities (in Years) <1
STAROhio	$ 35,742	AAA/Aaa	$ 35,742
Total Investments	$ 35,742		$ 35,742

* Credit Ratings were obtained from Moody's and Standard & Poor's, respectively, for all investments.

NOTE 7: **RECEIVABLES**

Receivables at December 31, 2009, consist primarily of taxes, special assessments, accounts, and money due from other governments. All receivables are considered fully collectible.

A. **Property Taxes**

Real property taxes were levied on assessed values which equal 35 percent of appraised value. The County Auditor reappraises all real property every six years with a triennial update. The last appraisal was completed for tax year 2006.

NOTE 7: **RECEIVABLES** (Continued)

A. **Property Taxes** (Continued)

Real property taxes become a lien on all non-exempt real property located in the County on January 1. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20 of the following year. Under certain circumstances, state statute permits later payment dates to be established.

The full tax rate applied to real property for the fiscal year ended December 31, 2009, was $13.2 per $1000 of assessed valuation. After adjustment of the rate for inflationary increases in property values, the effective tax rate was $13.2 per $1000 of assessed valuation of real property classified as residential/agricultural and $13.2 per $1000 of assessed evaluation for all other real property. Real property owner's tax bills are further reduced by homestead and rollback deductions, when applicable. The amount of these homestead and rollback reductions is reimbursed to the City by the State of Ohio.

Owners of tangible personal property are required to file a list of such property, including costs, by April 30 of each year. The property is assessed for tax purposes at varying statutory percentages of cost. The tax rate applied to tangible personal property for the fiscal year ended December 31, 2009, was $13.2 per $1000 of assessed valuation.

Real Estate	
Residential/Agricultural	$ 247,042,580
Commercial/Industrial	29,795,980
Public Utilities	2,336,290
General Tangible Personal Property	2,347,040
	$ 281,521,890

The Cuyahoga County Treasurer collects property tax on behalf of all taxing districts within the County. The Cuyahoga County Auditor periodically remits to the taxing districts their portions of the taxes collected. Property taxes receivable represent real and tangible personal property taxes, public utility taxes, and outstanding delinquencies which are measurable as of December 31, 2009. Although total property tax collections for the next year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31, nor are they intended to finance 2010 operations. The receivable is offset by deferred revenue.

NOTE 7: **RECEIVABLES** (Continued)

B. **Income Taxes**

The City levies a municipal income tax of 2.5 percent with a 1.00 percent credit on all salaries, wages, commissions, and other compensation, and net profits earned within the City, as well as incomes of residents earned outside the City. In the later case, the City does not allow a credit of income tax paid to another municipality.

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly as required. Corporations and other individual taxpayers are required to pay their estimated tax quarterly. The Regional Income Tax Agency collects municipal income taxes for the City. Income tax revenue is credited entirely to the general fund.

C. **Intergovernmental Receivables**

A summary of intergovernmental receivables as of December 31, 2009 follows:

	Amounts
Estate Tax	$ 65,746
Local Government	362,266
Homestead and Rollback	237,210
Gasoline Tax and Auto Registration	177,166
Liquor Tax	651
Permissive Tax	5,660
Grants	1,000
Total	$ 849,699

D. **Long-Term Receivables**

The City has a long-term project development agreement accounts receivable due in annual installments on the first business day of January through 2032 in the amount of $15,000. As of December 31, 2009, $330,000 is outstanding.

NOTE 8: CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2009 was as follows:

	Restated Balance 12/31/2008	Additions	Deletions	Balance 12/31/2009
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	$ 217,056	$ 0	$ 0	$ 217,056
Construction in Progress	727,392	575,845	727,392	575,845
Total Capital Assets Not Being Depreciated	944,448	575,845	727,392	792,901
Capital Assets Being Depreciated:				
Buildings and Improvements	1,687,667	0	0	1,687,667
Vehicles	2,990,797	31,091	0	3,021,888
Equipment	1,461,407	137,975	0	1,599,382
Subtotal	6,139,871	169,066	0	6,308,937
Infrastructure:				
Pavement	3,964,303	0	0	3,964,303
Storm Sewers	230,271	0	0	230,271
Sanitary Sewers	1,235,057	0	0	1,235,057
Total Infrastructure	5,429,631	0	0	5,429,631
Total Capital Assets Being Depreciated	11,569,502	169,066	0	11,738,568
Less Accumulated Depreciation:				
Buildings and Improvements	814,263	33,843	0	848,106
Vehicles	2,081,165	256,678	0	2,337,843
Equipment	1,122,962	103,242	0	1,226,204
Subtotal	4,018,390	393,763	0	4,412,153
Infrastructure:				
Pavement	1,242,513	198,215	0	1,440,728
Storm Sewers	37,438	3,838	0	41,276
Sanitary Sewers	74,953	15,438	0	90,391
Subtotal	1,354,904	217,491	0	1,572,395
Total Accumulated Depreciation	5,373,294	611,254*	0	5,984,548
Total Capital Assets Being Depreciated, Net	6,196,208	(442,188)	0	5,754,020
Governmental Activities Capital Assets, Net	$7,140,656	$ 133,657	$ 727,392	$6,546,921

* Depreciation expense was charged to governmental functions as follows:

Security of Persons and Property	$ 33,599
Leisure Time Activities	2,085
Community Environment	2,897
Basic Utility Services	58,422
Transportation	501,507
General Government	12,744
Total Depreciation Expense	$ 611,254

NOTE 8: **CAPITAL ASSETS** (Continued)

The City of University Heights entered into a Joint Economic Development Zone Agreement with the City of Cleveland, whereas, the City of Cleveland owns and controls a water distribution system of the City of University Heights as of May 21, 2007. Therefore, the City had disposed of $1.2 million in waterlines in 2007. In 2009, an additional $.7 million in waterlines were completed, deleted from construction in progress, and are reported on the Statement of Activities as a Special Item.

NOTE 9: **INTERFUND RECEIVABLES AND PAYABLES**

At December 31, 2009, interfund balances were as follows:

Fund	Advances To Other Funds	Advances From Other Funds
General	$ 46,000	$ 0
Nonmajor Governmental	0	46,000
Total	$ 46,000	$ 46,000

The balance resulted from the routine lag between the dates interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system and payments between funds are made.

NOTE 10: **COMPENSATED ABSENCES**

Sick leave for City employees is accrued at rates of 4.6 for every 80 hours. Employees who retire or terminate service after 10 years may convert 25 percent of accumulated sick leave days into a lump-sum payment within certain limitations.

City employees generally earn vacation leave ranging from 5 to 25 days per year based on length of service. No more than the amount of vacation accrued in the previous twelve-month period can be carried forward into the next calendar year without written consent of the City Mayor.

NOTE 11: **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 my be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

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 that 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.

The City's required contributions for pension obligations to all three plans for the years ended December 31, 2009, 2008, and 2007 were $212,398, $181,648, and $212,157, respectively, equal to the required contributions for each year. The full amount has been contributed for 2008 for 2007. 93.32 percent has been contributed for 2009, with the remainder being reported as a liability.

NOTE 11: **PENSION PLANS** (Continued)

B. **Ohio Police and Fire Pension Fund**

The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan. The OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10.00 percent of their annual covered salary, while employers are required to contribute 19.50 percent for police officers and 24.00 percent for firefighters. Contributions are authorized by state statute. The City's contributions to the OP&F for police and firefighters were $300,571 and $388,210 for the year ended December 31, 2009, $293,880 and $402,047 for the year ended December 31, 2008, and $277,569 and $383,728 for the year ended December 31, 2007. The full amount has been contributed for 2008 and 2007. 72.14 percent for police and 73.17 percent for firefighters has been contributed for 2009, with the remainder being reported as a liability.

NOTE 12: **POST-EMPLOYMENT BENEFITS**

A. **Ohio Public Employees Retirement System**

Plan Description - OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care plan, which includes a medical plan, a prescription drug program, and Medicare Part B premium reimbursement to qualifying members of both the Traditional Pension and the Combined Pension plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

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.

NOTE 12: **POST-EMPLOYMENT BENEFITS** (Continued)

A. **Ohio Public Employees Retirement System** (Continued)

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 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, 2008 and 2007, which were used to fund post-employment benefits were $151,426, $181,648, and $140,607, respectively.

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.

NOTE 12: **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 healthcare program, a cost-sharing, multiple-employer defined post-employment healthcare plan administered by the OP&F. OP&F provides health care benefits, including coverage for medical, prescription drugs, dental, vision, Medicare Part B premium, and long-term care to retirees, qualifying benefit recipients, and their eligible dependents.

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or 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. 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's Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits are 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 of covered payroll for police and 24.00 percent of covered payroll for fire. 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 for fire. Active members do not make contributions to the OPEB plan.

NOTE 12: **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 contribution 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).

OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions to OP&F which were allocated to fund post-employment healthcare benefits for police and firefighters were $159,126 and $151,908 for the year ended December 31, 2009, $155,615 and $157,340 for the year ended December 31, 2008 and $146,948 and $172,400 for the year ended December 31, 2007. The full amount has been contributed for 2008 and 2007. 72 percent has been contributed for police and 73 percent has been contributed for firefighters for 2009.

NOTE 13: LONG-TERM OBLIGATIONS

Changes in bonds and other long-term obligations of the City during 2009 were as follows:

	Interest Rate	Principal Outstanding 12/31/08	Additions	Deletions	Principal Outstanding 12/31/09	Amounts Due in One Year
Governmental Activities						
General Obligation Bonds:						
1995 Purvis Park Improvement Series A & B	6.25%	$ 735,000	0	105,000	630,000	110,000
Total General Obligation Bonds		735,000	0	105,000	630,000	110,000
Other Long-Term Obligations						
OWDA Loan - Baintree	5.77%	47,730	0	15,460	32,270	32,270
OWDA Loan - Sewer Project	5.06%	29,764	0	14,696	15,068	15,068
OPWC Issue II Loan	0.00%	241,226	0	8,934	232,292	17,869
OPWC Meadowbrook		239,925	0	6,855	233,070	13,710
Accrued Police Pension		284,666	0	5,987	278,679	6,145
Capital Lease - National City Bank Leasing		93,714	0	29,821	63,893	31,216
Capital Lease - Commerce Bank		112,430	0	20,815	91,615	21,538
Capital Lease - Kansas State Bank Leasing		41,824	0	13,241	28,583	13,930
Capital Lease - 1st Source Bank Leasing		104,480	0	15,303	89,177	16,091
Capital Lease - 1st Source Bank Leasing		108,868	0	0	108,868	15,961
Various Purpose General Obligation Notes	2.50%	2,595,000	0	2,595,000	0	0
Various Purpose General Obligation Notes	4.40%	419,000	0	419,000	0	0
Various Purpose General Obligation Notes, Due 5/4/11	2.50%	0	2,914,000	0	2,914,000	2,914,000
Compensated Absences		1,411,002	905,117	787,761	1,528,358	793,671
Total Other Long-Term Obligations		5,729,629	3,819,117	3,932,873	5,615,873	3,891,469
Total Governmental Activities		$6,464,629	$3,819,117	$4,037,873	$6,245,873	$4,001,469

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NOTE 13: **LONG-TERM OBLIGATIONS** (Continued)

Debt service requirements to maturity are as follows:

Year Ended	General Obligation Bonds		OWDA Loan - Baintree		OWDA Loan - Sewer Project		OPWC Loan Intercommunity Sewer	
12/31	Principal	Interest	Principal	Interest	Principal	Interest*	Principal	Interest
2010	$ 110,000	$ 39,060	$ 32,270	$ 1,403	$ 15,068	$ 381	$ 17,869	$ 0
2011	115,000	32,240	0	0	0	0	17,869	0
2012	130,000	25,110	0	0	0	0	17,869	0
2013	135,000	17,050	0	0	0	0	17,869	0
2014	140,000	8,680	0	0	0	0	17,869	0
2015-2019	0	0	0	0	0	0	89,345	0
2020-2024	0	0	0	0	0	0	53,602	0
2025-2029	0	0	0	0	0	0	0	0
2030-2034	0	0	0	0	0	0	0	0
2035	0	0	0	0	0	0	0	0
Totals	$ 630,000	$ 122,140	$ 32,270	$ 1,403	$ 15,068	$ 381	$ 232,292	$ 0

Year Ended	OPWC Loan MeadowBrook		Accrued Police Pension Liability		Capital Lease Obligations		Totals	
12/31	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2010	$ 13,710	$ 0	$ 6,145	$ 11,778	$ 98,736	$ 16,149	$293,798	$ 68,771
2011	13,710	0	6,513	11,510	103,476	11,407	256,568	55,157
2012	13,710	0	6,793	11,230	58,820	7,020	227,192	43,360
2013	13,710	0	7,084	10,938	61,475	4,213	235,138	32,201
2014	13,710	0	7,389	10,634	39,151	1,836	218,119	21,150
2015-2019	68,550	0	41,985	48,130	20,478	85	220,358	48,215
2020-2024	68,550	0	51,810	38,304	0	0	173,962	38,304
2025-2029	27,420	0	63,935	26,178	0	0	91,355	26,178
2030-2034	0	0	78,896	10,687	0	0	78,896	10,687
2035	0	0	8,129	171	0	0	8,129	171
Totals	$ 233,070	$ 0	$ 278,679	$ 179,560	$ 382,136	$ 40,710	$1,803,515	$ 344,194

*Not Available

General obligation bonds are the direct obligation of the City and will be paid from the general bond retirement fund using property tax revenues. In 1995, the City issued $1,660,000 of bonds for improving Purvis Park.

The Ohio Water Development Authority (OWDA) loans will be paid from the sewer replacement "A" fund. The Baintree loan was issued in 2000 for $253,170. The sewer project loan was issued in 2004 for $135,002. The Ohio Public Works Commission (OPWC) intercommunity sewer project will be paid from the sewer replacement "A" fund. This loan was issued in 2001 for $330,270 and an additional $27,105 in 2002. The OPWC Meadowbrook Boulevard loan will be paid from the Issue II fund. This loan was issued in 2007 for $274,200.

NOTE 13: **LONG-TERM OBLIGATIONS** (Continued)

On May 5, 2009, the City issued various purpose General Obligation Bond Anticipation Notes of $2,914,000 with an interest rate of 2.5 percent in anticipation of the issuance of bonds for the purpose of acquiring motorized equipment and for resurfacing streets and repairing curbs.

The accrued police pension liability will be paid from the police pension fund. See Note 16 for further detail on capital leases. Compensated absences will be paid by the fund from which the employee's salary is paid.

NOTE 14: **INTERFUND TRANSFERS**

Interfund transfers for the year ended December 31, 2009 consisted of the following:

Fund	Transfer To	Transfer From
General Fund	$ 0	$ 1,751,917
Sewer Maintenance "A" Fund	750,000	300,000
General Bond Retirement Debt Service Fund	2,650,000	0
Nonmajor Governmental Funds	1,001,917	2,350,000
Total Interfund Transfers	$ 4,401,917	$ 4,401,917

Transfers are used to **1)** move revenues from the fund required by statute or budget to collect them to the fund required by statute or budget to expend them, **2)** move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and **3)** use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 15: **CLAIMS AND JUDGMENTS**

The City is involved in no material litigation as either plaintiff or defendant.

The City has received federal and state grants for specific purposes which are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. Based upon our experience, the City's management believes such disallowances, if any, will be immaterial.

NOTE 16: CAPITAL LEASE

In prior years, the City had entered into capital lease obligations for various vehicles and building improvements. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception date.

The asset acquired through the capital lease is as follows:

	Governmental Activities
Capital Assets:	
Building and Improvements	$ 149,415
Vehicle	401,941
Total Capital Assets	551,356
Less: Accumulated Depreciation:	
Building and Improvements	7,564
Vehicles	70,850
Total Accumulated Depreciation	78,414
Total Capital Assets, Net	$ 472,942

See Note 13 for the future minimum lease obligations as of December 31, 2009.

NOTE 17: 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. In October 2008, the City joined the Northern Ohio Risk Management Agency (NORMA), a not-for-profit corporation, for the purpose of obtaining property, liability and vehicle insurance and providing for a formalized, jointly administered self insurance fund. The City pays an annual premium to NORMA for its insurance coverage. The agreement of formation of NORMA provides that NORMA will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of the limits described in the agreement. This coverage is paid from the general fund.

There has not been a significant reduction in coverage from the prior year and claims have not exceeded coverage provided by NORMA.

NOTE 17: **RISK MANAGEMENT** (Continued)

B. **Worker's Compensation**
The City pays the State Workers' Compensation System a premium based on a rate per $100 of salaries. This rate is calculated based on accident history and administrative costs.

C. **Other**
The City also purchases insurance coverage to provide employee health benefits and pays unemployment claims to the State of Ohio as incurred.

The City continues to carry commercial insurance for other risks of loss, including employees health and life insurance. Settled claims resulting from these risks, have not exceeded commercial insurance coverages in any of the past three fiscal years.

NOTE 18: **SHARED RISK POOL**

The Northern Ohio Risk Management Association (NORMA) is a shared risk pool comprised of the Cities of Bedford Heights, Chagrin Falls, Eastlake, Highland Heights, Hudson, Maple Heights, Mayfield Heights, Richmond Heights, Solon, South Euclid, and University Heights. NORMA was formed to enable its members to obtain property and liability insurance, including vehicles, and provide for a formalized, jointly administered self-insurance fund. The members formed a not-for-profit corporation known as NORMA, Inc. to administer the pool. NORMA is governed by a board of trustees that consists of the Mayor from each of the participating members.

Each entity must remain a member for at least three years from the commencement date of October 1, 1987, with the exception of the Cities of Eastlake and Solon whose commencement date is October 1, 1989, and the City of Maple Heights, whose commencement date is October 1, 1993 and the City of University Heights whose commencement date is October 1, 2008. After the initial three years, each City may extend its term in three-year increments.

Each member provides operating resources to NORMA based on actuarially determined rates. In the event of losses, the first $2,500 of any valid claim will be paid by the member. The next payment, generally a maximum of $97,500 per occurrence, will come from the self-insurance pool with any excess paid from the stop-loss coverage carried by the pool. Any loss over these amounts would be the obligation of the individual member. If the aggregate claims paid by the pool exceed the available resources, the pool may require the members to make additional supplementary payments up to a maximum of the regular annual payment.

NOTE 18: **SHARED RISK POOL** (Continued)

In 2009, the City of University Heights paid $88,755 in premiums from the general fund, which represents 5.91 percent of total premiums. Financial information can be obtained by contacting the fiscal agent, the Finance Director at the City of Bedford Heights, 5661 Perkins Road, Bedford, Ohio, 44146.

Prior to joining NORMA, the City was insured by Travelers Insurance. The policy deductible did not exceed $10,000 for any policy.

NOTE 19: **SPECIAL ITEM**

The City entered into an agreement with the City of Cleveland pertaining to the waterlines of the City being taken over by the City of Cleveland Water Department in exchange for a non-poaching agreement pertaining to jobs moving from the respective Cities. The City moved the waterlines from the financial statements in 2009 in the amount of $712,397 which represent the waterline costs.

NOTE 20: **RESTATEMENT OF PRIOR YEAR'S NET ASSETS**

In the prior year, construction in progress was overstated due to a recording error. In 2009, the City retroactively implemented a policy of recording salvage values of 2 percent on all depreciable capital assets. These immaterial restatements had the following effect on net assets as of December 31, 2008:

	Governmental Activities
Net Assets, December 31, 2008	$ 8,035,259
Construction in Progress	(363,677)
Salvage Values	207,648
Restated Net Assets, December 31, 2008	$7,879,230

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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*

Members of City Council
City of University Heights, Ohio

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of University Heights, Cuyahoga County, Ohio, as of and for the year ended December 31, 2009, which collectively comprise the City of University Heights, Ohio's basic financial statements and have issued our report thereon dated June 16, 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 University Heights, 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 University Heights, Ohio's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of University Heights, Ohio's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies, or material weaknesses. However, as described in the accompanying Schedule of Findings, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies we consider to be significant deficiencies.

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 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. We consider **Finding 2009-2** and **Finding 2009-3** described in the accompanying Schedule of Findings to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider **Finding 2009-1** and **Finding 2009-4** described in the accompanying Schedule of Findings to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of University Heights, 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings as **Item 2009-5.**

We noted certain matters that we reported to the management of the City of University Heights, Ohio, in a separate letter dated June 16, 2010.

The city of University Heights, Ohio's responses to the findings identified in our audit is described in the accompanying Schedule of Findings. We did not audit the City of University Heights, Ohio's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, members of City Council, the Audit Committee, and others within the entity and is not intended to be and should not be used by anyone other than these specified parties.

James G. Zupka, CPA, Inc.
Certified Public Accountants

June 16, 2010

FINDING RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

Finding No. 2009-1: Significant Deficiency - Bank Reconciliation and Deposit Process

Statement of Condition/Criteria
Based on our audit of the cash function for the City of University Heights, we noted that the monthly bank reconciliations are not being done timely. The reconciliations in total had an irreconcilable difference of $30,303 for December 2009. Also the reconciliations prepared by the City contained reconciling items from prior years and several checks which have been outstanding for over six months. In addition, the same City employee prepares the bank deposit forms and makes the deposits with the bank.

Cause/Effect
Bank reconciliations were not performed timely, and bank deposits were prepared and made by the same City employee. This prevented the City from discovering errors that would have led to the irreconcilable difference.

Recommendation
We recommend the City reconcile its bank accounts in a timely manner. Also any reconciling items should be investigated and corrected timely. Checks that are over six months old should be investigated and removed from the bank reconciliation and transferred to an unclaimed monies fund until these funds are claimed. In addition, the City can strengthen its internal control procedures by the segregation of duties in preparing the bank deposits and depositing the funds.

In 2010, the City continues to work with RITA to resolve this bank reconciliation issue. We noted that significant progress has been made in the reconciliation process of the City's bank accounts.

City's Response
Beginning in 2010, the City is reconciling all accounts on a monthly basis and is actively working with the Regional Income Tax Agency's Municipal Government Department to resolve any reconciliation issues.

FINDING RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

Finding 2009-2: Material Weakness - Payroll

Statement of Condition/Criteria
During our review of the payroll system, we noted the following deficiencies:

1. Payroll bank accounts were not being reconciled in a timely manner.
2. Lack of segregation of duties.
3. Employees have taken on new responsibilities without the proper training (bank reconciliations).
4. Lack of cross training in payroll, disbursements, and reconciliation process.
5. Sick and vacation leave balances are not being reconciled between the system reports and the Finance Department's records. In addition, sick and vacation leave postings do not reflect effective policies in place.
6. A few minor payments were made to OPERS in 2009 that are not identified by purpose totaling $3,680. Also, payments made to OPERS for 3rd quarter 2008 were properly paid in 2009, but were not posted to the City's expense report.
7. Manual payroll adjustments were made directly to the payroll computer system rather than being corrected on subsequent paychecks. These adjustments totaled $4,378.

Cause/Effect
Based on the above deficiencies, payroll, including OPERS and sick and vacation, may be overstated or understated.

Recommendation
We recommend the following:

1. We recommend that the payroll account be reconciled each month and that any unusual items be investigated in a timely manner by management.
2. Within the Finance Department, we noted a lack of segregation of duties and lack of a clear payroll process with adequate and effective internal controls. This lack of segregation of duties and payroll procedures combines to weaken internal control, and we believe that the opportunity exists for continued unauthorized payroll disbursements of City funds.
3. We recommend that the Finance Department employees be given proper training, not only in their current positions and responsibilities, but also for the new responsibilities they have taken on during the absence of a full time finance director. We feel with the proper training and a clearer understanding of their job responsibilities, these employees will perform their duties more appropriately and accurately and with greater due diligence.

FINDING RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

Finding 2009-2: Material Weakness - Payroll (Continued)

Recommendation (Continued)

4. We recommend that the City make a greater effort to cross train their finance department employees so that every position is backed up in the event of an unexpected absence. This type of training allows employees to better fulfill their responsibilities, as well as make recommendations for improvement in other areas as well.
5. We recommend that sick and vacation policies be modified to reflect postings made to sick and vacation activity. Also, sick and vacation balances should be reconciled between system reports and the Finance Department records.
6. We recommend that all payments made to OPERS be properly identified prior to payment and properly posted to the respective expense accounts upon payment.
7. We recommend that adjustments be made only through proper payroll computer access to avoid fraudulent payroll transactions.

City's Response

The City understands these concerns and has begun addressing many of these issues in 2010. Accounts are being reconciled on a monthly basis, and only authorized adjustments to payroll are being recorded following the correct procedure within the software package to accurately reflect the changes on all software generated reports and within the employee file. The Finance Director has added an additional level of quality control by reviewing all payroll checks (live checks, direct deposit checks, tax checks, and deduction checks) against proper documentation (timesheets and software generated reports)before manually signing each check to ensure accuracy and a proper segregation of duties within the department.

FINDING RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

Finding 2009-3: Material Weakness - Finance Director Time Sheets

Statement of Condition/Criteria
During our review of subsequent events, we noted that the Finance Director was being paid at an hourly rate for contractual services up to 1,560 hours annually or 130 hours a month, as authorized by Council through ordinance 2008-70. However, no time sheet was turned in to verify the hours worked. Also starting in May 2009, he was receiving his pay at the beginning of the month before any work was done.

Cause/Effect
Since no time sheet was submitted, there is no way of knowing if he worked the required number of hours. This could allow him to be paid a different amount than what he earned.

Recommendation
We recommend that the City require everyone who provides contractual services to the City to turn in time sheets so that the City can ensure that they are only paid for time spent working for the City.

In June 2009, the Finance Director was removed from his position and an Interim Finance Director was contracted by the City. Time sheets were properly being used to document the contractual services of the Interim Finance Director. A full-time Finance Director was hired in March 2010.

City's Response
Time sheets are required for all employees. No pay will be issued unless hours worked is properly documented on a time sheet. For all contracted employees, hours must be verified and approved by the City department overseeing the work.

FINDING RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

Finding 2009-4: Significant Deficiency - Proper Approval of Journal Entries

Statement of Condition/Criteria
The City has few employees generating miscellaneous and/or manual journal entries that are recorded into the accounting system. There were instances that were tested for which there was no evidence of supporting documentation, journal entry review or approval by appropriate City official. Proper approvals and supporting documentation are critical to help ensure that only authorized journal entries are entered into the City's accounting system.

Cause
There were instances of journal entries made in which there was no approval or proper supporting documentation.

Effect
Unrestricted access for employees to make unapproved journal entries to the accounting system is one method that can be used to cover fraudulent transactions.

Recommendation
We recommend that all journal entries be reviewed and approved by the appropriate City official and with supporting documentation before they are entered into the City's accounting system.

City's Response
Beginning in 2010, all journal entries are only posted by the Finance Director after a thorough review of the proper back-up documentation to ensure only accurate and authorized accounting information is posted. All journal entry audit trail reports and supporting documentation are kept by the Finance Director to identify all transactions and are available for auditor review.

FINDING RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

Finding 2009-5: Non-Compliance - Expenditures Exceeding Appropriations

Statement of Condition/Criteria
Ohio Revised Code Section 5705.41(b) prohibits a city from expending money unless it has been appropriated. The following funds had expenditures that exceeded appropriations for the year ending December 31, 2009.

	Final Appropriations	Actual Expenditures	Variance
General Fund	$12,950,776	$13,027,239	$ (76,463)
Sewer Maintenance "A" Fund	2,934,887	2,957,513	(22,626)
Capital Improvement Fund	650,500	681,091	(30,591)

Recommendation
We recommend that the City exercise due care to ensure expenditures do not exceed final appropriations. This will assist the City in avoiding negative fund balances and also ensure they are in compliance with the Ohio Revised Code Section 5705.41(b). At each fund level, the City's expenditures were less than monies appropriated.

Effect
The City did not comply with Ohio Revised Code Section 5705.41(b).

City's Response
The City will make every effort to be in budgetary compliance with section 5705.41(b), Ohio Revised Code.

CITY OF UNIVERSITY HEIGHTS, OHIO
STATUS OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2009

Finding Number	Finding Summary	Fully Corrected:	Not Corrected, Partially Corrected; Significant Different Corrective Action Taken; or Finding No Longer Valid; **Explain:**
2008-1	Bank accounts were not reconciled to the City's books.	No	Partially corrected. The City is making progress in reconciling the books to the bank accounts. Finding repeated as 2009-1.
2008-2	Personnel files were not updated, 941s were not being filed in a timely manner, 1099s were not being issued by the City, insufficient cross-training within the payroll, disbursement, and reconciliation process, lack of segregation of duties, unauthorized payroll disbursements and unauthorized leave reimbursement.	No	Partially corrected. The City had no issues with personnel files or 941s in 2009. The City issued 1099s for contractual services in 2009; however, there is still insufficient segregation of duties and cross-training within the Finance Department. The issue with unauthorized payroll disbursements and leave reimbursements discontinued in 2009 due to the termination of the Finance Director. Finding repeated as 2009-2.
2008-3	Finance Director was being paid at an hourly rate for contractual services; however, no time sheet was turned in to verify the hours worked.	No	Partially corrected. The City's Interim Finance Director used time sheets; however, no time sheets were available for the previous Finance Director from January 2009 through June 2009. Finding repeated as 2009-3.
2008-4	A wire transfer from the Auditor of State was not posted to the City's records.	Yes	
2008-5	The City has a few employees generating miscellaneous and/or manual journal entries	No	Corrective action taken. The City's new Finance Director (hired March 2010) reviews all posting prior to entering them that are recorded into the accounting system.into the accounting system. Finding repeated as 2009-4.
2008-6	The City had two funds that were not in compliance with Ohio Revised Code Section 5705.41(b).	No	Partially corrected. In 2009, the City's General Fund, Sewer Maintenance "A" Fund, and Capital Improvement Fund were not in compliance with Ohio Revised Code Section 5705.41(b). Finding repeated as 2009-5.

Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

Mary Taylor, CPA
Auditor of State

CITY OF UNIVERSITY HEIGHTS

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
AUGUST 19, 2010

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CITY OF UNIVERSITY HEIGHTS, OHIO

AUDIT REPORT

FOR THE YEAR ENDED DECEMBER 31, 2008

Mary Taylor, CPA
Auditor of State

Members of City Council
City of University Heights
2300 Warrensville Center Road
University Heights, Ohio 44118

We have reviewed the *Independent Auditor's Report* of the City of University Heights, Cuyahoga County, prepared by James G. Zupka, CPA, Inc., for the audit period January 1, 2008 through December 31, 2008. 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.

Findings for Recovery

PAYROLL ADVANCES
As the Finance Director, Arman Ochoa was responsible for the payroll preparation. During the 2008 fiscal audit, it was noted by James Zupka CPA, that the payroll earnings for Mr. Ochoa were not consistent with salary resolutions. Further testing was performed dating back to fiscal year 2005. It was noted for the extended pay periods beginning in 2005 and extending through 2008, Mr. Ochoa received payroll advances in the amount of $69,795. Of this amount, $31,955 has not been paid back. Beryl Rothschild, Mayor, authorized payroll advances for Mr. Ochoa in the amount of $8,057.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Arman Ochoa, in the amount of $31,955, and against his bonding companies Ohio Casualty Insurance Company in the amount of $12,790, and Western Surety in the amount of $19,165, jointly and severally, and in favor of the City of University Heights.

Under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is made is liable for the amount of the expenditure. *Seward v. National Surety Corp.* (1929), 120 Ohio St. 47; 1980 Op. Atty Gen. No. 80-074, Ohio Rev. Code Section 9.39; *State, ex. Rel. Village of Linndale v. Masten* (1985), 18 Ohio St. 3d 228. Public officials controlling public funds or property are liable for the loss incurred should such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen to the extent that recovery or restitution is not obtained from the persons who unlawfully obtained such funds or property, 1980 Op. Atty Gen. No. 80-074.

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Accordingly, Beryl Rothschild, Mayor, will be liable in the amount of $8,057 to the extent that recovery is not obtained from Arman Ochoa, Finance Director, and in favor of the City of University Heights.

VACATION LEAVE PAYOUT

As the Finance Director, Arman Ochoa was responsible for the payroll preparation. On December 18, 2008, Arman Ochoa received a vacation leave payout in the amount of $5,985. However, he was only authorized to receive $4,489, resulting in an overpayment of $1,496.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Arman Ochoa, in the amount of $1,496, and against his bonding company Western Surety in the amount of $1,496, jointly and severally, and in favor of the City of University Heights.

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 University Heights is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

January 25, 2010

CITY OF UNIVERSITY HEIGHTS, OHIO
AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2008

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To the Members of City Council
City of University Heights, Ohio

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of University Heights, Cuyahoga County, Ohio, as of and for the year ended December 31, 2008, 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 University Heights, 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of University Heights, Ohio, as of December 31, 2008, and the respective changes in financial position and the respective budgetary comparison for the General Fund and the Urban Redevelopment 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 November 23, 2009 on our consideration of the City of University Heights, 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.

The Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

James G. Zupka, CPA, Inc.
Certified Public Accountants

November 23, 2009

The Management's Discussion and Analysis of the City of University Heights' financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2008. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers are encouraged to consider the information presented here in conjunction with the additional information contained in the financial statements and the notes thereof.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2008 are as follows:

- The assets of the City of University Heights exceeded its liabilities at the close of the most recent fiscal year by $8.0 million. Of this amount, $5.0 million may be used to meet the City's ongoing obligations to citizens and creditors.

- The net assets increased by $0.9 million from prior year. Assets increased by $0.3 million, whereas, liabilities decreased by $0.6 million.

- The unreserved fund balance for the general fund was $0.5 million, an increase of $0.4 million from prior year. The general fund revenues increased by $.3 million or 2.4 percent mainly due to higher income tax collections. The general fund expenditures increased by $0.6 million or 5.8 percent from prior year. However, transfers from the general fund to the other funds decreased by $0.6 million or 40.2 percent.

USING THIS ANNUAL REPORT

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide statements; 2) fund financial statements; and 3) notes to the financial statements.

Government-Wide Statements

The government-wide statements are designed to provide readers with a broad overview of the City's finances on a full accrual basis of accounting, which is similar to a 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 net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The statement of activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying events giving rise to the changes occur, regardless of the timing of 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 sick 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 other 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 include general government, security of persons and property, transportation, public works, community environment, leisure time activities, and public health services. There are no business-type activities reported for the City.

Fund Financial Statements
The fund financial statements are used to report additional and detailed information about the City. These statements focus on major funds of the City. 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 two categories: governmental funds and fiduciary funds.

Governmental Funds - Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in reconciliation in the financial statements.

Fiduciary Funds - Used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used in proprietary funds.

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 CITY AS A WHOLE

Government-Wide Financial Analysis
As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The City's combined net assets increased from a year ago - increasing from $7.1 million to $8.0 million. Our analysis below focuses on the net assets (Table1) and changes in net assets (Table 2) of the City's governmental activities.

Table 1-Net Assets (in Millions)

	2008	2007
Assets		
Current and Other Assets	$ 12.3	$ 11.8
Capital Assets, Net	7.3	7.5
Total Assets	$ 19.6	$ 19.3
Liabilities		
Current and Other Liabilities	$ 5.1	$ 5.8
Long-Term Liabilities:		
Due Within One Year	4.1	3.7
Due in More Than One Year	2.4	2.7
Total Liabilities	$ 11.6	$ 12.2
Net Assets		
Invested in Capital Assets Net of Debt	2.5	2.4
Restricted:		
Capital Projects	0.1	0.1
Debt Projects	0.2	0.2
Special Revenue	0.2	0.0
Unrestricted	5.0	4.4
Total Net Assets	$ 8.0	$ 7.1

The City's net assets increased $0.9 million or 12.68 percent.

Table 2-Changes in Net Assets (in Millions)

	2008	2007
Revenues		
Program Revenues:		
Charges for Services	$ 0.92	$ 1.70
Operating Grants and Contributions	.03	0.20
Capital Grants and Contributions	2.85	4.00
General Revenues:		
Property Taxes	3.27	3.20
Income Taxes	8.17	8.30
Payment in Lieu of Taxes	4.03	0.00
Grant and Entitlements	1.91	1.80
Other	0.14	0.20
Total Revenues	21.32	19.40
Program Expenses		
General Government	$ 1.77	$ 1.60
Security of Persons and Property	8.36	7.80
Transportation	1.69	2.00
Community Environment	5.24	4.60
Public Works	2.64	1.60
Leisure Time Activities	0.40	0.40
Interest and Fiscal Charges	0.25	0.30
Public Health Services	0.05	0.10
Total Program Expenses	20.40	18.40
Special Item (Cleveland Water Agreement)	0.0	(1.20)
Increase (Decrease) in Net Assets	$ 0.92	$(0.20)

Total revenues increased $1.9 million or 9.9 percent mainly due to the receipt of funds from the City of Cleveland Water Department for two projects to repair waterlines at University Parkway, Silsby Road, Charney Road, and Bushnell Road estimated at $1.8 million. The City's largest revenue source is income tax. The City's income tax rate is 2.5 percent on gross income. There is a credit of 1.0 percent for those residents who work in another municipality/subdivision where income tax is withheld. The City's collection agency is the Regional Income Tax Agency located in Brecksville, Ohio. During 2008, the income tax revenue was approximately $8.2 million which was a decrease of $.13 million or 1.6 percent from prior year. Another major revenue source is property taxes. The full voted rate for 2008 was 175.8 mills. A mill is $1.00 for every $1,000 of assessed valuation. The annual property tax is calculated using the taxable value (market value multiplied by 35 percent) of the property multiplied by the property effective tax rate levied by the City, Cuyahoga County, Cleveland-Heights-University Heights City School District, and Cleveland Heights-University Heights Public Library. During 2008, the property tax revenue was approximately $3.3 million, up $0.07 million or 2.2 percent from prior year. The increase was based on assessed values of all properties within the City of University Heights increasing from $285 million to $297 million. The City received $4.0 million in payment in lieu of taxes from the University Square Tax Increment Financing Project. This was the first year in which revenue was generated from the project.

Total expenses increased $2.0 million or 10.9 percent mainly due to the Cleveland Water Department funding two projects to repair waterlines at University Parkway, Silsby Road, Charney Road, and Bushnell Road estimated at $1.8 million. Expenses are categorized by functions. The largest program, security of persons and property which includes police, fire, police and fire communications, traffic control, animal control, and public safety was approximately 41.0 percent of the governmental expenses. The police department is made up of 1 chief, 1 deputy chief; 26 full-time sworn officers, 3 full-time dispatchers, and 2 secretaries. The fire department is composed of 1 chief; 1 executive captain; and 26 full-time fire fighters/paramedics. Training plays a crucial role in keeping up with the rapidly changing laws, practices and technology. Training among our employees is performed in-house, attending seminars/conferences, continuing education classes, practice drills, and watching training videos. The second largest program is community environment which is made up of the building department, community services, and urban redevelopment tax increment financing and was approximately 25.7 percent of the governmental expenses. The City is a labor intensive industry and the expenses of the governmental activities are mainly salaries, wages, and benefits. The City does have an annual road program which entails major and minor resurfacing of the various streets in University Heights. For the major resurfacing projects, the City has actively pursued obtaining grants and financial assistance from the Ohio Public Works Commission and the Ohio Water Development Authority. In addition, the City borrows on the open market by way of general obligation notes issued and rolled over year to year until paid down. In 2008, the City had expended $0.3 million in major and minor resurfacing of roads.

THE CITY'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resource. 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.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $2.8 million. Of this amount, $2.6 million constitutes unreserved fund balance. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed for various restricted purposes.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unreserved fund balance of the general fund was $0.5 million, while the total general fund balance was $0.6 million. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. The unreserved general fund balance represents 4.50 percent of total general fund expenditures. The general fund balance increased by $.37 million during the current fiscal year as opposed to an increase of $0.36 million in 2007. Key factors for this are as follows:

- The general fund revenues increased by $0.3 million or 2.4 percent from prior year.

- The general fund expenditures in total increased $0.6 million or 5.8 percent from prior year. However, transfers to other funds decreased $0.6 million or 40.2 percent, which brought the net change in fund balance to $0.37 million.

GENERAL FUND BUDGETARY HIGHLIGHTS

The most significant budgeted fund is the general fund. Over the course of the year, the City Council revised the City's general fund budget once to prevent budget overruns.

For the general fund, original budgeted basis revenue was $0.3 million below the revised budget estimate of $13.0 million.

The original appropriation of $12.1 million was increased to $12.6 million. With these adjustments, the actual charges to appropriations (expenditures) were $0.1 million below the final budgeted amounts for the general fund.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2008, the City had $7.3 million invested in a broad range of capital assets, including land, buildings, improvements, machinery and equipment, park facilities, swimming pool, roads, and water and sewer lines. (See Table 3 below.) This amount represents a net decrease (including additions and deductions) of approximately $0.2 million, or 2.7 percent over last year.

Table 3-Capital Assets at Year-end (Net of Depreciation, in Millions)

	2008	2007
Land	$ 0.2	$ 0.2
Buildings and Improvements	0.7	0.7
Equipment	0.3	0.5
Vehicles	1.0	0.9
Infrastructure	4.0	4.2
Construction in Progress	1.1	1.0
Total Capital Assets	$ 7.3	$ 7.5

The City purchased equipment and vehicles for the various departments approximating $0.3 million. The City purchased two (2) police vehicles for the police department; one (1) fire vehicle for the fire department; one (1) van for the sewer department; one (1) loader/backhoe for the service department; one (1) snow plow truck for the service department; and various other equipment. For infrastructure, the City performed Phase II of the Meadowbrook Blvd. Rehab project for sewers and paving. The City has expended $0.1 million in costs for this project, total project costs are $0.7 million. Completion is estimated to be in 2009.

Debt
At year-end, the City had $5.1 million in outstanding debt verus $5.3 million last year- a decrease of 3.8 percent - as shown in Table 4.

Table 4-Outstanding Debt at Year-end (in Millions)

	Governmental Activities	
	2008	2007
General obligation bonds (backed by the City)	$ 0.7	$ 0.8
General obligation notes (backed by the City)	3.0	2.8
Short-Term General obligation notes (backed by the City)	0.0	0.4
OWDA loans	0.1	0.1
OPWC loans	0.5	0.5
Capital Leases	0.5	0.4
Accrued Police Pension	0.3	0.3
Totals	$ 5.1	$ 5.3

The City paid $0.1 million on principal for general obligation bonds on the Purvis Park Pool. General obligations notes were issued mainly for street programs in the amount of $2.6 million, and motorized equipment in the amount of $0.4 million.

The City's general obligation bond rating continues to carry an A1 rating, assigned by national rating agencies to the City's debt since 1997. The State limits the amount of general obligation debt that cities can issue to 5.50 percent of the assessed value of all taxable property within the City's corporate limits. The City's outstanding general obligation debt is significantly below the state-imposed limit.

Other obligations include police pension liability, accrued vacation and sick leave, OPWC loan, OWDA loans, and capital leases. More detailed information about the City's long-term liabilities is presented in Note 14 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's elected and appointed officials considered many factors when setting the fiscal year 2009 budget, tax rates, and fees that will be charged activities. One main factor was the state of the economy. Therefore in preparing estimates for revenues, the City did not anticipate any increase in the revenues and thus, the general fund 2009 budget revenue is the same as the final 2008 budget. The City initiated a number of cuts to help maintain the budget. Major cuts were made to limit the amount of capital expenditures for each department, and cut the overtime budget in the fire department by lowering the minimum staffing requirements from 7 to 6 during a shift.

The City has added no major new programs or initiatives to the 2009 budget. With more cuts anticipated from the State of Ohio, the City's budget could be in jeopardy. If these estimates are realized, the City's budgetary general fund balance is expected to increase modestly by the close of 2009. More importantly, however, this will have been accomplished without selling capital assets or restructuring long-term debt to alleviate cash flow pressures, both actions needed in the current years.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Tony Ianiro, Interim Director of Finance, at 2300 Warrensville Center Road, University Heights, Ohio 44118.

CITY OF UNIVERSITY HEIGHTS, OHIO
STATEMENT OF NET ASSETS
DECEMBER 31, 2008

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	$ 3,071,877
Materials and Supplies Inventory	120,369
Accounts Receivable	33,181
Project Receivable	345,000
Intergovernmental Receivable	831,016
Prepaid Items	48,219
Taxes Receivable	6,753,660
Special Assessments Receivable	1,088,115
Nondepreciable Capital Assets	1,308,125
Depreciable Capital Assets, Net	5,988,560
Total Assets	19,588,122
Liabilities	
Accounts Payable	351,522
Accrued Wages and Benefits	372,907
Contracts Payable	6,569
Intergovernmental Payable	804,846
Accrued Interest Payable	54,698
Retainage Payable	27,533
Deferred Revenue	3,470,159
Long-Term Liabilities:	
Due within One Year	4,102,208
Due in More Than One Year	2,362,421
Total Liabilities	11,552,863
Net Assets	
Invested in Capital Assets, Net of Related Debt	2,527,724
Restricted for:	
Debt Service	241,884
Capital Projects	72,163
Special Revenue	225,289
Unrestricted	4,968,199
Total Net Assets	$ 8,035,259

See accompanying notes to the basic financial statements.

CITY OF UNIVERSITY HEIGHTS, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2008

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
Security of Persons and Property	$8,362,494	$ 365,508	$ 21,601	$ 0	$ (7,975,385)
Public Health Services	50,926	0	0	0	(50,926)
Leisure Time Activities	397,991	78,408	0	0	(319,583)
Community Environment	5,238,704	273,147	0	0	(4,965,557)
Public Works	2,641,307	82,140	0	2,500,828	(58,339)
Transportation	1,685,186	0	7,968	347,952	(1,329,266)
General Government	1,774,913	121,415	0	0	(1,653,498)
Interest and Fiscal Charges	245,486	0	0	0	(245,486)
Total Governmental Activities	$20,397,007	$ 920,618	$ 29,569	$ 2,848,780	(16,598,040)

General Revenues:	
Property Taxes Levied for:	
General Purposes	2,610,388
Special Revenue	146,652
Debt Service	512,202
Payments in Lieu of Taxes	4,031,788
Income Taxes Levied for:	
General Purposes	8,174,969
Grants and Entitlements not Restricted to Special Programs	1,908,242
Investment Earnings	48,726
Miscellaneous	89,315
Total General Revenues	17,522,282
Change in Net Assets	924,242
Net Assets, Beginning of Year	7,111,017
Net Assets End of Year	$ 8,035,259

See accompanying notes to the basic financial statements.

CITY OF UNIVERSITY HEIGHTS, OHIO
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2008

	General	Urban Redevelopment Special Revenue	General Bond Retirement Debt Service	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	$ 302,967	$ 1,996,927	$ 37,066	$ 734,917	$ 3,071,877
Receivables:					
Taxes	6,067,651	0	533,561	152,448	6,753,660
Accounts	33,181	0	0	0	33,181
Special Assessments	19,351	0	0	1,068,764	1,088,115
Project Receivable	345,000	0	0	0	345,000
Intergovernmental Receivable	610,868	0	37,853	182,295	831,016
Due from Other Funds	46,000	0	0	0	46,000
Inventory	60,295	0	0	60,074	120,369
Prepaid Items	48,219	0	0	0	48,219
Total Assets	$7,533,532	$ 1,996,927	$ 608,480	$ 2,198,498	$12,337,437
Liabilities					
Accounts Payable	$ 231,316	$ 0	$ 0	$ 120,206	$ 351,522
Contracts Payable	0	0	0	6,569	6,569
Retainage Payable	600	0	0	26,933	27,533
Accrued Wages and Benefits	353,258	0	0	19,649	372,907
Due to Other Funds	0	0	0	46,000	46,000
Due to Governments	275,014	0	0	529,832	804,846
Deferred Revenue	6,034,886	0	571,414	1,339,820	7,946,120
Total Liabilities	6,895,074	0	571,414	2,089,009	9,555,497
Fund Balances					
Reserved for Prepaid Items	48,219	0	0	0	48,219
Reserved for Inventory	60,295	0	0	60,074	120,369
Unreserved:					
Undesignated (Deficits) Reported in:					
General Fund	529,944	0	0	0	529,944
Special Revenue Funds	0	1,996,927	0	(115,660)	1,881,267
Debt Service Funds	0	0	37,066	92,912	129,978
Capital Projects Funds	0	0	0	72,163	72,163
Total Fund Balances	638,458	1,996,927	37,066	109,489	2,781,940
Total Liabilities and Fund Balances	$ 7,533,532	$ 1,996,927	$ 608,480	$ 2,198,498	$12,337,437

See accompanying notes to the basic financial statements.

CITY OF UNIVERSITY HEIGHTS, OHIO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2008

Total Governmental Funds Balance		$ 2,781,940
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		7,296,685
Other long-term assets are not available to pay for current-period expenditures and therefore are not deferred in the funds:		
Property Taxes	$ 227,868	
Grants and Entitlements	622,866	
Income Tax	2,537,112	
Special Assessments	1,088,115	
Total		4,475,961
Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds:		
General Obligation Bonds	(735,000)	
Bond Anticipation Notes	(3,014,000)	
OWDA Loan	(77,494)	
OPWC Loans	(481,151)	
Accrued Police Pension	(284,666)	
Capital Leases	(461,316)	
Compensated Absences	(1,411,002)	
Accrued Interest Payable	(54,698)	
Total		(6,519,327)
Net Assets of Governmental Activities		$ 8,035,259

CITY OF UNIVERSITY HEIGHTS, OHIO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
DECEMBER 31, 2008

	General	Urban Redevelopment Special Revenue	General Bond Retirement Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues					
Local Taxes - Income Tax	$ 8,080,627	$ 0	$ 0	$ 0	$ 8,080,627
Local Taxes - Property Tax	2,590,278	0	508,102	145,480	3,243,860
Payments in Lieu of Taxes	0	4,031,788	0	0	4,031,788
Intergovernmental Revenue	1,378,181	0	75,706	2,736,133	4,190,020
Special Assessments	19,118	0	0	662,269	681,387
Charges for Services	387,208	0	0	0	387,208
Fines, Licenses, and Permits	420,590	0	0	1,000	421,590
Interest Income	46,870	0	0	1,856	48,726
Miscellaneous	89,653	0	0	0	89,653
Total Revenues	13,012,525	4,031,788	583,808	3,546,738	21,174,859
Expenditures					
Security of Persons and Property	7,239,223	0	0	1,030,675	8,269,898
Public Health Services	50,926	0	0	0	50,926
Leisure Time Activities	395,212	0	0	0	395,212
Community Environment	777,202	4,347,894	0	102,998	5,228,094
Public Works	1,037,801	0	0	1,337,729	2,375,530
Transportation	439,638	0	0	930,439	1,370,077
General Government	1,751,302	0	0	0	1,751,302
Capital Outlay	0	0	0	569,666	569,666
Debt Service:					
Principal Retirement	53,140	0	2,915,000	106,338	3,074,478
Interest and Fiscal Charges	30,479	0	179,742	33,116	243,337
Total Expenditures	11,774,923	4,347,894	3,094,742	4,110,961	23,328,520
Excess of Revenues Over (Under) Expenditures	1,237,602	(316,106)	(2,510,934)	(564,223)	(2,153,661)
Other Financing Sources (Uses)					
Sale of Capital Assets	6,091	0	0	0	6,091
Proceeds from Sale of Notes	0	0	0	3,014,000	3,014,000
Capital Lease	0	0	0	112,430	112,430
Transfers In	0	0	2,548,000	876,727	3,424,727
Transfers Out	(876,727)	0	0	(2,548,000)	(3,424,727)
Total Other Financing Sources (Uses)	(870,636)	0	2,548,000	1,455,157	3,132,521
Net Change in Fund Balances	366,966	(316,106)	37,066	890,934	978,860
Fund Balances (Deficits)-Beginning of Year	278,376	2,313,033	0	(816,420)	1,774,989
Increase in Reserve for Inventory	(6,884)	0	0	34,975	28,091
Fund Balances -End of Year	$ 638,458	$ 1,996,927	$ 37,066	$ 109,489	$ 2,781,940

See accompanying notes to the basic financial statements.

CITY OF UNIVERSITY HEIGHTS, 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, 2008

Net Change in Fund Balances - Total Governmental Funds		$ 978,860
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.		(155,604)
The net effect of transactions involving capital asset sales and trade-ins.		(9,224)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Grants and Entitlements	$ (46,804)	
Income Tax	94,342	
Special Assessments	75,808	
Property Tax	25,382	
Total		148,728
Proceeds from debt issues are in other financing sources in the funds, but the proceeds increase long-term liabilities in the statement of net assets.		(3,126,430)
Repayment of bond, loan, note, pension and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		3,074,478
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds an interest expenditure is reported when due.		(4,487)
Some expenses reported in the statement of activities, such as compensated absences and intergovernmental payable, which represent contractually required pension contributions, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Compensated Absences	(10,170)	
Change in Inventory	28,091	
Total		17,921
Change in Net Assets of Governmental Activities		$ 924,242

CITY OF UNIVERSITY HEIGHTS, OHIO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Property Taxes	$ 2,733,256	$ 2,733,256	$ 2,590,278	$ (142,978)
Income Taxes	7,676,850	7,976,850	8,117,269	140,419
Intergovernmental	1,225,664	1,225,664	1,397,111	171,447
Licenses and Permits	260,610	260,610	262,373	1,763
Fines and Forfeitures	216,300	216,300	210,211	(6,089)
Special Assessments	22,000	22,000	19,118	(2,882)
Charges for Services	417,375	417,375	405,365	(12,010)
Interest Earnings	25,000	25,000	44,532	19,532
Miscellaneous	91,850	91,850	141,477	49,627
Total Revenues	12,668,905	12,968,905	13,187,734	218,829
Expenditures				
Current:				
General Government	1,528,691	1,683,691	1,794,957	(111,266)
Security of Persons and Property	6,889,225	7,213,125	7,103,921	109,204
Public Works	1,140,769	1,120,769	1,105,174	15,595
Transportation	389,575	479,575	442,674	36,901
Public Health Services	50,926	50,926	50,926	0
Community Environment	772,436	799,936	787,505	12,431
Leisure Time Activities	414,481	394,481	404,813	(10,332)
Total Expenditures	11,186,103	11,742,503	11,689,970	52,533
Excess of Revenues Over Expenditures	1,482,802	1,226,402	1,497,764	271,362
Other Financing Sources (Uses)				
Sale of Capital Assets	10,000	10,000	6,091	(3,909)
Transfers Out	(902,260)	(887,630)	(876,727)	10,903
Total Other Financing Sources (Uses)	(892,260)	(877,630)	(870,636)	6,994
Net Change in Fund Balance	590,542	348,772	627,128	278,356
Fund Balance (Deficit)-Beginning of Year	(344,658)	(344,658)	(344,658)	0
Prior Year Encumbrances Appropriated	0	0	0	0
Fund Balance -End of Year	$ 245,884	$ 4,114	$ 282,470	$ 278,356

See accompanying notes to the basic financial statements.

CITY OF UNIVERSITY HEIGHTS, OHIO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-BUDGET (NON-GAAP BASIS) AND ACTUAL -
URBAN REDEVELOPMENT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Payments in Lieu of Taxes	$ 4,020,000	$ 4,020,000	$ 4,031,788	$ 11,788
Total Revenues	4,020,000	4,020,000	4,031,788	11,788
Expenditures				
Community Environment	4,014,113	4,347,895	4,347,894	1
Total Expenditures	4,014,113	4,347,895	4,347,894	1
Net Change in Fund Balance	5,887	(327,895)	(316,106)	11,789
Fund Balance-Beginning of Year	2,313,033	2,313,033	2,313,033	0
Fund Balance-End of Year	$ 2,318,920	$ 1,985,138	$ 1,996,927	$ 11,789

See accompanying notes to the basic financial statements.

CITY OF UNIVERSITY HEIGHTS, OHIO
STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
DECEMBER 31, 2008

Assets	
Equity in Pooled Cash and Cash Equivalents	$ 285,946
Total Assets	$ 285,946
Liabilities	
Deposits Held and Due to Others	$ 285,946
Total Liabilities	$ 285,946

See accompanying notes to the basic financial statements.

NOTE 1: REPORTING ENTITY

The City of University Heights, Ohio (the "City") is a municipal corporation governed by an elected mayor and council. The accompanying financial statements present the City and do not include any component units.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (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 activities provided they do not conflict with or contradict GASB pronouncements. 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.

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 statement of net assets presents the financial condition of the governmental activities of the City at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contribution 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 is self-financing or draws from the general revenues of the City.

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

A. **Basis of Presentation** (Continued)

Fund Financial Statements
During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

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. The City has two categories of funds: governmental and fiduciary.

Governmental Funds
Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets 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 differences between governmental fund assets and liabilities is reported as fund balance. The following are the City's major governmental funds:

General Fund - The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the City for any purpose, provided it is expended or transferred in accordance with the charter of the City and/or the general laws of Ohio.

Urban Redevelopment Special Revenue Fund - The urban redevelopment tax increment equivalent special revenue fund is used to collect service payments made in lieu of taxes and distributed to the Cleveland-Cuyahoga County Port Authority and Cleveland Heights-University Heights School District.

General Bond Retirement Debt Service Fund - The general bond retirement debt service fund accounts for the accumulation of resources to pay principal and interest on general obligation debt.

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

B. **Fund Accounting** (Continued)

Governmental Funds (Continued)

The other governmental funds of the City account for grants and other resources whose use is restricted to a particular purpose.

Fiduciary Funds
Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City's agency funds are purely custodial in nature (assets equal liabilities) and thus do not involve measurement of results of operations. The City's only fiduciary funds are agency funds which consist primarily of construction deposits.

C. **Measurement Focus**

Government-wide Financial Statements
The government-wide financial statements are prepared 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.

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 liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared.

Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

C. **Measurement Focus** (Continued)

Fund Financial Statements (Continued)
Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities. The City has no proprietary funds.

Fiduciary funds are reported using a flow of the economic resources measurement focus.

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. Governmental funds use the modified accrual basis of accounting. Fiduciary funds also use the 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 Non-exchange 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 fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, available means expected to be received within sixty days of year-end.

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

D. **Basis of Accounting** (Continued)

Revenues - Exchange and Non-exchange Transactions (Continued)
Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements, and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 7). Revenue from grants, entitlements, and donations is recognized in the fiscal 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 a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: income tax, state-levied locally shared taxes, 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, 2008, but which were levied to finance year 2009 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.

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

D. **Basis of Accounting** (Continued)

Expenses/Expenditures (Continued)
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.

E. **Cash and Investments**

To improve cash management, cash received by the City is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the City's records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the balance sheet.

During 2008, the portfolio was limited to non-participating investment contracts and the State Treasury Asset Reserve of Ohio (STAROhio). Non-participating investment contracts such as repurchase agreements are reported at fair value.

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, 2008.

Aside from investments clearly identified as belonging to a specific fund, any unrealized gain/loss resulting from the valuation is recognized within the general fund to the extent its cash and investment balances exceeds the cumulative value of those investments.

The City's policy is to hold investments until maturity, or until market values equal or exceed cost.

Following Ohio statutes, the City has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2008 amounted to $46,870, which includes $42,295 from other City funds.

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

E. **Cash and Investments** (Continued)

For presentation on the financial statements, 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 considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

F. **Inventory**

Inventory is stated at the lower of cost (first-in, first-out) or market. Inventories of governmental funds are recorded as expenditures when purchased (purchase method).

G. **Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2008 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure is reported in the year in which services are consumed.

H. **Capital Assets**

General capital assets are long-lived assets of the City as a whole. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of five hundred dollars. The City's infrastructure consists of pavement, storm sewers, water lines, and sanitary sewers. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets are depreciated except for land and construction in progress. 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:

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

H. **Capital Assets** (Continued)

Description	Estimated Lives
Land	N/A
Buildings and Improvements	40 years
Equipment	5-7 years
Vehicles	5-7 years
Infrastructure	20-99 years

I. **Interfund Balances**

On fund financial statements, receivables and payables resulting from long-term interfund loans are classified as "Advances To/Advances From Other Funds". Receivables and payables resulting from negative cash fund balances are classified as "Due to/Due From Other Funds". These amounts are eliminated in the governmental activities column of the statement of net assets.

J. **Compensated Absences**

In conformity with GASB Statement No. 16, the City accrues vacation and sick leave benefits as earned by its employees if the leave is attributable to past service and it is probable that the City will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement. The City accrued these benefits for those employees who currently are eligible to receive termination payments, as well as other employees who are expected to become eligible in the future. These benefits are measured using the pay rates in effect at December 31, 2008.

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental funds, compensated absences are recognized as liability and expenditure to the extent payment comes due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated leave are paid.

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

K. **Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, and special termination benefits, 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 fund financial statements when due.

L. **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, prepaids and inventories are recorded as a reservation of fund balance.

M. **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 City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

N. **Interfund Activity**

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures to the funds that initially paid for them are not presented on the financial statements.

O. **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. Neither type of transaction occurred in 2008.

P. **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**

For fiscal year 2008, the City implemented GASB Statement No. 49, "*Accounting and Financial Reporting for Pollution Remediation Obligations*" and GASB Statement No. 50 "*Pension Disclosures*".

GASB Statement No. 49 provides guidance on how to calculate and report the costs and obligations associated with pollution cleanup efforts.

GASB Statement No. 50 more closely aligns the financial reporting requirements for pensions with those for other postemployment benefits.

The implementation of GASB Statements No. 49 and No. 50 did not affect the presentation of the financial statements of the City.

NOTE 4: COMPLIANCE AND ACCOUNTABILITY

A. Fund Deficits

Fund balances at December 31, 2008, included the following individual fund deficits:

Special Revenue Funds:	
Street Maintenance Fund	$ 111,270
Tree Improvement	24,324
Police Pension	227,585
Fire Pension	282,747
CDBG	19,959

These fund deficits result from the recognition of expenditures on the modified accrual basis of accounting that are greater than expenditures recognized on the budgetary basis. These funds incurred expenditures that will be reimbursed from grant revenue or transfer of funds from the general fund.

B. Expenditures Exceeding Appropriation

Ohio Revised Code Section 5705.41(b) prohibits a city from expending monies unless it has been appropriated. The following line items in the general fund and the sewer maintenance "A" fund had expenditures that exceeded appropriations as of December 31, 2008.

General Fund (101)	Final Appropriations	Actual Expenditures	Variance
Leisure Time Activities:			
Personnel and Fringe Benefits	$ 260,241	$ 267,897	$ (7,656)
Operations	134,240	136,916	(2,676)
General Government:			
Personnel and Fringe Benefits	822,306	834,803	(12,497)
Operations	861,385	960,154	(98,769)
Sewer Maintenance "A" Fund (208)			
General Government:			
Personnel and Fringe Benefits	146,020	149,601	(3,581)

NOTE 5: **BUDGETARY**

A. **Budgetary Information**

Annual budgets are adopted on a cash basis for all governmental funds. All annual appropriations lapse at fiscal year end.

The Mayor submits an annual tax budget for the following fiscal year to City Council by July 15 for consideration and passage. The adopted budget is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year for the period January 1 to December 31 of the following year.

The appropriated budget is prepared at the function level within the general fund and fund level for all other funds which is the legal level of control. Contrary to Ohio Revised Code, the City's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the Council. Expenditures may not exceed appropriations at the function level within the general fund and fund level for all other funds.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders and contracts) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

B. **Budgetary Basis of Accounting**

While the City is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statements of Revenues, Expenditures, and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual for the general fund and major special revenue fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).

2. Expenditures/expenses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).

3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).

NOTE 5: **BUDGETARY** (Continued)

B. **Budgetary Basis of Accounting** (Continued)

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund and for the major special revenue fund.

Net Change in Fund Balance
Major Governmental Funds

	General	Urban Redevelopment
GAAP Basis	$ 366,966	$ (316,106)
Net Adjustment for Revenue Accruals	175,209	0
Net Adjustment for Expenditure Accruals	84,518	0
Budget Basis	$ 626,693	$ (316,106)

NOTE 6: **CASH, CASH EQUIVALENTS, AND INVESTMENTS**

The City maintains a separate cash and investment pool that is available for use by all funds and accounts. Each fund type's portion of this pool is displayed on the balance sheet as Equity in Pooled Cash and Cash Equivalents.

Legal Requirements - Statutes require the classifications of monies held by the City into three categories:

Category 1 consists of “active” monies, those monies required to be kept in a “cash” or a “near-cash” status for immediate use by the City. Such monies must be maintained either as cash in the City’s treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

Category 2 consists of “inactive” monies, those monies not required for use within the current five year period of designation of depositories. Inactive monies may be deposited or invested only as certificates of deposit maturing not later than the end of the current period of designation of depositories.

Category 3 consists of “interim” monies, those monies which are not needed for immediate use but which will be needed before the end of the current period of depositories. Interim monies may be invested or deposited in the following securities.

NOTE 6: **CASH, CASH EQUIVALENTS, AND INVESTMENTS** (Continued)

Legislation permits interim monies to be deposited or invested in the following securities:

1. United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, 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 directly issuances of federal government agencies or instrumentalities;

3. 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;

4. Bonds or other obligations of the State of Ohio;

5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) 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

6. The State Treasury Asset Reserve of Ohio (STAROhio).

Collateral is required for demand deposits and certificates of deposits in excess of all deposits not covered by Federal Depository Insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies, obligations of the State of Ohio and its municipalities, and obligations of the other states.

Obligations pledged to secure deposits must be delivered to a bank other than the institution in which the deposit is made. Written custodial agreements are required.

NOTE 6: **CASH, CASH EQUIVALENTS, AND INVESTMENTS** (Continued)

A. **Deposits**

At December 31, 2008, the carrying amount of the City's deposits was $1,403,603 and the bank balance was $1,637,024. Based on criteria described in GASB Statement No. 40, *Deposits and Investments Risk Disclosures*, as of December 31, 2008, $305,738 of the City's bank balance was covered by Federal Depository Insurance.

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposit may not be returned. The City's policy is to place deposits with major local banks approved by the City's Council. All deposits, except for deposits held by fiscal and escrow agents, are collateralized with eligible securities in amounts equal to a least 105% of the carrying value of the deposits. Such collateral, as permitted by Charter 135 of the ORC is held in financial institution pools at Federal Reserve Banks, or at member banks of the federal reserve system in the name of the respective depository bank, and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at a Federal Reserve Bank in the name of the City.

B. **Investments**

The City has a formal investment policy. The City follows GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, and records all its investments at fair value. At December 31, 2008, fair value of $1,954,220 equals the City's net cost for investments. Fair value is determined by quoted market prices and acceptable other pricing methodologies.

C. **Interest Rate Risk**

As a means of limiting its exposure to fair value of 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 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.

D. **Credit Risk**

The credit risk of the City's investments are in the table below. The credit ratings were provided from Moody's and Standard and Poor's. The City has no investment policy that would further limit its investment choices.

NOTE 6: **CASH, CASH EQUIVALENTS, AND INVESTMENTS** (Continued)

E. **Custodial Credit Risk**

For an investment, custodial credit 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 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.

F. **Concentration of Credit Risk**

Safety of principal is the foremost objective of the City's investment program. Investments of the City shall be undertaken in a manner that seeks to ensure preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed income generated from the remainder of the portfolio.

Investments at year-end were as follows:

Investment Type	Fair Value	Credit Rating (*)	Investment Maturities (in Years) <1
STAROhio	$ 35,643	AAA/Aaa	$ 35,643
Repurchase Agreement			
Victory Federal Money Market	1,918,577	AAA/Aaa	1,918,577
Total Investments	$ 1,954,220		$ 1,954,220

* Credit Ratings were obtained from Moody's and Standard & Poor's, respectively, for all investments.

NOTE 7: **RECEIVABLES**

Receivables at December 31, 2008, consist primarily of taxes, special assessments, accounts, and money due from other governments. All receivables are considered fully collectible.

A. **Property Taxes**

Real property taxes were levied on assessed values which equal 35 percent of appraised value. The County Auditor reappraises all real property every six years with a triennial update. The last appraisal was completed for tax year 2006.

NOTE 7: **RECEIVABLES** (Continued)

A. **Property Taxes** (Continued)

Real property taxes become a lien on all non-exempt real property located in the County on January 1. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20 of the following year. Under certain circumstances, state statute permits later payment dates to be established.

The full tax rate applied to real property for the fiscal year ended December 31, 2008, was $13.2 per $1,000 of assessed valuation. After adjustment of the rate for inflationary increases in property values, the effective tax rate was $13.2 per $1,000 of assessed valuation of real property classified as residential/agricultural and $13.2 per $,1000 of assessed evaluation for all other real property. Real property owner's tax bills are further reduced by homestead and rollback deductions, when applicable. The amount of these homestead and rollback reductions is reimbursed to the City by the State of Ohio.

Owners of tangible personal property are required to file a list of such property, including costs, by April 30 of each year. The property is assessed for tax purposes at varying statutory percentages of cost. The tax rate applied to tangible personal property for the fiscal year ended December 31, 2008, was $13.2 per $1,000 of assessed valuation.

Real Estate	
Residential/Agricultural	$ 247,692,850
Commercial/Industrial	42,908,350
Public Utilities	2,224,120
General Tangible Personal Property	4,063,223
	$ 296,888,543

The Cuyahoga County Treasurer collects property tax on behalf of all taxing districts within the County. The Cuyahoga County Auditor periodically remits to the taxing districts their portions of the taxes collected. Property taxes receivable represent real and tangible personal property taxes, public utility taxes, and outstanding delinquencies which are measurable as of December 31, 2008. Although total property tax collections for the next year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31, nor are they intended to finance 2009 operations. The receivable is offset by deferred revenue.

NOTE 7: **RECEIVABLES** (Continued)

B. **Income Taxes**

The City levies a municipal income tax of 2.5 percent with a 1.00 percent credit on all salaries, wages, commissions, and other compensation, and net profits earned within the City, as well as incomes of residents earned outside the City. In the later case, the City does not allow a credit of income tax paid to another municipality.

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly as required. Corporations and other individual taxpayers are required to pay their estimated tax quarterly. The Regional Income Tax Agency collects municipal income taxes for the City. Income tax revenue is credited entirely to the general fund.

C. **Intergovernmental Receivables**

A summary of intergovernmental receivables as of December 31, 2008 follows:

	Amounts
Estate Tax	$ 2,572
Local Government	415,530
Homestead and Rollback	238,328
Gasoline Tax and Auto Registration	165,980
Liquor Tax	1,684
Permissive Tax	5,499
Traffic Lights	1,423
Total	$ 831,016

D. **Long-Term Receivables**

The City has a long-term project development agreement accounts receivable due in annual installments on the first business day of January through 2032 in the amount of $15,000. As of December 31, 2008, $345,000 is outstanding.

NOTE 8: CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2008 was as follows:

	Balance 12/31/2007	Additions	Deletions	Balance 12/31/2008
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	$ 164,942	$ 52,114	$ 0	$ 217,056
Construction in Progress	1,031,361	59,708	0	1,091,069
Total Capital Assets Not Being Depreciated	1,196,303	111,822	0	1,308,125
Capital Assets Being Depreciated:				
Buildings and Improvements	1,687,667	0	0	1,687,667
Vehicles	2,911,464	195,989	117,223	2,990,230
Equipment	1,397,582	61,310	0	1,458,892
Subtotal	5,996,713	257,299	117,223	6,136,789
Infrastructure:				
Pavement	3,964,303	0	0	3,964,303
Storm Sewers	230,271	0	0	230,271
Sanitary Sewers	1,235,057	0	0	1,235,057
Total Infrastructure	5,429,631	0	0	5,429,631
Total Capital Assets Being Depreciated	11,426,344	257,299	117,223	11,566,420
Less Accumulated Depreciation:				
Buildings and Improvements	951,838	22,562	0	974,400
Vehicles	2,026,337	113,206	107,999	2,031,544
Equipment	936,954	171,466	0	1,108,420
Subtotal	3,915,129	307,234	107,999	4,114,364
Infrastructure:				
Pavement	1,143,266	198,215	0	1,341,481
Storm Sewers	35,516	3,838	0	39,354
Sanitary Sewers	67,223	15,438	0	82,661
Subtotal	1,246,005	217,491	0	1,463,496
Total Accumulated Depreciation	5,161,134	524,725*	107,999	5,577,860
Total Capital Assets Being Depreciated, Net	6,265,210	(267,426)	9,224	5,988,560
Governmental Activities Capital Assets, Net	$7,461,513	$ (155,604)	$ 9,224	$7,296,685

* Depreciation expense was charged to governmental functions as follows:

Security of Persons and Property	$ 44,774
Leisure Time Activities	2,779
Community Environment	3,860
Public Works	52,165
Transportation	404,164
General Government	16,983
Total Depreciation Expense	$ 524,725

NOTE 9: INTERFUND RECEIVABLES AND PAYABLES

At December 31, 2008, interfund balances were as follows:

Fund	Due from Other Funds	Due to Other Funds
General	$ 46,000	$ 0
Nonmajor Governmental	0	46,000
Total	$ 46,000	$ 46,000

The balance resulted from the routine lag between the dates interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system and payments between funds are made.

NOTE 10: COMPENSATED ABSENCES

Sick leave for City employees is accrued at rates of 4.6 for every 80 hours. Employees who retire or terminate service after 10 years may convert 25 percent of accumulated sick leave days into a lump-sum payment within certain limitations.

City employees generally earn vacation leave ranging from 5 to 25 days per year based on length of service. No more than the amount of vacation accrued in the previous twelve-month period can be carried forward into the next calendar year without written consent of the City Mayor.

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NOTE 11: **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 my be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

For the year ended December 31, 2008, the members of all three plans were required to contribute 10.00 percent of their annual covered salary to fund pension obligations. The City contributed 14.00 percent of covered payroll, of which 7.00 percent was used to fund health care coverage for retirees. The contribution rate is determined actuarially. The Ohio Revised Code provides statutory authority for member and employer contributions.

The City's required contributions for pension obligations to all three plans for the years ended December 31, 2008, 2007, and 2006 were $181,648, $212,157, and $324,053, respectively, equal to the required contributions for each year. The full amount has been contributed for 2007 for 2006. 93.02 percent has been contributed for 2008.

NOTE 11: **PENSION PLANS** (Continued)

B. **Ohio Police and Fire Pension Fund**

The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan. The OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10.00 percent of their annual covered salary, while employers are required to contribute 19.50 percent for police officers and 24.00 percent for firefighters. Contributions are authorized by state statute. The City's contributions to the OP&F for police and firefighters were $293,880 and $402,047 for the year ended December 31, 2008, $277,569 and $383,728 for the year ended December 31, 2007, and $404,720 and $503,537 for the year ended December 31, 2006. The full amount has been contributed for 2007 and 2006. 49.37 percent for police and 49.47 percent for firefighters has been contributed for 2008, with the remainder being reported as a liability.

NOTE 12: **POST-EMPLOYMENT BENEFITS**

A. **Ohio Public Employees Retirement System**

Plan Description - OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care plan, which includes a medical plan, a prescription drug program, and Medicare Part B premium reimbursement to qualifying members of both the Traditional Pension and the Combined Pension plans. Members of the Member- Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

The Ohio Revised Code permits, but does not require, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. Disclosures for the healthcare plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 800-222-7377.

NOTE 12: **POST-EMPLOYMENT BENEFITS** (Continued)

A. **Ohio Public Employees Retirement System** (Continued)

Funding Policy - The post-employment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401 (h). State statue requires that public employers fund post-employment health care through contributions to OPERS. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of post-employment health care. To qualify for post-retirement health care coverage, age and service retirees under the Traditional Pension and the Combined plans must have ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and qualified survivor benefit recipients is available.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2008, local government employers contributed 14.00 percent of covered payroll (17.40 percent for public safety and law enforcement). Each year, the OPERS retirement board determines the portion of the employer contribution rate that will be set aside for funding post-employment health care benefits. For 2008, the amount of the employer contributions which was allocated to fund post-employment health care was 7.0 percent of covered payroll.

The OPERS retirement board is also authorized to establish rules for the payment of a portion of the health care benefits by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents, and the coverage selected.

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2008, 2007, and 2006 were $181,648, $140,607, and $106,441 respectively; 93 percent has been contributed for 2008 and 100 percent for 2007 and 2006.

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.

NOTE 12: **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 healthcare program, a cost-sharing multiple-employer defined post-employment healthcare plan administered by the OP&F. OP&F provides health care benefits, including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium, and long-term care to retirees, qualifying benefit recipients, and their eligible dependents.

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check, or is a spouse or eligible dependent child of such person.

The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&F's Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits 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 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy - OP&F's post employment healthcare plan was established and is administered as an Internal Revenue Code 401 (h) account 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 sets the contribution rates for participating employers and for plan members to the OP&F. 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 employees, respectively.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made to the pension plan to the 401 (h) account as the employer contribution for retiree healthcare benefits. For the year ended December 31, 2008, the employer contribution allocated to the healthcare plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the healthcare plan each year is subject to the trustee's primary responsibility to ensure that pension benefits are adequately funded and also is limited by the provisions of Section 401(h).

NOTE 12: **POST-EMPLOYMENT BENEFITS** (Continued)

B. **Ohio Police and Fire Pension Fund** (Continued)

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the healthcare plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions to OP&F which were allocated to fund post-employment healthcare benefits for police and firefighters were $155,615 and $157,340 for the year ended December 31, 2008, $146,948 and $172,400 for the year ended December 31, 2007 and $160,850 and $162,600 for the year ended December 31, 2006. The full amount has been contributed for 2007 and 2006. 49 percent has been contributed for police and 49 percent has been contributed for firefighters for 2008.

NOTE 13: **NOTES PAYABLE**

The Ohio Revised Code provides that notes including renewal notes issued in anticipation of the issuance of general obligation bonds may be issued and outstanding from time to time up to a maximum period of 20 years from the date of issuance of the original notes. The maximum maturity for notes anticipating general obligation bonds payable from special assessments is five years. Any period in excess of five years must be deducted from the permitted maximum maturity of the bonds anticipated, and portions of the principal amount of notes outstanding for more than five years must be retired in amounts at least equal to and payable no later than those principal maturities required if the bonds had been issued at the expiration of the initial five year period.

	Maturity Date	Balance December 31, 2007	Issued	Retired	Balance December 31, 2008
3.95% Bond Anticipation Notes, Series 2007	2007	$ 440,000	$ 0	$ (444,000)	$ 0
Total Notes Payable		$ 444,000	$ 0	$ (444,000)	$ 0

NOTE 14: **LONG-TERM OBLIGATIONS**

Changes in bonds and other long-term obligations of the City during 2008 were as follows:

	Interest Rate	Principal Outstanding 12/31/07	Additions	Deletions	Principal Outstanding 12/31/08	Amounts Due in One Year
Governmental Activities						
General Obligation Bonds:						
1995 Purvis Park Improvement Series A & B	6.25%	$ 835,000	$ 0	$ 100,000	$ 735,000	$ 105,000
Total General Obligation Bonds		835,000	0	100,000	735,000	105,000
Other Long-Term Obligations						
OWDA Loan - Baintree	5.77%	78,287	0	30,557	47,730	31,365
OWDA Loan - Sewer Project	5.06%	58,539	0	28,775	29,764	29,764
OPWC Loan - Intercommunity Sewer	0.00%	259,095	0	17,869	241,226	17,869
OPWC Loan - Meadowbrook		253,635	0	13,710	239,925	13,710
Accrued Police Pension		290,407	0	5,741	284,666	5,987
Capital Lease - National City Bank Leasing		122,201	0	28,487	93,714	29,821
Capital Lease - Commerce Bank		0	112,430	0	112,430	22,426
Capital Lease - Kansas State Bank Leasing		54,411	0	12,587	41,824	13,241
Capital Lease - 1st Source Bank Leasing		117,550	0	13,070	104,480	15,303
Capital Lease - 1st Source Bank Leasing		117,550	0	8,682	108,868	15,961
Various Purpose General Obligation Notes	2.50%	2,815,000	2,595,000	2,815,000	2,595,000	2,595,000
Various Purpose General Obligation Notes	4.40%	0	419,000	0	419,000	419,000
Compensated Absences		1,400,832	713,861	703,691	1,411,002	787,761
Total Other Long-Term Obligations		5,567,507	3,840,291	3,678,169	5,729,629	3,997,208
Total Governmental Activities		$6,402,507	$3,840,291	$ 3,778,169	$ 6,464,629	$4,102,208

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NOTE 14: **LONG-TERM OBLIGATIONS** (Continued)

Debt service requirements to maturity are as follows:

Year Ended	General Obligation Bonds		OWDA Loan - Baintree		OWDA Loan - Sewer Project		OPWC Loan Intercommunity Sewer	
12/31	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2009	$ 105,000	$ 45,570	$ 31,365	$ 2,308	$ 29,764	$ 1,134	$ 17,869	$ 0
2010	110,000	39,060	16,365	472	0	0	17,869	0
2011	115,000	32,240	0	0	0	0	17,869	0
2012	130,000	25,110	0	0	0	0	17,869	0
2013	135,000	17,050	0	0	0	0	17,869	0
2014-2018	140,000	8,680	0	0	0	0	89,345	0
2019-2023	0	0	0	0	0	0	62,536	0
2024-2028	0	0	0	0	0	0	0	0
2029-2033	0	0	0	0	0	0	0	0
2034-2035	0	0	0	0	0	0	0	0
Totals	$ 735,000	$ 167,710	$ 47,730	$ 2,780	$ 29,764	$ 1,134	$ 241,226	$ 0

Year Ended	OPWC Loan Meadowbrook		Accrued Police Pension Liability		Capital Lease Obligations		Totals	
12/31	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2009	$ 13,710	$ 0	$ 5,987	$ 12,035	$ 96,752	$ 20,283	$300,447	$ 81,330
2010	13,710	0	6,145	11,778	99,626	15,334	263,715	66,644
2011	13,710	0	6,513	11,510	104,410	10,550	257,502	54,300
2012	13,710	0	6,793	11,230	59,802	6,119	228,174	42,459
2013	13,710	0	7,084	10,938	60,579	3,266	234,242	31,254
2014-2018	68,550	0	40,256	49,859	40,147	840	378,298	59,379
2019-2023	68,550	0	49,677	40,438	0	0	180,763	40,438
2024-2028	34,275	0	61,302	28,811	0	0	95,577	28,811
2029-2033	0	0	75,647	13,966	0	0	75,647	13,966
2034-2035	0	0	25,262	1,030	0	0	25,262	1,030
Totals	$ 239,925	$ 0	$ 284,666	$ 191,595	$ 461,316	$ 56,392	$2,039,627	$ 419,611

*Not Available

General obligation bonds are the direct obligation of the City and will be paid from the general bond retirement fund using property tax revenues. In 1995, the City issued $1,660,000 of bonds for improving Purvis Park.

The Ohio Water Development Authority (OWDA) loans will be paid from the sewer replacement "A" fund. The Baintree loan was issued in 2000 for $253,170. The sewer project loan was issued in 2004 for $135,002. The Ohio Public Works Commission (OPWC) intercommunity sewer project will be paid from the sewer replacement "A" fund. This loan was issued in 2001 for $330,270 and an additional $27,105 in 2002. The OPWC Meadowbrook Boulevard loan will be paid from the Issue II fund. This loan was issued in 2007 for $274,200.

NOTE 14: **LONG-TERM OBLIGATIONS** (Continued)

On May 8, 2008, the City issued various purpose General Obligation Bond Anticipation Notes of $2,595,000 with an interest rate of 2.5 percent in anticipation of the issuance of bonds for the purpose of improving the City's Sanitary Sewer System.

On October 1, 2008, the City issued various purpose General Obligation Bond Anticipation Notes of $419,000 with an interest rate of 4.4 percent in anticipation of the issuance of bonds for the purpose of improving Cedar and Warrensville Center Roads.

The accrued police pension liability will be paid from the police pension and the general funds. See Note 17 for further detail on capital leases. Compensated absences will be paid by the fund from which the employee's salary is paid.

NOTE 15: **INTERFUND TRANSFERS**

Interfund transfers for the year ended December 31, 2008 consisted of the following:

Fund	Transfer To	Transfer From
General Fund	$ 0	$ 876,727
General Bond Retirement Debt Service Fund	2,548,000	0
Nonmajor Governmental Funds	876,727	2,548,000
Total Interfund Transfers	$ 3,424,727	$ 3,424,727

Transfers are used to **1)** move revenues from the fund required by statute or budget to collect them to the fund required by statute or budget to expend them, **2)** move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and **3)** use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 16: **CLAIMS AND JUDGMENTS**

The City is involved in no material litigation as either plaintiff or defendant.

The City has received federal and state grants for specific purposes which are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. Based upon our experience, the City's management believes such disallowances, if any, will be immaterial.

NOTE 17: CAPITAL LEASE

The City has financed the acquisition of a snow plow truck in 2008. In prior years, the City had entered into capital lease obligations for various vehicles and building improvements. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception date.

The assets acquired through the capital leases are as follows:

	Governmental Activities
Capital Assets	
Buildings and Improvements	$ 149,415
Vehicles	401,941
Total Capital Assets	551,356
Less Accumulated Depreciation:	
Buildings and Improvements	7,564
Vehicles	70,850
Total Accumulated Depreciation	78,414
Total Capital Assets, Net	$ 472,942

See Note 14 for the future minimum lease obligations as of December 31, 2008.

NOTE 18: RISK MANAGEMENT

A. Property and Liability

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees and natural disasters. In October 2008, the City joined the Northern Ohio Risk Management Agency (NORMA), a not-for-profit corporation, for the purpose of obtaining property, liability and vehicle insurance and providing for a formalized, jointly administered self insurance fund. The City pays an annual premium to NORMA for its insurance coverage. The agreement of formation of NORMA provides that NORMA will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of the limits described in the agreement. This coverage is paid from the general fund.

There has not been a significant reduction in coverage from the prior year and claims have not exceeded coverage provided by NORMA.

B. Worker's Compensation

The City pays the State Workers' Compensation System a premium based on a rate per $100 of salaries. This rate is calculated based on accident history and administrative costs.

NOTE 18: **RISK MANAGEMENT** (Continued)

C. **Other**

The City also purchases insurance coverage to provide employee health benefits and pays unemployment claims to the State of Ohio as incurred.

The City continues to carry commercial insurance for other risks of loss, including employee health and life insurance. Settled claims, resulting from these risks, have not exceeded commercial insurance coverages in any of the past three fiscal years.

NOTE 19: **SHARED RISK POOL**

The Northern Ohio Risk Management Association (NORMA) is a shared risk pool comprised of the Cities of Bedford Heights, Chagrin Falls, Eastlake, Highland Heights, Hudson, Maple Heights, Mayfield Heights, Richmond Heights, Solon, South Euclid, and University Heights. NORMA was formed to enable its members to obtain property and liability insurance, including vehicles, and provide for a formalized, jointly administered self-insurance fund. The members formed a not-for-profit corporation know as NORMA, Inc. to administer the pool. NORMA is governed by a board of trustees that consists of the Mayor from each of the participating members.

Each entity must remain a member for at least three years from the commencement date of October 1, 1987, with the exception of the Cities of Eastlake and Solon whose commencement date is October 1, 1989, and the City of Maple Heights, whose commencement date is October 1, 1993 and the City of University Heights whose commencement date is October 1, 2008. After the initial three years, each City may extend its term in three-year increments.

Each member provides operating resources to NORMA based on actuarially determined rates. In the event of losses, the first $2,500 of any valid claim will be paid by the member. The next payment, generally a maximum of $100,000 per occurrence, will come from the self-insurance pool with any excess paid from the stop-loss coverage carried by the pool. Any loss over these amounts would be the obligation of the individual member. If the aggregate claims paid by the pool exceed the available resources, the pool may require the members to make additional supplementary payments up to a maximum of the regular annual payment.

In 2008, the City of University Heights paid $64,292 in premiums from the general fund, which represents 5.91 percent of total premiums. Financial information can be obtained by contacting the fiscal agent, the Finance Director at the City of Bedford Heights, 5661 Perkins Road, Bedford, Ohio, 44146.

NOTE 19: **SHARED RISK POOL** (Continued)

Prior to joining NORMA, the City was insured by Travelers Insurance. The policy deductible did not exceed $10,000 for any policy.

NOTE 20: **SUBSEQUENT EVENTS**

The City issued bond anticipation notes on May 5, 2009 for $2,914,000 for the acquisition of motorized equipment and for resurfacing streets and repairing curbs. Interest rate on these notes are 2.5 percent with a maturity date of May 4, 2010.

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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
City of University Heights, Ohio

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of University Heights, Cuyahoga County, Ohio, as of and for the year ended December 31, 2008, which collectively comprise the City of University Heights, Ohio's basic financial statements and have issued our report thereon dated November 23, 2009. 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 University Heights, 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 University Heights, Ohio's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of University Heights, Ohio's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exits 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of University Heights, Ohio's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more is more than a remote likelihood that a misstatement of the City of University Heights, Ohio's financial statements that is more than inconsequential will

of the City of University Heights, Ohio's financial statements that is more than inconsequential will not be prevented or detected by the City of University Heights, Ohio's internal control. We consider the deficiencies described in the accompanying Schedule of Findings and Responses to be significant deficiencies in internal control over financial reporting: **Findings No. 2008-1, 2008-2, 2008-3, 2008-4, and 2008-5.**

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City of University Heights, Ohio's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider items **2008-1, 2008-2 and 2008-3** to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of University Heights, 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 an instance of noncompliance or other matters that is required to be reported under Government Auditing Standards and which is described in the accompanying Schedule of Findings and Responses as item **2008-6.**

The City of University Heights, Ohio's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the City's response and, accordingly, we express no opinion on it.

We noted certain matters that we reported to the management of the City of University Heights, Ohio, in a separate letter dated November 23, 2009.

This report is intended solely for the information and use of management, the audit committee, City Council, and others within the entity and is not intended to be and should not be used by anyone other than these specified parties.

James G. Zupka

James G. Zupka, CPA, Inc.
Certified Public Accountants

November 23, 2009

Significant Deficiency/Material Weakness - Bank Reconciliation and Deposit Process
Finding No. 2008-1

Statement of Condition/Criteria

Based on our audit of the cash function for the City of University Heights, we noted that the monthly bank reconciliations are not being done timely. The reconciliations in total had an irreconcilable difference of $30,571 for December 2008. Also the reconciliations prepared by the City contained reconciling items from prior years. In addition, the same City employee prepares the bank deposit forms and makes the deposits with the bank.

Cause/Effect

Bank reconciliations were not performed timely, and bank deposits were prepared and made by the same City employee. This prevented the City from discovering errors that would have led to the irreconcilable difference.

Recommendation

We recommend the City reconcile its bank accounts in a timely manner. Also any reconciling items should be investigated and corrected timely. In addition, the City can strengthen its internal control procedures by the segregation of duties in preparing the bank deposits and depositing the funds.

City's Response

The City is actively identifying reconciling items and all accounts will be reconciled on a monthly basis.

FINDING RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

Significant Deficiency/Material Weakness - Payroll
2008-2

Statement of Condition/Criteria:
During our review of the payroll system, we noted the following deficiencies:

1. Personnel files were not updated and are incomplete.
2. Form 941 for the third quarter was not filed timely. Form 941 for the fourth quarter was inconsistent with the payroll register and the summary of W-2's. In the 4th quarter there was a pay disbursed on January 2, 2009 that was reported on the 941 incorrectly. The 2008 W-2's forms were correct and did not include this pay.
3. 1099's for 2008 were not issued by the City for contractual services.
4. Lack of cross training in payroll, disbursements and reconciliation process.
5. Employees have taken on new responsibilities without the proper training (bank reconciliations).
6. Lack of segregation of duties.
7. Payroll disbursements of $33,877 to the Finance Director in excess of the amount the City Council authorized.
8. Payroll advance of $3,500 to the payroll clerk approved by the Finance Director without the authorization of the City Council that was repaid in 2008.
9. Payroll bank accounts were not being reconciled in a timely manner.
10. The Finance Director was reimbursed for 24 hours of unearned leave upon leaving his position of full-time Finance Director.

Cause/Effect
Based on the above deficiencies, payroll, including sick and vacation, may be overstated or understated.

Recommendation
1. We recommend that a complete review of all personnel files, for all current employees of the City, be completed within the calendar year. We recommend that the following items be included in an employee's personnel file and be maintained by an individual who has a limited amount of payroll responsibility:

   - Signed and dated application of employment
   - Form I-9 Employment Eligibility Verification
   - Date of hire
   - Updated and Approved Pay Rate (Update as changes occur)
   - Signed W-4
   - Insurance and other benefits election forms
   - Beneficiary designation form
   - Employee evaluations
   - Benefit election forms for terminated or retired employee

FINDING RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

Significant Deficiency/Material Weakness - Payroll (Continued)
2008-2

Recommendation (Continued)

2. We recommend that Quarterly 941 filings be prepared with more accuracy and be filed in a timely manner each Quarter.
3. We recommend that the City start issuing required Form 1099's on a calendar year basis for reimbursements and other compensation paid to independent contractors, including those who are incorporated.
4. We recommend that the City make a greater effort to cross train their finance department employees so that every position is backed up in the event of an unexpected absence. This type of training allows employees to better fulfill their responsibilities, as well as make recommendations for improvement in other areas as well.
5. We recommend that the finance department employees be given proper training, not only their current positions and responsibilities, but also for the new responsibilities they have taken on in the absence of a full time finance director. We feel with the proper training and a clearer understanding of their job responsibilities, these employees will perform their duties more appropriately and accurately and with greater due diligence.
6. Within the financial department we noted a lack of segregation of duties and lack of a clear payroll process with adequate and effective internal controls. This lack of segregation of duties and payroll procedures combines to weaken internal control, and we believe that the opportunity exists for continued unauthorized payroll disbursements of City funds.
7. We recommend that the payroll account be reconciled each month and that any unusual items be investigated in a timely manner by management.

City's response

The City is understanding of these concerns; however, being such a small department, some duties are bound to overlap. The City will review segregation of duties and responsibilities of the Finance Department staff and adjust accordingly. The City will make every effort to be more timely in its filing of reports. The City will also put more emphasis on training. Accounts will be reconciled on a timely basis.

FINDING RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

Significant Deficiency/Material Weakness - Finance Director Timesheets
2008-3

Statement of Condition/Criteria:
During our review of subsequent events, we noted that the Finance Director was being paid at an hourly rate for contractual services up to 1,560 hours annually or 130 hours a month, as authorized by Council through ordinance 2008-70. However, no timesheet was turned in to verify the hours worked. Also starting in May 2009, he was receiving his pay at the beginning of the month before any work was done.

Cause/Effect
Since no timesheet was submitted, there is no way of knowing if he worked the required number of hours. This could allow him to be paid a different amount than what he earned.

Recommendation
We recommend that the City require everyone who provides contractual services to the City to turn in timesheets so that the City can ensure that they are only paid for time spent working for the City.

City's Response
Timesheets are required for all employees. No pay will be issued unless hours worked is properly documented on a timesheet. For all contracted employees, hours must be verified and approved by the City department overseeing the work.

FINDING RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

Significant Deficiency - Wire Transfers
2008-4

Statement of Condition/Criteria

During our review of wire transfers, we noted that there were wire receipts from the Auditor of State totaling $73,031.25 that were not posted to the City's records. Also for the month of December, the City did not post the expenses related to income tax but did record the gross amount for income taxes. These expenses totaled $20,495.26.

Cause
The City does not have a formal reconciliation procedure for wire receipts received from the Auditor of State and other sources. Also bank reconciliations are not being done on a timely basis.

Effect
Cash receipts and disbursements are recorded in error.

Recommendation
We recommend that the City record all wire transfers. Formal reconciliations ensure the early detection of problems, and it will provide management assurance that the revenues and expenditures are accurate. This was corrected in the 2008 financial statement.

City's Response
All transactions are being monitored and properly recorded. Reconciliations will be done on a monthly basis.

FINDING RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

Significant Deficiency - Proper Approval of Journal Entries
2008-5

Statement of Condition/Criteria
The City has few employees generating miscellaneous and/or manual journal entries that are recorded into the accounting system. There were instances that were tested for which there was no evidence of supporting documentation, journal entry review or approval by appropriate City official. Proper approvals and supporting documentation are critical to help ensure that only authorized journal entries are entered into the City's accounting system.

Cause
There were instances of journal entries made in which there was no approval or proper supporting documentation.

Effect
Unrestricted access for employees to make unapproved journal entries to the accounting system is one method that can be used to cover fraudulent transactions.

Recommendation
We recommend that all journal entries be reviewed and approved by the appropriate City official and with supporting documentation before they are entered into the City's accounting system.

City's Response
Journal entries are an integral part of everyday financial accounting. All entries will be approved by the Finance Director before posting. A journal will be kept identifying all transactions.

FINDING RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

Significant Deficiency - Expenditures Exceeding Appropriations
2008-6

Statement of Condition/Criteria

Ohio Revised Code Section 5705.41(b) prohibits a city from expending money unless it has been appropriated. The following line items in the General Fund and the Sewer Maintenance "A" Fund had expenditures that exceeded appropriations for the year ending December 31, 2008.

General Fund (101)	Final Appropriations	Actual Expenditures	Variance
Leisure Time Activities:			
Personnel and Fringe Benefits	$ 260,241	$ 267,897	$ (7,656)
Operations	134,240	136,916	(2,676)
General Government:			
Personnel and Fringe Benefits	822,306	834,803	(12,497)
Operations	861,385	960,154	(98,769)
Sewer Maintenance "A" Fund (208)			
General Government:			
Personnel and Fringe Benefits	146,020	149,601	(3,581)

Recommendation

We recommend that the City exercise due care to ensure expenditures do not exceed final appropriations. This will assist the City in avoiding negative fund balances and also ensure they are in compliance with the Ohio Revised Code Section 5705.41(b). At each fund level, the City's expenditures were less than monies appropriated.

Effect

The City did not comply with Ohio Revised Code Section 5705.41(b).

City's Response

The City will make every effort to be in budgetary compliance with section 5705.41(b), Ohio Revised Code.

CITY OF UNIVERSITY HEIGHTS
CUYAHOGA COUNTY, OHIO
STATUS OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2008

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Action Taken; or No Longer Valid; Explain:
2007-1	Bank Accounts were not Reconciled to the City's books	No	Finding repeated as as 2008-1
2007-2	Ohio Revised Code Section 5705.10 in part requires that money paid into any fund shall be expended only after such fund receives monies to cover expenditures.	Yes	

Mary Taylor, CPA
Auditor of State

CITY OF UNIVERSITY HEIGHTS

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
FEBRUARY 9, 2010

88 E. Broad St. / Fourth Floor / Columbus, OH 43215-3506
Telephone: (614) 466-4514 (800) 282-0370 Fax: (614) 466-4490
www.auditor.state.oh.us

LOCAL GOVERNMENT INNOVATION FUND APPLICATION
REGIONAL CONSOLIDATED PUBLIC SAFETY
DISPATCH FEASIBILITY STUDY

TAB 5:

SUPPORTING DOCUMENTATION

PROPOSAL FROM CLEVELAND STATE UNIVERSITY

Center for Public Management at the
Maxine Goodman Levin College of Urban Affairs
for the
REGIONAL CONSOLIDATED PUBLIC SAFETY
DISPATCH FEASIBILITY STUDY

Maxine Goodman Levin
College of Urban Affairs

Consolidated Public Safety Dispatch Feasibility Study

A Proposal

Prepared for:
Cities of South Euclid, Beachwood, Euclid, Shaker Heights and University Heights

Prepared by:
The Center for Public Management
Maxine Goodman Levin
College of Urban Affairs
Cleveland State University

January 27, 2012

The Center for PUBLIC MANAGEMENT

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The information contained in this proposal is the proprietary intellectual property of the Center for Public Management of the Maxine Goodman Levin College of Urban Affairs at Cleveland State University and cannot be used or duplicated without its written consent. None of the language or information provided herein can be used by the proposed client or others for any purpose including, but not limited to, project scopes of work or Request for Proposals.

PROJECT PURPOSE

Our Understanding of Your Situation

The cities of South Euclid, Beachwood, Euclid, Shaker Heights, and University Heights are located in the northeast corner of Cuyahoga County Ohio. In 2010, Beachwood's population was 11,936. It comprises 5.33 square miles. Euclid encompasses an area of 10.3 miles and has the greatest population of the participating entities at 48,936. South Euclid has a population of 22,247 (Census, 2010) and comprises an area of 4.65 square miles. Shaker Heights – the largest in terms of area at 6.28 square miles – has a 2010 population of 28,417. According to the 2010 Census, there are 13,592 people living in University Heights; its area is 1.82 square miles.

Each of these cities has its own police, fire, and emergency medical service divisions. Beachwood, Euclid, and South Euclid provide their own dispatch services for law enforcement and fire. Shaker Heights and University Heights provide their own law enforcement dispatch, but contract with EastComm for fire dispatch services.

Through an agreement signed in March 2011, these communities formed the Eastside Departments Group Enforcement (EDGE). EDGE is designed to provide mutual aid in the event of a critical situation. This includes more costly and rarely used (but necessary) resources such as a shared special weapons and tactics (SWAT) team.

As a way to ensure taxpayer dollars are being spent as efficiently and effectively as possible, these communities are exploring the viability of consolidating public safety dispatch. In doing this, these communities seek not only to save money, but also to improve the quality or expand the types of services provided.

This project is designed to assess the feasibility of developing a consolidated public safety dispatch center for the cities of Beachwood, Euclid, South Euclid, Shaker Heights, and University Heights. The scope of services section of this proposal outlines how this will be accomplished.

PROJECT DESCRIPTION

This proposal outlines how the Center for Public Management (PM) of the Maxine Goodman Levin College of Urban Affairs at Cleveland State University could assist the cities of South Euclid, Beachwood, Euclid, Shaker Heights, and University Heights in assessing the feasibility of consolidating public safety dispatch functions for police, fire, and emergency medical services (EMS). The PM anticipates that the project will include the activities listed below.

1. **Convene planning meeting**

   The PM project team will meet with project representatives from the jurisdictions to finalize the goals, objectives, and expectations of the project. The planning meeting will also include discussion of the strategy for the various stages of the project, and identification of data/information pertinent to the needs of the project.

2. **Collect data**

   The PM will develop a data-needs questionnaire, submit it to participating dispatch centers, and meet with representatives of the dispatch centers to discuss and clarify the data needed. The PM may adjust the data request based on availability of data for participating dispatch centers. Expectations with regard to the data needed for the project include, but are not limited to:
   - Copy of city charters and sections of codified ordinances pertaining to dispatch
   - Staffing data including total number of full-time (FT) employees, part-time (PT) employees, total hours worked by PT employees annually, and number of hours per week worked by FT and PT employees.
   - Percentage of dispatcher and supervisor's time dealing with dispatch-related issues (i.e., clerk of courts, jail matron, etc.)
   - Typical daily staffing schedule per 0.5 hour increment for seven consecutive days
   - Past five years dispatch capital expenditures and projected capital expenditures for the next five years
   - Previous year's operational expenses including salaries, fringe benefits, and overtime
   - Cost for current contract for dispatch service, as relevant
   - Hourly rates for dispatchers and managers with fringe benefit costs broken out separately

- Labor agreements for dispatchers
- Job descriptions for dispatchers and managers
- Breakdown of equipment, radio frequencies, and other related data
- Call data for participating jurisdictions:
    - How long an average call takes (average talk time per dispatcher per call)
    - Average time between calls (and if possible standard deviation)
    - On the average, how long a caller has to wait for a dispatcher to pick up a call
- For 14 consecutive days [in spreadsheet format]:
    - Number of calls for service and total calls in 0.5 hour increments by day of week [in spreadsheet format]
    - Nonemergency versus emergency calls (either total or percentage) for one year
    - Breakdown of number of calls for service for police, fire, and emergency medical service (EMS), as well as the number of calls requiring emergency medical dispatch (EMD) for one year [in spreadsheet format]
    - Crime incident data may also be requested

3. Analyze participant data

Once the data is assembled, the PM will review contracts, community charters, and staffing, call, and other data. Using data and scheduling/staffing models, the PM will estimate staffing needs for a consolidated center. This estimate, combined with current cost data, will be used to project salary and benefit costs for the consolidated center. In conjunction with the data obtained in the interoperability/equipment assessment in Step 4, staffing estimates will also be used to help project the capital/equipment costs for a consolidated center.

4. Assess interoperability and communications/radio and dispatch equipment

The PM project team will meet with and/or interview key staff or appropriate representatives of the participating dispatch centers to assess existing equipment; assess interoperability; identify the types of equipment that would be needed for a consolidated dispatch center; and identify necessary upgrades, patches, and equipment that would be required for local police, fire, and EMS to communicate with the dispatch center. The PM will also ascertain the dispatch centers' plans to upgrade radio equipment and identify current types of talk groups. Cost estimates will be obtained for necessary equipment and the data

incorporated into the overall cost estimates for the dispatch center and related financial profiles discussed in Step 8.

5. **Conduct cursory review of the labor agreement**

   The PM project team will conduct a review of the salary and benefit components of participant labor agreements to determine potential areas around which each community might have to negotiate impact if the dispatch center were to close. The PM will also review management rights clauses to identify potential issues with eliminating dispatch positions.

6. **Develop list of questions, which will be used to guide leadership interviews and focus group-style dialogues**

   The PM project team will develop questions that will be used to guide the focus group and/or interview sessions.

7. **Conduct facilitated dialogues with the jurisdictional leadership**

   The PM project team will conduct facilitated sessions and interviews with the stakeholders and leadership of the jurisdictions. The initial focus group-type meeting will be used to assess the participants' level of interest and determine their respective community's needs and concerns (e.g., cost, quality, governance, leadership and administrative operations, potential locations for a consolidated dispatch center, and other financial and budgetary aspects).

   Additional meetings will be held to gain participant feedback on progress and assumptions/methodology including formula for allocation of costs, potential locations, etc.

8. **Develop financial profile for the group and for each participating community**

   The PM project team will develop a financial profile for the overall consolidated center, as well as for each community, which will comprise staffing and equipment costs. This will reflect the anticipated cost for each participant to take part in the consolidated dispatch center.

   The PM will provide a financial profile for three scenarios: (1) a consolidated police-only dispatch center for Beachwood, Euclid, South Euclid, Shaker Heights,

and University Heights; (2) a consolidated dispatch center that includes fire/EMS and police for Beachwood, Euclid, and South Euclid and police-only for Shaker Heights and University Heights; and (3) a consolidated dispatch center that includes fire/EMS and police for Beachwood, Euclid, South Euclid, Shaker Heights, and University Heights.

9. Ascertain feasibility

Based on the criteria developed by the stakeholders and jurisdictional leadership, the PM project team will assess the feasibility of consolidating dispatch functions among participating jurisdictions for each of the scenarios described in Step 8.

10. Final report and presentation of outcomes

The PM project team will incorporate the outcomes of its findings into a report and presentation. The report will provide a comparison of consolidation to the status quo in terms of staffing and costs. The findings will be presented to the leadership of the jurisdictions at a date/time to be scheduled upon completion of the project.

PROJECT FEES AND SCHEDULE

The total professional fees for this project are not to exceed $57,096. This includes $47,580 in direct costs and $9,516 in indirect costs. The project budget and project schedule are described below.

Project Budget

Personnel:

Project management, research	$29,658
Fringe benefits	$9,642
Total Personnel	$39,300

Operating:

Contract services	$8,000
Supplies and travel	$280
Total Operating	$8,280

Total Direct Costs (TDC)	$47,580
Indirect Costs (20% of TDC)	$9,516
TOTAL PROJECT COST	$57,096

Project Schedule

The Project Team will work with the client to determine a mutually-agreed upon start date for the project. The anticipated time to complete the project is six months from the date of the planning meeting. This timeline allows eight weeks for the collection and clarification of data and three months for completion of all meetings and interviews. If responsibility for these activities taking longer lies with the client (delay in provision of data, difficulty in coordinating meetings, etc.), the timeline will be extended accordingly. This schedule may be refined following the outcome of the planning meeting with the jurisdictions. The project schedule is described below.

Project Activity	1st Month	2nd Month	3rd Month	4th Month	5th Month	6th Month
Convene planning meeting						
Collect data						
Analyze participant data						
Assess interoperability and communications/radio and dispatch equipment						
Conduct cursory review of the labor agreement						
Develop questions to guide leadership interviews and focus group discussions						
Conduct interviews and meetings						
Develop individual and collective financial profile						
Ascertain feasibility						
Presentation of outcomes and executive summary						

PROFILE OF THE CENTER FOR PUBLIC MANAGEMENT

Local governments that take a careful, studied approach to regional collaboration are those most likely to see mutual benefits from their efforts to reach across geographic and political boundaries. The research centers of the Maxine Goodman Levin College of Urban Affairs at Cleveland State University's (CSU) can provide the extensive resources and demonstrated expertise to help counties, municipal corporations and townships determine partnerships that present the best opportunities for success.

Determining what types of regional collaboration are cost-effective and where they are best achieved can be difficult for local governments to assess on their own. Most communities undertaking the laudable goal of working to achieve a more efficient government will gain from seeking outside assistance in estimating savings, developing specific recommendations, following through on action plans, and sidestepping the many possible pitfalls in taking a non-analytic approach to reshaping local service provision.

Limited government resources of dollars and time increasingly are being allocated toward economic development efforts. Far too often, municipalities fail to realize the full benefits of these good intentions. By partnering with the research centers at the Maxine Goodman Levin College of Urban Affairs' accomplished team of professionals, government entities will gain access to a level of research, innovation and thought leadership that will improve the likelihood of achieving desired outcomes. These professionals have studied and assessed policies and practices that have the best opportunity for delivering real economic benefit for communities and those that do not. In addition, communities can access a wealth of demographic and economic data, maps and reports through the Northern Ohio Data & Information Service (NODIS). NODIS research and report services can be customized to meet specific project goals.

For nearly 30 years, research centers at the Maxine Goodman Levin College of Urban Affairs have served as the focal point of research and public service in Ohio. These centers draws on the talented pool of scholars at CSU's Levin College of Urban Affairs, long considered a leader in City Management and Urban Policy. It is the largest resource in the state dedicated to urban policy research.

The mission at the heart of the research centers at Maxine Goodman Levin College of Urban Affairs is developing innovative, quantifiable solutions to challenges communities face today. Students have opportunities to work with faculty and staff within the Levin College. These include major programs in community and economic development, public management and finance, leadership and organizational development, and data

and information services.

Research areas of the Maxine Goodman Levin College of Urban Affairs include:

Community Planning and Development

The Center for Community Planning and Development's mission is to strengthen the practice of planning and community development through independent research, technical assistance, and civic education and engagement. The Center works in partnership with public, private and non-profit organizations, local governments, and development and planning professionals.

Economic Development

The Center for Economic Development conducts research and offers technical assistance on urban and regional economic issues of interest to local, state, and national policymakers. Primary focus areas include regional economic analysis, regional indicators, economic impact analysis, innovation and entrepreneurship, manufacturing competitiveness, and the role of urban universities in regional development.

Public Management and Finance

The Center for Public Management provides technical assistance to State of Ohio departments, local governments, civic groups, and nonprofit organizations in such areas as strategic planning and fiscal analysis. It houses the Great Lakes Environmental Finance Center, one of nine university centers established by the United States Environmental Protection Agency (USEPA) to help create sustainable environmental systems in the public and private sectors. The Center for Nonprofit Policy and Practice was founded in 2001 to support and foster the health of the nonprofit sector in our region through training and technical assistance that support the role of nonprofits in civil society; scholarly and applied research; and undergraduate and graduate education in the leadership and management of nonprofit organizations.

Research Support

Research support within the Maxine Goodman Levin College of Urban Affairs includes:

Northern Ohio Data and Information Services (NODIS)

The Northern Ohio Data Information Service (NODIS) is a U.S. Census Bureau affiliate and provides census and other data resources to the public. It also provides mapping and GIS services, data, and training. Services include standard and customized community profiles, demographic analysis, census tract look-up guides, demographic and environmental mapping, geocoding, and database and Web site development. GIS training includes ESRI certified instruction as well as MapInfo workshops and customized training. It is one of the Census Bureau's three regional data centers in the state of Ohio.

Education and Training

Specialized education and training within the Maxine Goodman Levin College of Urban Affairs includes:

Leadership Development
The Center for Leadership Development's purpose is to create learning programs that fulfill the lifelong learning needs of both practicing and aspiring public leaders by developing their personal skills and organizational capacity for leadership. The center integrates theory, applied research, and models in order to advance the public leadership programming of the Levin College of Urban Affairs.

Ohio Center for the Advancement of Women in Public Service
The Ohio Center for the Advancement of Women in Public Service was founded to promote the advancement of careers of women in public service within the executive, legislative, and judicial branches of government at the national, state, and local levels. Key functions of the center are to produce research on the state of women's careers in public service, identify particular barriers to the movement of women into positions of authority and leadership, and devise strategies to address these barriers.

International Management
The Unger International Center for Local Government Leadership responds to the training, research and educational needs of local government leaders in emerging democracies. Its goal is to strengthen the management of public organizations and NGOs, to promote local governments that are transparent, accountable, responsive, innovative, efficient, and characterized by reliance on the rule of law and active citizen participation. The center is committed to facilitating sustainable government reforms that result in long-term impact and systemic change. The center works with university faculties and local government leaders in emerging democracies to develop and

implement academic and continuing education programs in public management for future and incumbent officials and managers in local governments and non-government organizations.

The Center for Public Management

The Center for Public Management (PM) is a multi-disciplinary team located with the Maxine Goodman Levin College of Urban Affairs at Cleveland State University that provides technical assistance, policy analysis, applied research, organizational and staff development, and training services to a broad clientele. The PM is one of several research teams operating within the Levin College. Since its inception in 1982, the PM has served state and local governments, not-for-profit organizations, public works agencies, special districts, and policy and legislative organizations on a local, regional, state, and national basis.

The PM works collaboratively with other research centers and Levin College research teams to provide services to the public sector. Additionally, the PM often collaborates with non-profit and private sector entities to provide professional services. These collaborative relationships provide a multi-disciplinary approach to structure and deliver services designed to meet the current and future needs of the public and not-for-profit communities. The relationships also build on the broad base of skills and experience of the research center's teams and the PM staff.

The mission of the PM is to serve as a resource for Ohio's state and local governments and not-for-profit organizations by providing services to increase the efficiency and effectiveness of governance and public policy. The PM addresses its mission through work in five substantive areas:

- Economic, Fiscal and Policy Analysis
- Performance and Efficiency Measures
- Tax and Revenue Strategy
- Organizational Development
- Economic Development Strategy

Economic and Fiscal Analysis

The PM staff is experienced in researching direct/indirect costs and benefits of new and existing real estate developments, tax restructuring, tax increases/decreases, economic and business/industrial programs, township to municipality conversions, capital infrastructure planning, consolidation feasibility studies, and other governmental issues.

The PM also examines and analyzes capital infrastructure needs, investments, and trends; reviews and evaluates fiscal issues regarding primary and secondary education; and researches planning, land use, environmental, economic, and financing options for the rehabilitation and/or new construction of public facilities. Further, the PM has an extensive portfolio of policy analysis projects, including market analysis, trends analysis, and needs assessments.

Performance and Efficiency Measures

The PM has experience assisting public agencies and governments in completing operations reviews, particularly in studying the effects of privatization of services. The PM has worked with municipalities and public agencies to examine best practices and measure financial performance, government services, and administrative and operational program changes. The PM also offers consulting assistance in capital budgeting and financial advisory services.

Tax and Revenue Strategy

The PM has conducted studies of tax and revenue strategies and assisted organizations and public agencies with revenue planning and analysis. PM staff has engaged in state and local tax research centering on sales taxes, property taxes, corporate franchise taxes, motor vehicle fuel and license taxes, and income taxes. The PM's expertise includes evaluating and analyzing tax and revenue incentive programs, taxation and revenue systems, tax policies and strategies, and financing options and strategies for state and local governments, as well as analyzing tax burden comparisons across localities, regions, and states.

Organizational Development

The PM is experienced in assisting local and state governments, agencies, and organizations in conducting strategic planning, human resources and departmental services analyses, program evaluations, and wage and salary surveys. The PM can also facilitate focus groups, develop guidelines and manuals, and conduct and develop capital planning and finance training programs.

Economic Development Strategy

The PM has conducted several studies on economic development strategies for organizations and public agencies, with a focus on issues of regional economic competitiveness. The PM professionals apply their skills to fiscal and planning

assessments, conducting strategic planning processes, developing action plans for implementation, identifying development strategies, reviewing and identifying funding resources and strategies, and examining and analyzing market conditions, business and workforce incentives, and market areas and demographics.

PERSONNEL QUALIFICATIONS

The PM has assembled a multi-disciplinary team of professionals with experience in financial and economic analysis, Ohio's revenue and tax systems, survey and statistical research, municipal and public services consolidations, economic development strategy, program evaluation and performance efficiency measures, capital planning and budgeting, public finance, organizational development, and historic preservation (including tax credit support). The PM project team staff includes:

Kevin O'Brien Kevin O'Brien is the Executive Director of the Center for Public Management and the Great Lakes Environmental Finance Center, two research and technical assistance centers of the Maxine Goodman Levin College of Urban Affairs at Cleveland State University. He has worked in the fields of public finance, public management, and economic development for more than 25 years. With the Levin College for the past 20 years, he has undertaken a wide variety of government and school finance, management improvement, fiscal and economic impact, privatization, infrastructure finance planning and economic development strategy assignments with local, state and federal government and not-for-profit clients. In 1993, he was appointed by the Ohio General Assembly to direct the Ohio Task Force on Regional Competitiveness and Cooperation, a state legislative commission designed to explore models to encourage regional economic competitiveness in the global economy. Prior to joining Cleveland State, Mr. O'Brien served in the Municipal Finance Department of Moody's Investors Service on Wall Street in New York, and as a finance and development aide to the Mayor of New York City. He began his career working as a lobbyist on energy and environmental issues with consumer advocate Ralph Nader. He is a member of the U.S. EPA Environmental Finance Advisory Board (EFAB), an Editorial Board member of Brownfield News, and the Ohio North Coast Chapter of the U.S. Lacrosse Association. He has served as a member of the Board of Greater Cleveland Community Shares, the Greater Cleveland Citizens League, and the National Brownfield Association. He holds Master of Science degrees in Development Finance and in Planning and Public Policy from Columbia University.

Claudette Robey Claudette Robey is the Assistant Director with the Center for Public Management and the Great Lakes Environmental Finance Center, two research and technical assistance centers of the Maxine Goodman Levin College of Urban Affairs at Cleveland State University. She works with clients at the local, regional, state, and federal levels on projects and policy issues focusing on capital improvement and infrastructure planning; educational finance; neighborhood, community, and economic development; economic development strategy; coastal resources management training; management strategy and performance/operations reviews and evaluations; municipal services consolidations; public finance; and taxation and tax policy issues. Her experience additionally includes applied research, technical assistance, and project coordination and management. Ms. Robey's experience includes the field of economic development, working with nonprofit and local, regional, and state government entities on business attraction and retention efforts. Her economic development experience also includes coordinating, managing, and implementing a regional economic development strategy, categorically focusing on technology, government, infrastructure, education, and regional development. Ms. Robey has more than 30 years of experience in editing and writing news, research-based, analytical, technical, narrative, and business publications for the public, private, and nonprofit sectors. She holds a Master's degree in Public Administration, with a concentration in Economic Development, from Cleveland State University, and a Bachelor of Arts degree in English.

Daila Shimek Ms. Shimek is a Project Manager with the Center for Public Management and the Great Lakes Environmental Finance Center of the Maxine Goodman Levin College of Urban Affairs at Cleveland State University. Ms. Shimek has been instrumental in completing recent dispatch consolidation studies for the city of Parma and for the cities of Wooster and Ashland and Wayne County. She has worked in the fields of public administration; planning; public finance; and applied research and analyses since 1991. Previous employers include the Northeast Ohio Areawide Coordinating Agency (NOACA), the Ohio Auditor of State, and Bramhall Engineering & Surveying, Inc. In her experience as a project manager and program administrator, she secured funding, developed budgets and proposals, trained and evaluated staff,

oversaw consultant contracts, developed and implemented marketing strategies, and provided quality control in services and products. As a deputy auditor in the Performance Audit Section of the State Auditor's Office, Ms. Shimek managed the operations reviews/assessments of various university, county and municipal commissions and departments. These audits incorporated estimates of the financial impact of the changes recommended by the audit. Ms. Shimek also managed an infrastructure advocacy project for the development of a countywide capital improvement plan and infrastructure investment strategy for Lorain County. She has also served in a technical capacity performing operational assessments and program evaluations; reviewing development plans for compliance with local zoning regulations; assisting clients in developing policies, documentation procedures and operations manuals required for compliance with federal and state law; and evaluating the financial impact of current versus proposed operational procedures. Ms. Shimek holds a Master of Public Administration degree from Cleveland State University and a Bachelor of Science degree from Saint Louis University. She is also a member of the American Institute of Certified Planners (AICP) and American Planning Association, a Certified Compliance Inspector for Stormwater (CCIS), and EPA Qualified Data Collector level 1.

PM PROGRAM-RELATED EXPERIENCE

Work in the five substantive areas is accomplished through research and technical assistance services provided by the PM, which include policy, financial and economic analysis and strategies, needs assessments, program evaluations and operations reviews, and survey and statistical research. Underlying all of our cognitive areas are primary data collection and methodological skills, such as focus group moderation and analysis, telephone and in-person interviews, and survey design and development. A selected list of project experience includes:

Cities of Parma, Berea, Brecksville, Broadview Heights, Brooklyn, Brooklyn Heights, Brook Park, Garfield Heights, Independence, Middleburg Heights, North Royalton, Parma Heights, Seven Hills, and Valley View: Feasibility Study - Consolidated Dispatch Center for Police, Fire and EMS Services
The PM conducted a study, which assessed whether it is feasible to consolidate the dispatch functions of the participating communities. For the purposes of this study, feasibility was defined as legally implementable, technologically and financially viable (less than or equal to existing costs), and would provide service that is equal to or better than current levels. Although the feasibility was analyzed collectively, not on a community-by-community basis, participants were provided cost data that would allow them to determine how projected costs under a consolidated center compared to their current costs. The PM also looked at interoperability issues relative to its impact on the feasibility of consolidating or regionalizing dispatch functions of the participating communities.

Cities of Wooster and Ashland and Wayne County Consolidated Dispatch Feasibility Study
The PM conducted a study, which assessed whether it is feasible to consolidate the dispatch functions of the participating entities. For the purposes of this study, feasibility was defined as legally implementable, technologically and financially viable (less than or equal to existing costs), and would provide service that is equal to or better than current levels. Although the feasibility was analyzed collectively, not on a community-by-community basis, participants were provided cost data that would allow them to determine how projected costs under a consolidated center compared to their current costs for each of three scenarios (which included varying participants). The PM also looked at interoperability issues relative to its impact on the feasibility of consolidating or regionalizing dispatch functions of the participating entities.

The Ohio Research Council: "Proposed Charter and Organizational Structure for Cuyahoga County"
The report provides an overview and rationale for the proposed structure of Cuyahoga County government. The report describes the current county structure and the proposed organizational structure under a charter government, and cites best practices nationally and in Ohio.

McGough and Associates: "The Likely Impact of Mandated Paid Sick and Family-Care Leave on the Economy and Economic Development Prospects of the State of Ohio."
This report analyzes the potential impact of a proposed paid sick and family care leave legislation on the economy of the state of Ohio, the economic development prospects of the state and on the management of production processes that depend on highly integrate teams. The report also reviews the literature on the effect of mandated paid sick and family care leave on the industrial relations system—workplace performance and worker retention. Our analysis concludes that there would have been a net cost associated with the paid sick leave and family-care initiative proposed in Ohio with a lower bound estimate of $63.84 annual net cost per newly covered worker and an upper bound estimate of $260.48 annual net cost per newly covered worker. We estimate that 1.6 million workers would have gained paid sick and family care leave if the proposed initiative were enacted in Ohio; therefore, our lower bound estimate is that the total net cost in Ohio would be $102.9 million dollars per year and our upper bound estimate is $420.0 million dollars per year. This estimated range is the minimum impact on the state. It does not include the dynamic, economic development impacts. Our cost benefit analysis looks at the short run impacts and does not include longer term negative effects that result from Ohio losing investment to border states as companies seek to avoid the mandates.

City of Brunswick and Hinckley Township: "An Analysis of the Feasibility of a Joint Economic Development District between the City of Brunswick and Hinckley Township."
The report assessed the feasibility of creating a Joint Economic Development District (JEDD) between the city of Brunswick and Hinckley Township. The leadership of the city of Brunswick and Hinckley Township intend to utilize the data, information, and analysis to guide their decision-making process with regard to the feasibility of creating a JEDD between the two jurisdictions. This report includes an analysis of the legal steps required in forming a joint economic development district, profiles of existing joint economic development districts, relevant sections of the city of Brunswick's charter, and zoning and development issues facing the potential JEDD. The information presented in this report was collected through a series of focus groups with the leadership of the city

of Brunswick and Hinckley Township, extensive research of the various JEDDs, interviews with contacts at Hinckley and Brunswick, reviews of the Ohio Revised Code, and planning, zoning, and legislative data from the Township and City.

Commission on Cuyahoga County Government Reform: "A Scan of Attributes in County Government Structure."
The report discusses the outcome of a national scan of models of effective county leadership and operations that might translate into alternative structures for consideration by the Commission on Cuyahoga County Government Reform. The scan produced a number of alternate county organizational structures that utilized several formats for executive, legislative, and administrative roles.

Cuyahoga County Workforce Investment Board and TeamNEO: An Examination of the Quality of Supply and Demand Issues of Northeast Ohio's Information and Communications Technology Workforce
The PM conducted a study for the Cuyahoga County Workforce Investment Board and TeamNEO to gain an understanding of the relationship between the supply and demand sides of Northeast Ohio's Information and Communications Technology (ICT) market, and how supply and demand communicate to provide the skilled ICT workers needed by ICT-related employers. Further, the intent of the research was to gain an understanding of how post-secondary education institutions link to the ICT employers as providers of students to meet market demand. The PM conducted a series of focus groups and interviews as a component of the research and provided an analysis of the findings. A series of six focus groups were conducted that included Northeast Ohio ICT graduates, and post-secondary education institution professionals who make decisions regarding ICT curriculum and skill development at their institutions.

W.E. Upjohn Institute for Employment Research: Comprehensive Study of Regionalism for the U.S. Economic Development Administration
The PM partnered with the W.E. Upjohn Institute for Employment Research to develop a tool for economic development decision makers with which to evaluate and compare potential economic development projects and efforts. The purpose of the project was to support the development of an evaluative tool that could be used for the assessment of U.S. Economic Development Administration (EDA) public works investments as well as for the assistance for regional stakeholders in undertaking the education and planning process. The PM's primary role was to conduct qualitative research into real EDA investment projects and the role of leadership and other intangible factors in economic development success. The PM conducted a series of site visits to undertake in-depth case studies of completed EDA public works investment projects, which helped to develop an understanding of non-quantifiable factors that contribute to regional

economic development success.

Lake County Local Emergency Planning Committee: Management Funding Strategy for the Consolidation of Special Emergency Teams
The PM worked with the Lake County Local Emergency Planning Committee to develop a management strategy for sustaining the special emergency response teams of Lake County. The emergency response plan encompassed the nine cities, five townships, and nine villages within Lake County. As these communities continue to grow, the demand for emergency response services increases. New highway upgrades and construction, the proposed construction of a new hospital and new housing units, and the presence of a nuclear power plant signal an anticipated demand for public services. Issues of safety, manpower, costs, training, and efficiency, and how to best address these issues are of concern to the Lake County Local Emergency Planning Committee. The PM's approach to the project included:

1. Identifying potential revenue streams and strategies to address the operating and capital needs of Lake County's emergency services special teams;
2. Assessing the current and potential service requirements and needed resources;
3. Identifying and examining the structure and process of successful best practices and models of similar emergency services initiatives in Ohio; and
4. Identifying the industry standards and legal parameters for the operations of emergency response services teams in special taxing situations.

Ohio School Facilities Commission: Performance Assessment and Team Process Review of the Accelerated Urban Initiative (Toledo Public Schools)
The PM conducted a performance assessment and team process review of the Accelerated Urban Program for the Ohio School Facilities Commission (OSFC) within the Toledo School District. The performance assessment and team process review included a review of documentation, approval processes and procedures, master plans and updates, scheduling, staffing and the relationship of owner stakeholders, and structure and communications between the OSFC and the Toledo School District. The PM's scope of work utilized primary and secondary research, collected through the interviews with the principals of each organization and the review of their financial, operating, and planning data and information. The resultant information was assembled and analyzed to identify the partnership's design for intra-partner missions and goals, communications, planning, flow of work, and decision-making structure. The information on policy, process and communications obtained in the interviews with principals was bolstered with information obtained by a review of OSFC and Toledo Public Schools project documents, such as master plans and updates, project agreements and contracts, and meeting minutes. The PM's research also included a national scan of

best practices in state programs to construct primary and secondary schools.

Ohio Department of Development: Strategy and Policy for the Clean Ohio Revitalization Fund

The PM was engaged by the Ohio Department of Development to assist in the Clean Ohio Council in determining the structure and program rules for the initiation of the $200 million bond-financed Clean Ohio Revitalization Fund (CORF). The PM was charged with developing the administrative and grant disbursement strategy for the CORF. The PM identified operational issues for the implementation of the CORF through a series of 19 focus groups and four surveys. One of the surveys measured the perceptions of applicants who seek funding for a project, while the second and third surveys measured perceptions of the Local District Integrating Committees and the Clean Ohio Council. The final survey was web based, and measured responses from certified professionals. The focus groups were convened to discuss the issues necessary to develop an implementation strategy for the CORF. The focus groups attracted more than 250 participants, who shared ideas of how best to achieve the goals and objectives as defined in the CORF legislation.

Ohio Department of Development: CORF and Jobs Ready Sites (JRS) Stakeholder Forums

Following the fourth grant cycle of the CORF, the Ohio Department of Development engaged the PM to assist in soliciting feedback focused at improving the efficiency and effectiveness of the CORF administration, grant making, and financial processes. Simultaneously, the ODOD engaged the PM to solicit feedback from JRS stakeholders and participants focused at improving the efficiency and effectiveness of the JRS administration, grant making, and financial processes. The PM utilized a focus group type of approach to facilitate a series of 16 stakeholder sessions (CORF and JRS) conducted in seven public forums convened in the Northeast, Northwest, Southeast, Southwest, Central, and Eastern economic regions of the state. A total of 316 persons participated in the sessions.

The Estuarine Reserves Division of the National Oceanic and Atmospheric Administration (NOAA): Trends Analysis of Coastal Training Programs in the National Estuarine Research Reserve System

The NOAA and the National Estuarine Research Reserve System (NERRS) engaged the PM to conduct a review of coastal training program planning documents submitted by its Reserves to identify trends and commonalities in programming approach, types of partnerships, priority issues, target audiences and their needs, and characterizations of regional training markets. The NERRS, a network of 26 protected areas representing different biogeographic regions of the United States, is a federal-state partnership

administered by NOAA's Estuarine Reserves Division. The PM developed an analytical framework to identify trends and commonalities, and conducted telephone interviews with the NERRS coastal training program coordinators and educational specialists to produce its findings.

Old Woman Creek National Estuarine Research Reserve (OWC), Ohio Department of Natural Resources, and the Ohio Sea Grant College Program: Coastal Resources Management Training Market Analysis and Needs Assessment
The PM conducted an initial market analysis and survey of training providers to measure what types of courses are offered in the field of coastal resources management training. The second phase of the project was a needs assessment, utilizing a mixture of survey questionnaires and focus group research to determine the needs and wants of training providers. The findings from the survey research and needs assessment were utilized to develop a strategic plan to guide the future of coastal resources management training in the state of Ohio.

Jackson Township: Fiscal Impact of Conversion to a Municipality
The PM conducted a fiscal impact analysis of the proposed conversion of Jackson Township (Stark County) into a municipality. The Township (with approximately 40,000 population at the time of the analysis) has a broad based economy with a large retail nucleus (Belden Village Mall). The conversion would have produced a significant level of income tax revenues and control to the local service delivery area.

Mayfield Village: Real Estate Impact Analysis
The PM conducted an economic and fiscal impact analysis of a proposed 400-acre multi-use real estate development in Mayfield Village. The impact analysis considered the direct and indirect costs and benefits of the development and identified an optimum configuration (commercial, industrial and residential) of the development from the prospective of the Village and its schools. The project utilized public input in the analytic considerations.

City of Westlake: Survey of Local City Services
The PM conducted a survey of Westlake residents to measure their perceptions of the services provided to them by the City of Westlake, OH. The PM developed the research design and survey questionnaire, administered the survey and tabulated the data, and produced a written analysis of the findings.

City of Brunswick: Analysis of the Financial Condition of the City (1983-88)
The PM conducted an analysis of the fiscal condition of the City of Brunswick for the period 1983 through 1988. The analysis included trends over the historical period in

areas of revenues, expenditures, operating position, debt and pension funding, unfunded liabilities, capital outlay, and community needs and resources.

Build Up Greater Cleveland: Capital Infrastructure Analysis
The PM annually conducted (20 years) an analysis of the capital contracting activity of Cuyahoga County's infrastructure agencies that included the capital investment activity undertaken by these agencies over the 20-year period. Capital investments made by each sector and agency were identified, along with comparisons to historical levels. The analysis also included the area of responsibility for each agency, a description of where capital expenditures were directed, and a description of funding sources.

Stark Metropolitan Housing Authority: Financial Advisory Services
The PM assisted the Stark Metropolitan Housing Authority in its process of financing a senior center complex by providing financial advisory services. The PM conducted the process to select an energy services company for the rehabilitation and operation of the Canton Senior Citizens Services Center. The PM's advisory services included designing a Request for Qualifications and Request for Proposals process to explore the Housing Authority's options for outfitting and managing the senior center with alternative and green energy applications.

City of Bedford, OH: Financial Analysis
The PM conducted an analysis of the financial condition of the City of Bedford, OH – the tenth in a series of annual evaluations of the financial condition of the city. The PM has annually conducted a historical analysis of the financial condition of the city since 1984.

The Cities of Lakewood, Parma, and Euclid: A Survey of Salaries for 15 Executive Positions
The PM conducted a survey of these cities to collect data on salary rates for public administrators in 15 executive-level positions.

Mayors and Managers Association: A Survey of Salary and Compensation Packages for Top Governmental Executives
The PM conducted a survey of salary and compensation packages for top governmental executives in comparable cities.

The Center for Urban Policy Research at Rutgers University, and Heritage Ohio: A Survey of the Economic Impact of a Proposed Historic Preservation Tax Credit
The PM designed and administered a survey to a sample of developers in the state of Ohio to measure the perceptions of a proposed Ohio historic preservation tax credit. The survey used a series of open- and closed-ended questions, and generated

responses from a diverse group of respondents applicable to an economic impact model.

State of Ohio: Economic Development Incentive Program Evaluation
The PM and the Center for Economic Development Program at Cleveland State University conducted a 24-month study of Ohio's economic Development tax and revenue incentive programs for a "blue-ribbon" commission appointed by the Ohio General Assembly and Governor. As part of the study, the PM calculated the fiscal impact of the body of state incentives on the state treasury.

Greater Cleveland Growth Association: Incumbent Worker Tax Credit Impact Analysis
The PM conducted a national scan of best practices in the creation of state tax credit programs financing manufacturing skill training for incumbent workers. The review considered the fiscal and economic impact. The Ohio General Assembly initiated the tax credit in 1999.

Ohio Urban Revitalization Task Force: Evaluation of Financial Condition of Ohio's 16 Largest Cities
The PM conducted a review of the financial condition of the state's largest cities as a foundation for the work of Governor Taft's Task Force. The review considered the growth of the real and personal property tax base, other revenue sources, and use of General Obligation debt.

Ohio Department of Administrative Services: Review of the Operations of Four Selected Services of ODAS
The PM conducted a review of the operations of four ODAS services: custodial, security, data programming, and data entry. The review considered the potential privatization of the services. The study reviewed the cost, quality, and productivity of each of the services offered to state agencies. The results of the review were utilized to redefine the ODAS services and level of service quality for each service.

Ohio Department of Education: Primary and Secondary Education Finance Study
The PM conducted a review of the financing of primary and secondary education finance for the Ohio Department of Education in 1999 and 2000. The review considered the broad issues of taxation and revenue systems, as well as the trends and issues in school finance in the 50 states.

PM Clients

Many entities have taken advantage of the PM's technical assistance and policy analysis services – local and state governments, not-for-profit organizations, special districts, public works agencies, policy organizations, and federal agencies. In many cases, more than one project has been completed for a particular entity. Some of the PM's clients include:

Cities

Akron
Avon
Bedford
Brunswick
Canton
Cleveland
Cleveland Heights
Conneaut
East Cleveland
Euclid
Green
Jackson Township
Lakewood
Lorain
Mayfield Village
Medina
Oregon
Parma
Shaker Heights
Sheffield Village
Solon
Westlake

Local

Akron Regional Development Board
Build Up Greater Cleveland
Citizens League of Greater Cleveland
Cleveland Partnership for the Arts and Culture
Cuyahoga County
Elyria Municipal School District
George Gund Foundation
Greater Cleveland Growth Association
Greater Cleveland Regional Transit Authority
Lake County Local Emergency Planning Committee
Lorain Chamber of Commerce
Lorain County
Lorain Metropolitan Housing Authority
Montgomery County
Stark Development Board
Summit County
Team NEO
The Cleveland Foundation
WIRE-Net

State

Auditor of the State of Ohio
Ohio Bureau of Vocational Rehabilitation
Ohio Departments of Administrative Services, Development, Education, Natural Resources, and Human Services
Ohio Engineering Dean's Council
Ohio General Assembly
Ohio Legislative Services Commission
Ohio Manufacturers' Association
Ohio Office of Budget and Management
Ohio Sea Grant College Program
Ohio Task Force on Regional Competitiveness & Cooperation
Ohio Environmental Protection Agency

National

Brookings Institution
Federal Executive Board of Greater Cleveland
NASA Glenn Research Center
National Estuarine Research Reserves
National Oceanic & Atmospheric Administration
Northeast-Midwest Institute
Small Business Administration
Urban Institute
U.S. Department of Housing & Urban Development
U.S. Economic Development Administration
U.S. Environmental Protection Agency
W.E. Upjohn Research Institute

Executed Partnership Agreements
for the
REGIONAL CONSOLIDATED PUBLIC SAFETY DISPATCH FEASIBILITY STUDY

MEMORANDUM OF AGREEMENT

Consolidation of Communication Centers and Dispatch Functions Project

This memorandum of agreement is made and entered into by and between the **City of Beachwood**, 2700 Richmond Road, Beachwood, Ohio 44122, **City of Euclid**, 585 East 222nd Street, Euclid, Ohio 44123, the **City of Shaker Heights**, 3400 Lee Road, Shaker Heights, Ohio 44120, the **City of South Euclid**, 1349 South Green, South Euclid, Ohio 44121, and the **City of University Heights**, 2300 Warrenville Center Road, University Heights, OH 44118 ("**Participating Cities**").

Purpose

The Consolidation of Communication Centers and Dispatch Functions Project is a partnership between the Beachwood Police Department, Euclid Police Department, Shaker Heights Police Department, South Euclid Police Department, and the University Heights Police Department. It is intended to address the future needs of the communication centers and dispatch functions and provide the organizations with options for enhanced cooperative efforts to meet those future needs, while maintaining or improving the existing level of service each community provides at less than or equal to the current cost.

Objective

The Beachwood Police Department, Euclid Police Department, Shaker Heights Police Department, South Euclid Police Department, and the University Heights Police Department are entering into a mutual agreement to assess whether it is feasible to consolidate their communication centers and dispatch functions.

This agreement is entered into in good faith and with the clear expectation that the intended collaboration between the Beachwood Police Department, Euclid Police Department, Shaker Heights Police Department, South Euclid Police Department, and the University Heights Police Department will result in more efficient and effective service delivery, in addition to seeking to promote collaboration of shared services among local governments.

Mark Sechrist
Chief of Police
Beachwood Police Department

2.24.12
Date

Tom Brickman
Chief of Police
Euclid Police Department

2/24/12
Date

02/28/12

Scott Lee
Chief of Police
Shaker Heights Police Department

Date

2/24/12

Kevin Nietert
Chief of Police
South Euclid Police Department

Date

2-24-12

Steve Hammett
Chief of Police
University Heights Police Department

Date

Resolutions of Support
for the
REGIONAL CONSOLIDATED PUBLIC SAFETY DISPATCH FEASIBILITY STUDY

INTRODUCED BY: Saul Eisen ORDINANCE NO. 2012- 44

AN ORDINANCE AUTHORIZING THE CITY TO JOIN IN THE APPLICATION BY THE CITY OF SOUTH EUCLID, ON BEHALF OF THE CITIES OF SHAKER HEIGHTS, BEACHWOOD, EUCLID, UNIVERSITY HEIGHTS, AND SOUTH EUCLID, AS THE FISCAL AGENT FOR THE EASTSIDE DEPARTMENTS GROUP ENFORCEMENT (EDGE), FOR A GRANT OF UP TO A MAXIMUM OF $100,000 FROM THE STATE OF OHIO LOCAL GOVERNMENT INNOVATION FUND TO CONDUCT A FEASIBILITY STUDY TO ASSESS THE FUTURE NEEDS OF THE CITIES FOR COMMUNICATION CENTER AND DISPATCH FUNCTIONS AND OPTIONS FOR ENHANCED COOPERATIVE EFFORTS TO MEET THOSE NEEDS, AND DECLARING AN EMERGENCY

WHEREAS, by Ordinance 2010-127, adopted on October 4, 2010, this Council authorized the City to enter into an Agreement with the Cities of Shaker Heights, Euclid, South Euclid, and University Heights to establish the Eastside Departments Group Enforcement (EDGE) organization, and to enter into a Memorandum of Understanding (MOU) for the mutual aid interchange of police personnel, police equipment, police services and SWAT unit services; and

WHEREAS, the Cities of Shaker Heights, South Euclid, Beachwood, Euclid, and University Heights, through the EDGE organization, have agreed to conduct a feasibility study to assess the future needs of the cities for communication centers and dispatch functions, and to assess the options for enhanced cooperative efforts to meet those future needs; and

WHEREAS, the cities participating in the EDGE organization, through their fiscal agent, the City of South Euclid, has determined to apply for a grant of up to a maximum of $100,000 from the State of Ohio Local Government Innovation Fund in order to assist them in conducting the feasibility study; and

WHEREAS, said grant requires a 10% match, which the cities participating in the EDGE organization have agreed to pay in equal amounts, which would require the City of Beachwood to contribute a maximum match amount of $2,000.

NOW, THEREFORE, BE IT RESOLVED, by the Council of the City of Shaker Heights, Ohio:

Section 1. Council hereby approves the application by the City of South Euclid, on behalf of the Cities of Shaker Heights, Beachwood, Euclid, University Heights, and South Euclid, as the fiscal agent for the Eastside Departments Group Enforcement (EDGE), in order to seek a grant of up to a maximum of $100,000 from the State of Ohio Local Government Innovation Fund to conduct a feasibility study to assess the future needs of the cities for communication center and dispatch functions and options for enhanced cooperative efforts to meet those future needs. In addition, this Council approves the City's payment of up to $2,000 toward the study as part of the required 10% match for this grant.

ORDINANCE NO. 2012-44

Section 2. The Chief of Police is hereby authorized to enter into a Memorandum of Understanding with the Cities of Shaker Heights, Euclid, University Heights, and South Euclid expressing the agreement of the City to the joint conduct of a feasibility study to assess the future needs of the cities for communication center and dispatch functions and options for enhanced cooperative efforts to meet those future needs.

Section 3. This ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, health or safety or the efficient operation of the City; and for the reason that it is necessary in the current operation of the City and further, to meet the deadlines for the application of the referenced grant, and, therefore, this ordinance shall take effect immediately upon its enactment and approval by the Mayor.

WHEREFORE, this Ordinance shall be in full force and effect from and after the earliest date permitted by law.

Attest: I hereby certify this legislation was duly adopted on the 21st day of February, 2012, and presented to the Mayor for approval or rejection in accordance with Article III, Section 8 of the Charter on the 22nd day of February, 2012.

Clerk

Approval: I have approved this legislation this 22nd day of February, 2012, and filed it with the Clerk.

Mayor

(029-12)

Resolution No. **13-2012**

By – Mayor Cervenik

A resolution authorizing the Mayor or his designee to prepare and file a grant application through the Local Government Innovation Fund which seeks to promote efficiency, collaboration, merger, and shared services among local governments.

WHEREAS, the Cities of Euclid, South Euclid, Beachwood, Shaker Heights, and University Heights have agreed to a feasibility study to assess the future needs of the cities Communication Centers and Dispatch functions and provide the organizations with options for enhanced cooperative efforts to meet those future needs.

WHEREAS, the cities have agreed to jointly seek funding from the Local Government Innovation Fund for the feasibility study.

NOW, THEREFORE, be it resolved by the Council of the City of Euclid, State of Ohio:

Section 1: That the Mayor, or his designee, is hereby authorized to prepare and file an application for funding for the above mentioned feasibility study from the Local Government Innovation Fund.

Section 2: That it is found and determined that all formal actions of this Council concerning and relating to the adoption of this resolution were adopted in an open meeting of this Council, and that all deliberations of this Council and any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

Section 3: That this resolution shall take immediate effect.

Attest:

Regina Cahill
Clerk of Council

Kristy Hirschmann Gail
President of Council

Passed: February 6, 2012

Approved:

Mayor

CERTIFICATION

I, Regina Cahill, duly elected, qualified and acting Clerk of Council of the City of Euclid, Ohio do hereby certify the foregoing to be a true and exact copy of Res. 13-2012
Passed by said Council on the 6th day of February, 2012

Regina Cahill
Clerk of Council

CITY OF SOUTH EUCLID, OHIO

RESOLUTION NO.: 06-12
INTRODUCED BY: Miller
REQUESTED BY: Mayor

February 13, 2012

A RESOLUTION

AUTHORIZING THE MAYOR TO PREPARE AND FILE A GRANT APPLICATION THROUGH THE OHIO LOCAL GOVERNMENT INNOVATION FUND WHICH SEEKS TO PROMOTE EFFICIENCY, COLLABORATION, MERGER, AND SHARED SERVICES AMONG LOCAL GOVERNMENTS.

WHEREAS, the Cities of South Euclid, Beachwood, Euclid, Shaker Heights, and University Heights have agreed to a feasibility study to assess the future needs of the cities Communication Centers and Dispatch Functions and provide the organizations with options for enhanced cooperative efforts to meet those future needs; and

WHEREAS, the above communities wish to seek funding from the Local Government Innovation Fund to perform the feasibility study.

NOW, THEREFORE, BE IT RESOLVED, by the Council of the City of South Euclid, Ohio:

Section 1: That the Mayor is hereby authorized to prepare and file an application for funding for the above mentioned feasibility study from the Local Government Innovation Fund.

Section 2: That it is hereby found and determined that all formal actions of this Council concerning and relating to the passage of this Resolution were adopted in an open meeting of this Council, and that all deliberations of this Council and any of its committees on or after November 25, 1975, that resulted in such formal action were in meetings open to the public in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

Section 3: That this Resolution is hereby declared to be an emergency measure necessary for the preservation of the public peace, health, welfare and safety of the inhabitants of prescribed deadlines. Wherefore, this Resolution shall take effect and be in force from and after the earliest period allowed by law and upon signature of the Mayor.

Passed this 13th day of February, 2012.

David B. Miller
David B. Miller, President of Council

Attest:
Keith A. Benjamin, Clerk of Council

Approved:
Georgine Welo, Mayor

Approved as to form:
Michael P. Lograsso, Director of Law

RESOLUTION NO. 2012-03
INTRODUCED BY: MAYOR SUSAN K. INFELD

A RESOLUTION AUTHORIZING THE POLICE CHIEF TO ENTER INTO A MEMORANDUM OF AGREEMENT WITH THE CITY OF BEACHWOOD, CITY OF EUCLID, CITY OF SHAKER HEIGHTS AND CITY OF SOUTH EUCLID TO CONDUCT A FEASIBILITY STUDY FOR THE CONSOLIDATION OF COMMUNICATION CENTERS AND DISPATCH FUNCTIONS PROJECT AND DECLARING AN EMERGENCY.

WHEREAS: The Cities of Beachwood, Euclid, Shaker Heights, South Euclid and University Heights have determined it advisable to enter into a Memorandum of Agreement wherein a feasibility study is anticipated to assess the future needs of the Cities' Communications Centers and Dispatch Functions and provide options for enhanced cooperative efforts to meet those future needs while maintaining or improving the existing level of service each community provides at less than or equal to the current cost (the "Project"); and

WHEREAS: A grant application will be made to Local Government Innovation Fund by the City of South Euclid to fund the feasibility study.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF UNIVERSITY HEIGHTS, OHIO, THAT:

SECTION 1: The Police Chief is hereby authorized and directed, upon approval of the Law Director, to enter into a Memorandum of Agreement with the City of Beachwood, City of Euclid, City of Shaker Heights and City of South Euclid to conduct a feasibility study for the Project.

SECTION 2: This Resolution constitutes an emergency measure for the immediate preservation of public peace, health, and safety of the citizens of the City of University Heights, Ohio, and for the additional reason to allow for the grant application to be submitted by the March 1, 2012 deadline, and provided it receives the affirmative vote of not less than five (5) members of Council, it shall take effect immediately upon its passage and approval of the Mayor; otherwise, it shall become effective at the earliest time allowed by law.

CITY OF UNIVERSITY HEIGHTS, OHIO

Susan K Infeld
SUSAN K. INFELD, MAYOR

PASSED: February 6, 2012

ATTEST:

Nancy E. English
NANCY E. ENGLISH, CLERK OF COUNCIL

APPROVED AS TO FORM:

Kenneth J. Fisher
KENNETH J. FISHER, LAW DIRECTOR

CERTIFICATION

I, NANCY E. ENGLISH, Clerk of Council of the City of University Heights, Ohio, do hereby certify that the foregoing is a true and correct copy of ~~Ordinance~~ Resolution No. 2012-03, passed by the Council of said City at its meeting held on FEBRUARY 6, 20 12

IN WITNESS WHEREOF I have hereunto set my hand and affixed the seal of said City this 14TH day of FEBRUARY, 20

Nancy E. English
Clerk of Council
City of University Heights

ORDINANCE NO. 12-22
BY: Earl Williams, Jr.

Authorizing the City to join in the application by the City of South Euclid, on behalf of the Cities of Shaker Heights, Beachwood, Euclid, University Heights, and South Euclid, as the fiscal agent for the Eastside Departments Group Enforcement (EDGE), for a grant of up to a maximum of $100,000 from the State of Ohio Local Government Innovation Fund to conduct a feasibility study to assess the future needs of the cities for communication center and dispatch functions and options for enhanced cooperative efforts to meet those future needs, and declaring an emergency.

WHEREAS, in Ordinance 10-109, enacted on September 27, 2010, this Council authorized the City to enter into an Agreement with the Cities of Beachwood, Euclid, South Euclid, and University Heights to establish the Eastside Departments Group Enforcement (EDGE) organization, and to enter into a Memorandum of Understanding (MOU) for the mutual aid interchange of police personnel, police equipment, police services and SWAT unit services; and

WHEREAS, on March 15, 2011, the City entered into an Agreement and MOU with the Cities of Beachwood, Euclid, South Euclid, and University Heights to establish the Eastside Departments Group Enforcement (EDGE) organization; and

WHEREAS, the Cities of Shaker Heights, South Euclid, Beachwood, Euclid, and University Heights, through the EDGE organization, have agreed to conduct a feasibility study to assess the future needs of the cities for communication centers and dispatch functions, and to assess the options for enhanced cooperative efforts to meet those future needs; and

WHEREAS, the cities participating in the EDGE organization, through their fiscal agent, the City of South Euclid, have determined to apply for a grant of up to a maximum of $100,000 from the State of Ohio Local Government Innovation Fund in order to assist them in conducting the feasibility study; and

WHEREAS, said grant requires a 10% match, which the cities participating in the EDGE organization have agreed to pay in equal amounts, which will require the City of Shaker Heights to contribute a maximum match amount of $2,000.

NOW, THEREFORE, BE IT RESOLVED, by the Council of the City of Shaker Heights, Ohio:

Section 1. That this Council approves the application by the City of South Euclid, on behalf of the Cities of Shaker Heights, Beachwood, Euclid, University Heights, and South Euclid, as the fiscal agent for the Eastside Departments Group

Enforcement (EDGE), in order to seek a grant of up to a maximum of $100,000 from the State of Ohio Local Government Innovation Fund to conduct a feasibility study to assess the future needs of the cities for communication center and dispatch functions and options for enhanced cooperative efforts to meet those future needs. In addition, this Council approves the City's payment of up to $2,000 toward the study as part of the required 10% match for this grant.

Section 2. The Chief of Police is hereby authorized to enter into a Memorandum of Understanding with the Cities of Beachwood, Euclid, University Heights, and South Euclid expressing the agreement of the City to the joint conduct of a feasibility study to assess the future needs of the cities for communication center and dispatch functions and options for enhanced cooperative efforts to meet those future needs.

Section 3. This ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, health, safety and welfare for the reason that it is necessary in the current operation of the City and further, to meet the deadlines for the application of the referenced grant, and, therefore, this ordinance shall take effect immediately upon its enactment and approval by the Mayor.

Enacted February 27, 2012.

Approved this 27th day of February 2012.

Earl M. Leiken

EARL M. LEIKEN, MAYOR

Attest:

JERI E. CHAIKIN
Clerk of Council

coun12/0202EDGEgrant

2010 U.S. CENSUS INFORMATION
for the
REGIONAL CONSOLIDATED PUBLIC SAFETY DISPATCH FEASIBILITY STUDY

State & County QuickFacts

Beachwood (city), Ohio

People QuickFacts	Beachwood	Ohio
Population, 2011 estimate	NA	11,544,951
Population, 2010	11,953	11,536,504
Population, percent change, 2000 to 2010	-1.9%	1.6%
Population, 2000	12,186	11,353,140
Persons under 5 years, percent, 2010	3.5%	6.2%
Persons under 18 years, percent, 2010	19.6%	23.7%
Persons 65 years and over, percent, 2010	32.3%	14.1%
Female persons, percent, 2010	55.7%	51.2%
White persons, percent, 2010 (a)	77.3%	82.7%
Black persons, percent, 2010 (a)	13.7%	12.2%
American Indian and Alaska Native persons, percent, 2010 (a)	Z	0.2%
Asian persons, percent, 2010 (a)	7.4%	1.7%
Native Hawaiian and Other Pacific Islander, percent, 2010 (a)	Z	0.0%
Persons reporting two or more races, percent, 2010	1.2%	2.1%
Persons of Hispanic or Latino origin, percent, 2010 (b)	1.9%	3.1%
White persons not Hispanic, percent, 2010	75.8%	81.1%
Living in same house 1 year & over, 2006-2010	83.4%	85.0%
Foreign born persons, percent, 2006-2010	14.0%	3.8%
Language other than English spoken at home, pct age 5+, 2006-2010	14.4%	6.3%
High school graduates, percent of persons age 25+, 2006-2010	94.2%	87.4%
Bachelor's degree or higher, pct of persons age 25+, 2006-2010	55.6%	24.1%
Mean travel time to work (minutes), workers age 16+, 2006-2010	21.6	22.7
Housing units, 2010	5,483	5,127,508
Homeownership rate, 2006-2010	65.7%	69.2%
Housing units in multi-unit structures, percent, 2006-2010	39.9%	23.0%
Median value of owner-occupied housing units, 2006-2010	$300,900	$136,400
Households, 2006-2010	5,067	4,552,270
Persons per household, 2006-2010	2.16	2.46
Per capita money income in past 12 months (2010 dollars) 2006-2010	$48,010	$25,113
Median household income 2006-2010	$71,932	$47,358
Persons below poverty level, percent, 2006-2010	3.7%	14.2%

Business QuickFacts	Beachwood	Ohio
Total number of firms, 2007	2,481	897,939
Black-owned firms, percent, 2007	F	5.8%
American Indian- and Alaska Native-owned firms, percent,		

2007	F	0.3%
Asian-owned firms, percent, 2007	2.4%	2.0%
Native Hawaiian and Other Pacific Islander-owned firms, percent, 2007	F	S
Hispanic-owned firms, percent, 2007	F	1.1%
Women-owned firms, percent, 2007	9.9%	27.7%
Manufacturers shipments, 2007 ($1000)	NA	295,890,890
Merchant wholesaler sales, 2007 ($1000)	250,710	135,575,279
Retail sales, 2007 ($1000)	516,050	138,816,008
Retail sales per capita, 2007	$46,220	$12,049
Accommodation and food services sales, 2007 ($1000)	92,454	17,779,905

Geography QuickFacts	**Beachwood**	**Ohio**
Land area in square miles, 2010	5.33	40,860.69
Persons per square mile, 2010	2,244.7	282.3
FIPS Code	04500	39
Counties		

Population estimates for counties will be available in April, 2012 and for cities in June, 2012.

(a) Includes persons reporting only one race.
(b) Hispanics may be of any race, so also are included in applicable race categories.

D: Suppressed to avoid disclosure of confidential information
F: Fewer than 100 firms
FN: Footnote on this item for this area in place of data
NA: Not available
S: Suppressed; does not meet publication standards
X: Not applicable
Z: Value greater than zero but less than half unit of measure shown

Source U.S. Census Bureau: State and County QuickFacts. Data derived from Population Estimates, American Community Survey, Census of Population and Housing, County Business Patterns, Economic Census, Survey of Business Owners, Building Permits, Consolidated Federal Funds Report, Census of Governments
Last Revised: Tuesday, 31-Jan-2012 17:22:33 EST

State & County QuickFacts

Euclid (city), Ohio

People QuickFacts	Euclid	Ohio
Population, 2011 estimate	NA	11,544,951
Population, 2010	48,920	11,536,504
Population, percent change, 2000 to 2010	-7.2%	1.6%
Population, 2000	52,717	11,353,140
Persons under 5 years, percent, 2010	5.8%	6.2%
Persons under 18 years, percent, 2010	22.9%	23.7%
Persons 65 years and over, percent, 2010	15.9%	14.1%
Female persons, percent, 2010	55.2%	51.2%
White persons, percent, 2010 (a)	43.8%	82.7%
Black persons, percent, 2010 (a)	52.6%	12.2%
American Indian and Alaska Native persons, percent, 2010 (a)	0.2%	0.2%
Asian persons, percent, 2010 (a)	0.7%	1.7%
Native Hawaiian and Other Pacific Islander, percent, 2010 (a)	Z	0.0%
Persons reporting two or more races, percent, 2010	2.3%	2.1%
Persons of Hispanic or Latino origin, percent, 2010 (b)	1.6%	3.1%
White persons not Hispanic, percent, 2010	43.1%	81.1%
Living in same house 1 year & over, 2006-2010	81.7%	85.0%
Foreign born persons, percent, 2006-2010	3.9%	3.8%
Language other than English spoken at home, pct age 5+, 2006-2010	5.4%	6.3%
High school graduates, percent of persons age 25+, 2006-2010	87.9%	87.4%
Bachelor's degree or higher, pct of persons age 25+, 2006-2010	19.8%	24.1%
Mean travel time to work (minutes), workers age 16+, 2006-2010	25.4	22.7
Housing units, 2010	26,037	5,127,508
Homeownership rate, 2006-2010	54.5%	69.2%
Housing units in multi-unit structures, percent, 2006-2010	39.8%	23.0%
Median value of owner-occupied housing units, 2006-2010	$108,700	$136,400
Households, 2006-2010	22,349	4,552,270
Persons per household, 2006-2010	2.18	2.46
Per capita money income in past 12 months (2010 dollars) 2006-2010	$22,013	$25,113
Median household income 2006-2010	$37,502	$47,358
Persons below poverty level, percent, 2006-2010	16.6%	14.2%

Business QuickFacts	Euclid	Ohio
Total number of firms, 2007	2,781	897,939
Black-owned firms, percent, 2007	31.8%	5.8%
American Indian- and Alaska Native-owned firms, percent,		

2007	F	0.3%
Asian-owned firms, percent, 2007	1.5%	2.0%
Native Hawaiian and Other Pacific Islander-owned firms, percent, 2007	F	S
Hispanic-owned firms, percent, 2007	F	1.1%
Women-owned firms, percent, 2007	S	27.7%
Manufacturers shipments, 2007 ($1000)	1,671,486	295,890,890
Merchant wholesaler sales, 2007 ($1000)	336,004	135,575,279
Retail sales, 2007 ($1000)	337,134	138,816,008
Retail sales per capita, 2007	$7,053	$12,049
Accommodation and food services sales, 2007 ($1000)	26,065	17,779,905

Geography QuickFacts	Euclid	Ohio
Land area in square miles, 2010	10.63	40,860.69
Persons per square mile, 2010	4,602.1	282.3
FIPS Code	25704	39
Counties		

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Last Revised: Tuesday, 31-Jan-2012 17:22:50 EST

State & County QuickFacts

Shaker Heights (city), Ohio

People QuickFacts	Shaker Heights	Ohio
Population, 2011 estimate	NA	11,544,951
Population, 2010	28,448	11,536,504
Population, percent change, 2000 to 2010	-3.3%	1.6%
Population, 2000	29,405	11,353,140
Persons under 5 years, percent, 2010	6.1%	6.2%
Persons under 18 years, percent, 2010	26.7%	23.7%
Persons 65 years and over, percent, 2010	15.5%	14.1%
Female persons, percent, 2010	54.8%	51.2%
White persons, percent, 2010 (a)	55.0%	82.7%
Black persons, percent, 2010 (a)	37.1%	12.2%
American Indian and Alaska Native persons, percent, 2010 (a)	0.1%	0.2%
Asian persons, percent, 2010 (a)	4.6%	1.7%
Native Hawaiian and Other Pacific Islander, percent, 2010 (a)	Z	0.0%
Persons reporting two or more races, percent, 2010	2.7%	2.1%
Persons of Hispanic or Latino origin, percent, 2010 (b)	2.2%	3.1%
White persons not Hispanic, percent, 2010	53.7%	81.1%
Living in same house 1 year & over, 2006-2010	87.0%	85.0%
Foreign born persons, percent, 2006-2010	7.6%	3.8%
Language other than English spoken at home, pct age 5+, 2006-2010	9.4%	6.3%
High school graduates, percent of persons age 25+, 2006-2010	95.3%	87.4%
Bachelor's degree or higher, pct of persons age 25+, 2006-2010	64.5%	24.1%
Mean travel time to work (minutes), workers age 16+, 2006-2010	22.4	22.7
Housing units, 2010	13,318	5,127,508
Homeownership rate, 2006-2010	65.5%	69.2%
Housing units in multi-unit structures, percent, 2006-2010	39.5%	23.0%
Median value of owner-occupied housing units, 2006-2010	$233,800	$136,400
Households, 2006-2010	11,390	4,552,270
Persons per household, 2006-2010	2.45	2.46
Per capita money income in past 12 months (2010 dollars) 2006-2010	$47,360	$25,113
Median household income 2006-2010	$76,476	$47,358
Persons below poverty level, percent, 2006-2010	8.6%	14.2%

Business QuickFacts	Shaker Heights	Ohio
Total number of firms, 2007	3,291	897,939
Black-owned firms, percent, 2007	S	5.8%
American Indian- and Alaska Native-owned firms, percent,		

2007	F	0.3%
Asian-owned firms, percent, 2007	S	2.0%
Native Hawaiian and Other Pacific Islander-owned firms, percent, 2007	F	S
Hispanic-owned firms, percent, 2007	S	1.1%
Women-owned firms, percent, 2007	32.0%	27.7%
Manufacturers shipments, 2007 ($1000)	NA	295,890,890
Merchant wholesaler sales, 2007 ($1000)	6,713	135,575,279
Retail sales, 2007 ($1000)	134,742	138,816,008
Retail sales per capita, 2007	$5,047	$12,049
Accommodation and food services sales, 2007 ($1000)	19,080	17,779,905

Geography QuickFacts	**Shaker Heights**	**Ohio**
Land area in square miles, 2010	6.28	40,860.69
Persons per square mile, 2010	4,528.5	282.3
FIPS Code	71682	39
Counties		

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Last Revised: Tuesday, 31-Jan-2012 17:23:25 EST

State & County QuickFacts

South Euclid (city), Ohio

People QuickFacts	South Euclid	Ohio
Population, 2011 estimate	NA	11,544,951
Population, 2010	22,295	11,536,504
Population, percent change, 2000 to 2010	-5.3%	1.6%
Population, 2000	23,537	11,353,140
Persons under 5 years, percent, 2010	5.5%	6.2%
Persons under 18 years, percent, 2010	24.0%	23.7%
Persons 65 years and over, percent, 2010	12.9%	14.1%
Female persons, percent, 2010	54.4%	51.2%
White persons, percent, 2010 (a)	54.1%	82.7%
Black persons, percent, 2010 (a)	40.7%	12.2%
American Indian and Alaska Native persons, percent, 2010 (a)	0.1%	0.2%
Asian persons, percent, 2010 (a)	2.0%	1.7%
Native Hawaiian and Other Pacific Islander, percent, 2010 (a)	Z	0.0%
Persons reporting two or more races, percent, 2010	2.5%	2.1%
Persons of Hispanic or Latino origin, percent, 2010 (b)	2.0%	3.1%
White persons not Hispanic, percent, 2010	53.2%	81.1%
Living in same house 1 year & over, 2006-2010	86.4%	85.0%
Foreign born persons, percent, 2006-2010	6.8%	3.8%
Language other than English spoken at home, pct age 5+, 2006-2010	9.6%	6.3%
High school graduates, percent of persons age 25+, 2006-2010	94.1%	87.4%
Bachelor's degree or higher, pct of persons age 25+, 2006-2010	37.2%	24.1%
Mean travel time to work (minutes), workers age 16+, 2006-2010	22.7	22.7
Housing units, 2010	9,607	5,127,508
Homeownership rate, 2006-2010	81.1%	69.2%
Housing units in multi-unit structures, percent, 2006-2010	11.4%	23.0%
Median value of owner-occupied housing units, 2006-2010	$132,800	$136,400
Households, 2006-2010	8,761	4,552,270
Persons per household, 2006-2010	2.49	2.46
Per capita money income in past 12 months (2010 dollars) 2006-2010	$25,946	$25,113
Median household income 2006-2010	$55,399	$47,358
Persons below poverty level, percent, 2006-2010	7.7%	14.2%

Business QuickFacts	South Euclid	Ohio
Total number of firms, 2007	1,768	897,939
Black-owned firms, percent, 2007	18.2%	5.8%
American Indian- and Alaska Native-owned firms, percent,		

2007	F	0.3%
Asian-owned firms, percent, 2007	F	2.0%
Native Hawaiian and Other Pacific Islander-owned firms, percent, 2007	F	S
Hispanic-owned firms, percent, 2007	F	1.1%
Women-owned firms, percent, 2007	29.8%	27.7%
Manufacturers shipments, 2007 ($1000)	NA	295,890,890
Merchant wholesaler sales, 2007 ($1000)	20,688	135,575,279
Retail sales, 2007 ($1000)	134,463	138,816,008
Retail sales per capita, 2007	$6,292	$12,049
Accommodation and food services sales, 2007 ($1000)	21,254	17,779,905

Geography QuickFacts	**South Euclid**	**Ohio**
Land area in square miles, 2010	4.65	40,860.69
Persons per square mile, 2010	4,793.6	282.3
FIPS Code	73264	39
Counties		

Population estimates for counties will be available in April, 2012 and for cities in June, 2012.

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Last Revised: Tuesday, 31-Jan-2012 17:23:27 EST

State & County QuickFacts

University Heights (city), Ohio

People QuickFacts	University Heights	Ohio
Population, 2011 estimate	NA	11,544,951
Population, 2010	13,539	11,536,504
Population, percent change, 2000 to 2010	-4.3%	1.6%
Population, 2000	14,146	11,353,140
Persons under 5 years, percent, 2010	7.8%	6.2%
Persons under 18 years, percent, 2010	22.7%	23.7%
Persons 65 years and over, percent, 2010	11.7%	14.1%
Female persons, percent, 2010	52.3%	51.2%
White persons, percent, 2010 (a)	71.8%	82.7%
Black persons, percent, 2010 (a)	23.1%	12.2%
American Indian and Alaska Native persons, percent, 2010 (a)	0.1%	0.2%
Asian persons, percent, 2010 (a)	2.4%	1.7%
Native Hawaiian and Other Pacific Islander, percent, 2010 (a)	Z	0.0%
Persons reporting two or more races, percent, 2010	1.6%	2.1%
Persons of Hispanic or Latino origin, percent, 2010 (b)	2.8%	3.1%
White persons not Hispanic, percent, 2010	70.1%	81.1%
Living in same house 1 year & over, 2006-2010	84.2%	85.0%
Foreign born persons, percent, 2006-2010	8.8%	3.8%
Language other than English spoken at home, pct age 5+, 2006-2010	11.6%	6.3%
High school graduates, percent of persons age 25+, 2006-2010	96.3%	87.4%
Bachelor's degree or higher, pct of persons age 25+, 2006-2010	67.0%	24.1%
Mean travel time to work (minutes), workers age 16+, 2006-2010	22.0	22.7
Housing units, 2010	5,248	5,127,508
Homeownership rate, 2006-2010	72.7%	69.2%
Housing units in multi-unit structures, percent, 2006-2010	20.2%	23.0%
Median value of owner-occupied housing units, 2006-2010	$173,200	$136,400
Households, 2006-2010	4,556	4,552,270
Persons per household, 2006-2010	2.51	2.46
Per capita money income in past 12 months (2010 dollars) 2006-2010	$30,081	$25,113
Median household income 2006-2010	$72,519	$47,358
Persons below poverty level, percent, 2006-2010	6.2%	14.2%

Business QuickFacts	University Heights	Ohio
Total number of firms, 2007	1,314	897,939
Black-owned firms, percent, 2007	22.7%	5.8%
American Indian- and Alaska Native-owned firms, percent,		

2007	F	0.3%
Asian-owned firms, percent, 2007	F	2.0%
Native Hawaiian and Other Pacific Islander-owned firms, percent, 2007	F	S
Hispanic-owned firms, percent, 2007	F	1.1%
Women-owned firms, percent, 2007	S	27.7%
Manufacturers shipments, 2007 ($1000)	NA	295,890,890
Merchant wholesaler sales, 2007 ($1000)	D	135,575,279
Retail sales, 2007 ($1000)	165,985	138,816,008
Retail sales per capita, 2007	$13,160	$12,049
Accommodation and food services sales, 2007 ($1000)	25,042	17,779,905

Geography QuickFacts	**University Heights**	**Ohio**
Land area in square miles, 2010	1.82	40,860.69
Persons per square mile, 2010	7,439.0	282.3
FIPS Code	78932	39
Counties		

Population estimates for counties will be available in April, 2012 and for cities in June, 2012.

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Last Revised: Tuesday, 31-Jan-2012 17:23:33 EST

Local Government Innovation Fund Program

Application Scoring

Lead Applicant	The City of South Euclid
Project Name	Consolidated Public Safety Dispatch Feasibility Study

✔	**Grant Application**

or

☐	**Loan Application**

The Local Government Innovation Fund Council
77 South High Street
P.O. Box 1001
Columbus, Ohio 43216-1001
(614) 995-2292

Local Government Innovation Fund Project Scoring Sheet

Section 1: Financing Measures

Financing Measures	Description	Criteria	Max Points	Applicant Self Score	Validated Score
Financial Information	*Applicant includes financial information (i.e., service related operating budgets) for the most recent three years and the three year period following the project. The financial information must be directly related to the scope of the project and will be used as the cost basis for determining any savings resulting from the project.*	Applicant provides a thorough, detailed and complete financial information	**5**	◉	
		Applicant provided more than minimum requirements but did not provide additional justification or support	**3**	○	
		Applicant provided minimal financial information	**1**	○	
			Points	5	0
Repayment Structure (Loan Only)	*Applicant demonstrates a viable repayment source to support loan award. Secondary source can be in the form of a debt reserve, bank participation, a guarantee from a local entity, or other collateral (i.e.,emergency rainy day , or contingency fund, etc.).*	Applicant clearly demonstrates a secondary repayment source.	**5**	○	
		Applicant does not have a secondary repayment source.	**0**	○	
			Points	0	0
Local Match	*Percentage of local matching funds being contributed to the project. This may include in-kind contributions.*	70% or greater	**5**	○	
		40-69.99%	**3**	○	
		10-39.99%	**1**	◉	
			Points	1	0
			Total Section Points	6	0

Section 2: Collaborative Measures

Collaborative Measures	Description	Criteria	Max Points	Applicant Self Score	Validated Score
Population	*Applicant's population (or the population of the area(s) served) falls within one of the listed categories as determined by the U.S. Census Bureau. Population scoring will be determined by the **smallest** population listed in the application. Applications from (or collaborating with) small communities are preferred.*	Applicant (or collaborative partner) is not a county and has a population of less than 20,000 residents	**5**	○	
		Applicant (or collaborative partner) is a county but has less than 235,000	**5**	○	
		Applicant (or collaborative partner) is not a county but has a population 20,001 or greater.	**3**	◉	
		Applicant (or collaborative partner) is a county with a population of 235,001 residents or more	**3**	○	
			Points	0	0
Participating Entities	*Applicant has executed partnership agreements outlining all collaborative partners and participation agreements and has resolutions of support. (Note: Sole applicants only need to provide a resolution of support from its governing entity.)*	More than one applicant	**5**	◉	
		Single applicant	**1**	○	
			Points	5	0
			Total Section Points	5	0

Local Government Innovation Fund Project Scoring Sheet

Section 3: Success Measures

Success Measures	Description	Criteria	Points	Applicant Self Score	Validated Score
Expected Return	*Applicant demonstrates as a percentage of savings (i.e., actual savings, increased revenue, or cost avoidance) an expected return. The return must be derived from the applicant's cost basis. The expected return is ranked in one of the following percentage categories:*	75% or greater	**30**	○	
		25.01% to 74.99%	**20**	●	
		Less than 25%	**10**	○	
			Points	20	0
Past Success	*Applicant has successfully implemented, or is following project guidance from a shared services model, for an efficiency, shared service, coproduction or merger project in the past.*	Yes	**5**	●	
		No	**0**	○	
			Points	5	0
Scalable/Replicable Proposal	*Applicant's proposal can be replicated by other local governments or scaled for the inclusion of other local governments.*	The project is both scalable and replicable	**10**	●	
		The project is either scalable or replicable	**5**	○	
		Does not apply	**0**	○	
			Points	10	0
Probability of Success	*Applicant provides a documented need for the project and clearly outlines the likelihood of the need being met.*	Provided	**5**	●	
		Not Provided	**0**	○	
			Points	5	0
			Total Section Points	40	0

Section 4: Significance Measures

Significance Measures	Description	Criteria	Points Assigned	Applicant Self Score	Validated Score
Performance Audit Implementation /Cost Benchmarking	*The project implements a single recommendation from a performance audit provided by the Auditor of State under Chapter 117 of the Ohio Revised Code or is informed by cost benchmarking.*	Project implements a recommendation from an audit or is informed by benchmarking	**5**	○	
		Project does not implement a recommendation from an audit and is not informed by benchmarking	**0**	●	
			Points	0	0
Economic Impact	*Applicant demonstrates the project will a promote business environment (i.e., demonstrates a business relationship resulting from the project) and will provide for community attraction (i.e., cost avoidance with respect to taxes)*	Applicant clearly demonstrates economic impact	**5**	○	
		Applicant mentions but does not prove economic impact	**3**	●	
		Applicant does not demonstrate an economic impact	**0**	○	
			Points	3	0
Response to Economic Demand	*The project responds to current substantial changes in economic demand for local or regional government services.*	Yes	**5**	●	
		No	**0**	○	
			Points	5	0
			Total Section Points	8	0

Section 5: Council Measures			
Council Measures	**Description**	**Criteria**	**Points Assigned**
Council Preference	*Council Ranking for Competitive Rounds*	**The Applicant Does Not Fill Out This Section**; This is for the Local Government Innovation Fund Council only. The points for this sectionis based on the applicant demonstrating innovation or inventiveness with the project	
		Total Section Points (10 max)	

Scoring Summary

	Applicant Self Score	Validated Score
Section 1: Financing Measures	0	0
Section 2: Collaborative Measures	0	0
Section 3: Success Measures	0	0
Section 4: Significance Measures	0	0
Total Base Points:	0	0

Reviewer Comments

OPINION

SHARE YOUR VIEWS AT CLEVELAND.COM

2/23/12

Creating regional dispatch center a great idea

EDITORIAL

Cuyahoga County's future success is predicated on its communities embracing and employing regional approaches to government and services. As communities sign on to service-sharing efforts, they are able to save costs in the process, which obviously helps the bottom line of each participating community.

This is why we are thrilled to see five East Side suburbs taking the first step in creating a regional dispatch center. Beachwood, Euclid, Shaker Heights, South Euclid and University Heights are planning to enter into a feasibility study for consolidating the communications centers and dispatch functions of each city into one location. These cities are no strangers to working with each other — last year, they formed the Eastside Departments Group Enforcement, an entity that allows police departments in those cities to share personnel and resources.

In the EDGE group, members from each department are included on specialized units such as a SWAT team that prevents duplication of resources among neighboring cities. The same principle applies to the dispatch proposal. Each of the five police departments operate their own police dispatch centers now, centers that are costly to run due to the technology needed for them to be effective. If the five departments decide to create one dispatch center, the operating costs are split among the member communities, resulting in a much smaller outlay of expenses for each community.

How much exactly would be saved through a joint dispatch operation is not known until the study is completed. Also not known is how much of an effect such a center would have on response times. If response times increase significantly, then it is not worth the cost savings. However, we don't believe that would be the case — each city would still have its own police officers responding to calls in that city. We are glad to see these communities looking at ways to share costs without sacrificing the level of service their residents have come to expect. This is the embodiment of regionalism.

That's what we think. Share your opinion on this editorial or other topics by sending a letter to the editor to rjablonski@sunnews.com, faxing your letter to (216) 986-2340 or mailing it to Ray Jablonski, Sun News East Group editor, 5510 Cloverleaf Parkway, Cleveland, 44125. All letters must include the author's name, city and a daytime phone number for verification.

Cities to study regional dispatch

South Euclid one of five area police departments joining in study

2-16-12

By Ed Wittenberg
ewittenberg@sunnews.com

UNIVERSITY HTS. — The city's police department will take part in a study of dispatch services with the cities of Beachwood, Euclid, Shaker Heights and South Euclid to consider the establishment of a regional police dispatch center.

On Feb. 6, City Council approved a resolution authorizing Police Chief Steven Hammett to enter into a memorandum of agreement with those four cities to conduct a feasibility study for the Consolidation of Communication Centers and Dispatch Functions Project.

The project will include the same five cities that signed an agreement last year to establish Eastside Departments Group Enforcement. That agreement created an entity involving shared personnel and resources among the police departments of those five east-side suburbs.

The projected cost of the feasibility study is about $60,000, Hammett said. South Euclid will make a grant application to the Local Government Innovation Fund to obtain the funding needed for the study, he said.

"The purpose of the grant is to hire a consultant to conduct a feasibility study to determine the operational practicality of joining the five dispatch centers," Hammett said. "South Euclid will be the fiscal agent for the project."

The study will provide the five police departments with options for enhanced cooperative efforts to meet the future needs of their dispatch functions, the memorandum of agreement stated.

The goal is to maintain or improve the existing level of service each city provides at less than or equal to the current cost.

"I applaud you for going after this funding," Councilwoman Susan Pardee told Hammett. "I think it's a great use of this new funding pot."

Mayor Susan Infeld added, "We're very fortunate that South Euclid is taking the lead on this."

The memorandum of agreement must be signed by the police chief of each participating city.

Hammett said no time frame has been established yet for the project.

Ohio | Department of Development

John R. Kasich, Governor Christiane Schmenk, Director

April 2, 2012

Kevin Nietert
City of South Euclid
1349 South Green Road
South Euclid, Ohio 44121

RE: Application Cure Letter

Dear Kevin Nietert:

The Ohio Department of Development (Development) has received and is currently reviewing your application for Round 1 of Local Government Innovation Fund program. During this review Development has determined that additional information is needed for your application. The identified item(s) requiring your attention are listed on the attached page(s). Please respond only to the issues raised. Failure to fully address all the identified items could lead to a competitive score reduction or ineligibility for Round 1 of the Local Government Innovation Fund program. **A written response from the applicant to this completeness review is due to Development no later than 5:00 p.m. on *April 30, 2012*.** Please send the response in a single email to lgif@development.ohio.gov and include "Cure—Project Name" in the subject line.

While this cure letter represents the additional information needed for Development review, the Local Government Innovation Council continues to reserve the right to request additional information about your application.

Thank you once again for your participation in Local Government Innovation program. Please contact the Office of Redevelopment at lgif@development.ohio.gov or 614-995-2292 if you have further questions regarding your application or the information requested in this letter.

Sincerely,

Thea J. Walsh, AICP
Deputy Chief, Office of Redevelopment
Ohio Department of Development

Local Government Innovation Fund Completeness Review

Applicant: City of South Euclid

Project Name: Regional Consolidated Public Safety Dispatch Feasibility Study

Request Type: Grant

Issues for Response

1. Match

A minimum of 10% match is required for all projects. Matching funds must be 10% of the **total project cost** (not 10% of the funding request). Please document your 10% match and provide evidence of the contribution.

For **in-kind contributions**, please provide documentation as outlined in section 2.06 of the Local Government Innovation Fund program policies. Certification of in-kind contributions may only be made for past investments. Anticipated in-kind contributions must be certified **after** the contribution is made

2. Budget

Please provide a line item budget that includes at minimum: 1) the sources of all funds being contributed to the project include **all** sources—cash, in-kind, etc.; 2) the uses of all funds (provide a line item for each use); 3) the total project costs (including the funding request **and** the local match. Please be sure that all uses of funds are eligible expenses as set forth in the program guidelines.

Example:

Collaboration Village's Project Budget

Sources of Funds	
LGIF Request	$100,000
Match Contribution (10%)	$ 11,111
Total	$111,111

Uses of Funds	
Consultant Fees for Study	$111,111
Total	$111,111

Total Project Cost: $111,111

CITY OF SOUTH EUCLID

DIVISION OF POLICE
Kevin T. Nietert
Chief

April 19, 2012

The Ohio Department of Development
77 South High Street
Columbus, OH 43216-1001

RE: Cure – Regional Consolidated Public Safety Dispatch Feasibility Study

To whom it may concern:

Please accept this letter and the attached documentation in response to your inquiry for additional information regarding our application. In an effort to simplify our application and streamline the process we have decided not to use in-kind contributions towards our required matching funds.

One of the documents attached is a letter from our Finance Director, Joe Filippo, along with the Certificate of Funds, indicating that as the fiduciary agent the City of South Euclid will be responsible for the 10% cash match. I have documented the 10% cash match in the line item budget that was requested and is attached along with a revised Tab 4 Financial Information.

I look forward to working with you in the future.

Sincerely,

Chief K Nietert

Kevin Nietert
Chief of Police
City of South Euclid

Cc: File

1349 South Green Road • South Euclid, Ohio 44121-3985 • (216) 381-1234 • Fax (216) 381-2074

CITY OF SOUTH EUCLID

FINANCE DEPARTMENT
Joseph G. Filippo, CPA
Director of Finance

April 27, 2012

The Ohio Department of Development
77 South High Street
Columbus, Ohio 43216-1001

Re: Regional Consolidated Public Safety Dispatch Feasibility Study

To Whom It May Concern:

Per your request, enclosed is the City of South Euclid Certificate of Funds, for the Regional Consolidated Public Safety Dispatch Feasibility Study.

If you have questions, please feel free to contact me at (216) 381-0400.

Sincerely,

Joseph G. Filippo
Director of Finance
City of South Euclid

1349 South Green Road * South Euclid, Ohio 44121-3985 * (216) 381-0400 * Fax (216) 291-4959

CERTIFICATE OF FUNDS

In the matter of: REGIONAL CONSOLIDATED PUBLIC SAFETY DISPATCH FEASIBILITY STUDY

IT IS HEREBY CERTIFIED that the moneys required to meet the obligations of the City of South Euclid under the foregoing study have been lawfully appropriated for such purposes and are in the treasury of the City of South Euclid or are in the process of collection to the appropriate fund, free from any previous encumbrances.

Dated: 4/26, 2012

CITY OF SOUTH EUCLID

By: _____
Joseph G. Filippo
Director of Finance

Regional Consolidated Public Safety Dispatch Feasibility Study Budget

Submitted by the cities of: Beachwood, Euclid, Shaker Heights, South Euclid, & University Heights

Sources of Funds	
LGIF Request	$51,386
Match Contribution (10%)	$5,710
Total	**$57,096**
Uses of Funds	
Personnel:	
Project Management Research	
FT Administrative	$28,108
Graduate Assistantship	$1,550
	$29,658
Fringe Benefits:	
FT Administrative	$9,557
Graduate Assistantship	$85
	$9,642
Total Personnel	**$39,300**
Operating:	
Contract Services	$8,000
Office Supplies	$100
Professional Memberships	$70
Travel Expenses	$110
Total Operating	**$8,280**
Total Direct Costs	**$47,580**
***Indirect Costs (20% of Total Direct Costs)**	**$9,516**
Total Project Cost	**$57,096**

LOCAL GOVERNMENT INNOVATION FUND APPLICATION
REGIONAL CONSOLIDATED PUBLIC SAFETY
DISPATCH FEASIBILITY STUDY

TAB 4:

FINANCIAL INFORMATION

TAB 4: FINANCIAL INFORMATION

REGIONAL CONSOLIDATED PUBLIC SAFETY DISPATCH FEASIBILITY STUDY

The request is for $57,096 from the Local Government Innovation Fund to fund the Regional Consolidated Public Safety Dispatch Feasibility Study to be administered by the Center for Public Management of the Maxine Goodman Levin College of Urban Affairs at Cleveland State University to assist the Cities of Beachwood, Euclid, Shaker Heights, South Euclid and University Heights in assessing the feasibility of consolidating public safety dispatch functions for police, fire and emergency medical services (EMS). Anticipated project costs are detailed below:

Anticipated Project Costs

Personnel:	
Project Management, Research	$29,658
Fringe benefits	$ 9,642
Total Personnel	**$39,300**
Operating:	
Contract Services	$ 8,000
Supplies, Membership, and Travel	$ 280
Total Operating	**$ 8,280**
Total Direct Costs (TDC)	$47,580
Indirect Costs (20% of TDC)	$ 9,516
Total Project Cost	**$57,096**
10% Cash Match	**$5,710**
LGIF Request	**$51,386**

Explanation of Financial Projections

The application to the LGIF is for a feasibility study, which will identify anticipated savings that would occur as a result of the regional consolidation. The study will determine expected return on investment; however, based on initial evaluation, a return of between 25% and 74% is expected.

Three-Year Financial History

The following pages include Comprehensive Annual Financial Reports for the most recent audited three years for the Cities of Beachwood, Euclid, Shaker Heights, South Euclid and University Heights.

CITY OF SOUTH EUCLID

DIVISION OF POLICE
Kevin T. Nietert
Chief

April 19, 2012

The Ohio Department of Development
77 South High Street
Columbus, OH 43216-1001

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LOCAL GOVERNMENT INNOVATION FUND APPLICATION
REGIONAL CONSOLIDATED PUBLIC SAFETY
DISPATCH FEASIBILITY STUDY

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