

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

AUDIT REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2011**

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



Dave Yost • Auditor of State

Members of Council
City of South Euclid
1349 South Green Road
South Euclid, Ohio 44121-3985

We have reviewed the *Independent Auditor's Report* of the City of South Euclid, Cuyahoga County, prepared by James G. Zupka, CPA, Inc., for the audit period January 1, 2011 through December 31, 2011. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost
Auditor of State

July 16, 2012

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**CITY OF SOUTH EUCLID
CUYAHOGA COUNTY, OHIO
AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2011**

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

To Members of the City Council
City of South Euclid

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of South Euclid, Cuyahoga County, Ohio, as of and for the year ended December 31, 2011, which collectively comprise the City of South Euclid, Ohio's basic financial statements and have issued our report thereon dated May 8, 2012, wherein as described in Note 6, the City restated fund balance of the Land Acquisition Fund and net assets of governmental activities due to a reclassification of long-term debt. 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

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

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

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

Compliance and Other Matters

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

We noted certain matters that we reported to the management of the City of South Euclid, Ohio, in a separate letter dated May 8, 2012.

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



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

May 8, 2012

CITY OF SOUTH EUCLID, OHIO
SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2011

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

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CITY OF SOUTH EUCLID, OHIO

COMPREHENSIVE

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2011

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, 2011
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CITY OF SOUTH EUCLID



FINANCE DEPARTMENT

Joseph G. Filippo, CPA
Director of Finance

May 8, 2012

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 2011, 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 Community Partnership on Aging and the YMCA of Greater Cleveland/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 11, 21 and 22 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's services, tax levies, appropriations and indebtedness, licensing of regulated businesses and trades and other municipal purposes. The presiding officer is the President who is elected by Council for a two-year term.

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

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

City Services

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

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. On July 1, 2010, the YMCA of Greater Cleveland assumed operational control of SELREC. On December 31, 2011, SELREC dissolved and the City's involvement with the YMCA ended.

Economic Condition and Outlook

Cedar Center North Redevelopment Project

The new \$19 million redevelopment revitalizes a once-blighted neighborhood and adds hundreds of new jobs to the City's tax base.

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 a new national anchor, Gordon Foods Marketplace, which opened in 2011, followed by the construction and opening of a new Bob Evans restaurant in April 2012. By the end of 2012 it is estimated that over 95 percent of the 12-acre site will be

redeveloped and open for business. New businesses opening on the site in 2012 include: Starbucks, Panera Bread, Chipotle, Menchie's Frozen Yogurt, Petsmart, Sprint, Piada Italian Street Food, China Gate Restaurant, Jimmy Johns Sandwich Shop, Little Caesar's Pizza, Five Guys Burgers and Fries, and more.

Most of the restaurants and cafes will feature outdoor dining areas, which will complement a new community greenspace area to be built in the center of the new Cedar Center North District. The greenspace will be utilized as a free civic space for the enjoyment of residents and for community band concerts, arts festivals, outdoor movie nights and other events. Nearly three-acres remain available for development, and the City is moving forward with marketing the remaining land with the expectation of final site development within the next 12-24 months.

Oakwood Commons \$45 Million Retail Development

On November 8, 2011, South Euclid voters approved Issue 96, affirming the unanimous votes by South Euclid's Planning Commission and City Council to rezone 63 acres of the closed Oakwood Country Club from residential to commercial use. The rezoning allows for the construction of a new 41-acre retail development by developer First Interstate Properties. Planning and construction of the new Oakwood Commons development is already underway, and in March 2012, First Interstate announced that an agreement had been signed to bring a Walmart Supercenter as the first anchor of the multi-use development.

The Oakwood Commons development will be unique in that it will be one of the first "green-built" retail centers in Ohio and will set a standard for a new model of sustainable design practices in a commercial environment. First Interstate Properties has indicated that all buildings in Oakwood Commons will be LEED-certified, making it the first shopping center in the region to have LEED certification. In addition, First Interstate will be donating the remaining 21-acres to the City to be permanently preserved as greenspace, nearly doubling the amount of publicly accessible community green space in South Euclid and providing residents with a new "nature" park with trails and walking paths. Oakwood Commons is scheduled to open in spring 2013.

Oakwood Commons Economic Impact

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

Additional City Retail & Business Districts:

The City's retail shopping and business districts serve as important tax contributors and pedestrian friendly shopping areas for residents. The continuing revitalization of some of South Euclid's older and obsolete business districts serve to help maintain and revitalize adjacent neighborhoods. A few of the vacant spaces saw rebirth during the year with the 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 is currently on the market for lease.

In 2011 the Mayfield-Green Shopping District housed 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 Joe's, South Euclid Hardware, Amir's Foods, Key Bank and other restaurants and shops, including a Giant Eagle Supermarket. 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.

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.

Smaller neighborhood-based shopping districts located throughout the City serve the needs of residents and small businesses, including the Glengate, Glenmont and Cedar-Green Shopping areas.

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

South Euclid is home to **Notre Dame College** (NDC), a private, four-year institution of higher learning and the City's largest employer. The college will celebrate its 100th anniversary in 2013. In 2011 NDC acquired the former Regina High School building to further expand their classroom and office space as part of the continued growth of the college. The college holds the distinction of being one of the fastest growing colleges in the country. College enrollment has grown from several hundred to several thousand in the last decade, spurring the creation of new academic and athletic programs and acceptance into the NCAA. Notre Dame recently completed a new dormitory in order to meet the College's growing enrollment. As the City's largest employer, Notre Dame College also serves as one of the City's community partners, collaborating with the City on major events and activities for residents.

Industrial and Commercial Anchors

South Euclid has an industrial-commercial corridor, which is home to a variety of manufacturing industries and is also vital to maintaining the City's tax base and contributing to a stable economic environment. Anchor businesses in the district include AeroControlex Group Inc., a Division of TransDigm, Inc., a Fortune 500 company that manufactures custom components for the aerospace industry. AeroControlex Group Inc. completed the expansion to their existing facility. 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. Additional anchors include Rochling Glastic Composites, LP, an international German company which manufactures thermoset polymers used in appliances, and Gent Machine Company, which manufactures Davenport and Swiss screw machine parts that are used in automotive, safety and other growing industries.

"One South Euclid" Community Development Corporation

In 2011 the City worked with business and civic leaders to incorporate a new non-profit Community Development Corporation (CDC) to assist the City of South Euclid with community, economic and residential advancement. The CDC, named "One South Euclid", creates a new model to help sustain and develop the City of South Euclid and enhance the quality of life by implementing programs that strengthen the community through economic and community development, collaboration and strategic initiatives. Programs will include Commercial and Residential Initiatives to assist in the revitalization of commercial areas, a residential lot resale program to creatively manage housing foreclosures, and the management of community gardens and pocket parks.

HOUSING AND NEIGHBORHOOD REDEVELOPMENT

TRANSFORMING NEIGHBORHOODS AND CREATING OPPORTUNITY

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.

The Green Neighborhoods Initiative

South Euclid is primarily a residential bedroom community of neighbors and neighborhoods with over 9,000 single-family homes. Like many suburbs throughout the nation, the City of South Euclid has been affected by the nationwide housing and foreclosure crisis. However, the City chose to view these challenges as opportunities to create and innovate new programs to retain the desirability of our neighborhoods by creatively re-imagining and revitalizing housing stock and successfully forging opportunity out of crisis.

Since 2009, the City's Green Neighborhoods Initiative has utilized strategic public-private partnerships to re-brand neighborhoods affected by the foreclosure crises and create increased demand for existing homes - increasing property values and neighborhood pride. The award-winning program has garnered international media attention as a model for managing the housing and foreclosure crisis with coverage from Bloomberg News, TF 1 – French Television, French 2 Television and the Canadian Broadcasting Corporation.

The City has undertaken three types of revitalization projects: the green rehabilitation of formerly foreclosed homes, the creation of unique community gardens and park space, and the establishment of an infill lot redevelopment program. The Green Neighborhoods Initiative builds on the noteworthy sustainability initiatives already in place in the City, such as the Langerdale Marsh retrofit, the creation of the South Euclid Land Conservancy and numerous “green” ordinances that have been passed in recent years by City Council, such as those encouraging storm water management best practices and riparian protection. In 2012 a new “green-built” home will be constructed from the ground-up – serving as another model for the private market to build affordable, new green-homes in South Euclid.

Measuring Results

The objective of the Green Neighborhoods Initiative is to create demand for South Euclid's housing stock and re-brand the City as the first choice for green and sustainable living. The projects increase neighborhood pride and encourage additional investment in existing homes. At the end of 2011, four bungalow retrofits were completed and sold to new homeowners.

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

A 2010-2011 analysis of home sales data on these streets reveals that, on average, a Green Neighborhoods retrofit sold for more than twice the amount of an average home on the same street (Between \$112,000 and \$122,000). This is a measurable example of the success of the unique rehab/resale program and illustrates the additional value buyers place on purchasing a “green” fully-rehabbed home.

Residential Building Permits Increase by 63 percent

The Green Neighborhoods Initiative homes are serving as models throughout South Euclid for the private rehabilitation of vacant and foreclosed homes and have led to greater confidence in South Euclid's housing market. Since the program's inception there has been a 63 percent increase in private residential rehabilitation and construction projects. Residential building permits have increased from 827 in 2007 to 1,845 in 2011 and residential construction valuation has gone from \$5,288,766 in 2007 to \$6,639,510 in 2011.

Additional private reinvestment is expected in 2012 with the continuing private construction of new homes and potential for new senior-living residential projects underway in the next year.

Long term financial planning

The general fund balance increased in 2011 from the previous year. The net change in fund balance for the general fund was \$742,362, which represents about an 18 percent increase. The general fund balance was still a healthy \$4,872,168 at year end.

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

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

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

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 2011, 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 \$1,900,000 was spent from the road improvement fund and over \$3,000,000 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. \$2,400,000 was spent for water main replacement in 2011. There are also projects scheduled for 2012.

There were a couple of major projects for 2011 that included replacement or renovation of various infrastructure assets within the City. Over a dozen roads and water mains were replaced or in the process of being replaced with the inception of the above mentioned new fund. The Cedar Center infrastructure project was completed in 2011.

Although home construction has slowed down on a nationwide level, the Planned Unit Residential Development, (PURD), known as Cutter's Creek, still built one unit in 2011. The entire development is planned with 46 units. To date, 34 of those units have been constructed.

Two new police cars were purchased and outfitted with all the new equipment and computers. The Fire Department had some major repairs done on a rescue squad at a cost of \$13,500. They also put in an order for a new ladder truck that they will get in 2012. The Service Department purchased a used leaf truck from a neighboring City to help replenish the aging vehicles that the City owns. The Service Department also is in a lease to own contract for two new all-purpose trucks and two new leaf machines. The City is always in the process of updating the aging computers throughout City Hall. The Community Center also had some major upgrades with a new roof and entrance doors. The roof was funded by a NOPEC grant of \$79,835.

The City entered into an agreement with the Brewer-Garrett Company for an energy conservation project throughout City facilities. The project includes lighting upgrades, mechanical, heating and air conditioning upgrades and vending machine sensors. The facilities include the Municipal Complex, Service Department, Community Center and the Parks. The project is funded by a loan agreement with the Ohio Air Quality Development Authority using revenue bonds and an Energy Conservation Grant. The project is 100 percent guaranteed by the Brewer-Garrett Company. The cost of the project is just under \$1,000,000. The project started in 2011 and will be completed in 2012.

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 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.

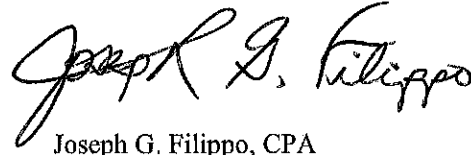
The City of South Euclid also received the Ohio Auditor of State Award with Distinction. This award was presented for excellence in financial reporting for the Comprehensive Annual Financial Report for the fiscal year ended 2010.

Acknowledgements

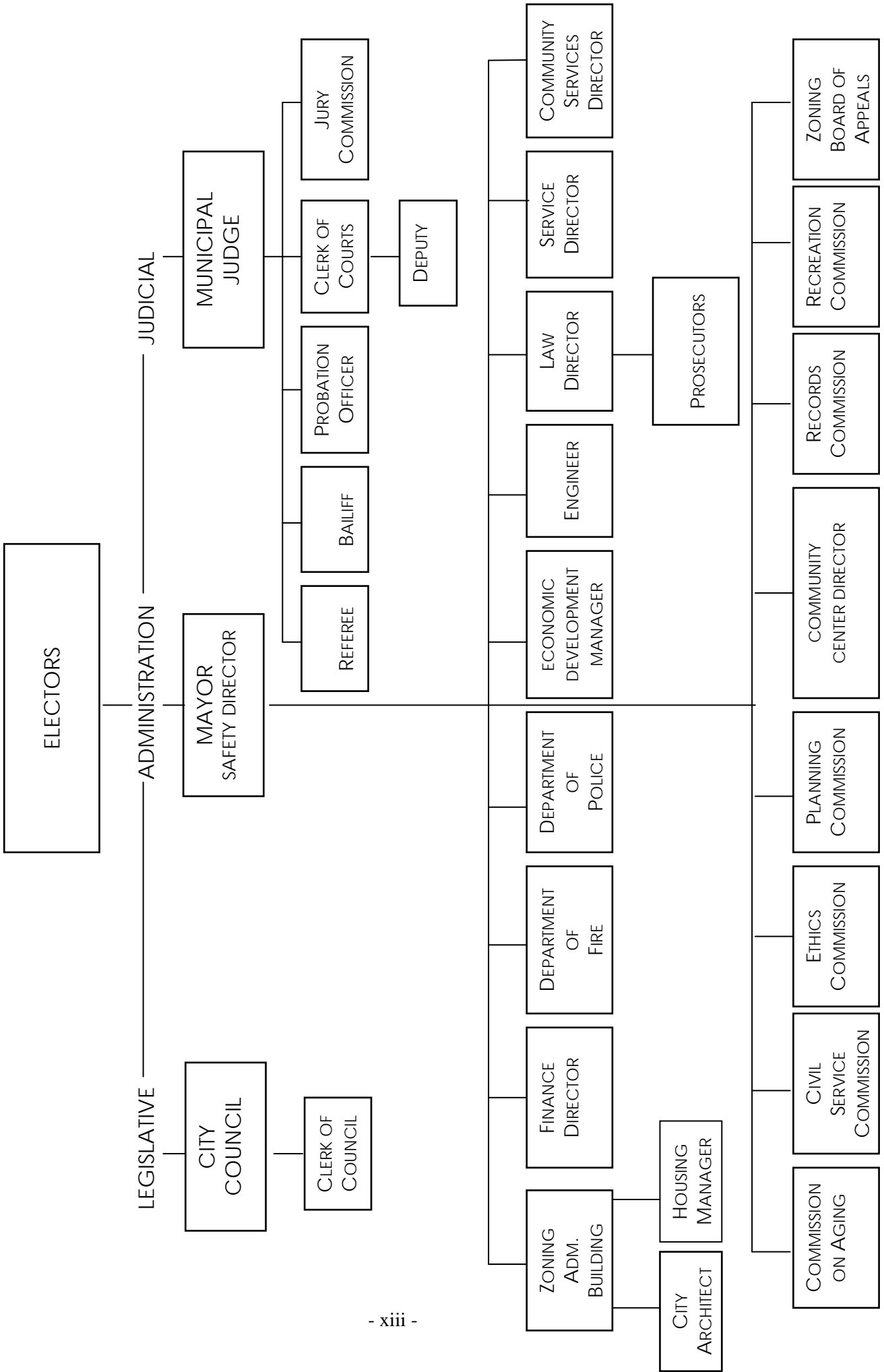
The preparation of this report would not be possible without the diligent and extra work by our Finance Department staff. I appreciate their efforts. Appreciation is also expressed to all City Hall Department Heads and Superintendents for their cooperation and assistance. In addition, my gratitude and 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

Marty Gelfand, At Large

Dennis Fiorelli, At Large

Edward A. Icové, Ward 3

Jane Goodman, Ward 4

MUNICIPAL JUDGE

Gayle Williams - Byers

APPOINTED OFFICIALS

Joseph G. Filippo, Director of Finance

Michael Lograsso, Director of Law

James Anderson, Director of Service

Paul Kowalczyk, Building Commissioner

Kevin Nietert, Chief of Police

Rick Huston, Chief of Fire

Andrew K. Blackley, City Engineer

Michael Love, Economic Development Coordinator

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, 2010

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.



Linda C. Davison

President

Jeffrey R. Emer

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 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, 2011, 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, 2011, 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 discussed in Note 6, the City restated fund balance of the Land Acquisition Fund and net assets of governmental activities due to a reclassification of long-term debt.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 8, 2012, 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 11 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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


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

May 8, 2012

City of South Euclid, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2011
Unaudited

The discussion and analysis of the City of South Euclid's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2011. 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, 2011.
- Total liabilities decreased from 2010 to 2011 due to the continued pay down of outstanding debt obligations.
- Although home construction has slowed down on a nationwide level, the Planned Unit Residential Development, (PURD), known as Cutter's Creek, still built one unit in 2011. The entire development is planned with 46 units. To date, 34 of those units have been constructed.
- The second-largest shopping area in the City is located at Cedar Road between Warrensville and Fenwick Roads. Of the 10+ acres of property the City purchased for a mixed-use residential, business and retail project, all but 2.6 acres was sold at a significantly lower amount than it was purchased for.

Using this Annual Financial Report

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

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

City of South Euclid, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2011
Unaudited

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

Statement of Net Assets and the Statement of Activities

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

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

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

Reporting the City of South Euclid's Most Significant Funds

Fund Financial Statements

The analysis of the City's major funds begins on page 8. 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

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2011?" The Statement of Net Assets and the Statement of Activities answer this

City of South Euclid, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2011
Unaudited

question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by the private sector. The basis for this accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid. These two statements report the City's net assets and the changes in those assets. The change in assets is important because it tells the reader whether, for the City as a whole, the financial position of the City has improved or diminished. However, in evaluating the overall position of the City, non-financial information such as changes in the City's tax base and the condition of City capital assets will also need to be evaluated.

The City of South Euclid as a Whole

Recall that the Statement of Net Assets looks at the City as a whole. Table 1 provides a summary of the City's net assets for 2011 compared to 2010.

Table 1
Net Assets

	Governmental Activities		
	2011	2010	Change
Assets			
Current and Other Assets	\$28,951,729	\$44,267,786	(\$15,316,057)
Capital Assets, Net	47,259,134	43,919,740	3,339,394
Total Assets	76,210,863	88,187,526	(11,976,663)
Liabilities			
Current Liabilities	25,245,043	25,775,314	530,271
Long-Term Liabilities:			
Due Within One Year	1,036,864	1,394,688	357,824
Due in More Than One Year	10,437,036	12,252,948	1,815,912
Total Liabilities	\$36,718,943	\$39,422,950	\$2,704,007

City of South Euclid, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2011
Unaudited

Table 1 (Continued)
Net Assets

	Governmental Activities		
	2011	2010	Change
Net Assets			
Invested in Capital Assets, Net of Related Debt	\$36,879,246	\$33,940,171	\$2,939,075
Restricted for:			
Capital Projects	8,510,849	8,191,218	319,631
Debt Service	0	674,337	(674,337)
Law Enforcement	184,728	165,435	19,293
Street Maintenance	495,804	456,029	39,775
Street Lighting	443,882	428,838	15,044
Sewer Maintenance	473,661	390,003	83,658
Community Development	835,629	799,141	36,488
Other Purposes	35,863	55,442	(19,579)
Unrestricted (Deficit)	(8,367,742)	3,663,962	(12,031,704)
<i>Total Net Assets</i>	<u>\$39,491,920</u>	<u>\$48,764,576</u>	<u>(\$9,272,656)</u>

Total assets decreased from 2010 to 2011 due to a decrease in assets held for resale in the land acquisition fund being slightly offset by 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 management making an effort to conserve.

Total liabilities decreased due to the continued pay down of outstanding debt obligations. Current liabilities such as intergovernmental payable, vacation benefits payable and accrued wages decreased due to cuts in State funding and the City making a concentrated effort to cut back as a result.

Table 2 shows the changes in net assets for the years ended December 31, 2011 and 2010 and corresponds to the Statement of Activities on page 13.

City of South Euclid, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2011
Unaudited

Table 2
Changes in Net Assets

	Governmental Activities		
	2011	2010	Change
Revenues			
Program Revenues:			
Charges for Services and Operating Assessments	\$4,966,892	\$4,631,318	\$335,574
Operating Grants	1,269,232	1,354,082	(84,850)
Capital Grants	1,992,124	1,987,926	4,198
Total Program Revenues	8,228,248	7,973,326	254,922
General Revenues:			
Property Taxes	4,589,032	4,915,386	(326,354)
Income Taxes	8,914,416	8,151,305	763,111
Grants and Entitlements	2,520,328	2,344,675	175,653
Interest	50,287	71,301	(21,014)
Gain on Sale of Capital Assets	260,082	6,447	253,635
Miscellaneous	603,868	668,973	(65,105)
Total General Revenues	16,938,013	16,158,087	779,926
<i>Total Revenues</i>	25,166,261	24,131,413	1,034,848
Program Expenses			
General Government:			
Legislative and Executive	2,530,948	2,388,528	(142,420)
Judicial System	567,380	528,283	(39,097)
Security of Persons and Property:			
Police	5,251,799	5,341,130	89,331
Fire	3,817,587	4,354,968	537,381
Public Health Services	125,129	127,799	2,670
Leisure Time Activities	450,164	368,780	(81,384)
Community Development	241,334	215,342	(25,992)
Building Department	640,481	654,922	14,441
Transportation	3,625,163	2,945,127	(680,036)
Basic Utility Services	4,438,034	3,173,606	(1,264,428)
Swimming Pools	331,283	339,938	8,655
Interest and Fiscal Charges	575,742	823,602	247,860
Total Program Expenses	22,595,044	21,262,025	(1,333,019)
<i>Increase in Net Assets Before Special Item</i>	2,571,217	2,869,388	(298,171)
Special Item - Loss on Sale of Capital Assets	(11,843,873)	0	(11,843,873)
<i>Change in Net Assets</i>	(9,272,656)	2,869,388	(12,142,044)
<i>Net Assets Beginning of Year</i>	48,764,576	45,895,188	2,869,388
<i>Net Assets End of Year</i>	\$39,491,920	\$48,764,576	(\$9,272,656)

City of South Euclid, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2011
Unaudited

Program revenues increased in 2011 due to increases in charges for services and operating assessments and a greater amount of capital grants being received. General revenues increased mainly due to increases in income tax which can be contributed to an increase in jobs within the City. Total program expenses increased due to the increased costs of providing transportation and basic utility services. In addition, the City's position deteriorated due to the City selling land it held for resale at a loss.

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 2011 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 2011 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 decreases in expenditures from 2010. Revenues were up due to greater income tax revenues from residents. Expenditures decreased due to fewer debt payments being made during 2011. The general fund experienced an increase in revenues from 2010 in income taxes which was slightly offset by a decrease in property taxes. 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, resulting in the general fund balance increase over 2010.

During 2011, the flood control capital projects fund balance decreased as a result of the City spending more on capital projects during the year. During 2011, the land acquisition capital projects fund balance decreased due to the sale of Cedar Center land at a significantly lower amount.

City of South Euclid, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2011
Unaudited

General Fund Budgeting Highlights

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

During the course of 2011, 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 2011 balances of capital assets as compared to 2010.

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

	Governmental Activities	
	2011	2010
Land	\$919,007	\$1,182,897
Buildings and Improvements	3,462,268	2,667,121
Equipment	569,841	536,151
Vehicles	1,263,766	1,291,524
Infrastructure		
Streets	13,973,831	13,275,670
Bridges, Sewers and Culverts	23,709,235	22,372,339
Waterlines	3,318,967	2,550,864
Traffic Signals	42,219	43,174
Total Capital Assets	\$47,259,134	\$43,919,740

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 as well as improvements to buildings and structures.

City of South Euclid, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2011
Unaudited

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

The City's garage staff works to maintain the fleet of vehicles at a high level of repair to extend their longevity. When replacement is required, City vehicles continue to be purchased or leased from the general capital improvement 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 13 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	
	2011	2010
General Obligation Bonds	\$0	\$487,906
Various Purpose Refunding Bonds	4,982,378	5,604,409
Special Assessment Bonds	145,000	190,000
OPWC Loans	2,806,643	2,235,704
OWDA Loans	1,636,125	1,724,826
OAQDA Loans	403,400	0
Police and Fire Pension Liability	288,463	295,528
Capital Lease	465,025	217,631
Compensated Absences	746,866	889,893
Total	\$11,473,900	\$11,645,897

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

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 seven, twenty-year zero-interest loans. The OPWC loan's repayment source is service assessments being collected in the flood control fund. In fiscal year 2008, the City began the Nine Mile Creek Rehabilitation OPWC project; in fiscal year 2010, the City began the Cedar Center OPWC project; and in fiscal year 2011, the City began the Rainbow Creek and Green Road OPWC projects, and as

City of South Euclid, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2011
Unaudited

of December 31, 2011 none of the projects were finalized. Therefore, the repayment schedules are not included in the schedule of debt service payments.

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 \$18,842,346 with an unvoted debt margin of \$3,348,607 on December 31, 2011. For more information about the City's long-term obligations, see Note 15 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 2011. 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. The City will see flat or decreased income tax collections in 2012 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.

City of South Euclid, Ohio

Statement of Net Assets

December 31, 2011

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$11,941,913
Cash and Cash Equivalents	
In Segregated Accounts	65,099
Accounts Receivable	63,314
Accrued Interest Receivable	5,257
Intergovernmental Receivable	1,697,921
Prepaid Items	97,444
Materials and Supplies Inventory	191,954
Income Taxes Receivable	4,396,108
Property Taxes Receivable	4,833,570
Special Assessments Receivable	3,590,779
Assets Held for Resale	1,878,243
Deferred Charges	190,127
Nondepreciable Capital Assets	919,007
Depreciable Capital Assets	46,340,127
	<hr/>
<i>Total Assets</i>	<i>76,210,863</i>
	<hr/>
Liabilities	
Accounts Payable	237,722
Accrued Wages	170,981
Contracts Payable	152,131
Intergovernmental Payable	564,165
Accrued Interest Payable	75,728
Vacation Benefits Payable	593,201
Deferred Revenue	4,276,545
Notes Payable	19,174,570
Long-Term Liabilities:	
Due Within One Year	1,036,864
Due In More Than One Year	10,437,036
	<hr/>
<i>Total Liabilities</i>	<i>36,718,943</i>
	<hr/>
Net Assets	
Invested in Capital Assets, Net of Related Debt	36,879,246
Restricted for:	
Capital Projects	8,510,849
Law Enforcement	184,728
Street Maintenance	495,804
Street Lighting	443,882
Sewer Maintenance	473,661
Community Development	835,629
Other Purposes	35,863
Unrestricted (Deficit)	(8,367,742)
	<hr/>
<i>Total Net Assets</i>	<i>\$39,491,920</i>
	<hr/> <hr/>

See accompanying notes to the basic financial statements

City of South Euclid, Ohio
Statement of Activities
For the Year Ended December 31, 2011

	Program Revenues			Net (Expense)	
	Expenses	Charges for Services and Operating Assessments	Operating Grants	Revenue and Changes in Net Assets	
			Capital Grants	Governmental Activities	
Governmental Activities:					
General Government:					
Legislative and Executive	\$2,530,948	\$279,170	\$0	\$0	(\$2,251,778)
Judicial System	567,380	67,123	0	0	(500,257)
Security of Persons and Property:					
Police	5,251,799	634,724	26,131	0	(4,590,944)
Fire	3,817,587	434,764	17,181	0	(3,365,642)
Public Health Services	125,129	14,895	0	0	(110,234)
Leisure Time Activities	450,164	31,994	0	85,517	(332,653)
Community Development	241,334	28,728	0	0	(212,606)
Building Department	640,481	75,433	0	0	(565,048)
Transportation	3,625,163	214,687	833,867	175,407	(2,401,202)
Basic Utility Services	4,438,034	3,123,642	392,053	1,731,200	808,861
Swimming Pools	331,283	61,732	0	0	(269,551)
Interest and Fiscal Charges	575,742	0	0	0	(575,742)
<i>Total Governmental Activities</i>	<u>\$22,595,044</u>	<u>\$4,966,892</u>	<u>\$1,269,232</u>	<u>\$1,992,124</u>	<u>(14,366,796)</u>
General Revenues					
Property Taxes Levied for:					
					3,504,567
					874,193
					210,272
					8,914,416
					2,520,328
					50,287
					260,082
					<u>603,868</u>
					<i>Total General Revenues</i>
					16,938,013
Special Items:					
					(11,843,873)
					<u>5,094,140</u>
					<i>Total General Revenues and Special Items</i>
					(9,272,656)
					(9,272,656)
					<i>Net Assets Beginning of Year - Restated (See Note 6)</i>
					<u>48,764,576</u>
					<i>Net Assets End of Year</i>
					<u>\$39,491,920</u>

See accompanying notes to the basic financial statements

City of South Euclid, Ohio

Balance Sheet

Governmental Funds

December 31, 2011

	General	Flood Control	Land Acquisition	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$3,805,092	\$1,855,368	\$1,573,735	\$4,707,718	\$11,941,913
Cash and Cash Equivalents In Segregated Accounts	65,099	0	0	0	65,099
Materials and Supplies Inventory	49,484	0	0	142,470	191,954
Accrued Interest Receivable	5,257	0	0	0	5,257
Accounts Receivable	63,089	0	0	225	63,314
Interfund Receivable	800,000	0	0	0	800,000
Intergovernmental Receivable	1,024,201	0	0	673,720	1,697,921
Prepaid Items	97,444	0	0	0	97,444
Income Taxes Receivable	4,396,108	0	0	0	4,396,108
Property Taxes Receivable	3,689,747	0	0	1,143,823	4,833,570
Assets Held for Resale	0	0	1,600,000	278,243	1,878,243
Special Assessments Receivable	56,891	2,559,258	0	974,630	3,590,779
<i>Total Assets</i>	<u>\$14,052,412</u>	<u>\$4,414,626</u>	<u>\$3,173,735</u>	<u>\$7,920,829</u>	<u>\$29,561,602</u>
Liabilities					
Accounts Payable	\$168,806	\$4,129	\$0	\$64,787	\$237,722
Accrued Wages	158,611	0	0	12,370	170,981
Contracts Payable	11,381	0	0	140,750	152,131
Intergovernmental Payable	484,697	0	0	79,468	564,165
Interfund Payable	0	0	700,000	100,000	800,000
Accrued Interest Payable	0	0	61,998	0	61,998
Deferred Revenue	8,356,749	2,559,258	0	2,562,456	13,478,463
Notes Payable	0	0	19,174,570	0	19,174,570
<i>Total Liabilities</i>	<u>9,180,244</u>	<u>2,563,387</u>	<u>19,936,568</u>	<u>2,959,831</u>	<u>34,640,030</u>
Fund Balances					
Nonspendable	146,928	0	0	142,470	289,398
Restricted	0	1,851,239	0	4,856,225	6,707,464
Committed	2,544	0	0	0	2,544
Assigned	112,574	0	0	0	112,574
Unassigned (Deficit)	4,610,122	0	(16,762,833)	(37,697)	(12,190,408)
<i>Total Fund Balances (Deficit)</i>	<u>4,872,168</u>	<u>1,851,239</u>	<u>(16,762,833)</u>	<u>4,960,998</u>	<u>(5,078,428)</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$14,052,412</u>	<u>\$4,414,626</u>	<u>\$3,173,735</u>	<u>\$7,920,829</u>	<u>\$29,561,602</u>

See accompanying notes to the basic financial statements

City of South Euclid, Ohio
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 December 31, 2011*

Total Governmental Fund Balances	(\$5,078,428)
 <i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	47,259,134
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	
Property Taxes	561,420
Income Taxes	3,761,259
Special Assessments	3,590,779
Intergovernmental	1,288,460
Total	9,201,918
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.	190,127
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(13,730)
Vacation Benefits payable is not expected to be paid with expendable available financial resources and therefore are not reported in the funds.	(593,201)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
General Obligation Bonds	(4,982,378)
Special Assessment Bonds	(145,000)
OPWC Loans Payable	(2,806,643)
OWDA Loans Payable	(1,636,125)
OAQDA Loans Payable	(403,400)
Police and Fire Pension Loan	(288,463)
Capital Leases Payable	(465,025)
Compensated Absences	(746,866)
Total	(11,473,900)
<i>Net Assets of Governmental Activities</i>	\$39,491,920

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, 2011

	General	Flood Control	Land Acquisition	Other Governmental Funds	Total Governmental Funds
Revenues					
Property Taxes	\$3,407,003	\$0	\$0	\$1,054,490	\$4,461,493
Income Taxes	8,722,342	0	0	0	8,722,342
Special Assessments	68,738	1,973,649	0	836,178	2,878,565
Intergovernmental	2,487,449	0	0	3,242,277	5,729,726
Interest	50,287	0	0	0	50,287
Fees, Licenses and Permits	515,075	0	0	0	515,075
Fines and Forfeitures	654,367	0	0	25,344	679,711
Rentals	114,802	0	0	8,350	123,152
Charges for Services	553,729	0	0	63,991	617,720
Other	47,132	0	0	816,818	863,950
<i>Total Revenues</i>	<u>16,620,924</u>	<u>1,973,649</u>	<u>0</u>	<u>6,047,448</u>	<u>24,642,021</u>
Expenditures					
Current:					
General Government:					
Legislative and Executive	2,346,673	0	0	4,250	2,350,923
Judicial System	566,728	0	0	0	566,728
Security of Persons and Property:					
Police	5,062,119	0	0	157,210	5,219,329
Fire	3,743,429	0	0	131,061	3,874,490
Public Health Services	125,129	0	0	0	125,129
Leisure Time Activities	269,728	0	0	0	269,728
Community Development	241,334	0	0	0	241,334
Building Department	642,827	0	0	0	642,827
Transportation	928,969	0	0	850,461	1,779,430
Basic Utility Services	1,457,614	0	0	1,491,114	2,948,728
Swimming Pools	244,910	0	0	0	244,910
Capital Outlay	0	1,763,161	1,367,301	4,272,017	7,402,479
Debt Service:					
Principal Retirement	7,065	543,307	0	383,074	933,446
Interest and Fiscal Charges	12,486	144,708	170,830	103,487	431,511
Capital Appreciation Bonds Accretion	0	0	0	543,592	543,592
Note Issuance Costs	0	0	131,641	0	131,641
<i>Total Expenditures</i>	<u>15,649,011</u>	<u>2,451,176</u>	<u>1,669,772</u>	<u>7,936,266</u>	<u>27,706,225</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>971,913</u>	<u>(477,527)</u>	<u>(1,669,772)</u>	<u>(1,888,818)</u>	<u>(3,064,204)</u>
Other Financing Sources (Uses)					
Sale of Capital Assets	4,115	0	0	0	4,115
Compensation for Loss of Asset - Playground	0	0	0	150,326	150,326
Inception of Capital Lease	0	0	0	304,060	304,060
OPWC Loan Issued	0	136,744	0	543,801	680,545
OAQDA Loan Issued	0	0	0	403,400	403,400
Transfers In	0	0	0	233,666	233,666
Transfers Out	(233,666)	0	0	0	(233,666)
<i>Total Other Financing Sources (Uses)</i>	<u>(229,551)</u>	<u>136,744</u>	<u>0</u>	<u>1,635,253</u>	<u>1,542,446</u>
Special Item					
Loss on Land Held for Resale	0	0	(11,843,873)	0	(11,843,873)
<i>Net Change in Fund Balances</i>	<u>742,362</u>	<u>(340,783)</u>	<u>(13,513,645)</u>	<u>(253,565)</u>	<u>(13,365,631)</u>
<i>Fund Balances (Deficit)</i>					
<i>Beginning of Year (Restated - See Note 6)</i>	<u>4,129,806</u>	<u>2,192,022</u>	<u>(3,249,188)</u>	<u>5,214,563</u>	<u>8,287,203</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$4,872,168</u></u>	<u><u>\$1,851,239</u></u>	<u><u>(\$16,762,833)</u></u>	<u><u>\$4,960,998</u></u>	<u><u>(\$5,078,428)</u></u>

See accompanying notes to the basic financial statements

City of South Euclid, Ohio
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2011*

Net Change in Fund Balances - Total Governmental Funds (\$13,365,631)

*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	5,871,787	
Depreciation	(2,113,691)	
Total		3,758,096

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. (418,702)

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

Property Taxes	127,539	
Income Taxes	192,074	
Intergovernmental	51,958	
Special Assessments	162,461	
Investment in Joint Venture	(9,792)	
Total		524,240

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 1,477,038

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. 131,641

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

Accrued Interest on Bonds	47,737	
Amortization of Premium	33,577	
Amortization of Note Issuance Costs	(131,905)	
Amortization of Loss on Refunding	(11,546)	
Bond Accretion	(82,094)	
Total		(144,231)

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

Compensated Absences	143,027	
Vacation Benefits	9,871	
Total		152,898

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	(680,545)	
OAQDA Loan Issued	(403,400)	
Inception of Capital Lease	(304,060)	
Total		(1,388,005)

Change in Net Assets of Governmental Activities (\$9,272,656)

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, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$3,496,315	\$3,678,928	\$3,690,226	\$11,298
Income Taxes	8,063,742	8,484,913	8,510,970	26,057
Special Assessments	65,126	68,528	68,738	210
Intergovernmental	2,279,557	2,398,619	2,405,985	7,366
Interest	7,531	7,924	7,948	24
Fees, Licenses and Permits	490,557	516,179	517,764	1,585
Fines and Forfeitures	629,914	662,815	664,851	2,036
Rentals	108,770	114,451	114,802	351
Charges for Services	458,271	482,207	483,688	1,481
Other	46,627	49,062	49,213	151
<i>Total Revenues</i>	<u>15,646,410</u>	<u>16,463,626</u>	<u>16,514,185</u>	<u>50,559</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive	2,713,294	2,748,626	2,509,375	239,251
Judicial System	605,124	605,124	563,419	41,705
Security of Persons and Property:				
Police	5,225,065	5,218,140	5,133,966	84,174
Fire	4,092,580	4,051,580	3,920,035	131,545
Public Health Services	153,031	153,031	132,352	20,679
Leisure Time Activities	588,362	588,362	320,274	268,088
Community Development	290,069	334,878	284,427	50,451
Building Department	663,312	663,312	650,025	13,287
Transportation	1,099,680	1,112,730	982,843	129,887
Basic Utility Services	1,693,819	1,693,819	1,649,433	44,386
<i>Total Expenditures</i>	<u>17,124,336</u>	<u>17,169,602</u>	<u>16,146,149</u>	<u>1,023,453</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,477,926)</u>	<u>(705,976)</u>	<u>368,036</u>	<u>1,074,012</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	3,898	4,102	4,115	13
Advances Out	0	0	(200,000)	(200,000)
Transfers Out	(487,627)	(485,154)	(458,666)	26,488
<i>Total Other Financing Sources (Uses)</i>	<u>(483,729)</u>	<u>(481,052)</u>	<u>(654,551)</u>	<u>(173,499)</u>
<i>Net Change in Fund Balance</i>	(1,961,655)	(1,187,028)	(286,515)	900,513
<i>Fund Balance Beginning of Year</i>	2,779,766	2,779,766	2,779,766	0
Prior Year Encumbrances Appropriated	478,863	478,863	478,863	0
<i>Fund Balance End of Year</i>	<u>\$1,296,974</u>	<u>\$2,071,601</u>	<u>\$2,972,114</u>	<u>\$900,513</u>

See accompanying notes to the basic financial statements

City of South Euclid, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Fund
December 31, 2011

Assets	
Equity in Pooled Cash and Cash Equivalents	<u><u>\$1,301,350</u></u>
Liabilities	
Deposits Held and Due to Others	<u><u>\$1,301,350</u></u>

See accompanying notes to the basic financial statements

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

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 Community Partnership on Aging, formerly known as 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 11, 21 and 22 to the basic financial statements.

The City's management believes these financial statements present all activities for which the City is financially accountable.

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)

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

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 and reports all financial resources except those required to be accounted for and reported in another fund. The general fund balance is available to

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

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 and reports restricted special assessments levied to complete projects to correct flooding within the City.

Land Acquisition Fund – The land acquisition fund accounts for and reports 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.

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

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 9). 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, 2011, but which were levied to finance year 2012 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

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

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

Cash and Cash Equivalents

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

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

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

During the year, the City invested in 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 2011 amounted to \$50,287, which includes \$35,838 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, 2011, 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, 2011, the City has two 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.

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

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.

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

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 or a City official delegated that authority by City Charter or ordinance, or by State Statute.

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.

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

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.

Deferred Loss on Refunding

The difference between the reacquisition price (funds required to refund the old debt) of various refunding bonds and the net carrying amount of the old debt, the deferred amount (loss) on refunding, is being amortized as a component of interest expense. This accounting loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter and is presented net of the general obligation bonds payable on the statement of net assets.

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 reported in the year the bonds/notes are issued.

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

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. During 2011, the City sold approximately 7.4 acres of the Cedar Center land incurring a loss of \$11,843,873. The loss on this sale is recorded as a special item.

Estimates

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

Budgetary Process

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

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

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

Note 3 – Change in Accounting Principles

For 2011, the City has implemented Governmental Accounting Standard Board (GASB) Statement No. 59, "Financial Instruments Omnibus". GASB Statement No. 59 addresses significant practice issues that have arisen when accounting for financial instruments by updating and improving existing standards regarding financial reporting of certain financial instruments and external investment pools. The implementation of this statement did not result in any change in the City's financial statements.

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, disbursements, and encumbrances. The

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

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. Unreported cash represents amounts received but not included as revenue on the budgetary statements, but which are reported on the operating statements prepared using GAAP.
7. Budgetary revenues and expenditures of the parking lots and meters and swimming pools funds are classified to the general fund for GAAP reporting.

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

Net Change in Fund Balance	<u>General</u>
GAAP Basis	\$742,362
Net Adjustment for Revenue Accruals	(148,591)
Beginning Fair Value Adjustment for Investments	(90,154)
Ending Fair Value Adjustment for Investments	131,631
Unrecorded Cash	375
Excess of revenues under expenditures:	
Parking Lots and Meters	(15,633)
Swimming Pools	(178,512)
Net Adjustment for Expenditure Accruals	(11,477)
Advances Out	(200,000)
Encumbrances	(516,516)
Budget Basis	<u><u>(\$286,515)</u></u>

Note 5 – Accountability

Fund balances at December 31, 2011 included the following individual fund deficit:

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

	Deficit Fund Balances
<i>Special Revenue Funds:</i>	
Police Pension Fund	\$16,354
Fire Pension Fund	16,355
<i>Capital Projects Fund:</i>	
Land Acquisition Fund	16,762,833

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 fund 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. In addition, the City sold land it had available for resale at a loss and that contributed to the fund deficit.

Note 6 –Restatement of Prior Year Balances and Net Assets

The City restated a previously recorded long-term note payable to a short-term note payable during the year. This had the following effect on fund balances of the major and nonmajor funds as they were previously reported. This change had no effect on net assets as previously reported.

	General	Flood Control	Land Acquisition	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balance at					
December 31, 2010	\$4,129,806	\$2,192,022	(\$1,242,227)	\$5,214,563	\$10,294,164
Restatement	0	0	(2,006,961)	0	(2,006,961)
Adjusted Fund Balance at					
December 31, 2010	\$4,129,806	\$2,192,022	(\$3,249,188)	\$5,214,563	\$8,287,203

The City restated refunded general obligation bonds during the year; this had the following effect on net assets as they were previously reported.

	Governmental Activities
Net Assets at December 31, 2010	\$48,667,670
Adjustments:	
Refunded General Obligation Bonds	96,906
Adjusted Net Assets at December 31, 2010	\$48,764,576

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

Note 7 - 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
<i>Nonspendable</i>					
Prepays	\$97,444	\$0	\$0	\$0	\$97,444
Inventory	49,484	0	0	142,470	191,954
<i>Total Nonspendable</i>	<u>146,928</u>	<u>0</u>	<u>0</u>	<u>142,470</u>	<u>289,398</u>
<i>Restricted for</i>					
Sewer Rental	0	0	0	119,912	119,912
Home Improvement	0	0	0	723,287	723,287
Public Safety	0	0	0	210,020	210,020
Street Maintenance	0	0	0	65,671	65,671
Debt Service Payments	0	0	0	76,820	76,820
Street Lighting	0	0	0	23,693	23,693
Capital Improvements	0	1,851,239	0	3,636,822	5,488,061
<i>Total Restricted</i>	<u>0</u>	<u>1,851,239</u>	<u>0</u>	<u>4,856,225</u>	<u>6,707,464</u>
<i>Committed to</i>					
Other Purposes	2,544	0	0	0	2,544
<i>Assigned to</i>					
Other Purposes	112,574	0	0	0	112,574
<i>Unassigned (Deficit)</i>	<u>4,610,122</u>	<u>0</u>	<u>(16,762,833)</u>	<u>(37,697)</u>	<u>(12,190,408)</u>
<i>Total Fund Balances (Deficit)</i>	<u>\$4,872,168</u>	<u>\$1,851,239</u>	<u>(\$16,762,833)</u>	<u>\$4,960,998</u>	<u>(\$5,078,428)</u>

Note 8 - 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.

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

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 trading 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, \$1,562,711 of the City's bank balance of \$10,252,071 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.

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

Investments

As of December 31, 2011, the City had the following investments:

	Fair Value	Maturity	Standard & Poor's	Percent of Total Investments
Money Market Accounts	\$591,554	Less than one year	AA+	15.15 %
Repurchase Agreements	3,312,008	Less than one year	AA+	84.85
Total Portfolio	<u>\$3,903,562</u>			

Interest Rate Risk As a means of limiting its exposure to fair value losses caused by rising interest rates, the City's investment policy requires that operating funds be invested primarily in short-term investments maturing within two years from the date of purchase if they have a variable interest rate and five years for investments that have a fixed rate and that the City's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity. 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 9 - Receivables

Receivables at December 31, 2011, 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 \$100,000 in the special assessment bond retirement fund. At December 31, 2011 the total amount of delinquent special assessments was \$450,001.

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 and public utility property located in the City. Property tax revenue received during 2011 for real and public utility property taxes represents collections of 2010 taxes.

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

2011 real property taxes were levied after October 1, 2011, on the assessed value as of January 1, 2011, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2011 real property taxes are collected in and intended to finance 2012.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2011 public utility property taxes which became a lien December 31, 2010, are levied after October 1, 2011, and are collected in 2012 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2011, was \$13.10 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2011 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Estate	
Residential/Agricultural	\$349,249,110
Other Real Estate	50,032,080
Tangible Personal Property	
Public Utility	7,193,590
Total Assessed Values	<u><u>\$406,474,780</u></u>

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City. The County Fiscal Officer periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies which were measurable as of December 31, 2011, and for which there was an enforceable legal claim. In the governmental funds, the entire receivable has been deferred since current taxes were not levied to finance 2011 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On the accrual basis, collectible delinquent property taxes have been recorded as revenue while on the modified accrual basis the revenue has been 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.

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

Intergovernmental Receivables

A summary of intergovernmental receivables follows:

Governmental Activities	Amount
Local Government	\$608,973
Homestead and Rollback	369,106
Gasoline and Excise Tax	196,718
Cuyahoga County Auditor	167,137
Estate Tax	128,270
State and Local Highway Tax	96,358
Permissive Motor Vehicle License Tax	62,126
Motor Vehicle License Fees	57,796
South Euclid / Lyndhurst	4,438
Commercial Activity Tax	3,514
City of University Heights	1,866
City of Richmond Heights	869
City of Mayfield Heights	750
Total	<u><u>\$1,697,921</u></u>

Note 10 - Risk Management

Property and Liability

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

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

Worker's Compensation

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

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

Note 11 - 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 2011, the City of South Euclid paid \$109,204 in premiums from the general fund, which represents 10.65 percent of total NORMA premiums. Financial information can be obtained by contacting the fiscal agent, the Finance Director at the City of Bedford Heights, 5661 Perkins Road, Bedford Heights, Ohio, 44146.

Note 12 – Assets Held for Resale

Just over 2.6 of the ten plus acres of land on Cedar Road, that was previously purchased by the City, remains for sale. This land will be sold for development purposes. Gordon Food Services opened in October 2011 and Bob Evans Restaurant opened in April 2012. The remaining property that was sold is in the building stages, with various restaurants and retail establishments projected to open by fall of 2012.

As of December 31, 2011 the City has nine lots with houses on Greenvale remaining which are being held for resale.

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

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

Note 13 - Capital Assets

Capital asset activity for the year ended December 31, 2011, was as follows:

Governmental Activities	Balance 12/31/2010	Additions	Deductions	Balance 12/31/2011
Capital Assets not being Depreciated:				
Land	\$1,182,897	\$0	(\$263,890)	\$919,007
Capital Assets being Depreciated:				
Buildings and Improvements	11,131,084	1,402,621	(170,154)	12,363,551
Equipment	2,494,421	133,553	(76,941)	2,551,033
Vehicles	4,432,228	238,523	(440,540)	4,230,211
Infrastructure:				
Streets	21,862,968	1,468,086	0	23,331,054
Bridges, Sewers and Culverts	24,931,233	1,794,228	0	26,725,461
Waterlines	3,157,633	834,776	0	3,992,409
Traffic Signals	47,732	0	0	47,732
Total Capital Assets being Depreciated	<u>68,057,299</u>	<u>5,871,787</u>	<u>(687,635)</u>	<u>73,241,451</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(8,463,963)	(457,147)	19,827	(8,901,283)
Equipment	(1,958,270)	(97,552)	74,630	(1,981,192)
Vehicles	(3,140,704)	(264,107)	438,366	(2,966,445)
Infrastructure:				
Streets	(8,587,298)	(769,925)	0	(9,357,223)
Bridges, Sewers and Culverts	(2,558,894)	(457,332)	0	(3,016,226)
Waterlines	(606,769)	(66,673)	0	(673,442)
Traffic Signals	(4,558)	(955)	0	(5,513)
Total Accumulated Depreciation	<u>(25,320,456)</u>	<u>(2,113,691) *</u>	<u>532,823</u>	<u>(26,901,324)</u>
Total Capital Assets being Depreciated, Net	<u>42,736,843</u>	<u>3,758,096</u>	<u>(154,812)</u>	<u>46,340,127</u>
Governmental Activities Capital Assets, Net	<u>\$43,919,740</u>	<u>\$3,758,096</u>	<u>(\$418,702)</u>	<u>\$47,259,134</u>

*Depreciation expense was charged to governmental activities as follows:

General Government:	
Legislative and Executive	\$1,885
Judicial System	5,921
Security of Persons and Property:	
Police	39,233
Fire	30,761
Leisure Time Activities	12,698
Building Department	6,804
Transportation	1,211,916
Basic Utility Services	718,100
Swimming Pools	86,373
Total Depreciation Expense	<u>\$2,113,691</u>

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

Note 14 - Note Debt

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

	Balance 12/31/2010	Additions	Reductions	Balance 12/31/2011
Land Acquisition Fund				
1.45% Short Term Note	\$1,800,000	\$0	\$1,800,000	\$0
1.00% Short Term Note	2,000,000	0	2,000,000	0
1.00% Short Term Note Premium	1,739	0	1,739	0
1.00% Short Term Note	9,595,000	0	9,595,000	0
1.00% Short Term Note Premium	17,775	0	17,775	0
1.50% Short Term Note	7,675,000	0	7,675,000	0
1.50% Short Term Note Premium	54,224	0	54,224	0
Brownfield Redevelopment Fund Note	0	544,143	544,143	0
Commercial Redevelopment Fund Note	0	320,109	320,109	0
1.38% Short Term Note	0	9,595,000	0	9,595,000
1.38% Short Term Note Premium	0	78,487	19,622	58,865
1.25% Short Term Note	0	7,675,000	0	7,675,000
1.25% Short Term Note Premium	0	60,940	15,235	45,705
1.45% Short Term Note	0	1,800,000	0	1,800,000
	<u>\$21,143,738</u>	<u>\$20,073,679</u>	<u>\$22,042,847</u>	<u>\$19,174,570</u>
Total	<u>\$21,143,738</u>	<u>\$20,073,679</u>	<u>\$22,042,847</u>	<u>\$19,174,570</u>

In 2011, the City issued and retired \$544,143 in Brownfield Redevelopment fund notes for acquiring real property and improving the site to assist in providing housing.

In 2011, the City issued and retired \$320,109 in Commercial Redevelopment fund notes for acquiring real property and improving the site to assist in developing business.

In 2011, 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 14, 2012. The Housing Development bond anticipation notes that were issued in 2010 for \$1,800,000 matured on December 15, 2011.

The \$9,595,000 Land Acquisition Bond Anticipation note issued September 27, 2011 at 1.38 percent and the \$7,675,000 Land Acquisition Bond Anticipation note issued September 27, 2011 at 1.25 percent and outstanding at December 31, 2011, will mature September 26, 2012. The notes will be paid from the land acquisition capital projects fund. The Land Acquisition bond anticipation notes that were issued in 2010 for \$9,595,000 and \$7,675,000 matured on September 28, 2011.

The \$2,000,000 Land Acquisition Bond Anticipation note issued September 29, 2010 at 1.00 percent matured March 29, 2011.

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.

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

Note 15 - 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	2011
2010 Various Purpose Refunding Bonds	2.0% to 4.0%	5,430,000	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 Rehabilitation	0%	341,315	N/A
OPWC Green Road	0%	543,801	N/A
OPWC Rainbow Creek	0%	132,399	N/A
OWDA Stormwater Improvement	N/A	2,052,371	N/A
OAQDA Series A	3.15%	386,146	2020
OAQDA Series B	5.45%	386,145	2026
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 2011 follows:

	Amount Outstanding 12/31/2010	Additions	Deletions	Amount Outstanding 12/31/2011	Amounts Due In One Year
Governmental Activities					
<i>General Obligation Bonds</i>					
1998 Recreational Facilities					
Improvement Refunding Bonds					
Capital Appreciation Bonds	\$26,408	\$0	(\$26,408)	\$0	\$0
Accretion on Capital Appreciation Bonds	461,498	82,094	(543,592)	0	0
Total 1998 Recreational Facilities Bonds	487,906	82,094	(570,000)	0	0
2010 Various Purpose					
General Obligation Refunding Bonds	5,430,000	0	(600,000)	4,830,000	620,000
Accounting Loss on Refunding	(91,406)	0	11,546	(79,860)	0
Premium on Various Purpose Bonds	265,815	0	(33,577)	232,238	0
Total 2010 Various Purpose General Obligation Refunding Bonds	5,604,409	0	(622,031)	4,982,378	620,000
<i>Total General Obligation Bonds</i>	6,092,315	82,094	(1,192,031)	4,982,378	620,000
<i>Special Assessment Bonds</i>					
<i>with Governmental Commitment</i>					
2002 Parking Lot Improvement	\$190,000	\$0	(\$45,000)	\$145,000	\$45,000

City of South Euclid, Ohio
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	Amount Outstanding 12/31/2010	Additions	Deletions	Amount Outstanding 12/31/2011	Amounts Due In One Year
Governmental Activities - Continued					
<i>OPWC Loans:</i>					
Liberty Road Bridge Replacement	\$453,535	\$0	(\$37,794)	\$415,741	\$37,795
Whitehall Road Bridge Replacement	146,337	0	(9,441)	136,896	9,441
Bexley Infrastructure	873,196	0	(62,371)	810,825	62,371
Cedar Center	260,039	4,345	0	264,384	0
Nine Mile Creek Rehabilitation	502,597	0	0	502,597	0
Rainbow Creek	0	132,399	0	132,399	0
Green Road	0	543,801	0	543,801	0
Total OPWC Loans	<u>2,235,704</u>	<u>680,545</u>	<u>(109,606)</u>	<u>2,806,643</u>	<u>109,607</u>
OWDA Stormwater Improvement	<u>1,724,826</u>	<u>0</u>	<u>(88,701)</u>	<u>1,636,125</u>	<u>0</u>
<i>OAQDA Loans:</i>					
OAQDA 2011 Series A	0	201,700	0	201,700	28,605
OAQDA 2011 Series B	0	201,700	0	201,700	0
Total OAQDA Loans	<u>0</u>	<u>403,400</u>	<u>0</u>	<u>403,400</u>	<u>28,605</u>
Police and Fire Pension	295,528	0	(7,065)	288,463	7,368
Capital Lease	217,631	304,060	(56,666)	465,025	113,787
Compensated Absences	<u>889,893</u>	<u>177,079</u>	<u>(320,106)</u>	<u>746,866</u>	<u>112,497</u>
<i>Total Governmental Activities</i>	<u>\$11,645,897</u>	<u>\$1,647,178</u>	<u>(\$1,819,175)</u>	<u>\$11,473,900</u>	<u>\$1,036,864</u>

In 1998, the City defeased a 1991 recreational facilities improvement bond issue in order to take advantage of lower interest rates. The proceeds of the new bonds were placed in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. On December 31, 2011, 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 have been retired from the general obligation bond retirement fund.

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

	2003 General Obligation Bonds
Outstanding at December 31, 2010	\$5,595,361
Amount Refunded	(5,687,729)
Accounting Loss	92,368
Outstanding at December 31, 2010	<u>\$0</u>

City of South Euclid, Ohio
Notes to the Basic Financial Statements
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The bonds were sold at a premium of \$265,815. Proceeds of \$5,687,729 were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded portion of the various bonds. These Various Purpose General Obligation bonds will be paid with revenues from the road improvement and flood control capital projects funds.

The City decreased its total debt service payments by \$254,059 as a result of the advance refunding. The City also incurred an economic gain (difference between the present values of the old and new debt service payments) of \$220,774.

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 \$264,384 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 in 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.

A line of credit has been established with the Ohio Public Works Commission in the amount of \$132,399 for the Rehabilitation of Rainbow 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.

A line of credit has been established with the Ohio Public Works Commission in the amount of \$543,801 for the Rehabilitation of Green Road; 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 road improvement 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.

A line of credit has been established with the Ohio Air Quality Development Authority in the amount of \$386,146 in Series A and \$386,146 in Series B Ohio Air Quality Development Authority loans, (OAQDA); however, since these loans are not finalized, the repayment schedules are not included in the schedule of debt service payments. The loans will be paid from the general capital improvements capital projects fund.

City of South Euclid, Ohio
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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, 2011, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$18,842,346 and the unvoted legal debt margin was \$3,348,607. Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2011 are as follows:

	General Obligation Refunding Bonds		Special Assessment Bonds	
	Principal	Interest	Principal	Interest
2012	\$620,000	\$148,185	\$45,000	\$9,715
2013	645,000	135,785	50,000	6,700
2014	665,000	116,435	50,000	3,350
2015	685,000	96,485	0	0
2016	700,000	75,935	0	0
2017-2018	1,515,000	78,735	0	0
Total	<u>\$4,830,000</u>	<u>\$651,560</u>	<u>\$145,000</u>	<u>\$19,765</u>

	Police and Fire Pension		OPWC Loans
	Principal	Interest	Principal
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	8,718	10,833	109,607
2017-2021	49,489	48,264	548,033
2022-2026	61,132	36,620	267,394
2027-2031	75,441	22,311	0
2032-2035	62,256	5,296	0
Total	<u>\$288,463</u>	<u>\$170,097</u>	<u>\$1,363,462</u>

Note 16 - 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.

City of South Euclid, Ohio
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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 17 – Capital Lease

In 2011, the City entered into a capital lease for two leaf box collection vehicles and two stainless steel dump bodies and vbox spreaders classified as equipment. In prior years, the City had entered into a capitalized lease obligation for sixteen new Ford vehicles, a master leaf collection unit and copiers. 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, 2011 are as follows:

	Amounts
Vehicles	\$358,040
Equipment	229,607
Total Capitalized	587,647
Less: Accumulated Depreciation	(122,104)
Current Book Value	\$465,543

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, 2011.

	Amounts
2012	\$129,897
2013	129,897
2014	90,699
2015	90,699
2016	68,961
Total Minimum Lease Payments	510,153
Less: Amount representing interest	(45,128)
Present Value of Minimum Lease Payments	\$465,025

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.

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

Note 18 - 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, 2011.

Note 19 - 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 visiting <https://www.opers.org/investments/cafr.shtml>, 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 enforcement 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 members in State and local divisions and 12 percent for law enforcement and public safety members. For the year ended December 31, 2011, members in state and local divisions contributed 10 percent of covered payroll while public safety and law enforcement members contributed 11.0 percent and 11.6 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 2011, member and employer contribution rates were consistent across all three plans.

City of South Euclid, Ohio
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The City's 2011 contribution rate was 14.0 percent, except for those plan members in law enforcement or public safety, for whom the City's contribution was 18.10 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 4.00 percent for 2011. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent for 2011. 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, 2011, 2010, and 2009 were \$336,634, \$322,829 and \$367,021, respectively. For 2011, 92.18 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2010 and 2009. Contributions to the Member-Directed Plan for 2011 were \$2,305 made by the City and \$1,646 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 pension were \$371,355 and \$418,957 for the year ended December 31, 2011, \$361,958 and \$456,906 for the year ended December 31, 2010, and \$429,949 and \$542,440 for the year ended December 31, 2009, respectively. For 2011, 70.64 percent for police and 70.80 percent for firefighters has been contributed with the balance for both police and firefighters being report as an intergovernmental payable. The full amount has been contributed for 2010 and 2009.

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, 2011, the unfunded liability of the City was \$288,463 payable in semi-annual payments through the year of 2035. This is an accounting liability of the City which will not vary.

Note 20 - 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-

City of South Euclid, Ohio
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For The Year Ended December 31, 2011

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 visiting <https://www.opers.org/investments/cafr.shtml>, 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 2011, state and local employers contributed at a rate of 14.0 percent of covered payroll, and public safety and law enforcement employers contributed at 18.10 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code.

Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 4.0 percent for 2011. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent for 2011.

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, 2011, 2010, and 2009 were \$134,653, \$209,911 and \$316,203, respectively. For 2011, 92.18 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2010 and 2009.

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 enforcement 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.

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

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, 19.50 percent and 24.00 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, 2011, 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 \$196,600 and \$163,940 for the year ended December 31, 2011, \$191,625 and \$178,789 for the year ended December 31, 2010, and \$227,620 and \$212,259 for the year ended December 31, 2009. For 2011, 70.64 percent has been contributed for police and 70.80 percent has been contributed for firefighters with the balance for both police and firefighters being reported as an intergovernmental payable. The full amount has been contributed for 2010 and 2009.

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

Note 21 - Joint Ventures

Community Partnership on Aging

The Community Partnership on Aging (Partnership) is a joint venture among the Cities of South Euclid, Lyndhurst Mayfield Heights and Highland Heights, formed for the purpose of coordinating among the cities all matters related to assistance and programs for the aged. Partnership revenues consist of contributions from the member cities and federal grants. The Partnership is controlled by the Council composed of the Mayors of the Cities of South Euclid, Lyndhurst, Mayfield Heights and Highland Heights, with the advice of a nine member commission. Continued existence of the Partnership is dependent on the City's continued participation; however the City of South Euclid has no explicit and measurable equity interest in the Partnership. The Partnership is not accumulating financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the City. In 2011, the City contributed \$261,542, paid from the general fund, which represented 50.2 percent of Partnership revenues. To obtain a copy of the Partnership's financial statements, write to the Community Partnership on Aging, 1370 Victory Drive, South Euclid, Ohio, 44121.

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 2011, the City contributed \$36,000. 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. On October 31, 2010, SELREC had a negative fund balance on the books of its formal fiscal agent. The South Euclid-Lyndhurst City School District and the cities of South Euclid and Lyndhurst contributed payments equivalent of 40 percent, 36 percent and 24 percent respectively, of the remaining negative fund balance to cover the deficit. SELREC financed the SELREC programs for eighteen months, which was through December 31, 2011. The City of South Euclid continued its subsidy to SELREC/YMCA through that time period. On December 31, 2011, SELREC dissolved and the City's involvement with the YMCA ended.

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

Note 22 - Jointly Governed Organizations

Northeast Ohio Public Energy Council

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

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each community then elect one person to serve on the eight-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. 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 2011. 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 2011, 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 2011, 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.

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2011

Note 23 - Interfund Transactions

Interfund Balances

Interfund balances at December 31, 2011 consist of the following:

Interfund Payable	Interfund Receivable
	General
Special Revenue Funds:	
Street, Construction, Maintenance and Repair	\$100,000
Capital Projects Funds:	
Land Acquisition	700,000
<i>Total</i>	\$800,000

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, 2011, consisted of the following:

Transfers To	Transfers From
	General
Other Governmental Funds:	
Special Assessment Bond Retirement	\$60,000
Safety Forces Vehicle	150,000
Police Vehicles	23,666
<i>Total</i>	\$233,666

The special assessment bond retirement received a transfer from the general fund to help pay for debt. The safety forces vehicle and police vehicles capital projects funds received transfers from the general fund to fund capital purchases. Capital purchases in the safety forces vehicle fund and police vehicles fund will benefit the fire and police departments.

**Combining and Individual
Fund Statements and Schedules**

Combining Statements – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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 and reports 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 and reports 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 and reports expenditures restricted for capital construction and the acquisition of capital assets.

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

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

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

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

Issue II Fund The Issue II Fund accounts for and reports 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.

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

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

City of South Euclid, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2011

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$895,419	\$76,820	\$3,735,479	\$4,707,718
Materials and Supplies Inventory	142,470	0	0	142,470
Accounts Receivable	225	0	0	225
Intergovernmental Receivable	600,426	0	73,294	673,720
Property Taxes Receivable	221,386	0	922,437	1,143,823
Assets Held for Resale	278,243	0	0	278,243
Special Assessments Receivable	919,092	55,538	0	974,630
<i>Total Assets</i>	<u>\$3,057,261</u>	<u>\$132,358</u>	<u>\$4,731,210</u>	<u>\$7,920,829</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$59,825	\$0	\$4,962	\$64,787
Accrued Wages	12,370	0	0	12,370
Contracts Payable	47,055	0	93,695	140,750
Intergovernmental Payable	79,468	0	0	79,468
Interfund Payable	100,000	0	0	100,000
Deferred Revenue	1,511,187	55,538	995,731	2,562,456
<i>Total Liabilities</i>	<u>1,809,905</u>	<u>55,538</u>	<u>1,094,388</u>	<u>2,959,831</u>
Fund Balances				
Nonspendable	142,470	0	0	142,470
Restricted	1,142,583	76,820	3,636,822	4,856,225
Unassigned (Deficit)	(37,697)	0	0	(37,697)
<i>Total Fund Balances</i>	<u>1,247,356</u>	<u>76,820</u>	<u>3,636,822</u>	<u>4,960,998</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$3,057,261</u>	<u>\$132,358</u>	<u>\$4,731,210</u>	<u>\$7,920,829</u>

City of South Euclid, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2011

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property Taxes	\$204,418	\$0	\$850,072	\$1,054,490
Special Assessments	833,037	3,141	0	836,178
Intergovernmental	1,284,681	0	1,957,596	3,242,277
Fines and Forfeitures	25,344	0	0	25,344
Rentals	8,350	0	0	8,350
Charges for Services	63,991	0	0	63,991
Other	275,539	0	541,279	816,818
<i>Total Revenues</i>	<u>2,695,360</u>	<u>3,141</u>	<u>3,348,947</u>	<u>6,047,448</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive	0	4,250	0	4,250
Security of Persons and Property:				
Police	157,210	0	0	157,210
Fire	131,061	0	0	131,061
Transportation	850,461	0	0	850,461
Basic Utility Services	1,491,114	0	0	1,491,114
Capital Outlay	0	0	4,272,017	4,272,017
Debt Service:				
Principal Retirement	0	71,408	311,666	383,074
Interest and Fiscal Charges	0	18,388	85,099	103,487
Capital Appreciation Bonds Accretion	0	543,592	0	543,592
<i>Total Expenditures</i>	<u>2,629,846</u>	<u>637,638</u>	<u>4,668,782</u>	<u>7,936,266</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>65,514</u>	<u>(634,497)</u>	<u>(1,319,835)</u>	<u>(1,888,818)</u>
Other Financing Sources				
Compensation for Loss of Asset - Playground	0	0	150,326	150,326
Inception of Capital Lease	0	0	304,060	304,060
OPWC Loan Issued	0	0	543,801	543,801
OAQDA Loan Issued	0	0	403,400	403,400
Transfers In	0	60,000	173,666	233,666
<i>Total Other Financing Sources</i>	<u>0</u>	<u>60,000</u>	<u>1,575,253</u>	<u>1,635,253</u>
<i>Net Change in Fund Balances</i>	65,514	(574,497)	255,418	(253,565)
<i>Fund Balances Beginning of Year - Restated</i>	<u>1,181,842</u>	<u>651,317</u>	<u>3,381,404</u>	<u>5,214,563</u>
<i>Fund Balances End of Year</i>	<u>\$1,247,356</u>	<u>\$76,820</u>	<u>\$3,636,822</u>	<u>\$4,960,998</u>

City of South Euclid, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2011

	Operation Home Improvement	COPS Grant	Street Construction, Maintenance and Repair	State Highway
Assets				
Equity in Pooled Cash and				
Cash Equivalents	\$327,198	\$511	\$86,526	\$17,421
Materials and Supplies Inventory	0	0	142,470	0
Accounts Receivable	0	0	0	0
Intergovernmental Receivable	167,137	0	324,931	26,316
Property Taxes Receivable	0	0	0	0
Assets Held for Resale	278,243	0	0	0
Special Assessments Receivable	112,342	0	0	0
<i>Total Assets</i>	<u>\$884,920</u>	<u>\$511</u>	<u>\$553,927</u>	<u>\$43,737</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$2,236	\$0	\$16,169	\$0
Accrued Wages	0	0	8,580	0
Contracts Payable	47,055	0	0	0
Intergovernmental Payable	0	0	13,397	0
Interfund Payable	0	0	100,000	0
Deferred Revenue	112,342	0	278,299	22,566
<i>Total Liabilities</i>	<u>161,633</u>	<u>0</u>	<u>416,445</u>	<u>22,566</u>
Fund Balances				
Nonspendable	0	0	142,470	0
Restricted	723,287	511	0	21,171
Unassigned (Deficit)	0	0	(4,988)	0
<i>Total Fund Balances (Deficit)</i>	<u>723,287</u>	<u>511</u>	<u>137,482</u>	<u>21,171</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$884,920</u>	<u>\$511</u>	<u>\$553,927</u>	<u>\$43,737</u>

<u>Permissive Motor Vehicle License</u>	<u>Police Range</u>	<u>Law Enforcement</u>	<u>Street Lighting</u>
\$34,652	\$28,189	\$184,503	\$59,258
0	0	0	0
0	0	225	0
62,126	2,350	0	0
0	0	0	0
0	0	0	0
0	0	0	420,189
<u>\$96,778</u>	<u>\$30,539</u>	<u>\$184,728</u>	<u>\$479,447</u>
\$0	\$5,758	\$0	\$35,565
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
52,278	0	0	420,189
<u>52,278</u>	<u>5,758</u>	<u>0</u>	<u>455,754</u>
0	0	0	0
44,500	24,781	184,728	23,693
0	0	0	0
<u>44,500</u>	<u>24,781</u>	<u>184,728</u>	<u>23,693</u>
<u>\$96,778</u>	<u>\$30,539</u>	<u>\$184,728</u>	<u>\$479,447</u>

(continued)

City of South Euclid, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2011

	Sewer Rental	Police Pension	Fire Pension	Total Nonmajor Special Revenue Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$129,870	\$13,646	\$13,645	\$895,419
Materials and Supplies Inventory	0	0	0	142,470
Accounts Receivable	0	0	0	225
Intergovernmental Receivable	0	8,783	8,783	600,426
Property Taxes Receivable	0	110,693	110,693	221,386
Assets Held for Resale	0	0	0	278,243
Special Assessments Receivable	386,561	0	0	919,092
<i>Total Assets</i>	<u>\$516,431</u>	<u>\$133,122</u>	<u>\$133,121</u>	<u>\$3,057,261</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$97	\$0	\$0	\$59,825
Accrued Wages	3,790	0	0	12,370
Contracts Payable	0	0	0	47,055
Intergovernmental Payable	6,071	30,000	30,000	79,468
Interfund Payable	0	0	0	100,000
Deferred Revenue	386,561	119,476	119,476	1,511,187
<i>Total Liabilities</i>	<u>396,519</u>	<u>149,476</u>	<u>149,476</u>	<u>1,809,905</u>
Fund Balances				
Nonspendable	0	0	0	142,470
Restricted	119,912	0	0	1,142,583
Unassigned (Deficit)	0	(16,354)	(16,355)	(37,697)
<i>Total Fund Balances (Deficit)</i>	<u>119,912</u>	<u>(16,354)</u>	<u>(16,355)</u>	<u>1,247,356</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$516,431</u>	<u>\$133,122</u>	<u>\$133,121</u>	<u>\$3,057,261</u>

City of South Euclid, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011

	Operation Home Improvement	COPS Grant	Street Construction, Maintenance and Repair	State Highway
Revenues				
Property Taxes	\$0	\$0	\$0	\$0
Special Assessments	65,317	0	0	0
Intergovernmental	392,053	0	668,354	54,217
Fines and Forfeitures	0	0	0	0
Rentals	0	0	0	0
Charges for Services	0	0	39,251	0
Other	262,099	0	12,733	0
<i>Total Revenues</i>	<u>719,469</u>	<u>0</u>	<u>720,338</u>	<u>54,217</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police	0	135	0	0
Fire	0	0	0	0
Transportation	0	0	679,624	43,999
Basic Utility Services	775,359	0	0	0
<i>Total Expenditures</i>	<u>775,359</u>	<u>135</u>	<u>679,624</u>	<u>43,999</u>
<i>Net Change in Fund Balances</i>	(55,890)	(135)	40,714	10,218
<i>Fund Balances (Deficit)</i>				
<i>Beginning of Year</i>	<u>779,177</u>	<u>646</u>	<u>96,768</u>	<u>10,953</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$723,287</u></u>	<u><u>\$511</u></u>	<u><u>\$137,482</u></u>	<u><u>\$21,171</u></u>

(continued)

City of South Euclid, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Year Ended December 31, 2011

	Permissive Motor Vehicle License	Police Range	Law Enforcement	Street Lighting
Revenues				
Property Taxes	\$0	\$0	\$0	\$0
Special Assessments	0	0	0	442,333
Intergovernmental	127,295	2,350	6,600	0
Fines and Forfeitures	0	12,395	12,949	0
Rentals	0	8,350	0	0
Charges for Services	0	0	0	0
Other	0	0	707	0
<i>Total Revenues</i>	<u>127,295</u>	<u>23,095</u>	<u>20,256</u>	<u>442,333</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police	0	23,301	963	0
Fire	0	0	0	0
Transportation	126,838	0	0	0
Basic Utility Services	0	0	0	441,359
<i>Total Expenditures</i>	<u>126,838</u>	<u>23,301</u>	<u>963</u>	<u>441,359</u>
<i>Net Change in Fund Balances</i>	457	(206)	19,293	974
<i>Fund Balances (Deficit)</i>				
<i>Beginning of Year</i>	<u>44,043</u>	<u>24,987</u>	<u>165,435</u>	<u>22,719</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$44,500</u></u>	<u><u>\$24,781</u></u>	<u><u>\$184,728</u></u>	<u><u>\$23,693</u></u>

Sewer Rental	Police Pension	Fire Pension	Total Nonmajor Special Revenue Funds
\$0	\$102,209	\$102,209	\$204,418
325,387	0	0	833,037
0	16,906	16,906	1,284,681
0	0	0	25,344
0	0	0	8,350
24,740	0	0	63,991
0	0	0	275,539
<u>350,127</u>	<u>119,115</u>	<u>119,115</u>	<u>2,695,360</u>
0	132,811	0	157,210
0	0	131,061	131,061
0	0	0	850,461
<u>274,396</u>	<u>0</u>	<u>0</u>	<u>1,491,114</u>
<u>274,396</u>	<u>132,811</u>	<u>131,061</u>	<u>2,629,846</u>
75,731	(13,696)	(11,946)	65,514
<u>44,181</u>	<u>(2,658)</u>	<u>(4,409)</u>	<u>1,181,842</u>
<u>\$119,912</u>	<u>(\$16,354)</u>	<u>(\$16,355)</u>	<u>\$1,247,356</u>

City of South Euclid, Ohio
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2011

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$62,494	\$14,326	\$76,820
Special Assessments Receivable	0	55,538	55,538
<i>Total Assets</i>	<u>\$62,494</u>	<u>\$69,864</u>	<u>\$132,358</u>
Liabilities and Fund Balances			
Liabilities			
Deferred Revenue	\$0	\$55,538	\$55,538
Fund Balances			
Restricted	62,494	14,326	76,820
<i>Total Liabilities and Fund Balances</i>	<u>\$62,494</u>	<u>\$69,864</u>	<u>\$132,358</u>

City of South Euclid, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2011

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
Revenues			
Special Assessments	\$0	\$3,141	\$3,141
Expenditures			
General Government:			
Legislative and Executive	4,250	0	4,250
Debt Service:			
Principal Retirement	26,408	45,000	71,408
Interest and Fiscal Charges	5,627	12,761	18,388
Capital Appreciation Bonds Accretion	543,592	0	543,592
<i>Total Expenditures</i>	<u>579,877</u>	<u>57,761</u>	<u>637,638</u>
<i>Excess of Revenues Under Expenditures</i>	(579,877)	(54,620)	(634,497)
Other Financing Sources			
Transfers In	<u>0</u>	<u>60,000</u>	<u>60,000</u>
<i>Net Change in Fund Balances</i>	(579,877)	5,380	(574,497)
<i>Fund Balances Beginning of Year</i>	<u>642,371</u>	<u>8,946</u>	<u>651,317</u>
<i>Fund Balances End of Year</i>	<u><u>\$62,494</u></u>	<u><u>\$14,326</u></u>	<u><u>\$76,820</u></u>

City of South Euclid, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2011

	General Capital Improvements	Safety Forces Vehicle	Water Distribution Infrastructure	Road Improvement
Assets				
Equity in Pooled Cash and Cash Equivalents	\$275,625	\$1,476,210	\$1,239,945	\$251,271
Intergovernmental Receivable	0	0	0	73,294
Property Taxes Receivable	0	0	0	922,437
<i>Total Assets</i>	<u>\$275,625</u>	<u>\$1,476,210</u>	<u>\$1,239,945</u>	<u>\$1,247,002</u>
 Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$1,322	\$3,640	\$0
Contracts Payable	0	0	93,695	0
Deferred Revenue	0	0	0	995,731
<i>Total Liabilities</i>	0	1,322	97,335	995,731
 Fund Balances				
Restricted	<u>275,625</u>	<u>1,474,888</u>	<u>1,142,610</u>	<u>251,271</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$275,625</u>	<u>\$1,476,210</u>	<u>\$1,239,945</u>	<u>\$1,247,002</u>

<u>Sidewalk Improvement</u>	<u>Stanhope Parking Lot</u>	<u>Issue II</u>	<u>Police Vehicles</u>	<u>Sewer Rehabilitation</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$7	\$2,853	\$464,651	\$23,666	\$1,251	\$3,735,479
0	0	0	0	0	73,294
0	0	0	0	0	922,437
<u>\$7</u>	<u>\$2,853</u>	<u>\$464,651</u>	<u>\$23,666</u>	<u>\$1,251</u>	<u>\$4,731,210</u>
\$0	\$0	\$0	\$0	\$0	\$4,962
0	0	0	0	0	93,695
0	0	0	0	0	995,731
0	0	0	0	0	1,094,388
<u>7</u>	<u>2,853</u>	<u>464,651</u>	<u>23,666</u>	<u>1,251</u>	<u>3,636,822</u>
<u>\$7</u>	<u>\$2,853</u>	<u>\$464,651</u>	<u>\$23,666</u>	<u>\$1,251</u>	<u>\$4,731,210</u>

City of South Euclid, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2011

	General Capital Improvements	Safety Forces Vehicle	Water Distribution Infrastructure	Road Improvement
Revenues				
Property Taxes	\$0	\$0	\$0	\$850,072
Intergovernmental	85,517	0	1,731,200	140,879
Other	185,154	356,125	0	0
<i>Total Revenues</i>	<u>270,671</u>	<u>356,125</u>	<u>1,731,200</u>	<u>990,951</u>
Expenditures				
Capital Outlay	1,499,438	25,799	1,500,960	1,245,820
Debt Service:				
Principal Retirement	56,666	0	0	255,000
Interest and Fiscal Charges	4,269	0	0	80,830
<i>Total Expenditures</i>	<u>1,560,373</u>	<u>25,799</u>	<u>1,500,960</u>	<u>1,581,650</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,289,702)</u>	<u>330,326</u>	<u>230,240</u>	<u>(590,699)</u>
Other Financing Sources				
Compensation for Loss of Asset - Playground	150,326	0	0	0
Inception of Capital Lease	304,060	0	0	0
OPWC Loan Issued	0	0	0	543,801
OAQDA Loan Issued	403,400	0	0	0
Transfers In	0	150,000	0	0
<i>Total Other Financing Sources</i>	<u>857,786</u>	<u>150,000</u>	<u>0</u>	<u>543,801</u>
<i>Net Change in Fund Balances</i>	(431,916)	480,326	230,240	(46,898)
<i>Fund Balances Beginning of Year</i>	<u>707,541</u>	<u>994,562</u>	<u>912,370</u>	<u>298,169</u>
<i>Fund Balances End of Year</i>	<u><u>\$275,625</u></u>	<u><u>\$1,474,888</u></u>	<u><u>\$1,142,610</u></u>	<u><u>\$251,271</u></u>

Sidewalk Improvement	Stanhope Parking Lot	Issue II	Police Vehicles	Sewer Rehabilitation	Total Nonmajor Capital Projects Funds
\$0	\$0	\$0	\$0	\$0	\$850,072
0	0	0	0	0	1,957,596
0	0	0	0	0	541,279
0	0	0	0	0	3,348,947
0	0	0	0	0	4,272,017
0	0	0	0	0	311,666
0	0	0	0	0	85,099
0	0	0	0	0	4,668,782
0	0	0	0	0	(1,319,835)
0	0	0	0	0	150,326
0	0	0	0	0	304,060
0	0	0	0	0	543,801
0	0	0	0	0	403,400
0	0	0	23,666	0	173,666
0	0	0	23,666	0	1,575,253
0	0	0	23,666	0	255,418
7	2,853	464,651	0	1,251	3,381,404
\$7	\$2,853	\$464,651	\$23,666	\$1,251	\$3,636,822

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, 2011

	Beginning Balance 12/31/10	Additions	Deductions	Ending Balance 12/31/11
<i>Deposits Fund</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$1,006,111</u>	<u>\$850,214</u>	<u>\$554,975</u>	<u>\$1,301,350</u>
Liabilities				
Deposits Held and Due to Others	<u>\$1,006,111</u>	<u>\$850,214</u>	<u>\$554,975</u>	<u>\$1,301,350</u>

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

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$3,496,315	\$3,678,928	\$3,690,226	\$11,298
Income Taxes	8,063,742	8,484,913	8,510,970	26,057
Special Assessments	65,126	68,528	68,738	210
Intergovernmental	2,279,557	2,398,619	2,405,985	7,366
Interest	7,531	7,924	7,948	24
Fees, Licenses and Permits	490,557	516,179	517,764	1,585
Fines and Forfeitures	629,914	662,815	664,851	2,036
Rentals	108,770	114,451	114,802	351
Charges for Services	458,271	482,207	483,688	1,481
Other	46,627	49,062	49,213	151
<i>Total Revenues</i>	<u>15,646,410</u>	<u>16,463,626</u>	<u>16,514,185</u>	<u>50,559</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive:				
Council				
Personal Services	100,423	100,423	97,512	2,911
Contractual Services	32	286	284	2
Materials and Supplies	55	492	454	38
Other	40	349	300	49
Total Council	<u>100,550</u>	<u>101,550</u>	<u>98,550</u>	<u>3,000</u>
Mayor				
Personal Services	163,020	167,020	164,544	2,476
Contractual Services	2,814	3,157	2,710	447
Materials and Supplies	1,863	2,072	1,619	453
Other	3,555	4,003	3,420	583
Total Mayor	<u>171,252</u>	<u>176,252</u>	<u>172,293</u>	<u>3,959</u>
Finance Department				
Personal Services	267,689	267,689	242,401	25,288
Contractual Services	34,047	34,047	33,286	761
Materials and Supplies	6,198	6,198	5,925	273
Other	2,269	2,269	1,833	436
Total Finance Department	<u>310,203</u>	<u>310,203</u>	<u>283,445</u>	<u>26,758</u>
Law Director				
Personal Services	125,256	125,256	122,018	3,238
Contractual Services	164,232	193,451	188,280	5,171
Materials and Supplies	15,058	17,278	13,466	3,812
Other	5,148	6,041	6,041	0
Total Law Director	<u>309,694</u>	<u>342,026</u>	<u>329,805</u>	<u>12,221</u>
Civil Service				
Personal Services	6,760	8,760	7,422	1,338
Contractual Services	10,253	8,401	3,674	4,727
Materials and Supplies	312	254	109	145
Other	674	584	169	415
Total Civil Service	<u>\$17,999</u>	<u>\$17,999</u>	<u>\$11,374</u>	<u>\$6,625</u>

(continued)

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Municipal Complex				
Personal Services	\$2,268	\$2,268	\$1,784	\$484
Contractual Services	487,209	485,576	431,221	54,355
Materials and Supplies	29,867	29,867	28,580	1,287
Other	15,494	17,127	17,126	1
Total Municipal Complex	534,838	534,838	478,711	56,127
Engineer				
Personal Services	17,986	18,986	18,058	928
Contractual Services	12,075	11,075	1,395	9,680
Total Engineer	30,061	30,061	19,453	10,608
Mandated				
Contractual Services	503,000	523,000	490,377	32,623
Other	70,000	70,000	14,064	55,936
Total Mandated	573,000	593,000	504,441	88,559
General Services				
Personal Services	64,500	69,500	50,574	18,926
Contractual Services	419,861	400,309	392,306	8,003
Other	181,336	172,888	168,423	4,465
Total General Services	665,697	642,697	611,303	31,394
Total Legislative and Executive	2,713,294	2,748,626	2,509,375	239,251
Judicial System:				
Municipal Court				
Personal Services	542,074	542,074	521,297	20,777
Contractual Services	5,183	5,183	3,730	1,453
Materials and Supplies	53,248	53,248	35,069	18,179
Other	4,619	4,619	3,323	1,296
Total Judicial System	605,124	605,124	563,419	41,705
Total General Government	3,318,418	3,353,750	3,072,794	280,956
Security of Persons and Property:				
Police:				
Police Department				
Personal Services	4,366,639	4,407,714	4,360,397	47,317
Contractual Services	156,267	113,172	109,496	3,676
Materials and Supplies	135,714	130,139	121,716	8,423
Other	78,430	79,100	70,664	8,436
Total Police Department	4,737,050	4,730,125	4,662,273	67,852
Dispatchers				
Personal Services	455,046	460,046	452,945	7,101
Contractual Services	23,367	19,209	12,881	6,328
Other	9,602	8,760	5,867	2,893
Total Dispatchers	488,015	488,015	471,693	16,322
Total Police	\$5,225,065	\$5,218,140	\$5,133,966	\$84,174

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, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Fire:				
Fire Department				
Personal Services	\$3,875,382	\$3,834,382	\$3,749,177	\$85,205
Contractual Services	86,511	86,511	63,345	23,166
Materials and Supplies	59,469	59,469	47,107	12,362
Other	39,915	39,915	34,743	5,172
Total Fire Department	4,061,277	4,020,277	3,894,372	125,905
Fire Hydrants				
Contractual Services	31,303	31,303	25,663	5,640
Total Fire	4,092,580	4,051,580	3,920,035	131,545
Total Security of Persons and Property	9,317,645	9,269,720	9,054,001	215,719
Public Health Services:				
Health and Human Services				
Contractual Services	153,031	153,031	132,352	20,679
Leisure Time Activities:				
Recreation Department				
Personal Services	62,217	62,217	47,476	14,741
Contractual Services	317,294	317,294	89,697	227,597
Materials and Supplies	468	468	122	346
Other	8,777	8,777	2,434	6,343
Total Recreation Department	388,756	388,756	139,729	249,027
Community Center				
Personal Services	145,019	145,019	138,993	6,026
Contractual Services	38,072	38,072	30,157	7,915
Materials and Supplies	5,138	5,138	3,980	1,158
Other	11,377	11,377	7,415	3,962
Total Community Center	199,606	199,606	180,545	19,061
Total Leisure Time Activities	588,362	588,362	320,274	268,088
Community Development:				
Boards and Commissions				
Personal Services	35,246	35,246	33,383	1,863
Contractual Services	975	975	500	475
Materials and Supplies	47	47	24	23
Other	78	78	40	38
Total Boards and Commissions	36,346	36,346	33,947	2,399
Community Relations				
Personal Services	88,430	88,430	85,034	3,396
Contractual Services	2,671	3,827	1,940	1,887
Materials and Supplies	15	26	11	15
Other	13,547	17,379	17,377	2
Total Community Relations	\$104,663	\$109,662	\$104,362	\$5,300

(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, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Economic Development Department:				
Economic Development Department				
Personal Services	\$69,733	\$66,733	\$51,890	\$14,843
Contractual Services	75,211	113,514	86,091	27,423
Materials and Supplies	193	296	283	13
Other	3,923	8,327	7,854	473
Total Economic Development Department	149,060	188,870	146,118	42,752
Total Community Development	290,069	334,878	284,427	50,451
Building Department:				
Building Department				
Personal Services	622,175	622,175	614,233	7,942
Contractual Services	13,784	13,784	11,473	2,311
Materials and Supplies	16,462	16,462	14,270	2,192
Other	10,891	10,891	10,049	842
Total Building Department	663,312	663,312	650,025	13,287
Transportation:				
Service Department				
Personal Services	549,971	549,971	494,962	55,009
Contractual Services	100,969	109,802	84,228	25,574
Materials and Supplies	51,066	54,811	39,499	15,312
Other	5,151	5,623	5,115	508
Total Service Department	707,157	720,207	623,804	96,403
Service Garage				
Personal Services	164,007	164,007	159,407	4,600
Contractual Services	62,469	62,469	53,743	8,726
Materials and Supplies	158,088	158,088	139,051	19,037
Other	7,959	7,959	6,838	1,121
Total Service Garage	392,523	392,523	359,039	33,484
Total Transportation	\$1,099,680	\$1,112,730	\$982,843	\$129,887

(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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Basic Utility Services:				
Refuse Collection and Disposal				
Contractual Services	\$1,509,591	\$1,509,591	\$1,502,991	\$6,600
Curbside Recycling				
Personal Services	137,816	137,816	121,758	16,058
Contractual Services	44,446	44,446	23,964	20,482
Materials and Supplies	1,966	1,966	720	1,246
Total Curbside Recycling	<u>184,228</u>	<u>184,228</u>	<u>146,442</u>	<u>37,786</u>
Total Basic Utility Services	<u>1,693,819</u>	<u>1,693,819</u>	<u>1,649,433</u>	<u>44,386</u>
<i>Total Expenditures</i>	<u>17,124,336</u>	<u>17,169,602</u>	<u>16,146,149</u>	<u>1,023,453</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,477,926)</u>	<u>(705,976)</u>	<u>368,036</u>	<u>1,074,012</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	3,898	4,102	4,115	13
Advances Out	0	0	(200,000)	(200,000)
Transfers Out	<u>(487,627)</u>	<u>(485,154)</u>	<u>(458,666)</u>	<u>26,488</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(483,729)</u>	<u>(481,052)</u>	<u>(654,551)</u>	<u>(173,499)</u>
<i>Net Change in Fund Balance</i>	(1,961,655)	(1,187,028)	(286,515)	900,513
<i>Fund Balance Beginning of Year</i>	2,779,766	2,779,766	2,779,766	0
Prior Year Encumbrances Appropriated	<u>478,863</u>	<u>478,863</u>	<u>478,863</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$1,296,974</u>	<u>\$2,071,601</u>	<u>\$2,972,114</u>	<u>\$900,513</u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Flood Control Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Special Assessments	\$1,883,256	\$1,973,256	\$1,973,649	\$393
Expenditures				
Capital Outlay:				
Contractual Services	2,569,450	2,569,450	2,392,018	177,432
Other	15,649	15,649	12,521	3,128
Total Capital Outlay	2,585,099	2,585,099	2,404,539	180,560
Debt Service:				
Principal Retirement	678,641	678,641	543,307	135,334
Interest and Fiscal Charges	181,227	181,227	144,708	36,519
Total Debt Service	859,868	859,868	688,015	171,853
<i>Total Expenditures</i>	3,444,967	3,444,967	3,092,554	352,413
<i>Excess of Revenues Under Expenditures</i>	(1,561,711)	(1,471,711)	(1,118,905)	352,806
Other Financing Sources				
OPWC Loan Issued	136,744	136,744	136,744	0
<i>Net Change in Fund Balance</i>	(1,424,967)	(1,334,967)	(982,161)	352,806
<i>Fund Balance Beginning of Year</i>	1,806,739	1,806,739	1,806,739	0
Prior Year Encumbrances Appropriated	385,910	385,910	385,910	0
<i>Fund Balance End of Year</i>	<u>\$767,682</u>	<u>\$857,682</u>	<u>\$1,210,488</u>	<u>\$352,806</u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Land Acquisition Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Capital Outlay:				
Contractual Services	352,696	393,678	393,677	1
Capital Outlay	904,911	987,651	986,615	1,036
Other	4,331	4,728	4,723	5
Total Capital Outlay	1,261,938	1,386,057	1,385,015	1,042
Debt Service:				
Principal Retirement	20,117,814	21,940,098	21,934,252	5,846
Interest and Fiscal Charges	255,825	279,216	278,923	293
Note Issuance Costs	120,739	131,778	131,641	137
Total Debt Service	20,494,378	22,351,092	22,344,816	6,276
<i>Total Expenditures</i>	21,756,316	23,737,149	23,729,831	7,318
<i>Excess of Revenues Under Expenditures</i>	(21,756,316)	(23,737,149)	(23,729,831)	7,318
Other Financing Sources				
Bond Anticipation Notes Issued	16,391,352	19,069,894	19,070,000	106
Premium on Bond Anticipation Notes	119,843	139,426	139,427	1
Advances In	171,907	199,999	200,000	1
Commercial Redevelopment Fund Note Proceeds	275,147	320,107	320,109	2
Brownfield Redevelopment Fund Note Proceeds	467,709	544,140	544,143	3
<i>Total Other Financing Sources</i>	17,425,958	20,273,566	20,273,679	113
Special Item				
Sale of Fixed Assets - Land	4,168,749	4,849,974	4,850,000	26
<i>Net Change in Fund Balance</i>	(161,609)	1,386,391	1,393,848	7,457
<i>Fund Balance Beginning of Year</i>	162,173	162,173	162,173	0
<i>Fund Balance End of Year</i>	\$564	\$1,548,564	\$1,556,021	\$7,457

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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Special Assessments	\$45,497	\$65,278	\$65,317	\$39
Intergovernmental	156,666	224,781	224,916	135
Other	182,565	261,941	262,099	158
<i>Total Revenues</i>	384,728	552,000	552,332	332
Expenditures				
Current:				
Basic Utility Services:				
Refuse Collection and Disposal:				
Contractual Services	404,789	483,325	479,844	3,481
Other	191,126	212,588	119,213	93,375
<i>Total Expenditures</i>	595,915	695,913	599,057	96,856
<i>Excess of Revenues Under Expenditures</i>	(211,187)	(143,913)	(46,725)	97,188
<i>Fund Balance Beginning of Year</i>	150,785	150,785	150,785	0
Prior Year Encumbrances Appropriated	80,509	80,509	80,509	0
<i>Fund Balance End of Year</i>	\$20,107	\$87,381	\$184,569	\$97,188

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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Other	\$1,000	\$0	\$0	\$0
Expenditures				
Current:				
Security of Persons and Property:				
Police Department:				
Other	646	646	646	0
<i>Net Change in Fund Balance</i>	354	(646)	(646)	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
Prior Year Encumbrances Appropriated	646	646	646	0
<i>Fund Balance End of Year</i>	<u>\$1,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

City of South Euclid, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Construction, Maintenance and Repair Fund
For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$659,880	\$668,232	\$671,027	\$2,795
Charges for Services	38,599	39,088	39,251	163
Other	12,521	12,680	12,733	53
<i>Total Revenues</i>	711,000	720,000	723,011	3,011
Expenditures				
Current:				
Transportation:				
Street Maintenance:				
Personal Services	593,761	593,761	571,816	21,945
Contractual Services	164,881	160,476	144,032	16,444
Materials and Supplies	22,206	21,611	17,589	4,022
<i>Total Expenditures</i>	780,848	775,848	733,437	42,411
<i>Net Change in Fund Balance</i>	(69,848)	(55,848)	(10,426)	45,422
<i>Fund Balance Beginning of Year</i>	70,051	70,051	70,051	0
Prior Year Encumbrances Appropriated	10,320	10,320	10,320	0
<i>Fund Balance End of Year</i>	\$10,523	\$24,523	\$69,945	\$45,422

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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$50,000	\$54,000	\$54,408	\$408
Expenditures				
Current:				
Transportation:				
Street Maintenance:				
Materials and Supplies	46,200	46,200	43,999	2,201
<i>Net Change in Fund Balance</i>	3,800	7,800	10,409	2,609
<i>Fund Balance Beginning of Year</i>	7,012	7,012	7,012	0
<i>Fund Balance End of Year</i>	<u>\$10,812</u>	<u>\$14,812</u>	<u>\$17,421</u>	<u>\$2,609</u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Permissive Motor Vehicle License Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$115,000	\$127,000	\$127,271	\$271
Expenditures				
Current:				
Transportation:				
Materials and Supplies	130,000	130,000	126,838	3,162
<i>Net Change in Fund Balance</i>	(15,000)	(3,000)	433	3,433
<i>Fund Balance Beginning of Year</i>	34,219	34,219	34,219	0
<i>Fund Balance End of Year</i>	<u>\$19,219</u>	<u>\$31,219</u>	<u>\$34,652</u>	<u>\$3,433</u>

City of South Euclid, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Range Fund
For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeitures	\$11,000	\$12,000	\$12,395	\$395
Rentals	8,000	8,000	8,350	350
<i>Total Revenues</i>	19,000	20,000	20,745	745
Expenditures				
Current:				
Security of Persons and Property:				
Police Department:				
Contractual Services	39,000	39,000	24,650	14,350
Materials and Supplies	1,000	1,000	103	897
<i>Total Expenditures</i>	40,000	40,000	24,753	15,247
<i>Net Change in Fund Balance</i>	(21,000)	(20,000)	(4,008)	15,992
<i>Fund Balance Beginning of Year</i>	24,987	24,987	24,987	0
<i>Fund Balance End of Year</i>	\$3,987	\$4,987	\$20,979	\$15,992

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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$1,000	\$6,000	\$6,600	\$600
Fines and Forfeitures	2,000	13,000	12,724	(276)
Other	0	1,000	707	(293)
<i>Total Revenues</i>	3,000	20,000	20,031	31
Expenditures				
Current:				
Security of Persons and Property:				
Police Department:				
Other	100,000	100,000	963	99,037
<i>Net Change in Fund Balance</i>	(97,000)	(80,000)	19,068	99,068
<i>Fund Balance Beginning of Year</i>	165,435	165,435	165,435	0
<i>Fund Balance End of Year</i>	\$68,435	\$85,435	\$184,503	\$99,068

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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Special Assessments	\$440,000	\$442,000	\$442,333	\$333
Expenditures				
Current:				
Basic Utility Services:				
Street Maintenance:				
Contractual Services	496,000	496,000	446,582	49,418
<i>Net Change in Fund Balance</i>	(56,000)	(54,000)	(4,249)	49,751
<i>Fund Balance Beginning of Year</i>	63,507	63,507	63,507	0
<i>Fund Balance End of Year</i>	<u>\$7,507</u>	<u>\$9,507</u>	<u>\$59,258</u>	<u>\$49,751</u>

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, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Special Assessments	\$325,269	\$325,269	\$325,387	\$118
Charges for Services	24,731	24,731	24,740	9
<i>Total Revenues</i>	<u>350,000</u>	<u>350,000</u>	<u>350,127</u>	<u>127</u>
Expenditures				
Current:				
Basic Utility Services:				
Sewer Maintenance:				
Personal Services	291,913	291,913	258,702	33,211
Contractual Services	27,004	27,004	15,417	11,587
Materials and Supplies	10,020	10,020	8,809	1,211
Other	1,276	1,276	600	676
<i>Total Expenditures</i>	<u>330,213</u>	<u>330,213</u>	<u>283,528</u>	<u>46,685</u>
<i>Net Change in Fund Balance</i>	19,787	19,787	66,599	46,812
<i>Fund Balance Beginning of Year</i>	50,881	50,881	50,881	0
Prior Year Encumbrances Appropriated	<u>11,457</u>	<u>11,457</u>	<u>11,457</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$82,125</u></u>	<u><u>\$82,125</u></u>	<u><u>\$128,937</u></u>	<u><u>\$46,812</u></u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Pension Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$99,197	\$102,200	\$102,209	\$9
Intergovernmental	16,408	16,800	16,906	106
<i>Total Revenues</i>	115,605	119,000	119,115	115
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Contractual Services	137,000	138,000	136,561	1,439
<i>Net Change in Fund Balance</i>	(21,395)	(19,000)	(17,446)	1,554
<i>Fund Balance Beginning of Year</i>	31,092	31,092	31,092	0
<i>Fund Balance End of Year</i>	<u>\$9,697</u>	<u>\$12,092</u>	<u>\$13,646</u>	<u>\$1,554</u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Pension Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$99,197	\$102,200	\$102,209	\$9
Intergovernmental	16,408	16,800	16,906	106
<i>Total Revenues</i>	115,605	119,000	119,115	115
Expenditures				
Current:				
Security of Persons and Property:				
Fire:				
Contractual Services	131,500	132,500	131,061	1,439
<i>Net Change in Fund Balance</i>	(15,895)	(13,500)	(11,946)	1,554
<i>Fund Balance Beginning of Year</i>	25,591	25,591	25,591	0
<i>Fund Balance End of Year</i>	<u>\$9,696</u>	<u>\$12,091</u>	<u>\$13,645</u>	<u>\$1,554</u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Parking Lots and Meters Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Basic Utility Services:				
Parking Lots and Meters:				
Contractual Services	35,000	35,000	13,529	21,471
Materials and Supplies	4,000	4,000	2,104	1,896
<i>Total Expenditures</i>	39,000	39,000	15,633	23,367
<i>Net Change in Fund Balance</i>	(39,000)	(39,000)	(15,633)	23,367
<i>Fund Balance Beginning of Year</i>	39,579	39,579	39,579	0
<i>Fund Balance End of Year</i>	\$579	\$579	\$23,946	\$23,367

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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$75,000	\$61,000	\$71,280	\$10,280
Expenditures				
Current:				
Swimming Pools:				
Personal Services	202,874	202,874	171,806	31,068
Contractual Services	88,500	88,500	58,047	30,453
Materials and Supplies	17,306	17,306	14,254	3,052
Other	17,600	17,600	5,685	11,915
<i>Total Expenditures</i>	326,280	326,280	249,792	76,488
<i>Excess of Revenues Under Expenditures</i>	(251,280)	(265,280)	(178,512)	86,768
Other Financing Sources				
Transfers In	235,000	235,000	225,000	(10,000)
<i>Net Change in Fund Balance</i>	(16,280)	(30,280)	46,488	76,768
<i>Fund Balance Beginning of Year</i>	107,654	107,654	107,654	0
Prior Year Encumbrances Appropriated	2,206	2,206	2,206	0
<i>Fund Balance End of Year</i>	\$93,580	\$79,580	\$156,348	\$76,768

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, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
General Government:				
Legislative and Executive:				
Other	4,250	4,250	4,250	0
Debt Service:				
Principal Retirement	26,408	26,408	26,408	0
Interest and Fiscal Charges	5,627	5,627	5,627	0
Capital Appreciation Bonds Accretion	606,086	606,086	543,592	62,494
Total Debt Service	638,121	638,121	575,627	62,494
<i>Total Expenditures</i>	642,371	642,371	579,877	62,494
<i>Net Change in Fund Balance</i>	(642,371)	(642,371)	(579,877)	62,494
<i>Fund Balance Beginning of Year</i>	642,371	642,371	642,371	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$62,494	\$62,494

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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Special Assessments	\$0	\$3,000	\$3,141	\$141
Expenditures				
Debt Service:				
Principal Retirement	45,000	45,000	45,000	0
Interest and Fiscal Charges	13,230	13,230	12,761	469
<i>Total Expenditures</i>	<u>58,230</u>	<u>58,230</u>	<u>57,761</u>	<u>469</u>
<i>Excess of Revenues Under Expenditures</i>	(58,230)	(55,230)	(54,620)	610
Other Financing Sources				
Transfers In	60,000	60,000	60,000	0
<i>Net Change in Fund Balance</i>	1,770	4,770	5,380	610
<i>Fund Balance Beginning of Year</i>	<u>8,946</u>	<u>8,946</u>	<u>8,946</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$10,716</u></u>	<u><u>\$13,716</u></u>	<u><u>\$14,326</u></u>	<u><u>\$610</u></u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Capital Improvements Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$72,316	\$85,600	\$85,517	(\$83)
Other	0	226,674	227,470	796
<i>Total Revenues</i>	72,316	312,274	312,987	713
Expenditures				
Capital Outlay:				
Capital Outlay	659,793	1,488,142	1,326,613	161,529
<i>Excess of Revenues Under Expenditures</i>	(587,477)	(1,175,868)	(1,013,626)	162,242
Other Financing Sources				
OAQDA Loan Proceeds	0	403,400	403,400	0
Compensation for Loss of Assets - Playground	0	150,326	150,326	0
<i>Total Other Financing Sources</i>	0	553,726	553,726	0
<i>Net Change in Fund Balance</i>	(587,477)	(622,142)	(459,900)	162,242
<i>Fund Balance Beginning of Year</i>	627,083	627,083	627,083	0
Prior Year Encumbrances Appropriated	38,142	38,142	38,142	0
<i>Fund Balance End of Year</i>	<u>\$77,748</u>	<u>\$43,083</u>	<u>\$205,325</u>	<u>\$162,242</u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Safety Forces Vehicle Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Other	\$50,000	\$356,000	\$356,125	\$125
Expenditures				
Capital Outlay:				
Capital Outlay	678,460	772,460	635,799	136,661
<i>Excess of Revenues Under Expenditures</i>	(628,460)	(416,460)	(279,674)	136,786
Other Financing Sources				
Transfers In	150,000	150,000	150,000	0
<i>Net Change in Fund Balance</i>	(478,460)	(266,460)	(129,674)	136,786
<i>Fund Balance Beginning of Year</i>	972,102	972,102	972,102	0
Prior Year Encumbrances Appropriated	22,460	22,460	22,460	0
<i>Fund Balance End of Year</i>	\$516,102	\$728,102	\$864,888	\$136,786

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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$1,450,000	\$1,731,000	\$1,731,200	\$200
Expenditures				
Capital Outlay:				
Contractual Services	2,247,976	2,547,976	2,474,372	73,604
<i>Net Change in Fund Balance</i>	(797,976)	(816,976)	(743,172)	73,804
<i>Fund Balance Beginning of Year</i>	864,394	864,394	864,394	0
Prior Year Encumbrances Appropriated	47,976	47,976	47,976	0
<i>Fund Balance End of Year</i>	<u>\$114,394</u>	<u>\$95,394</u>	<u>\$169,198</u>	<u>\$73,804</u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Road Improvement Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$826,416	\$849,102	\$850,072	\$970
Intergovernmental	136,960	140,719	140,879	160
<i>Total Revenues</i>	<u>963,376</u>	<u>989,821</u>	<u>990,951</u>	<u>1,130</u>
Expenditures				
Capital Outlay:				
Contractual Services	809,238	1,712,627	1,598,331	114,296
Debt Service:				
Principal Retirement	255,000	255,000	255,000	0
Interest and Fiscal Charges	80,830	80,830	80,830	0
Total Debt Service	<u>335,830</u>	<u>335,830</u>	<u>335,830</u>	<u>0</u>
<i>Total Expenditures</i>	<u>1,145,068</u>	<u>2,048,457</u>	<u>1,934,161</u>	<u>114,296</u>
<i>Excess of Revenues Under Expenditures</i>	(181,692)	(1,058,636)	(943,210)	115,426
Other Financing Sources				
OPWC Loans Issued	0	543,179	543,801	622
<i>Net Change in Fund Balance</i>	(181,692)	(515,457)	(399,409)	116,048
<i>Fund Balance Beginning of Year</i>	631,287	631,287	631,287	0
Prior Year Encumbrances Appropriated	<u>16,258</u>	<u>16,258</u>	<u>16,258</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$465,853</u></u>	<u><u>\$132,088</u></u>	<u><u>\$248,136</u></u>	<u><u>\$116,048</u></u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Sidewalk Improvement Fund
For the Year Ended December 31, 2011

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

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Stanhope Parking Lot Fund
For the Year Ended December 31, 2011

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

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Issue II Fund
For the Year Ended December 31, 2011

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

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Vehicles Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Capital Outlay:				
Other	10,000	10,000	0	10,000
<i>Excess of Revenues Under Expenditures</i>	(10,000)	(10,000)	0	10,000
Other Financing Sources				
Transfers In	23,000	23,000	23,666	666
<i>Net Change in Fund Balance</i>	13,000	13,000	23,666	10,666
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$13,000</u>	<u>\$13,000</u>	<u>\$23,666</u>	<u>\$10,666</u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Sewer Rehabilitation Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Other	\$340,000	\$0	\$0	\$0
Expenditures				
Capital Outlay:				
Contractual Services	1,251	1,251	0	1,251
<i>Net Change in Fund Balance</i>	338,749	(1,251)	0	1,251
<i>Fund Balance Beginning of Year</i>	1,251	1,251	1,251	0
<i>Fund Balance End of Year</i>	<u>\$340,000</u>	<u>\$0</u>	<u>\$1,251</u>	<u>\$1,251</u>

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Statistical Section

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

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

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

City of South Euclid, Ohio

Net Assets By Component

Last Ten Years

(Accrual Basis of Accounting)

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Governmental Activities				
Invested in Capital Assets, Net of Related Debt	\$36,879,246	\$33,940,171	\$32,938,396	\$30,383,626
Restricted:				
Capital Projects	8,510,849	8,191,218	6,012,190	6,357,363
Debt Service	0	674,337	817,326	840,410
Law Enforcement	184,728	165,435	0	0
Street Maintenance	495,804	456,029	238,023	437,529
Street Lighting	443,882	428,838	437,834	514,248
Sewer Maintenance	473,661	390,003	435,148	384,037
Community Development	835,629	799,141	0	0
Other Purposes (1)	35,863	55,442	851,859	646,835
Unrestricted (Deficit)	<u>(8,367,742)</u>	<u>3,663,962</u>	<u>4,164,412</u>	<u>5,754,886</u>
<i>Total Governmental Activities Net Assets</i>	<u>\$39,491,920</u>	<u>\$48,764,576</u>	<u>\$45,895,188</u>	<u>\$45,318,934</u>

(1) Net Assets Restricted for Other Purposes were shown in total for year 2002. Starting in 2010, Other Purposes was further broken out to provide more detail.

2007	2006	2005	2004	2003	2002
\$28,853,662	\$22,453,546	\$20,848,365	\$18,556,099	\$17,806,555	\$14,677,992
5,732,147	10,817,930	12,072,013	13,586,656	9,536,999	12,337,811
1,205,795	1,228,773	1,230,674	1,209,362	4,689,143	4,624,328
0	0	0	0	0	0
618,196	868,767	767,151	745,178	619,840	0
551,299	564,263	581,334	616,735	638,139	0
398,264	361,298	398,185	374,740	386,731	0
0	0	0	0	0	0
304,415	338,842	295,348	404,799	449,460	2,340,095
7,541,936	6,233,264	5,772,223	5,689,409	6,886,696	6,541,579
<u>\$45,205,714</u>	<u>\$42,866,683</u>	<u>\$41,965,293</u>	<u>\$41,182,978</u>	<u>\$41,013,563</u>	<u>\$40,521,805</u>

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

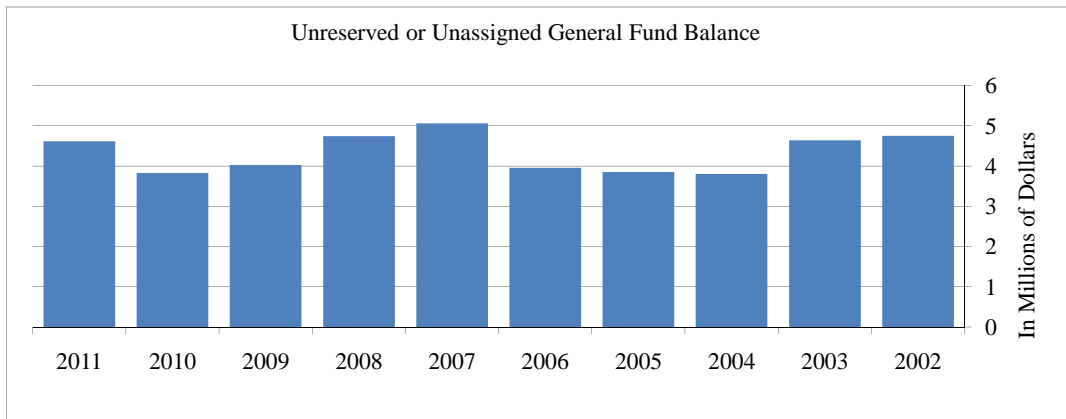
	2011	2010	2009	2008	2007
Program Revenues					
Governmental Activities:					
Charges for Services and Operating Assessments:					
General Government:					
Legislative and Executive	\$279,170	\$266,024	\$276,698	\$345,357	\$317,840
Judicial System	67,123	58,507	59,178	57,596	62,730
Security of Persons and Property:					
Police	634,724	594,913	607,784	693,554	663,424
Fire	434,764	468,368	436,945	495,777	495,329
Public Health Services	14,895	14,323	18,024	16,474	18,029
Leisure Time Activities	31,994	40,072	35,970	49,565	53,397
Community Development	28,728	24,134	25,565	36,442	31,376
Building Department	75,433	72,724	77,024	93,325	94,543
Transportation	214,687	150,034	140,916	188,751	98,837
Basic Utility Services	3,123,642	2,865,154	2,776,764	2,953,380	3,200,213
Swimming Pools	61,732	77,065	86,512	119,300	114,041
Operating Grants, Contributions and Interest	1,269,232	1,354,082	1,262,066	1,107,332	910,810
Capital Grants, Contributions and Capital Assessments	1,992,124	1,987,926	95,906	245,873	693,176
<i>Total Governmental Activities Program Revenues</i>	<u>8,228,248</u>	<u>7,973,326</u>	<u>5,899,352</u>	<u>6,402,726</u>	<u>6,753,745</u>
Expenses					
Governmental Activities:					
General Government:					
Legislative and Executive	2,530,948	2,388,528	2,653,976	2,819,870	2,402,438
Judicial System	567,380	528,283	571,587	467,629	490,694
Security of Persons and Property:					
Police	5,251,799	5,341,130	5,566,689	5,477,289	5,282,303
Fire	3,817,587	4,354,968	4,389,709	4,228,508	3,934,595
Public Health Services	125,129	127,799	129,249	133,196	135,702
Leisure Time Activities	450,164	368,780	356,693	585,200	1,065,090
Community Development	241,334	215,342	244,319	294,638	236,405
Building Department	640,481	654,922	743,044	770,710	737,700
Transportation	3,625,163	2,848,221	3,318,990	3,579,503	3,322,800
Basic Utility Services	4,438,034	3,173,606	2,464,808	3,928,628	3,028,247
Swimming Pools	331,283	339,938	406,544	420,665	379,311
Interest and Fiscal Charges	575,742	920,508	1,185,865	1,418,744	1,497,241
<i>Total Governmental Activities Expenses</i>	<u>22,595,044</u>	<u>21,262,025</u>	<u>22,031,473</u>	<u>24,124,580</u>	<u>22,512,526</u>
<i>Total Primary Government Net Expense</i>	<u>(14,366,796)</u>	<u>(13,288,699)</u>	<u>(16,132,121)</u>	<u>(17,721,854)</u>	<u>(15,758,781)</u>
General Revenues and Other Changes in Net Assets					
Governmental Activities					
Taxes:					
Property Taxes Levied For:					
General Purposes	3,504,567	3,768,986	4,295,069	4,256,560	4,318,695
Debt Service	0	407,046	520,995	442,310	456,913
Capital Projects	874,193	530,252	517,143	511,338	546,189
Other Purposes	210,272	209,102	242,234	239,886	250,978
Municipal Income Taxes	8,914,416	8,151,305	8,332,487	9,085,439	8,997,144
Grants and Entitlements not Restricted to Specific Programs					
Increase in Investment in Joint Venture	0	0	0	0	0
Investment Earnings	50,287	71,301	155,891	426,403	1,014,924
Gain on Sale of Capital Assets	260,082	6,447	0	0	0
Miscellaneous	603,868	668,973	500,572	521,451	220,916
<i>Total Governmental Activities General Revenues</i>	<u>16,938,013</u>	<u>16,158,087</u>	<u>16,708,375</u>	<u>17,835,074</u>	<u>18,097,812</u>
Special Item - Loss on Capital Assets	(11,843,873)	0	0	0	0
<i>Total Governmental Activities</i>	<u>5,094,140</u>	<u>16,158,087</u>	<u>16,708,375</u>	<u>17,835,074</u>	<u>18,097,812</u>
<i>Total Primary Government Change in Net Assets</i>	<u>(\$9,272,656)</u>	<u>\$2,869,388</u>	<u>\$576,254</u>	<u>\$113,220</u>	<u>\$2,339,031</u>

2006	2005	2004	2003	2002
\$235,896	\$214,236	\$212,514	\$81,257	\$64,126
44,503	42,818	42,712	480,593	448,288
475,520	444,970	438,192	63,961	26,077
328,461	326,040	327,875	331,904	268,318
12,693	12,796	100,210	0	0
35,031	74,440	13,590	37,390	36,367
19,959	22,012	107,106	109,337	98,144
62,304	57,307	140,534	357,593	304,627
96,845	89,006	55,040	9,202	5,943
2,952,317	2,934,578	2,951,856	2,938,776	2,735,584
121,333	142,634	132,144	156,078	162,915
1,032,575	928,712	968,392	926,987	797,868
86,335	24,468	262,868	653,384	2,690,808
5,503,772	5,314,017	5,753,033	6,146,462	7,639,065
2,423,252	2,149,780	2,142,448	1,978,940	1,953,365
463,068	439,808	453,624	460,425	373,524
5,202,341	4,600,120	4,501,705	4,342,704	4,085,718
3,583,897	3,552,050	3,314,684	3,139,703	2,854,567
130,178	127,609	136,516	168,765	132,411
377,023	385,161	525,902	522,564	387,883
204,704	219,507	182,993	207,347	307,024
646,628	587,553	619,424	734,635	657,134
3,138,160	2,732,270	2,587,269	3,382,764	2,167,781
3,322,453	2,590,425	2,656,146	3,098,100	2,368,217
371,225	442,493	702,414	769,297	773,327
496,930	491,110	495,871	308,094	445,494
20,359,859	18,317,886	18,318,996	19,113,338	16,506,445
(14,856,087)	(13,003,869)	(12,565,963)	(12,966,876)	(8,867,380)
4,005,660	3,945,778	3,935,438	3,597,642	3,683,343
487,938	491,236	525,600	480,622	490,604
549,010	558,422	559,713	549,291	557,055
229,592	228,914	228,606	208,170	207,014
7,309,426	5,889,209	5,258,353	6,005,698	5,573,741
2,186,857	2,132,798	2,032,457	2,271,565	1,921,190
27,217	0	0	64,400	103,518
766,878	459,995	163,416	264,118	472,003
42,525	0	0	0	9,800
152,374	79,832	31,795	17,128	30,405
15,757,477	13,786,184	12,735,378	13,458,634	13,048,673
0	0	0	0	0
15,757,477	13,786,184	12,735,378	13,458,634	13,048,673
\$901,390	\$782,315	\$169,415	\$491,758	\$4,181,293

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

	2011	2010	2009	2008	2007
General Fund					
Nonspendable	\$146,928	\$131,894	\$136,237	\$0	\$0
Committed	2,544	3,095	0	0	0
Assigned	112,574	165,513	373,928	0	0
Unassigned	4,610,122	3,829,304	4,028,322	0	0
Reserved	0	0	0	208,058	246,721
Unreserved	0	0	0	4,739,743	5,060,371
Total General Fund	4,872,168	4,129,806	4,538,487	4,947,801	5,307,092
All Other Governmental Funds					
Nonspendable	142,470	100,231	58,558	0	0
Restricted	6,707,464	7,316,884	21,333,187	0	0
Unassigned	(16,800,530)	(3,259,718)	(3,478)	0	0
Reserved	0	0	0	19,172,102	19,430,616
Unreserved, Undesignated, Reported in:					
Special Revenue funds	0	0	0	659,747	718,116
Debt Service funds	0	0	0	736,311	776,932
Capital Projects funds	0	0	0	1,119,988	1,901,173
Total All Other Governmental Funds	(9,950,596)	4,157,397	21,388,267	21,688,148	22,826,837
Total Governmental Funds	(\$5,078,428)	\$8,287,203	\$25,926,754	\$26,635,949	\$28,133,929

Note: The City implemented GASB 54 in 2010.



2006	2005	2004	2003	2002
\$0	\$0	\$0	\$0	\$0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
98,956	99,302	151,359	161,318	145,434
3,957,818	3,848,239	3,801,648	4,634,250	4,751,166
4,056,774	3,947,541	3,953,007	4,795,568	4,896,600
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
1,772,610	1,868,745	932,454	1,012,722	247,085
946,986	851,780	943,201	1,117,585	1,456,501
772,589	735,471	678,299	631,875	576,357
6,952,753	7,962,465	10,286,763	10,268,190	14,016,454
10,444,938	11,418,461	12,840,717	13,030,372	16,296,397
\$14,501,712	\$15,366,002	\$16,793,724	\$17,825,940	\$21,192,997

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

	2011	2010	2009	2008	2007
Revenues					
Property Taxes	\$4,461,493	\$4,900,091	\$5,534,076	\$5,453,873	\$5,501,086
Income Taxes	8,722,342	8,290,533	8,311,273	8,463,897	8,674,233
Special Assessments	2,878,565	2,721,858	2,863,451	2,725,157	3,019,836
Intergovernmental	5,729,726	5,687,247	3,745,257	3,444,675	3,965,660
Interest	50,287	71,301	155,891	426,403	1,014,924
Fees, Licenses and Permits	515,075	27,587	474,395	451,096	416,655
Fines and Forfeitures	679,711	1,151,835	686,194	643,670	547,248
Rentals	123,152	126,271	130,790	122,628	620,707
Charges for Services	617,720	608,561	640,340	996,316	587,344
Other	863,950	668,973	500,572	521,451	220,916
<i>Total Revenues</i>	<u>24,642,021</u>	<u>24,254,257</u>	<u>23,042,239</u>	<u>23,249,166</u>	<u>24,568,609</u>
Expenditures					
Current:					
General Government:					
Legislative and Executive	2,350,923	2,364,218	2,631,006	2,793,959	2,383,974
Judicial System	566,728	520,867	541,010	490,556	472,870
Security of Persons and Property:					
Police	5,219,329	5,236,295	5,482,855	5,393,378	5,116,404
Fire	3,874,490	4,326,610	4,298,797	4,130,488	3,867,768
Public Health Services	125,129	127,799	129,249	133,196	135,702
Leisure Time Activities	269,728	356,328	351,427	403,482	400,970
Community Development	241,334	215,342	244,319	294,638	236,405
Building Department	642,827	639,842	716,900	773,098	714,860
Transportation	1,779,430	2,830,847	2,089,754	2,247,498	2,237,033
Basic Utility Services	2,948,728	3,342,089	2,282,521	2,480,311	2,280,720
Swimming Pools	244,910	263,621	318,555	330,541	298,761
Capital Outlay	7,402,479	2,738,593	2,654,497	4,004,012	10,014,436
Debt Service:					
Principal Retirement	933,446	19,506,156	19,466,247	18,361,773	1,315,524
Interest and Fiscal Charges	431,511	1,200,981	1,252,209	1,398,321	520,804
Capital Appreciation Bonds Accretion	543,592	541,414	0	0	0
Note Issuance Costs	131,641	222,738	0	0	0
<i>Total Expenditures</i>	<u>27,706,225</u>	<u>44,433,740</u>	<u>42,459,346</u>	<u>43,235,251</u>	<u>29,996,231</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(3,064,204)</u>	<u>(20,179,483)</u>	<u>(19,417,107)</u>	<u>(19,986,085)</u>	<u>(5,427,622)</u>
Other Financing Sources (Uses)					
Sale of Capital Assets	4,115	6,447	0	5,423	7,468
Inception of Capital Lease	304,060	108,685	0	174,902	0
Premium on Bond Anticipation Notes Issued	0	3,479	103,670	0	0
Bond Anticipation Notes Issued	0	2,000,000	18,550,000	18,010,000	17,000,000
OPWC Loans Issued	680,545	421,321	43,535	297,780	0
OWDA Loan Proceeds	0	0	0	0	2,052,371
OAQDA Loan Proceeds	403,400	0	0	0	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	150,326	0	10,707	0	0
Transfers In	233,666	673,478	1,110,000	1,257,232	1,650,547
Transfers Out	(233,666)	(673,478)	(1,110,000)	(1,257,232)	(1,650,547)
Loss on Land Held for Resale	(11,843,873)	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(10,301,427)</u>	<u>2,539,932</u>	<u>18,707,912</u>	<u>18,488,105</u>	<u>19,059,839</u>
<i>Net Change in Fund Balances</i>	<u>(\$13,365,631)</u>	<u>(\$17,639,551)</u>	<u>(\$709,195)</u>	<u>(\$1,497,980)</u>	<u>\$13,632,217</u>
Debt Service as a Percentage of Noncapital Expenditures (a)					
	6.3%	49.4%	52.7%	48.5%	8.8%

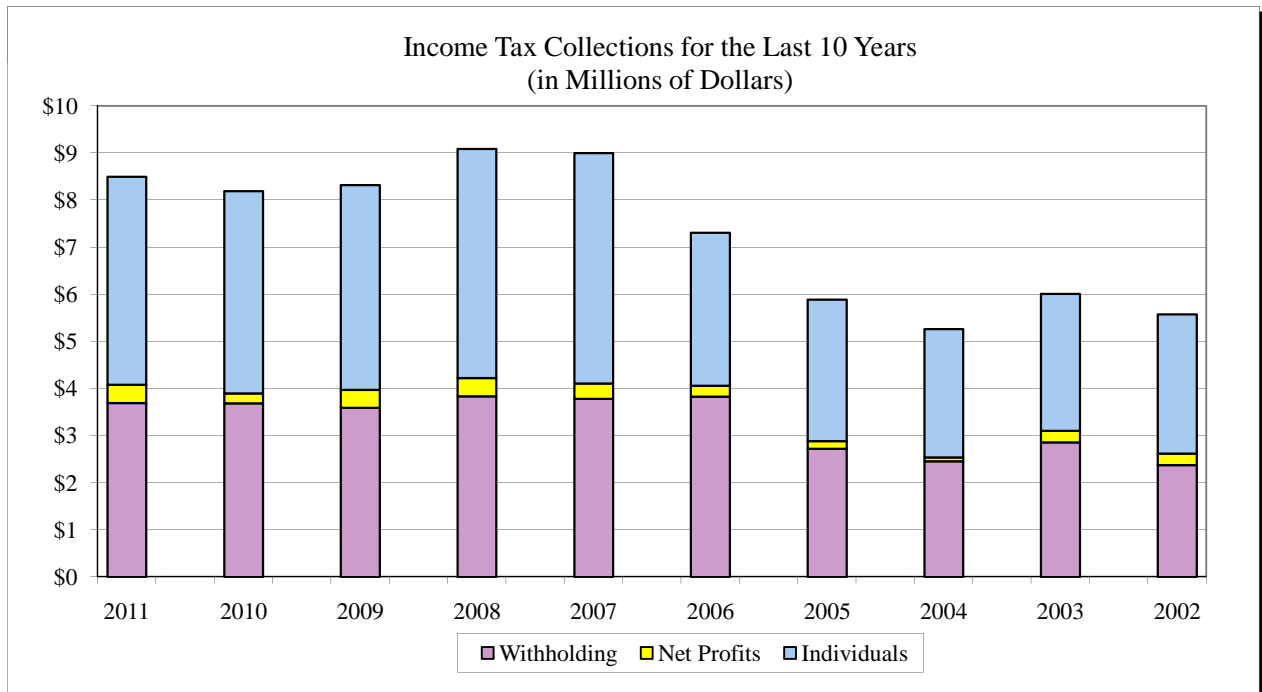
(a) The fluctuations in debt service as a percentage of noncapital expenditures is the result of the City paying off bond anticipation notes until bonds can be issued.

2006	2005	2004	2003	2002
\$5,268,129	\$5,279,878	\$5,265,227	\$4,767,851	\$4,942,050
6,741,479	5,594,529	5,349,183	5,739,236	5,729,709
2,841,329	2,891,889	2,879,471	2,731,482	2,810,566
3,311,300	3,205,613	3,026,880	3,733,712	5,664,588
766,878	459,995	163,416	264,118	472,003
606,335	638,644	534,101	748,651	604,012
578,346	472,986	521,519	489,830	450,711
158,687	184,116	166,792	105,893	42,530
306,598	257,754	346,546	303,336	276,359
152,374	79,832	31,795	17,128	71,598
<u>20,731,455</u>	<u>19,065,236</u>	<u>18,284,930</u>	<u>18,901,237</u>	<u>21,064,126</u>
2,424,399	2,140,190	2,171,553	1,955,867	1,954,740
453,396	426,959	437,166	444,559	365,555
4,842,681	4,522,458	4,376,502	4,178,466	3,887,106
3,484,989	3,400,649	3,279,987	2,978,482	2,777,117
130,178	127,609	136,516	168,765	111,483
370,605	341,400	393,217	467,343	360,608
204,704	219,507	185,669	207,345	139,688
643,659	569,766	572,410	719,646	630,633
1,748,928	1,940,539	1,779,840	1,675,861	1,547,080
2,135,250	1,840,926	1,930,402	1,968,487	1,918,152
274,413	266,658	351,821	461,665	498,134
3,821,801	3,208,757	2,583,885	7,510,874	8,339,672
1,175,441	1,070,655	1,019,245	9,342,841	6,318,734
415,518	427,297	460,865	431,485	385,878
0	0	0	0	0
0	0	0	0	0
<u>22,125,962</u>	<u>20,503,370</u>	<u>19,679,078</u>	<u>32,511,686</u>	<u>29,234,580</u>
(1,394,507)	(1,438,134)	(1,394,148)	(13,610,449)	(8,170,454)
173,253	10,412	6,023	2,731	32,677
356,964	0	0	0	0
0	0	0	20,074	0
0	0	0	0	0
0	0	355,909	820,587	446,333
0	0	0	0	0
0	0	0	9,400,000	0
0	0	0	0	8,900,000
0	0	0	0	13,617
0	0	0	0	0
945,000	732,917	407,500	348,103	1,403,833
(945,000)	(732,917)	(407,500)	(348,103)	(1,403,833)
0	0	0	0	0
<u>530,217</u>	<u>10,412</u>	<u>361,932</u>	<u>10,243,392</u>	<u>9,392,627</u>
<u>(\$864,290)</u>	<u>(\$1,427,722)</u>	<u>(\$1,032,216)</u>	<u>(\$3,367,057)</u>	<u>\$1,222,173</u>
9.5%	9.5%	9.5%	64.2%	47.2%

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

Tax Year	Tax Rate (1)	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes From Individuals	Percentage of Taxes from Individuals
2011	2.00 %	\$8,492,924	\$3,690,332	43.45%	\$388,020	4.57%	\$4,414,572	51.98%
2010	2.00	8,187,494	3,686,517	45.03	209,063	2.55	4,291,914	52.42
2009	2.00	8,318,200	3,589,439	43.15	378,199	4.55	4,350,562	52.30
2008	2.00	9,085,439	3,835,277	42.21	387,804	4.27	4,862,358	53.52
2007	2.00	8,997,144	3,777,901	41.99	327,496	3.64	4,891,747	54.37
2006	2.00	7,309,426	3,830,126	52.40	229,265	3.14	3,250,035	44.46
2005	1.50	5,889,209	2,720,121	46.19	164,850	2.80	3,004,238	51.01
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) 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

2010 and 2002

2010 (1)

<u>Income Range</u>	<u>Number of Filers</u>	<u>Percent of Filers</u>	<u>Taxable Income</u>	<u>Percent of Taxable Income</u>
\$0 - \$24,999	1,818	32.11%	\$20,312,715	6.92%
\$25,000 - \$49,999	1,408	24.87	51,872,880	17.66
\$50,000 - \$74,999	1,107	19.56	68,301,992	23.26
\$75,000 - \$99,999	644	11.38	55,430,521	18.87
Over \$100,000	684	12.08	97,787,443	33.29
Total	<u>5,661</u>	<u>100.00%</u>	<u>\$293,705,551</u>	<u>100.00%</u>

2002

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

(1) Information for 2010 is the most current available.

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

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

2011 Taxpayers	Ranking
South Euclid-Lyndhurst Board of Education	1
University Hospitals Health System	2
Notre Dame College	3
City of South Euclid	4
AeroControlex Group Inc.	5
Rochling Glastic Composites, LP	6
University Suburban Health Center	7
University Dermatologists Inc.	8
Riser Foods	9
Ohio Bell Telephone	10

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

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

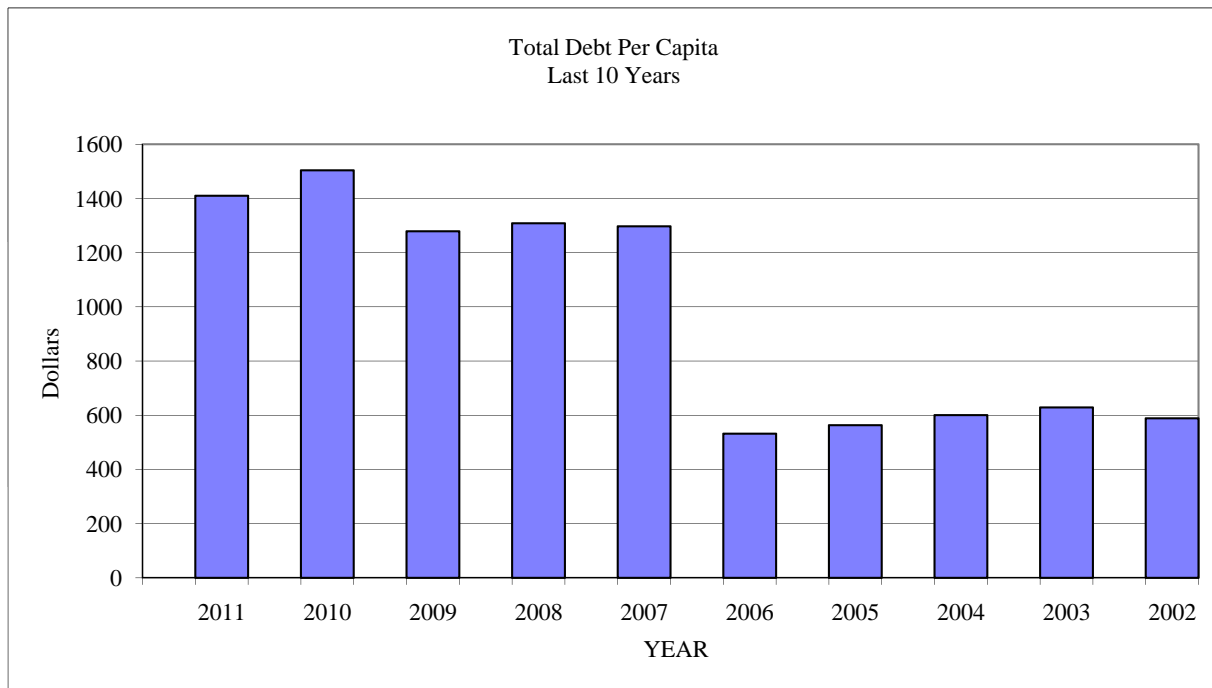
(1) Information prior to 2003 is not available.

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

Year	General Obligation Bonds	Special Assessment Bonds	OPWC Loans	OWDA Loans	OAQDA Loans	Police and Fire Pension	Capital Leases
2011	\$4,982,378	\$145,000	\$2,806,643	\$1,636,125	\$403,400	\$288,463	\$465,025
2010	6,092,315	190,000	2,235,704	1,724,826	0	295,528	217,631
2009	7,078,990	230,000	1,869,186	1,810,714	0	302,301	254,052
2008	7,973,354	270,000	1,935,257	1,893,877	0	308,796	406,035
2007	8,842,976	305,000	1,747,086	1,974,401	0	315,023	356,546
2006	9,711,038	340,000	1,856,693	0	0	320,994	291,856
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	0

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



General Obligation Bond Anticipation Notes	Total Debt	Percentage of Personal Income (1)	Per Capita (1)
\$19,174,570	\$29,901,604	5.41%	\$1,410
21,143,738	31,899,742	2.35	1,504
18,558,639	30,103,882	6.06	1,279
18,010,000	30,797,319	6.19	1,308
17,000,000	30,541,032	6.14	1,298
0	12,520,581	2.38	532
0	13,254,526	2.52	563
0	14,128,256	2.68	600
0	14,791,592	2.81	628
8,900,000	13,853,852	2.63	589

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
2011	21,209	b	\$1,255,900,840	\$4,982,378	0.40 %	\$234.92
2010	21,209	b	1,258,638,251	6,092,315	0.48	287.25
2009	23,537	a	1,250,127,423	7,078,990	0.57	300.76
2008	23,537	a	1,411,689,760	7,973,354	0.56	338.76
2007	23,537	a	1,313,072,481	8,842,976	0.67	375.71
2006	23,537	a	1,336,234,226	9,711,038	0.73	412.59
2005	23,537	a	1,224,421,930	10,586,506	0.86	449.78
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

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, 2011

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	\$4,982,378	100.00%	\$4,982,378
Special Assessment Bonds	145,000	100.00%	145,000
OPWC Loans	2,806,643	100.00%	2,806,643
OWDA Loans	1,636,125	100.00%	1,636,125
OAQDA Loans	403,400	100.00%	403,400
Capital Leases	465,025	100.00%	465,025
Police and Fire Pension	288,463	100.00%	288,463
Notes Payable	<u>19,174,570</u>	100.00%	<u>19,174,570</u>
<i>Total Direct</i>	<u>29,901,604</u>		<u>29,901,604</u>
Overlapping			
South Euclid-Lyndhurst City School District			
General Obligation Bonds	6,625,816	42.98%	2,847,776
Cleveland Heights School District			
General Obligation Bonds	7,480,000	1.95%	145,860
Energy Conservation Bonds	1,910,000	1.95%	37,245
QZAB Bonds	5,500,000	1.95%	107,250
Capital Lease Obligations	1,544,828	1.95%	30,124
Cuyahoga County (2)			
General Obligation Bonds	298,113,842	1.37%	4,084,160
Revenue Bonds	166,580,000	1.37%	2,282,146
Capital Lease Obligations	20,851,000	1.37%	285,659
Loans Payable	8,310,000	1.37%	113,847
Cleveland Heights University Heights Public Library			
Capital Lease Obligations	466,395	6.51%	30,362
Greater Cleveland Regional Transit Authority			
General Obligation Bonds	146,708,371	1.37%	2,009,905
Capital Lease Obligations	<u>19,365,767</u>	1.37%	<u>265,311</u>
<i>Total Overlapping Debt</i>	<u>683,456,019</u>		<u>12,239,645</u>
Total	<u><u>\$713,357,623</u></u>		<u><u>\$42,141,249</u></u>

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

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

Source: Cuyahoga County Auditor

City of South Euclid, Ohio

Legal Debt Margin

Last Ten Years

	2011	2010	2009	2008
Population	21,209	21,209	23,537	23,537
Total Assessed Property Value	<u>\$406,474,780</u>	<u>\$408,512,770</u>	<u>\$407,015,640</u>	<u>\$458,340,285</u>
General Bonded Debt Outstanding:				
General Obligation Bonds	\$4,830,000	\$5,456,408	\$6,234,994	\$7,299,994
Special Assessment Bonds	145,000	190,000	230,000	270,000
Bond Anticipation Notes	19,070,000	21,070,000	20,350,000	19,810,000
OPWC Loans	2,806,643	2,235,704	1,869,186	1,935,257
OWDA Loans	1,636,125	1,724,826	1,810,714	1,893,877
OAQDA Loans	403,400	0	0	0
Total Gross Indebtedness	28,891,168	30,676,938	30,494,894	31,209,128
Less:				
Special Assessment Bonds	(145,000)	(190,000)	(230,000)	(270,000)
OPWC Loans	(2,806,643)	(2,235,704)	(1,869,186)	(1,935,257)
OWDA Loans	(1,636,125)	(1,724,826)	(1,810,714)	(1,893,877)
OAQDA Loans	(403,400)	0	0	0
General Obligation Bond Retirement Fund Balance	<u>(62,494)</u>	<u>(642,371)</u>	<u>(708,103)</u>	<u>(640,146)</u>
Total Net Debt Applicable to Debt Limit	<u>23,837,506</u>	<u>25,884,037</u>	<u>25,876,891</u>	<u>26,469,848</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>42,679,852</u>	<u>42,893,841</u>	<u>42,736,642</u>	<u>48,125,730</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$18,842,346</u>	<u>\$17,009,804</u>	<u>\$16,859,751</u>	<u>\$21,655,882</u>
Legal Debt Margin as a Percentage of the Debt Limit	44.15%	39.66%	39.45%	45.00%
Unvoted Debt Limitation 5 ½ % of Assessed Valuation	<u>\$22,356,113</u>	<u>\$22,468,202</u>	<u>\$22,385,860</u>	<u>\$25,208,716</u>
Total Gross Indebtedness	28,891,168	30,676,938	30,494,894	31,209,128
Less:				
Special Assessment Bonds	(145,000)	(190,000)	(230,000)	(270,000)
OPWC Loans	(2,806,643)	(2,235,704)	(1,869,186)	(1,935,257)
OWDA Loans	(1,636,125)	(1,724,826)	(1,810,714)	(1,893,877)
OAQDA Loans	(403,400)	0	0	0
Voted General Obligation Bonds	(4,830,000)	(5,456,408)	(6,234,994)	(7,299,994)
General Obligation Bond Retirement Fund Balance	<u>(62,494)</u>	<u>(642,371)</u>	<u>(708,103)</u>	<u>(640,146)</u>
Net Debt Within 5 ½ % Limitations	<u>19,007,506</u>	<u>20,427,629</u>	<u>19,641,897</u>	<u>19,169,854</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$3,348,607</u>	<u>\$2,040,573</u>	<u>\$2,743,963</u>	<u>\$6,038,862</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	14.98%	9.08%	12.26%	23.96%

Source: City Financial Records

2007	2006	2005	2004	2003	2002
23,537	23,537	23,537	23,537	23,537	23,537
<u>\$459,486,360</u>	<u>\$465,051,645</u>	<u>\$428,196,500</u>	<u>\$428,020,457</u>	<u>\$424,956,568</u>	<u>\$389,649,944</u>
\$8,304,994	\$9,279,994	\$10,239,994	\$11,174,994	\$12,089,994	\$3,005,000
305,000	340,000	375,000	405,000	435,000	460,000
18,800,000	1,800,000	0	0	0	8,900,000
1,747,086	1,856,693	1,966,300	2,216,053	1,929,124	1,146,332
1,974,401	0	0	0	0	0
0	0	0	0	0	0
31,131,481	13,276,687	12,581,294	13,796,047	14,454,118	13,511,332
(305,000)	(340,000)	(375,000)	(405,000)	(435,000)	(460,000)
(1,747,086)	(1,856,693)	(1,966,300)	(2,216,053)	(1,929,124)	(1,146,332)
(1,974,401)	0	0	0	0	0
0	0	0	0	0	0
(631,492)	(624,400)	(586,697)	(528,218)	(480,323)	(429,268)
26,473,502	10,455,594	9,653,297	10,646,776	11,609,671	11,475,732
48,246,068	48,830,423	44,960,633	44,942,148	44,620,440	40,913,244
<u>\$21,772,566</u>	<u>\$38,374,829</u>	<u>\$35,307,336</u>	<u>\$34,295,372</u>	<u>\$33,010,769</u>	<u>\$29,437,512</u>
45.13%	78.59%	78.53%	76.31%	73.98%	71.95%
<u>\$25,271,750</u>	<u>\$25,577,840</u>	<u>\$23,550,808</u>	<u>\$23,541,125</u>	<u>\$23,372,611</u>	<u>\$21,430,747</u>
31,131,481	13,276,687	12,581,294	13,796,047	14,454,118	13,511,332
(305,000)	(340,000)	(375,000)	(405,000)	(435,000)	(460,000)
(1,747,086)	(1,856,693)	(1,966,300)	(2,216,053)	(1,929,124)	(1,146,332)
(1,974,401)	0	0	0	0	0
0	0	0	0	0	0
(8,304,994)	(9,279,994)	(10,239,994)	(11,174,994)	(12,089,994)	(3,005,000)
(631,492)	(624,400)	(586,697)	(528,218)	(480,323)	(429,268)
18,168,508	1,175,600	0	0	0	8,470,732
<u>\$7,103,242</u>	<u>\$24,402,240</u>	<u>\$23,550,808</u>	<u>\$23,541,125</u>	<u>\$23,372,611</u>	<u>\$12,960,015</u>
28.11%	95.40%	100.00%	100.00%	100.00%	60.47%

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

2011	
Employer	Number of Employees
Notre Dame College	1,252
South Euclid-Lyndhurst Board of Education	423
University Hospitals Health System	415
City of South Euclid	296
Riser Foods Company	252
AeroControlex Group Inc	218
Rochling Glastic Composites LP	165
University Suburban Health Center	161
Ohio Bell Telephone	61
University Dermatologists Inc	39
Total	<u>3,282</u>
Total Employment within the City	<u>n/a</u>

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

Source: Regional Income Tax Agency

(1) Information prior to 2006 not available.

n/a - Information not available

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

Year	Population (1)		Total Personal Income (5)	Personal Income Per Capita	Median Household Income (1)	Median Age (1)
2011	21,209	b	\$552,367,196	\$26,044	\$56,673	39
2010	21,209	b	541,402,143	25,527	67,358	35
2009	23,537	a	526,828,671	22,383	48,346	38
2008	23,537	a	526,828,671	22,383	48,346	38
2007	23,537	a	526,828,671	22,383	48,346	38
2006	23,537	a	526,828,671	22,383	48,346	38
2005	23,537	a	526,828,671	22,383	48,346	38
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

(1) Source: U. S. Census

(a) Years 2002 through 2009 - 2000 Federal Census

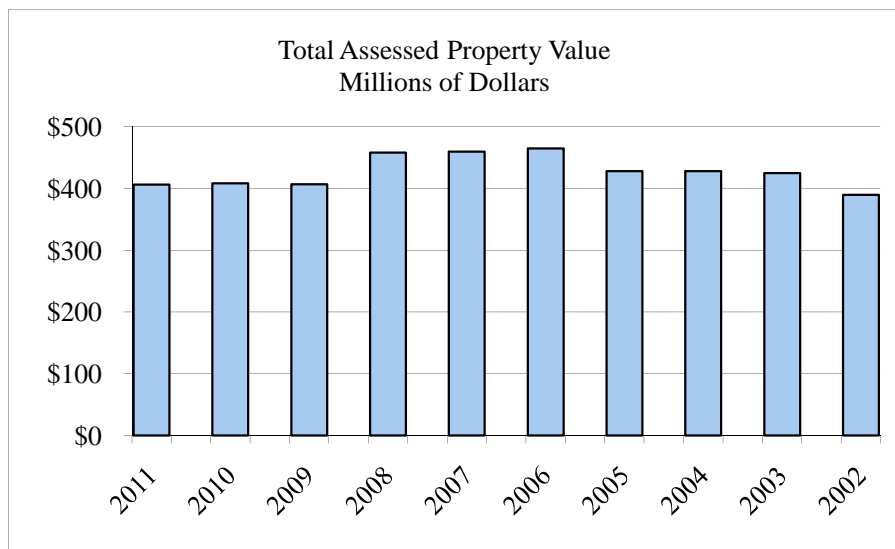
(b) Year 2010 through 2011 - 2010 Federal Census

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

(3) Cuyahoga County Planning Commission

(4) Source: Cuyahoga County Fiscal Officer

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



Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Cuyahoga County Unemployment Rate (3)	Total Assessed Property Value (4)
67.0%	4,296	8.0%	\$406,474,780
67.0	4,296	8.6	408,512,770
67.0	4,269	9.0	407,015,640
67.0	4,336	7.1	458,340,285
67.0	4,307	6.1	459,486,360
67.0	4,462	5.5	465,051,645
65.5	4,613	5.9	428,196,500
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

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

Function/Program	2011	2010	2009	2008	2007
General Government:					
Legislative and Executive					
City Council	4.00	4.00	4.00	4.00	4.00
Mayors Office	2.00	2.00	2.00	2.00	2.00
Finance	4.00	4.00	4.00	4.00	5.00
Law	2.50	2.50	2.50	2.50	3.00
Civil Service	2.00	2.00	2.00	2.00	2.00
Municipal Complex	1.00	1.00	1.00	2.00	3.00
Engineering	1.00	1.00	1.00	1.00	1.00
Judicial System					
Municipal Court	12.00	12.00	12.00	12.00	10.00
Security of Persons and Property					
Police	58.00	58.00	58.00	58.00	59.00
Fire	33.00	38.00	38.00	38.00	37.00
Leisure Time Activities					
Recreation	1.00	1.00	1.00	2.00	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	9.00	10.00
Community Relations	1.50	1.50	1.50	1.50	1.00
Economic Development	1.00	1.00	0.50	1.00	1.00
Building Department	10.00	10.00	10.00	12.00	11.00
Transportation					
Service Department	21.00	21.00	21.00	22.00	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	30.00
Totals:	203.00	208.00	207.50	213.00	215.00

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.

2006	2005	2004	2003	2002
4.00	4.00	4.00	4.00	4.00
2.00	2.00	2.00	2.00	3.00
5.00	5.00	5.00	5.00	5.00
3.00	2.00	2.00	2.00	2.00
2.00	2.00	2.00	2.00	2.00
3.00	2.00	3.00	3.00	3.00
1.00	1.00	1.00	1.00	1.00
10.00	10.00	11.00	12.00	9.00
58.00	64.00	64.00	65.00	64.00
36.00	34.00	34.00	33.00	33.00
3.00	3.00	3.00	3.00	3.00
6.00	4.00	4.00	6.00	6.00
10.00	10.00	10.00	10.00	10.00
2.00	2.00	1.00	1.00	1.00
0.00	0.00	0.00	0.00	0.00
11.00	11.00	11.00	11.00	12.00
23.00	21.00	21.00	20.00	20.00
2.00	2.00	2.00	2.00	2.00
2.00	2.00	2.00	2.00	2.00
35.00	52.00	52.00	52.00	52.00
218.00	233.00	234.00	236.00	234.00

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

Function/Program	2011	2010	2009	2008
General Government				
<i>City Council</i>				
Ordinances Introduced	40	64	56	59
Resolutions Introduced	70	90	71	62
<i>Municipal Court</i>				
Revenues Distributed to City General Fund	N/A	619,696	622,913	592,391
Operating Expenses Paid from General Fund	N/A	540,075	609,914	502,549
Traffic Charges Filed	N/A	5,284	5,380	5,300
Parking Tickets Processed	N/A	3,661	4,038	4,648
Criminal Charges Filed	N/A	1,181	1,681	2,023
Housing Code Charges Filed	N/A	478	807	1,112
Civil Cases Filed	N/A	1,010	1,320	1,179
Marriages Performed	N/A	13	6	10
Security of Persons & Property				
<i>Police</i>				
Number of Stations	1	1	1	1
Policemen and Officers	39	39	40	41
Bike Patrol Fleet	4	4	4	4
S.W.A.T. Members	0	0	0	7
K-9 Units	2	2	2	2
School Guards	0	0	13	13
Hours of Training	2,656	2,976	1,695	3,336
Number of Persons Arrested	1,036	963	1,050	1,092
Number of Traffic Citations Issued	4,453	5,537	5,163	5,757
Number of Parking Violations/Arrests	4,492	3,654	4,034	4,641
Police Responses	17,438	17,754	17,380	19,558
9-1-1 Emergency Calls Received	N/A	N/A	N/A	7,303
<i>Fire</i>				
Number of Stations	1	1	1	1
Firemen and Officers	34	37	37	37
Paramedics	28	27	25	26
Hours of Training	4,002	5,135	7,520	6,290
Number of Incidents	3,091	3,063	3,200	3,139
EMS Responses	2,120	1,983	2,093	2,052
Total Fire Loss	\$311,350	\$534,032	\$317,000	\$291,600
Building Department				
Residential Building Permits Issued	1,845	1,850	889	784
Estimated Value of Residential Construction	\$6,639,510	\$6,274,662	\$4,203,729	\$5,444,223
Commercial Building Permits Issued	186	18	45	63
Estimated Value of Commercial Construction	\$12,658,963	\$481,500	\$1,575,011	\$16,068,205
Transportation				
Number of Trees Planted	124	116	15	170
Tons of Salt Purchased	4,309	3,622	3,300	7,417
Basic Utility Services				
Tons Paper Recycling Picked Up	331	381	480	521
Tons of Plastic Recycling Picked Up	343	317	317	316
Swimming Pools				
Number of Pools	2	2	2	2
Swimming Pool Receipts	\$71,279	\$82,220	\$86,512	\$119,300
Swimming Pool Expenditures	\$249,792	\$264,402	\$315,554	\$328,423

Source: City of South Euclid

(1) Information prior to 2002 is not available.

2007	2006	2005	2004	2003	2002
72	88	78	94	103	80
75	44	66	58	41	49
515,782	520,000	454,176	466,201	480,000	430,000
473,410	447,133	422,141	427,404	441,679	365,917
5,302	4,602	4,304	4,239	4,708	4,446
4,318	6,036	N/A	N/A	N/A	N/A
2,098	1,613	1,294	1,018	1,141	552
1,134	886	480	386	399	78
1,042	1,028	943	906	932	811
9	9	9	6	15	18
1	1	1	1	1	1
42	41	41	41	41	41
4	N/A	N/A	N/A	N/A	N/A
8	N/A	N/A	N/A	N/A	N/A
2	2	1	1	1	1
13	13	16	18	17	17
2,792	1,967	1,655	2,300	2,600	2,400
1,063	947	997	990	965	872
5,376	4,787	4,467	4,239	4,838	4,447
4,316	5,709	4,756	4,115	4,299	5,272
18,541	16,874	17,984	15,196	N/A	14,412
5,807	5,545	5,576	N/A	N/A	N/A
1	1	1	1	1	1
37	35	34	33	32	32
27	23	22	21	20	20
5,641	5,703	3,485	3,296	3,994	4,131
2,929	2,926	2,938	2,894	3,056	2,882
1,955	2,022	2,065	2,065	2,091	1,685
\$231,000	\$335,450	\$225,200	\$363,600	\$363,050	\$850,100
827	976	983	1,027	1,011	1,178
\$5,288,766	\$5,725,155	\$7,032,396	\$5,608,679	\$7,003,250	\$6,861,206
63	36	39	38	45	70
\$14,281,819	\$2,807,093	\$995,007	\$1,104,551	\$3,557,985	\$7,595,022
311	74	3	397	N/A	N/A
9,500	7,743	4,196	7,321	10,492	8,060
580	507	563	N/A	N/A	N/A
330	459	314	N/A	N/A	N/A
2	2	2	3	3	3
\$114,041	\$121,334	\$142,635	\$132,913	\$155,454	\$162,770
\$304,882	\$273,248	\$270,526	\$350,436	\$456,467	\$505,710

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

Function/Program	2011	2010	2009	2008
General Government				
Total Square Footage (1)	54,002	54,002	54,002	54,002
Vehicles	1	1	1	1
Security of Persons and Property				
<i>Police</i>				
Number of Stations	1	1	1	1
Vehicles	24	24	24	25
<i>Fire</i>				
Number of Stations	1	1	1	1
Vehicles	10	10	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	9	9	9
Transportation				
Street Miles	67	67	67	67
Storm Sewer Miles	60	60	60	60
Sanitary Sewer Miles	64	64	64	64
Water Line Miles	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	28	32
Basic Utility Services				
Vehicles	16	16	16	21

Source: City of South Euclid

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

2007	2006	2005	2004	2003	2002
54,002	54,002	54,002	54,002	54,002	54,002
1	1	1	1	1	1
1	1	1	1	1	1
35	30	28	28	28	28
1	1	1	1	1	1
11	10	10	9	9	9
3	3	3	3	3	3
2	2	2	2	2	2
2	2	2	3	3	3
4	4	4	4	4	8
1	1	1	1	1	1
10,582	10,582	10,582	10,582	10,582	10,582
10	8	8	8	8	8
67	67	61	61	61	61
60	60	N/A	N/A	N/A	56
64	64	N/A	N/A	N/A	56
70	70	N/A	N/A	N/A	61
13,897	13,897	13,897	13,897	13,897	13,897
17,542	17,542	17,542	17,542	17,542	17,542
32	32	29	29	27	27
19	19	19	19	19	19

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Dave Yost • Auditor of State

CITY OF SOUTH EUCLID

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JULY 26, 2012