

**CITY OF EUCLID
CUYAHOGA COUNTY, OHIO**

AUDIT REPORT

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

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



Dave Yost • Auditor of State

City Council
City of Euclid
585 E. 222 Street
Euclid, OH 44123

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

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

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

Dave Yost
Auditor of State

September 24, 2015

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

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

Certified Public Accountants

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Ohio Society of Certified Public Accountants

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

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

The Honorable David Yost
Auditor of State
State of Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Euclid, Cuyahoga County, Ohio (the City), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City of Euclid, Ohio's basic financial statements, and have issued our report thereon dated June 24, 2015, wherein we noted that the City restated its December 31, 2013 net position for business-type activities and enterprise funds due to the recognition of cash and cash equivalents in segregated accounts for the Briardale Greens Golf Course Fund. Also, the City incurred a loss on the transfer of waterlines to the City of Cleveland Water Department.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as **Finding 2014-001** that we consider to be a significant deficiency.

Compliance and Other Matters

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

City of Euclid, Ohio's Response to Finding

The City of Euclid, Ohio's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The City of Euclid, Ohio's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of This Report

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

James G. Zupka,
CPA, President

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

June 24, 2015

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

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

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

The Honorable David Yost
Auditor of State
State of Ohio

Report on Compliance for Each Major Federal Program

We have audited the City of Euclid, Cuyahoga County, Ohio's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on the City of Euclid, Ohio's major federal program for the year ended December 31, 2014. The City of Euclid, Ohio's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the City of Euclid, Ohio, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2014.

Report on Internal Control Over Compliance

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

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

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

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

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

We have also audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Euclid, Ohio, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City of Euclid, Ohio's basic financial statements. We issued our report thereon dated June 24, 2015, wherein we noted that the City restated its December 31, 2013 net position for business-type activities and enterprise funds due to the recognition of cash and cash equivalents in segregated accounts for the Briardale Greens Golf Course Fund. Also, the City incurred a loss on the transfer of waterlines to the City of Cleveland Water Department. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

James G. Zupka,
CPA, President

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

Digitally signed by James G. Zupka, CPA,
President
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June 24, 2015

**CITY OF EUCLID
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED DECEMBER 31, 2014**

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Expenditures
<u>U.S. Department of Housing and Urban Development</u>			
<i>Direct Award</i>			
<i>Community Development Block Grants Entitlement Grants Cluster</i>			
Entitlement Grants	14.218	B-13MC-39-0006	\$ 593,232
Entitlement Grants	14.218	B-14MC-39-0006	172,974
ARRA - Neighborhood Stabilization Program (NSP)	14.254	B-08-MN-39-0008	146,282
ARRA - Neighborhood Stabilization Program (NSP)	14.254	B-11-MN-39-0008	384,679
<i>Total Community Development Block Grants Entitlement Grants Cluster</i>			<u>1,297,167</u>
Total U.S. Department of Housing and Urban Development			<u>1,297,167</u>
<u>U.S. Department of Justice</u>			
<i>Pass Through City of Cleveland</i>			
FBI - Caribbean Task Force	16.000	245C-CV-2819322	<u>21,084</u>
<i>Direct Award</i>			
Justice Assistance Grant	16.738		<u>18,795</u>
Total U.S. Department of Justice			<u>39,879</u>
<u>U.S. Department of Transportation</u>			
<i>Pass-Through Ohio Department of Transportation</i>			
Downtown Euclid	20.205	E100(218)	<u>32,657</u>
Total Department of Transportation			<u>32,657</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 1,369,703</u>

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

**CITY OF EUCLID
CUYAHOGA COUNTY, OHIO
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2014**

NOTE 1: **SIGNIFICANT ACCOUNTING POLICIES**

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

**CITY OF EUCLID
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 OMB CIRCULAR A-133 & .505
 DECEMBER 31, 2014**

1. SUMMARY OF AUDITOR'S RESULTS

2014(i)	Type of Financial Statement Opinion	Unmodified
2014(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
2014(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	Yes
2014(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2014(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
2014(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
2014(v)	Type of Major Programs' Compliance Opinions	Unmodified
2014(vi)	Are there any reportable findings under .510?	No
2014(vii)	Major Programs (list): Community Development Block Grants Entitlement Grants Cluster: Entitlement Grants - CFDA #14.218 Neighborhood Stabilization Program (NSP) - CFDA #14.254	
2014(viii)	Dollar Threshold: A/B Programs	Type A: \$300,000 Type B: All Others
2014(ix)	Low Risk Auditee?	Yes

**CITY OF EUCLID
CUYAHOGA COUNTY, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 & .505
DECEMBER 31, 2014
(CONTINUED)**

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

Finding Number 2014-001 - Significant Deficiency - Briardale Golf Course

Statement of Condition/Criteria

Financial reporting is the responsibility of the City and is essential to ensure the information to the readers of the financial statements is complete and accurate. During our audit, we noted the activities of the Briardale Golf Course, which is managed by Bill Casper Golf Management, LLC, were not recorded on the City's accounting records in business-type activities. This resulted in an adjustment to cash in segregated accounts and net position in the amount of \$50,000, which was the initial start-up funding in prior years from the City to the LLC. In addition, revenue earned by the Briardale Golf Course in the amount of \$709,972, which is used to operate the golf course, and contractual expenses of \$709,972, were subsequently recorded.

Segregation of duties could also be improved upon to strengthen internal control over the recording of receipts and disbursements. Monthly review of financial activity by the City's Finance Department should continue.

Cause/Effect

The City's cash and revenues and expenses incurred for the operation of the Golf Course were understated, which resulted in errors on the financial statements.

Recommendation

We recommend that the City develop policies and procedures to enhance its controls over recording of financial transactions and financial reporting to help ensure the information accurately reflects the activity of the City and thereby increases the reliability of the financial data throughout the year.

City's Response

The City will implement the necessary procedures that will enable management to identify, prevent, detect, and correct potential misstatements to the financial statements and footnotes.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

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

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



Euclid Ohio

Comprehensive Annual Financial Report

For the year ending December 31, 2014



2014

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CITY OF EUCLID, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED

DECEMBER 31, 2014

Issued by The Finance Department

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INTRODUCTORY SECTION

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City of Euclid, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2014
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585 East 222nd Street, Euclid, OH 44123-2099

www.cityofeuclid.com

June 24, 2015

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

We are pleased to submit to you the City of Euclid's Comprehensive Annual Financial Report (CAFR). This CAFR represents the official report of the City of Euclid's operations and financial position for the fiscal year ended December 31, 2014, and has been developed to accurately detail the status of the City's finances to Euclid residents and elected officials, investment institutions and underwriters, rating agencies and other interested parties. This report is done in compliance with GASB Statement No. 34, *Basic Financial Statements-and Management Discussion and Analysis-for State and Local Governments*.

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

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

PROFILE OF THE GOVERNMENT

The City

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

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

City Government

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

City Services

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

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

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

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

Reporting Entity

The City has reviewed its reporting entity definition in order to ensure compliance and conformance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, The Financial Reporting Entity, as amended by GASB Statement No. 61. For financial reporting definition purposes, City management has considered all agencies, departments, and organizations comprising the City of Euclid, the primary government, and its potential component units.

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

FACTORS AFFECTING FINANCIAL CONDITION

Economic Condition and Outlook

As the United States economy continued to improve following the U.S. Recession of 2008, growth in business activity and employment accelerated in the City of Euclid. Large and small companies alike participated in the resurgence happening in nearly every corner of the City. Collectively, the investment that occurred throughout the City will position Euclid for future growth and long-term success.

Progress was perhaps most evident at Bluestone Business Park, which has gone from a “shovel-ready” development site to a growing employment center in recent years. Local developer Ray Fogg Business Systems completed construction of the first building at Bluestone Business Park in late 2013. Remedi Seniorcare of Ohio, Northeast was the first tenant in the property occupying approximately 33,000 square feet. Guardian Technologies followed with a long-term lease for the remaining space. By the end of 2014, nearly 200 people were employed at Bluestone Business Park between the two companies.

The success in fully leasing the first building at Bluestone and an optimistic outlook on the local market for high-quality commercial and industrial space prompted Fogg to announce plans in late 2014 to construct a second building. The proposed LEED certified building will feature 127,000 square feet of space with 32 foot high ceilings and modern sprinkler systems. Property tax abatement through the City’s Community Reinvestment Area will help make the space very affordable for businesses. With completion planned for fall 2015, the second building will support the continued attraction of new business to Bluestone and the City of Euclid and positions the business park well on the way to the target goal of 1,000 new jobs at build out.

Euclid also successfully attracted a prominent non-profit organization to the City in 2014. After purchasing four acres of city-owned land in Century Corners Industrial Park, the HELP Foundation undertook the construction of a new administrative and training facility at 26900 Euclid Avenue. HELP provides social services to mentally handicapped individuals in Northeast Ohio. The organization plans to relocate 25 employees to the new facility upon its completion in spring 2015.

New businesses were not the only ones to invest in the City of Euclid in 2014. Long-time tenant HGR Industrial Surplus acquired the building it occupied at 20001 Euclid Avenue and began a comprehensive renovation of the mammoth facility. The national distributor of used manufacturing and industrial equipment purchased the property through the foreclosure process with help from the City and the Cuyahoga County Land Reutilization Corporation. Ownership of the building not only brought the property back into tax producing status, but allowed HGR to undertake much needed repairs. The company also expanded its operations within the building and added 15 employees to its existing workforce of 80 by the end of the year. In addition, the company has started to market 160,000 square feet of vacant space for new users.

Also in 2014, University Hospitals completed construction of a new 24,000 square foot medical office building at East 185th and Lakeshore Boulevard in the City. The state-of-the-art building replaced an outdated and inefficient facility dating from the 1950's. The \$11 million investment by University Hospitals not only provides area residents with a facility for first-class medical care; it also represents a major vote of confidence in the East 185th Street corridor and the City of Euclid.

The City worked to assist small and medium-sized businesses as well in 2014. Through the Storefront Renovation Fund Program, the City provided a grant to Chesterfield Steel to assist in exterior improvements to the company's facility on E. 222nd Street. Heavily damaged driveways and aprons were replaced and new landscaping was installed at the busy industrial facility. Family owned and operated for more than 50 years, Chesterfield Steel employees 58 individuals in the City of Euclid. The project served to improve the appearance and efficiency of Chesterfield Steel's facility and strengthen the company's presence in Euclid for years to come.

Investment could also be seen in Downtown Euclid during the year as worked progressed on an extensive renovation of the building at 21801 Lakeshore Boulevard. Formerly a post office, the art-deco style building will house Great Scott Tavern in summer 2015. The American-style restaurant is expected to be a popular addition to the dining and entertainment scene in Downtown Euclid.

2014 was also a year for continued improvements in the City's housing market. The average home sales price increased for the second straight year with a gain of 12.5 percent compared to 2013. The City is contributing to these gains by administering programs to eliminate blighted houses through demolition or rehabilitation. Through the Neighborhood Stabilization Program, the City constructed and sold a new home at 296 East 195 Street. The 1,350 square foot home features an open floor plan and energy efficient construction. The project returned a vacant property to productive use and will serve as a model for future infill home construction within the City.

Waterline Infrastructure Transfer

In 2014, the City entered into an agreement with the City of Cleveland. The City transferred the waterline infrastructure to the City of Cleveland's Water Department in exchange for future repairs and improvements. This transaction resulted in the recognition of a Special Item on the financial statements. Further details on this transaction are included in the basic financial statements.

Harbor Town/Euclid Waterfront Improvements Plan

In 2009, the City engaged SmithGroupJJR, an award winning multi-disciplinary firm specializing in innovative waterfront design and development projects, to prepare the City's Waterfront Improvement Plan. During this planning process, the SmithGroupJJR team held a series of meetings with area property owners, nearby residents, and lakefront permitting and regulatory agencies. With this input, SmithGroupJJR developed an exciting master plan that recommends restoration of the shoreline and reintroduces the historic beaches that once lined the City's lakefront. It offers many amenities; most notably an expanded Sims Park fishing pier and a proposed marina, opening up one of the largest stretches of the Lake Erie shoreline in the region to public access. Natural habitats will be enhanced and a shoreline multi-purpose trail with overlooks will be created where one can get close to the water's edge and take in the view of the lake setting.

City Council adopted the Euclid Waterfront Plan as an official addendum to the City's Master Plan at the end of 2009. Since the adoption, the City has successfully secured over \$2 million in grant funding through various State agencies and programs. Together with financing made possible through the locally designated Harbor Town Tax Increment Financing District, the City embarked on Phase One of the implementation of the Plan to undertake nearly \$2 million in improvements to its lakefront, including property acquisition and other public access improvements. Most notably, the construction of a new ADA accessible multi-purpose trail and an expanded fishing pier at Sims Park were completed as major components of this first phase in October 2013. A grand opening was held in late 2013, representing a key milestone for the Euclid community and illustrating the City's commitment to increasing public access to Lake Erie.

Building off the momentum of this first phase, City Council authorized several additional phases of professional services with SmithGroupJJR. In 2014, the team completed more detailed engineering and design in preparation of the next phase of lakefront implementation. This phase will include shoreline stabilization incorporating a multi-purpose trail, a paddle craft beach and related amenities resulting in nearly three quarters of a mile of public lakefront access in the City.

In the fall of 2014, the design team released a 3D video walk through of the proposed shoreline improvements that is available on the City's website. SmithGroupJJR received the 2014 Award of Excellence in the annual Professional Awards competition from the Wisconsin Chapter of the American Society of Landscape Architects (ASLA) for the work completed in 2014 related to the shoreline concept and video. The project was ranked and scored by a jury of five professionals who gave the Euclid project this top award with strong comments of commendation.

This exciting shoreline phase has been embraced by the community through a series of public meetings with area stakeholders and residents. Shoreline property owners formally agreed to partner with the City in 2014 to advance the next phase of construction by signing Memorandums of Understanding (MOUs) with the City. The MOUs include affidavits granting the shoreline owner's littoral rights to build in the lakebed to the City. This was a major step forward necessary for the application to the State of Ohio for submerged land leases required to construct the shoreline improvements.

Another milestone was reached in 2014 by securing the first major funding toward construction of the shoreline improvements; a \$1M capital grant was awarded to the City by the State of Ohio. The City is working on a multi-pronged funding strategy to supplement the capital grant including local TIF funds, County, State and Federal assistance, as well as seeking grants from private foundations.

Looking forward, not only will this next phase substantially increase public access, but also the opportunities for private investment in new housing and commercial developments as the waterfront project area is strategically located adjacent to Downtown Euclid with direct connections via Sims Park. In 2015 and beyond, the K&D Group/Coastline Investments, the City's private partner and major area stakeholder, plans to begin construction of the first new housing development prompted by the planned waterfront public improvements. The first phase will include over 30 attached townhome style units on land assembled on East 242 Street. The new housing units will have access to the shoreline multi-purpose trail and the related planned waterfront public amenities.

Long-Term Financial Planning

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

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

FINANCIAL INFORMATION

Summary of Accounting Policies and Budgetary Control

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

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

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

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

For the year ended December 31, 2003, the City changed its financial reporting to comply with GASB Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. Accordingly, government-wide financial statements, which include all governmental and proprietary funds, are presented on the full accrual basis of accounting.

As part of the implementation of GASB Statement No. 34, the City has opted to fully implement retroactive infrastructure reporting. In doing so, the historical cost of infrastructure assets (retroactive to 1980) is included as part of the governmental capital assets. Thus, the depreciated value of construction costs for the roadway network, including streets, sidewalks, curbs and gutters, guardrails, traffic lights, signals, parking meters, and the bridge network is reported in the government-wide statement of net position. In conjunction with the implementation of GASB Statement No. 34, the City has also adopted GASB Statement No. 38, Certain Financial Statement Note Disclosures, which rescinds some and modifies other financial statement disclosure requirements.

The City's budgeting process is governed by Ohio Law and Municipal Charter and is divided between the City's Mayor, Finance Director, Council, the Cuyahoga County Budget Commission and the Office of the Cuyahoga County Fiscal Officer. Major documents associated with the budget preparation include: the County Tax Budget, the Certificate of Estimated Resources and the City's Annual Appropriation Ordinance all of which are prepared and then placed on file with the Cuyahoga County Budget Commission. All budget documents are prepared in compliance with the budgetary basis of accounting. Both the Certificate of Estimated Resources and the Appropriation Ordinance are subject to revision and amendment throughout the year; both are subject to the restriction that current appropriations cannot exceed estimated resources as disclosed on the Certificate of Estimated Resources.

In accordance with State law, all funds, with the exception of agency funds, are legally required to be budgeted and appropriated. Council controls appropriations at the personal services and other expenditures object level within each department for all funds. Modifications or amendments to control levels in the Appropriation Ordinance require Council approval; internal City financial policies permit fund transfers within control levels with approval by the Mayor and Finance Director. The County Fiscal Officer through the statutory authority of the County Budget Commission must certify that the City's Annual Appropriation does not exceed the amounts set forth in the Budget Commission's Certificate of Estimated Resources.

The City employs an encumbrance system documenting purchase commitment amounts prior to generation and release of official City purchase orders. Purchasing practices within the City require departmental review and authorization of all purchase requisitions. Where applicable, proposed purchases in excess of administrative approval limits are subject to competitive bid requirements of Council and are awarded subsequent to approved legislation authorizing the procurement of goods or services. The Finance Director certifies all purchase orders for availability of funds and the estimated expenditure is encumbered against the appropriate departmental or fund appropriation. On the government fund financial statements, these encumbrances are reported as a component of fund balance at December 31, 2014. Unencumbered appropriations lapse at year-end and become available for future appropriations.

Internal Accounting and Reporting Control

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

OTHER INFORMATION

Independent Audit

In accordance with Ohio law, an annual independent audit is required to be performed on all financial operations of the City. The Auditor of the State of Ohio has authorized the audit for 2014 to be performed by the independent public accounting firm of James G. Zupka, CPA, Inc. The independent accountants' unmodified opinion has been included in this report. The administration plans to continue this audit procedure as required by law as part of the preparation of a Comprehensive Annual Financial Report. The annual audit and management letter submitted by James G. Zupka, CPA, Inc. provides information to the City to enable it to maintain and strengthen the City's accounting and budgeting controls.

The City receives federal financial assistance through various federal grant programs. An audit in accordance with the Single Audit Act of 1996 and U.S. Office of Management and Budget (OMB) Circular A-133, Audits of State and Local Governments and Non-Profit Organizations and Government Auditing Standards, issued by the Comptroller General of the United States, has been performed for the fiscal year ended December 31, 2014. The required reports on supplementary information, compliance, and internal controls, along with various supplementary schedules, are included in a separate report.

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2013. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for one year only. We believe our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The Ohio Auditor of State Award with Distinction

The City received the Ohio Auditor of State Award with Distinction for excellence in financial reporting for the 2013 Comprehensive Annual Financial Report. The award states that the City's exemplary reporting serves as the standard for clean, accountable government, representing the highest level of service to Ohioans. Approximately 5% of cities in Ohio achieve this recognition.

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

Respectfully submitted,



Nancy Fisher
Interim Director of Finance

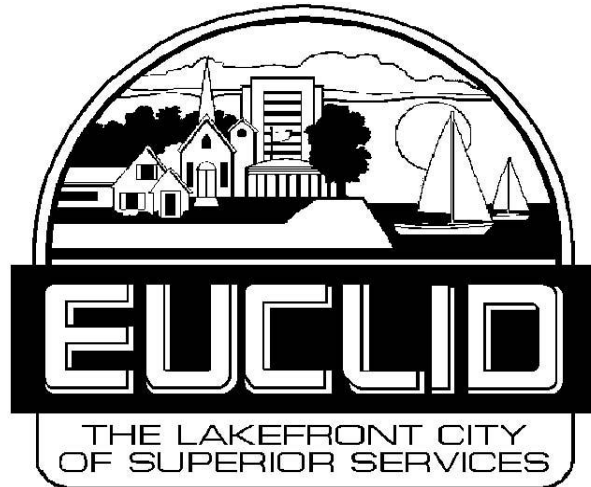


Bill Cervenik, CPA
Mayor

CITY OF EUCLID, OHIO

“A City of Superior Services”

BILL CERVENIK -Mayor



Directors & Chiefs

CHRIS FREY - *Law*

LEE BOCK - *Public Service*

THOMAS MALONE – *Finance **

CHIEF CHRIS HADDOCK - *Fire*

JONATHAN HOLODY – *Economic Development*

CHIEF TOM BRICKMAN – *Police*

LETITIA LINKER – *Administrative Director*

** Effective January 2015, Nancy Fisher is the City's Interim Finance Director*

Municipal Court

DEBORAH LEBARRON – *Judge*

Euclid City Council

KIRSTEN HOLZHEIMER GAIL- *President of Council*

STEPHANA C. CAVINESS – *Ward I*

PATRICK McLAUGHLIN- *Ward V*

MADELINE SCARNIENCH – *Ward II*

PATRICK M. DELANEY – *Ward VI*

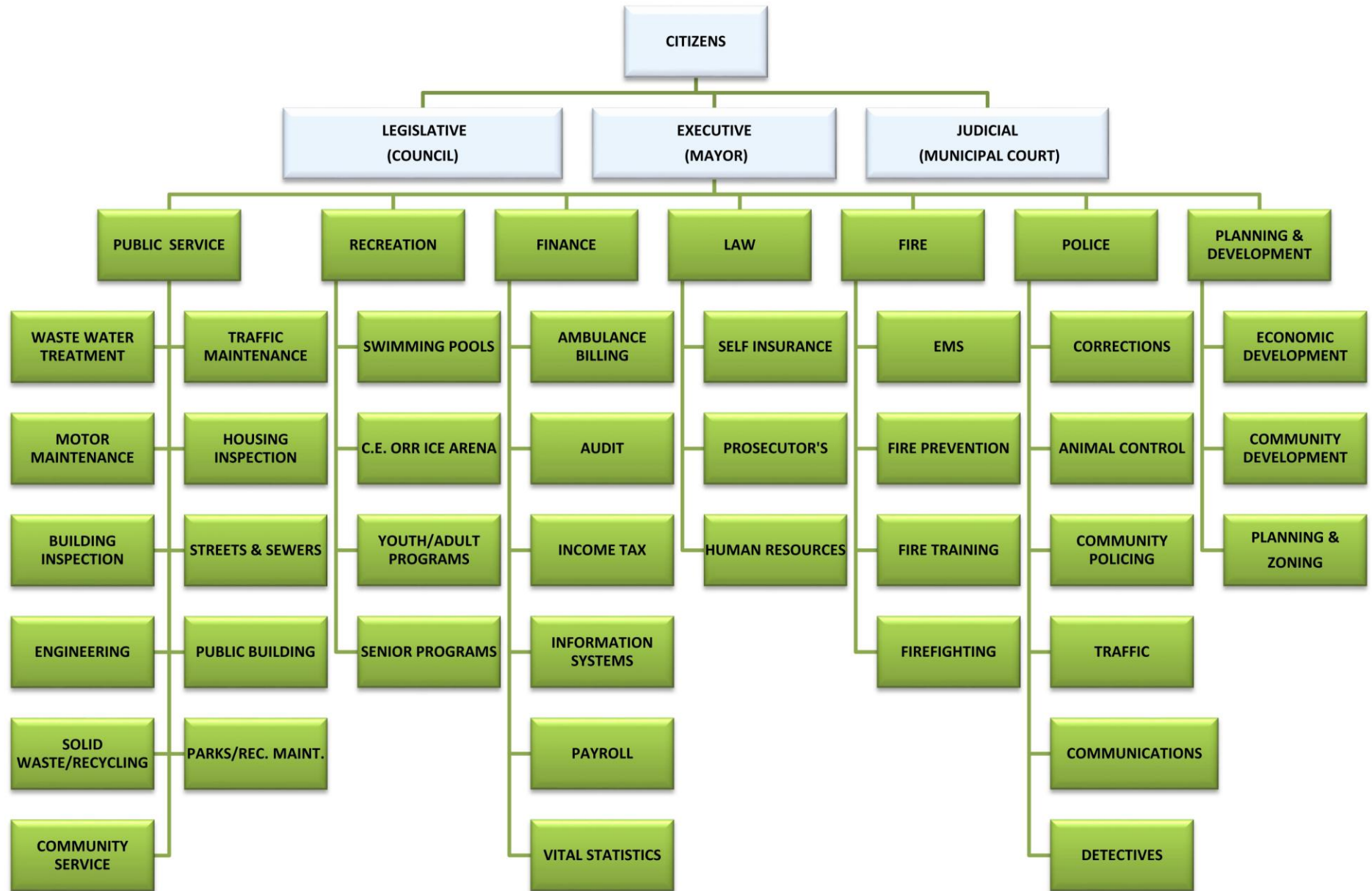
KANDACE JONES – *Ward III*

DARYL K. LANGMAN – *Ward VII*

KRISTIAN D. JAROSZ – *Ward IV*

LAURA J. GORSHE – *Ward VIII*

City of Euclid, Ohio
Organizational Chart
 December 31, 2014





Government Finance Officers Association

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

Presented to

**City of Euclid
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO

FINANCIAL SECTION

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

Certified Public Accountants

5240 East 98th Street

Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

The Honorable David Yost
Auditor of State
State of Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Euclid, Cuyahoga County, Ohio (the City), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Euclid, Ohio, as of December 31, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 3 to the financial statements, the City restated its December 31, 2013 net position for business-type activities and enterprise funds due to the recognition of cash and cash equivalents in segregated accounts for the Briardale Greens Golf Course Fund. Also, as discussed in Note 21, the City incurred a loss on the transfer of waterlines to the City of Cleveland Water Department. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Euclid, Ohio's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2015, on our consideration of the City of Euclid, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Euclid, Ohio's internal control over financial reporting and compliance.



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

June 24, 2015

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

The discussion and analysis of the City of Euclid's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2014. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter and the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2014 are as follows:

- Total assets and deferred outflows of resources of the City exceeded liabilities and deferred inflows of resources at the close of 2014 by \$88,332,231 compared to \$109,808,320 at the end of 2013, a decrease of \$21,476,089 or 19.56 percent. Of these amounts, \$15,484,146 (2014) and \$23,054,818 (2013) may be used to meet the City's ongoing obligations to its citizens and creditors, provided it is expended or transferred according to the Charter of the City and/or the general laws of the State of Ohio.
- Total assets decreased by \$24,157,687 with governmental activities decreasing by \$8,955,429 and business-type activities decreasing by \$15,202,258. The governmental activities decrease is reflected primarily in equity in pooled cash and cash equivalents and capital assets. The business-type activities decrease is reflected primarily in capital assets and this decrease is offset by an increase mainly in equity in pooled cash and cash equivalents.
- Municipal income tax revenue for 2014 was \$22,555,188 versus \$23,090,347 in 2013, a decrease of \$535,159 or 2.32 percent.
- Property and other local taxes for governmental activities slightly decreased by \$18,968, or 0.40 percent, to \$4,746,669.
- Together, municipal income taxes and property and other local taxes accounted for \$27,301,857 in revenue, or 62.50 percent, of all revenues in governmental activities.
- Grants and entitlements not restricted to specific programs increased by \$386,950, or 17.67 percent, to \$2,576,299.
- Charges for services in business-type activities increased by \$1,848,833, or 11.34 percent, from \$16,297,480 in 2013 to \$18,146,313 in 2014. Operating grants and contributions in business-type activities increased by \$2,042,210, or 100.00 percent. This increase was from reimbursements received from the City of Cleveland for the City of Euclid's waterline projects.
- The City's governmental long-term obligations increased by \$1,826,885, or 5.97 percent, to \$32,437,010.

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

Overview of the Financial Statements

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

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

The *Statement of Net Position* presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the residual reported as net position. Over time, increases or decreases in the City's net position are one indicator of whether the City's financial health is improving or deteriorating. In 2014, Governmental Activities unrestricted net position decreased by \$2,363,802 or 21.69 percent. In Business-Type Activities, unrestricted net position decreased by \$5,206,870 or 42.82 percent. There were a number of sewer system improvement construction projects that were partially funded by the Wastewater Treatment Fund. The City has continued negotiations with the EPA to define the necessary steps in the implementation of a Long Term Storm Water Runoff Control Plan. In addition, the City recorded a special item in the Water Line Improvement Fund for the loss on the transfer of waterlines to the City of Cleveland. This special item is the main reason the net position of the City's Business-Type Activities decreased from 2013.

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

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

For 2014, Business-Type Activities' expenses increased by \$1,646,080 or 14.52 percent. This increase was due to additional contractual services related to significant waste water and waterline projects commencing in 2014.

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

Revenues in Business-Type Activities increased by \$5,592,561 or 32.45 percent. This reflects an increase in Charges for Services revenue collected by the Waste Water Treatment Fund, due to a rate increase during 2014 coupled with increases in operating and capital grants and contributions from the City of Cleveland and from the Ohio Public Works Commission (OPWC).

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

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

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

The City maintains 24 individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund and the General Obligation Bond Retirement Fund, which are considered to be major funds. Data from the other 22 governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds are provided in the form of combining statements elsewhere in this report.

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

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

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

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

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

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

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

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

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

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Government-Wide Financial Analysis

Information regarding the government-wide net position of the City is presented in the following table for 2014 and 2013.

Table 1 - Net Position

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013 *	2014	2013 *
ASSETS						
Current and other assets	\$ 28,152,960	\$ 33,249,086	\$ 19,549,893	\$ 13,695,907	\$ 47,702,853	\$ 46,944,993
Capital assets, net	55,641,117	59,500,420	47,503,735	68,559,979	103,144,852	128,060,399
Total Assets	83,794,077	92,749,506	67,053,628	82,255,886	150,847,705	175,005,392
DEFERRED OUTFLOWS OF RESOURCES						
Deferral on Refundings	436,691	471,969	133,531	151,502	570,222	623,471
LIABILITIES						
Current and other liabilities	2,521,861	8,149,080	563,569	674,174	3,085,430	8,823,254
Long-term liabilities:						
Due within one year	8,230,839	3,507,647	1,663,718	2,337,919	9,894,557	5,845,566
Due in more than one year	24,206,171	27,102,478	21,467,016	19,481,010	45,673,187	46,583,488
Total Liabilities	34,958,871	38,759,205	23,694,303	22,493,103	58,653,174	61,252,308
DEFERRED INFLOWS OF RESOURCES						
Property taxes	3,929,900	4,097,442	-	-	3,929,900	4,097,442
Payments in lieu of taxes	301,122	263,293	-	-	301,122	263,293
Sale of future revenues	201,500	207,500	-	-	201,500	207,500
Total Deferred Inflows of Resources	4,432,522	4,568,235	-	-	4,432,522	4,568,235
NET POSITION						
Net investment in capital assets	30,734,068	32,235,958	36,541,168	47,755,727	67,275,236	79,991,685
Restricted	5,572,849	6,761,817	-	-	5,572,849	6,761,817
Unrestricted	8,532,458	10,896,260	6,951,688	12,158,558	15,484,146	23,054,818
Total Net Position	\$ 44,839,375	\$ 49,894,035	\$ 43,492,856	\$ 59,914,285	\$ 88,332,231	\$ 109,808,320

* - Restated

As noted earlier, net position may serve, over time, as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$88,332,231 at the close of the most recent fiscal year.

By far the largest component of the City's net position, 76.16 percent, reflects its investment in capital assets (e.g. land, construction in progress, land improvements, buildings and improvements, infrastructure, and furniture, fixtures and equipment), net of accumulated depreciation, less any related, still outstanding debt used to acquire those assets and deferred outflows/inflows of resources. The City uses these capital assets to provide services to citizens; consequently, those assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other resources, since the capital assets themselves cannot be used to liquidate these liabilities.

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A portion of the City's net position, \$5,572,849, represents resources that are subject to external restrictions on how they may be used. The remaining portion is unrestricted net position which may be used to meet the City's ongoing obligations to citizens and creditors.

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

Table 2 - Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
REVENUES						
Program Revenues:						
Charges for services	\$ 9,338,817	\$ 9,306,525	\$ 18,146,313	\$ 16,297,480	\$ 27,485,130	\$ 25,604,005
Operating grants and contributions	3,008,129	3,360,377	2,042,210	-	5,050,339	3,360,377
Capital grants and contributions	191,784	497,681	2,638,988	937,345	2,830,772	1,435,026
Total Program Revenues	12,538,730	13,164,583	22,827,511	17,234,825	35,366,241	30,399,408
General Revenues:						
Property and other local taxes	4,746,669	4,765,637	-	-	4,746,669	4,765,637
Municipal income taxes	22,555,188	23,090,347	-	-	22,555,188	23,090,347
Payments in lieu of taxes	259,991	261,567	-	-	259,991	261,567
Grants and entitlements	2,576,299	2,189,349	-	-	2,576,299	2,189,349
Investment income	64,882	90,253	21	146	64,903	90,399
Gain on Sale of Capital Assets	192,874	23,311	-	-	192,874	23,311
All other revenues	746,440	827,035	-	-	746,440	827,035
Total General Revenues	31,142,343	31,247,499	21	146	31,142,364	31,247,645
Total Revenues	43,681,073	44,412,082	22,827,532	17,234,971	66,508,605	61,647,053
EXPENSES						
Program Expenses:						
Security of persons and property	20,975,180	21,090,420	-	-	20,975,180	21,090,420
Public health	279,500	273,361	-	-	279,500	273,361
Leisure time activities	1,987,341	1,878,910	-	-	1,987,341	1,878,910
Community and economic development	2,606,619	3,004,987	-	-	2,606,619	3,004,987
Sanitation	2,274,374	2,310,771	-	-	2,274,374	2,310,771
Transportation	5,930,036	6,026,874	-	-	5,930,036	6,026,874
General government	13,851,860	13,381,458	-	-	13,851,860	13,381,458
Interest and fiscal charges	830,823	993,111	-	-	830,823	993,111
Waste Water Treatment	-	-	10,053,697	9,997,445	10,053,697	9,997,445
Water Line Improvement	-	-	2,125,851	1,253,974	2,125,851	1,253,974
Briardale Greens Golf Course	-	-	806,348	88,397	806,348	88,397
Total Expenses	48,735,733	48,959,892	12,985,896	11,339,816	61,721,629	60,299,708
Change in Net Position before Special Items	(5,054,660)	(4,547,810)	9,841,636	5,895,155	4,786,976	1,347,345
Special Item	-	-	(26,263,065)	-	(26,263,065)	-
Change in Net Position	(5,054,660)	(4,547,810)	(16,421,429)	5,895,155	(21,476,089)	1,347,345
Net Position - Beginning of Year, as Restated	49,894,035	54,441,845	59,914,285	54,019,130	109,808,320	108,460,975
Net Position - End of Year	\$ 44,839,375	\$ 49,894,035	\$ 43,492,856	\$ 59,914,285	\$ 88,332,231	\$ 109,808,320

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Governmental Activities

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

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

Table 3 - Governmental Activities

	Total Cost of Services 2014	Net Cost of Services 2014
Security of persons and property	\$ 20,975,180	\$ 17,562,485
Public health	279,500	169,877
Leisure time activities	1,987,341	1,618,820
Community and economic development	2,606,619	(98,093)
Sanitation	2,274,374	366,481
Transportation	5,930,036	4,055,362
General government	13,851,860	11,691,248
Interest and fiscal charges	830,823	830,823
Total cost of service	<u>\$ 48,735,733</u>	<u>\$ 36,197,003</u>

Security of Persons and Property expenses totaled \$20,975,180, or 43.04 percent of the total 2014 expenses. A significant portion of these expenses can be attributed to salaries, wages, and employee benefits for police officers and firefighters. As of December 31, 2014, the City employed 94 full time police officers and 77 full time firefighters. General Government expenses totaled \$13,851,860 or 28.42 percent, of total 2014 expenses. General Government is comprised of the following departments: Legislative, Municipal Court, Mayor, Finance, Law, and Administrative. A significant portion of these expenses are related to salaries, wages, and employee benefits.

Business-type Activities

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

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Waste Water Treatment Fund: The Waste Water Treatment Fund accounts for the operation of the City's sanitary sewer and waste water treatment system which services the City and several other surrounding communities. The City has retained the services of Hazen and Sawyer, on an annual basis, to determine the adequacy of user rates to fund continuing operations. The increase in the fund's net position can be attributed to the 2014 rate increases as well as the City receiving grant funding from OPWC for numerous waste water capital projects.

Water Line Improvement Fund: The Water Line Improvement Fund accounts for distribution of treated water to individual and commercial users in various parts of the City. During 2014, operating and nonoperating revenues increased by \$2,363,073, or 140.48 percent as a result of reimbursements for the City of Cleveland related to waterline projects in the City. In 2014, the operating expenses in the fund increased by \$886,902, or 95.49 percent. This increase in expenses is mainly attributed to additional contractual services related to significant waterline projects commencing in 2014. It is also important to note that during 2014, the City signed an asset transfer agreement with the City of Cleveland. This agreement transferred the City's waterline infrastructure to the City of Cleveland. As a result of this agreement, the City of Cleveland's Water Department will be responsible for the future repairs and improvements to the waterline system.

Briardale Greens Golf Course Fund: The Briardale Greens Golf Course is a public golf course built upon land that was the site of a World War II housing project and is situated on the north side of the City. The City contracts with a management company to manage and operate the golf course.

Financial Analysis of the Government's Funds

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

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

As of December 31, 2014, the City's governmental funds reported an ending combined fund balance of \$9,800,120, an increase of \$2,176,638 in comparison with the prior year. \$4,291,446 of the ending fund balance for 2014 constitutes assigned and unassigned fund balance combined, which is available for spending at the government's discretion. The remainder of fund balance is nonspendable, restricted, or committed to indicate that it is not available for new spending because it is not in spendable form or it has already been restricted by an external constraint or committed by internal constraints.

All governmental funds had total revenues of \$45,025,442 and expenditures of \$48,661,487 (not including other financing sources and uses) with expenditures exceeding revenues by \$3,636,045. Revenues decreased from the previous year primarily due to a decrease in intergovernmental revenues which was offset by increases in municipal income taxes and charges for services.

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Expenditures decreased due mainly to the capital outlay expenditures; however this decrease was limited to increases in health insurance costs.

The General Fund is the chief operating fund of the City. At the beginning of the current year, total fund balance for the General Fund was \$7,763,687. General Fund expenditures (not including other financing uses) for the current year were \$38,612,401, with revenues (not including other financing sources) of \$37,392,411, leaving a total fund balance of \$5,885,837, of which \$4,631,088 is unassigned fund balance.

As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures (not including other financing uses). The General Fund's unassigned fund balance represents 11.99 percent of total General Fund expenditures while total fund balance represents 15.24 percent of that same amount.

On a cash basis, projected final budgetary fund balance in the General Fund, for year ending 2014 was about \$1.9 million. Actual budgetary fund balance decreased by \$1,772,612 (which includes prior year encumbrances appropriated) taking the actual budgetary fund balance from \$4,034,510 to \$2,261,898.

Analysis of General Fund Revenues

Municipal Income Taxes

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

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

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

2014 income tax revenues were up, by \$465,157 or 1.93 percent from 2013. This increase is mainly due to the continued strengthening of the local economy, the policies and programs of the City's Planning and Development Department in the areas of job creation, expansion and retention, and the concentration on compliance and collection of delinquent accounts by the Tax Department.

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Property Taxes

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

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

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

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

Purpose	2014	2013	2012
General Fund	\$ 6.72	\$ 6.72	\$ 6.72
Recreation Operating	1.30	1.30	1.30
Bond Retirement	3.88	3.88	3.88
Capital Improvements	1.70	1.70	1.70
Total	13.60	13.60	13.60
Assessed Valuation	\$ 586,839,480	\$ 587,254,750	\$ 738,711,240

Property tax collections have dropped significantly when compared to 2012 and prior periods. This change is mainly contributed to a decline in the City’s assessed valuation, in spite of a charter provision that applies HB 920 reduction factors to charter millage as if they were voted levies. The charter amendment takes its name and acts the same as HB 920 which was enacted by the state in the mid 1970’s to freeze the amount of money a voted levy generates over the life of the levy. As property values increase/decrease, property taxes do not change as a result. HB 920, was designed to hold homeowners harmless from the increasing value of their homes and protect them from inflation. At the core of HB 920 is the assumption that home prices will remain stable or, even more likely, increase in value as time passes. In a perverse twist, when the housing bubble burst and there was a universal decrease in the market value of homes—and consequently the assessed valuation of homes—HB 920 served to increase many homeowners’ property tax bills even as the value of their homes decreased.

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State Local Government Funds and Other Shared Revenues

The State of Ohio shares various tax revenues with the City and other political subdivisions primarily through the State's Local Government Fund (LGF). As part of a new funding mechanism, the State removed the freeze on LGF payments and replaced it with a percentage of certain state revenues; in addition, the Local Government Revenue Assistance Fund (LGRAAF) was discontinued. The combination of these programs is the City's largest source of non-tax General Fund revenue. In 2014, the City received \$1,393,052 from the State's LGF for an increase of \$480,160, or 52.60 percent, when compared to 2013.

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

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

Analysis of the General Obligation Bond Retirement Fund

The City's General Obligation Bond Retirement Fund experienced an increase in fund balance of \$4,420,479, which increased the fund balance to \$961,843. This significant increase in fund balance can be attributed to the City's bond anticipation notes issued in 2014 being considered long-term as opposed to short-term in fiscal year 2013.

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

Capital Assets and Debt Administration

Capital Assets The City's investment in capital assets for its governmental and business-type activities as of December 31, 2014, amounts to \$103,144,852. This investment in capital assets includes land, construction in progress, land improvements, buildings and improvements, infrastructure, and furniture, fixtures, and equipment. A summary of the City's capital assets at December 31, 2014, is reflected in the table which follows.

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

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 10,775,705	\$ 10,775,705	\$ 8,336,966	\$ 8,336,966	\$ 19,112,671	\$ 19,112,671
Construction in progress	590,258	2,479,587	8,159,661	2,278,174	8,749,919	4,757,761
Total Non-Depreciable	11,365,963	13,255,292	16,496,627	10,615,140	27,862,590	23,870,432
Land improvements	3,422,949	2,011,458	433,887	375,358	3,856,836	2,386,816
Buildings and Improvements	8,959,645	8,924,108	7,158,091	7,460,856	16,117,736	16,384,964
Furniture, Fixtures, and Equipment	4,197,752	4,292,955	841,800	893,251	5,039,552	5,186,206
Infrastructure:						
Streets	27,694,808	31,016,607	-	-	27,694,808	31,016,607
Sanitary Sewers	-	-	15,343,765	15,781,053	15,343,765	15,781,053
Storm Sewers	-	-	7,229,565	7,379,634	7,229,565	7,379,634
Water Lines	-	-	-	26,054,687	-	26,054,687
Total Depreciable, Net of Depreciation	44,275,154	46,245,128	31,007,108	57,944,839	75,282,262	104,189,967
Total Capital Assets, Net of Depreciation	\$ 55,641,117	\$ 59,500,420	\$47,503,735	\$68,559,979	\$ 103,144,852	\$ 128,060,399

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

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

Governmental Activities

Lakeshore/East 222nd/Babbitt Improvements	\$ 496,507
Euclid Corridor	93,751
Total Governmental Activities	\$ 590,258

Business-Type Activities

Wastewater Treatment Plant	\$ 332,177
E. 194th Street SSO Elimination	1,164,224
Sludge Line Replacement	498,167
E. 222nd Relief Sewer	845,910
Edgecliff SSO Elimination	464,736
Crystal/E. 220th/Bruce Storm & Sanitary	1,137,858
E. 274th/E. 275th SSO Elimination	1,969,932
Equalization Basin	410,520
MBR	784,939
Headworks	551,198
Total Business-Type Activities	\$ 8,159,661

- **Special Item** – As mentioned previously, the City transferred the waterline infrastructure to the City of Cleveland.

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

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Debt The City's outstanding General Obligation Debt was downgraded to an "Aa3" from an "Aa2" long-term bond rating with Moody's Investor Service in March 2013. This investment grade rating is attributed to the City's improved financial practices and policies that have resulted in improved liquidity, moderately growing tax base with a slowly recovering economy, and a manageable debt profile. Maintaining its credit rating enables the City to obtain short term and long term financing at the lowest possible interest rates. As of December 31, 2014, the City's General Obligation Bonded Debt totaled \$27,682,338.

A summary of outstanding debt at December 31, 2014 follows.

Table 6 - Outstanding Debt at December 31

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
General Obligation Bonds, net	\$ 17,464,865	\$ 19,975,891	\$ 10,217,473	\$ 11,098,452	\$ 27,682,338	\$ 31,074,343
Special Assessment Bonds, net	457,089	570,111	-	-	457,089	570,111
Notes Payable	5,276,848	5,278,176	-	-	5,276,848	5,278,176
Industrial Revenue Bond, net	286,000	419,000	-	-	286,000	419,000
OWDA Loans	-	-	4,726,790	2,523,453	4,726,790	2,523,453
OPWC Loans	1,252,780	1,336,299	7,171,677	7,177,596	8,424,457	8,513,895
Capital Leases	681,136	375,358	86,012	4,751	767,148	380,109
Total Outstanding Debt	<u>\$ 25,418,718</u>	<u>\$ 27,954,835</u>	<u>\$ 22,201,952</u>	<u>\$ 20,804,252</u>	<u>\$ 47,620,670</u>	<u>\$ 48,759,087</u>

The special assessment bonds will be paid from the proceeds of special assessments levied against benefitted property owners. The various improvement bonds and notes will be paid out of the General Obligation Bond Retirement Fund. The industrial revenue bond will be paid out of the General Fund. See Notes 11, 16 and 19 to the financial statements for more information regarding the City's outstanding debt.

Debt Capacity: The City is within the statutory limitations for both voted and unvoted debt. The computation of the legal debt margins at December 31, 2014, is included in the Statistical Section of this report under the heading "Legal Debt Margin", along with other related computations and ratios relevant to the City's notes and bonded debt.

The City's 2014 overall legal debt limit established by statutory limitations was \$61,618,145. The City's legal debt margin of \$38,586,803 is within the overall legal debt limit. The City's 2014 unvoted legal debt limit established by statutory limitations was of \$32,276,171. The City's unvoted legal debt margin of \$9,244,829 is within the unvoted legal debt limit.

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The ratio of net general bonded debt to assessed valuation and the amount of net bonded debt per capita provide useful information concerning the level of the City's debt to management and investors. The information as of December 31, 2014 for the City is as follows:

	Amount	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
Net General Obligation Debt (Bonded)	\$ 32,959,186	2.00%	\$ 674

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

The City of Euclid, like most municipalities in Northeast Ohio, continues to face the challenge of a relatively stagnant economy. Basic operating and personnel costs continue to increase, while federal and state funding continues to decline. Income tax collections, which comprise over 60 percent of the City's operating budget, are experiencing minimal growth. In addition, a major employer announced the closing of their administrative offices resulting in the elimination of nearly 500 jobs and \$570,000 in local income tax collections.

The City of Euclid experienced a 20.3 percent reduction in the assessed tax value of residential property as a result of the Cuyahoga County sexennial reassessment. This reduction in value caused the City's existing outstanding debt to be in excess of the 10 Mill statutory limitation on debt issuance. Issuance of future General Obligation Debt is restricted until the outstanding debt is reduced below the statutory limitation. This was accomplished by the refinancing of \$5,265,000 of outstanding notes with the issuance of Various Purpose Income Tax Revenue Bond Anticipation Notes.

Approximately \$5,000,000 has been secured through grants from various governmental agencies to assist in the efforts to remedy the ill effects that the national foreclosure and housing crisis has had on the City's neighborhoods. Through a combination of rehabilitation, demolition, and public education, as well as strict nuisance abatement policies, much progress is being made on this front.

Significant reductions in operating expenses have been instituted and the City continues to explore various available opportunities to increase efficiency. Collaborative efforts are being examined with other governmental agencies and the private sector to explore possible cost savings that will also strengthen results of operations.

The Cuyahoga County Sheriff's Department and the City have entered into a 5 year agreement that transfers the total operations of the City's correctional facility to the County effective as of August 2014, resulting in a decrease of \$1,000,000 in operating expenses annually.

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Unaudited

The City of Euclid entered into a contract to consolidate the operations of its Emergency Dispatch Center with Chagrin Valley Dispatch, providing more efficient service, access to the newest technology and a cost reduction of over \$325,000 annually. This agreement took effect as of April, 2015.

Private management firms have been engaged to operate the Shore Cultural Centre facility, as well as the municipal-owned golf course, Briardale Greens. The operating performance, as well as, the cost savings has been very satisfactory at both facilities.

Employee health care costs have steadily increased over the past few years, but in 2014 the increase exceeded 18 percent over the prior year. The City has maintained a self-insured plan for over 25 years, due to a number of significant claims in the city's insured population.

Contacting the City's Finance Department

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

Basic Financial Statements

City of Euclid, Ohio
Statement of Net Position
December 31, 2014

	Governmental Activities	Business-Type Activities	Total	Euclid Development Corporation
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ 5,581,950	\$ 14,701,882	\$ 20,283,832	\$ 646,553
Cash and Cash Equivalents:				
In Segregated Accounts	22,117	50,000	72,117	-
With Fiscal Agents	50,132	-	50,132	-
With Escrow Agents	151,669	-	151,669	-
Materials and Supplies Inventory	230,963	71,401	302,364	-
Accounts Receivable	663,844	4,625,699	5,289,543	-
Accrued Interest Receivable	10,932	-	10,932	-
Intergovernmental Receivable	1,834,383	-	1,834,383	-
Prepaid Items	95,740	14,899	110,639	-
Municipal Income Taxes Receivable	8,076,922	-	8,076,922	-
Property Taxes Receivable	4,876,513	-	4,876,513	-
Payments in Lieu of Taxes Receivable	301,122	-	301,122	-
Notes Receivable	892,428	-	892,428	-
Loans Receivable	-	-	-	2,312,651
Special Assessments Receivable	4,749,271	-	4,749,271	-
Assets held for Resale	614,974	-	614,974	33,200
Capital Leases Receivable	-	86,012	86,012	-
Nondepreciable Capital Assets	11,365,963	16,496,627	27,862,590	-
Depreciable Capital Assets	44,275,154	31,007,108	75,282,262	-
Total Assets	83,794,077	67,053,628	150,847,705	2,992,404
DEFERRED OUTFLOWS OF RESOURCES				
Deferral on Refunding	436,691	133,531	570,222	-
Total Deferred Outflows of Resources	436,691	133,531	570,222	-
LIABILITIES				
Accounts Payable	196,351	254,550	450,901	511
Accrued Wages and Benefits	1,017,725	155,022	1,172,747	1,782
Intergovernmental Payable	600,285	109,258	709,543	2,607
Matured Compensated Absences Payable	3,677	-	3,677	-
Accrued Interest Payable	83,942	44,739	128,681	-
Retainage Payable	17,655	-	17,655	-
Claims Payable	602,226	-	602,226	-
Long-term Liabilities:				
Due within one year	8,230,839	1,663,718	9,894,557	-
Due in more than one year	24,206,171	21,467,016	45,673,187	-
Total Liabilities	34,958,871	23,694,303	58,653,174	4,900
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	3,929,900	-	3,929,900	-
Payments in Lieu of Taxes	301,122	-	301,122	-
Sale of Future Revenues	201,500	-	201,500	-
Total Deferred Inflows of Resources	4,432,522	-	4,432,522	-
NET POSITION				
Net Investment in Capital Assets	30,734,068	36,541,168	67,275,236	-
Restricted for:				
Debt Service	1,921,639	-	1,921,639	-
Capital Projects	1,352,339	-	1,352,339	-
Transportation	955,541	-	955,541	-
Community Development	637,851	-	637,851	-
Other Purposes	705,479	-	705,479	-
Unrestricted	8,532,458	6,951,688	15,484,146	2,987,504
Total Net Position	\$ 44,839,375	\$ 43,492,856	\$ 88,332,231	\$ 2,987,504

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

City of Euclid, Ohio
Statement of Activities
For the Year Ended December 31, 2014

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary Government:				
Governmental activities:				
Security of Persons and Property	\$ 20,975,180	\$ 3,316,938	\$ 95,757	\$ -
Public Health	279,500	91,297	18,326	-
Leisure Time Activities	1,987,341	368,130	391	-
Community and Economic Development	2,606,619	1,769,947	934,765	-
Sanitation	2,274,374	1,907,893	-	-
Transportation	5,930,036	-	1,874,674	-
General Government	13,851,860	1,884,612	84,216	191,784
Interest and Fiscal Charges	830,823	-	-	-
<i>Total Governmental activities</i>	<u>48,735,733</u>	<u>9,338,817</u>	<u>3,008,129</u>	<u>191,784</u>
Business-type activities:				
Waste Water Treatment	10,053,697	15,433,332	-	2,528,406
Water Line Improvement	2,125,851	2,003,009	2,042,210	-
Briardale Greens Golf Course	806,348	709,972	-	110,582
<i>Total Business-type activities</i>	<u>12,985,896</u>	<u>18,146,313</u>	<u>2,042,210</u>	<u>2,638,988</u>
<i>Total Primary Government</i>	<u>\$ 61,721,629</u>	<u>\$ 27,485,130</u>	<u>\$ 5,050,339</u>	<u>\$ 2,830,772</u>
Component Unit:				
Euclid Development Corporation	225,528	265,243	-	-
<i>Total Component Unit</i>	<u>\$ 225,528</u>	<u>\$ 265,243</u>	<u>\$ -</u>	<u>\$ -</u>

General Revenues:

Property Taxes levied for:
General Purposes
Debt Service Purpose
Capital Outlay
Other Purposes
Municipal Income Taxes levied for:
General Purposes
Other Local Taxes
Payments in Lieu of Taxes
Grants & Entitlements not restricted to specific programs
Investment Income
Gain on Sale of Capital Assets
All Other Revenues
Total General Revenues
Special Item - Loss on Transfer of Waterlines
Total General Revenues and Special Item
Change in Net Position
Net Position - Beginning of Year, as Restated
Net Position - End of Year

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

Net (Expense) Revenue and Changes in Net Position			Component
Governmental	Business-type	Total	Unit
Activities	Activities		Euclid
			Development
			Corporation
\$ (17,562,485)	\$ -	\$ (17,562,485)	\$ -
(169,877)	-	(169,877)	-
(1,618,820)	-	(1,618,820)	-
98,093	-	98,093	-
(366,481)	-	(366,481)	-
(4,055,362)	-	(4,055,362)	-
(11,691,248)	-	(11,691,248)	-
(830,823)	-	(830,823)	-
<u>(36,197,003)</u>	<u>-</u>	<u>(36,197,003)</u>	<u>-</u>
-	7,908,041	7,908,041	-
-	1,919,368	1,919,368	-
-	14,206	14,206	-
<u>-</u>	<u>9,841,615</u>	<u>9,841,615</u>	<u>-</u>
<u>(36,197,003)</u>	<u>9,841,615</u>	<u>(26,355,388)</u>	<u>-</u>
-	-	-	39,715
-	-	-	39,715
1,530,537	-	1,530,537	-
1,904,162	-	1,904,162	-
387,189	-	387,189	-
296,086	-	296,086	-
22,555,188	-	22,555,188	-
628,695	-	628,695	-
259,991	-	259,991	-
2,576,299	-	2,576,299	-
64,882	21	64,903	670
192,874	-	192,874	-
746,440	-	746,440	3,811
<u>31,142,343</u>	<u>21</u>	<u>31,142,364</u>	<u>4,481</u>
-	(26,263,065)	(26,263,065)	-
<u>31,142,343</u>	<u>(26,263,044)</u>	<u>4,879,299</u>	<u>4,481</u>
(5,054,660)	(16,421,429)	(21,476,089)	44,196
49,894,035	59,914,285	109,808,320	2,943,308
<u>\$ 44,839,375</u>	<u>\$ 43,492,856</u>	<u>\$ 88,332,231</u>	<u>\$ 2,987,504</u>

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

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

	<u>General Fund</u>	<u>General Obligation Bond Retirement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ 2,374,546	\$ 607,005	\$ 2,499,336	\$ 5,480,887
Cash and Cash Equivalents:				
In Segregated Accounts	22,117	-	-	22,117
With Fiscal Agents	50,132	-	-	50,132
With Escrow Agents	-	-	151,669	151,669
Materials and Supplies Inventory	75,551	-	155,412	230,963
Accrued Interest Receivable	10,932	-	-	10,932
Accounts Receivable	640,796	2	23,046	663,844
Interfund Receivable	-	358,313	-	358,313
Intergovernmental Receivable	841,850	143,958	848,575	1,834,383
Prepaid Items	78,047	-	17,693	95,740
Municipal Income Taxes Receivable	8,076,922	-	-	8,076,922
Property Taxes Receivable	1,805,904	2,264,405	806,204	4,876,513
Special Assessments Receivable	4,283,390	465,881	-	4,749,271
Notes Receivable	892,428	-	-	892,428
Payments in Lieu of Taxes Receivable	-	-	301,122	301,122
Assets held for Resale	-	-	614,974	614,974
Total Assets	<u>\$ 19,152,615</u>	<u>\$ 3,839,564</u>	<u>\$ 5,418,031</u>	<u>\$ 28,410,210</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 124,180	\$ -	\$ 72,171	\$ 196,351
Accrued Wages and Benefits	929,035	1,949	86,741	1,017,725
Intergovernmental Payable	552,969	1,019	46,297	600,285
Matured Compensated Absences Payable	3,677	-	-	3,677
Retainage Payable	-	-	17,655	17,655
Interfund Payable	-	-	358,313	358,313
Claims Payable	581,241	509	20,476	602,226
Total Liabilities	<u>2,191,102</u>	<u>3,477</u>	<u>601,653</u>	<u>2,796,232</u>
Deferred Inflows of Resources:				
Property Taxes and Payments in Lieu of Taxes	1,455,348	1,824,846	950,828	4,231,022
Sale of Future Revenues	-	-	201,500	201,500
Unavailable Revenue - Delinquent Property Taxes	350,556	439,559	156,498	946,613
Unavailable Revenue - Municipal Income Taxes	4,342,779	-	-	4,342,779
Unavailable Revenue - Other	4,926,993	609,839	555,112	6,091,944
Total Deferred Inflows of Resources	<u>11,075,676</u>	<u>2,874,244</u>	<u>1,863,938</u>	<u>15,813,858</u>
Fund Balances:				
Nonspendable	1,077,737	-	173,105	1,250,842
Restricted	-	961,843	3,169,941	4,131,784
Committed	107,724	-	18,324	126,048
Assigned	69,288	-	-	69,288
Unassigned (Deficit)	4,631,088	-	(408,930)	4,222,158
Total Fund Balances	<u>5,885,837</u>	<u>961,843</u>	<u>2,952,440</u>	<u>9,800,120</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 19,152,615</u>	<u>\$ 3,839,564</u>	<u>\$ 5,418,031</u>	<u>\$ 28,410,210</u>

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

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

Total Governmental Funds Balance \$ 9,800,120

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

Capital Assets used in Governmental Activities are not financial resources
and, therefore, are not reported in the funds 55,641,117

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

Delinquent property taxes	\$	946,613	
Municipal income taxes		4,342,779	
Special assessments		4,749,271	
Intergovernmental		1,250,372	
Charges for services		92,301	
Total			11,381,336

In the Statement of Activities, interest is accrued on outstanding
bonds, whereas in Governmental funds, an interest expenditure
is reported when due. (83,942)

Internal Service funds are used by management to charge the costs
of certain activities, such as insurance to individual funds. The assets
and liabilities of the Internal Service funds are included in Governmental
Activities in the Statement of Net Position. (63,937)

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

General obligation bonds		(17,565,507)	
Long-term notes payable		(5,265,000)	
Special assessment bonds		(525,000)	
Industrial development revenue bonds		(360,000)	
Unamortized premiums on bonds		(205,986)	
Deferral on refundings		436,691	
Compensated absences		(6,371,261)	
Claims and judgments payable		(45,340)	
Capital leases		(681,136)	
OPWC loans		(1,252,780)	
Total			(31,835,319)

Net Position of Governmental Activities \$ 44,839,375

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

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

	General Fund	General Obligation Bond Retirement	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property Taxes	\$ 1,522,088	\$ 1,903,436	\$ 679,504	\$ 4,105,028
Municipal Income Taxes	24,508,171	-	-	24,508,171
Other Local Taxes	628,695	-	-	628,695
Payments in Lieu of Taxes	-	-	259,991	259,991
Intergovernmental	1,813,785	602,056	3,063,834	5,479,675
Interest	52,745	11,768	369	64,882
Fees, Licenses, and Permits	274,714	-	-	274,714
Fines and Forfeitures	1,782,508	-	267,267	2,049,775
Rentals	56,038	18,900	-	74,938
Charges for Services	5,685,571	-	396,941	6,082,512
Contributions and Donations	41,375	-	9,530	50,905
Special Assessments	986,697	116,470	-	1,103,167
All Other Revenues	40,024	50,420	252,545	342,989
Total Revenues	37,392,411	2,703,050	4,929,981	45,025,442
EXPENDITURES				
Current:				
Security of Persons and Property	20,554,061	-	443,650	20,997,711
Public Health	273,132	-	-	273,132
Leisure Time Activities	836,349	-	895,249	1,731,598
Community and Economic Development	1,388,353	-	1,215,303	2,603,656
Sanitation	2,412,938	-	-	2,412,938
Transportation	-	-	1,931,627	1,931,627
General Government	12,954,513	130,388	505,308	13,590,209
Capital Outlay	-	-	1,297,529	1,297,529
Debt Service:				
Principal Retirement	170,000	2,679,519	114,222	2,963,741
Interest and Fiscal Charges	23,055	588,907	31,318	643,280
Debt Issuance Costs	-	67,315	-	67,315
Advance Refunding Escrow	-	148,751	-	148,751
Total Expenditures	38,612,401	3,614,880	6,434,206	48,661,487
Excess of Revenues (Under) Expenditures	(1,219,990)	(911,830)	(1,504,225)	(3,636,045)
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	367	-	192,507	192,874
Inception of Capital Lease	-	-	420,000	420,000
Long-term Bond Anticipation Notes Issued	-	5,265,000	-	5,265,000
Refunding Bonds Issued	-	6,548,507	-	6,548,507
Premium on Debt Issuance	-	25,851	-	25,851
Payment to Refunded Bond Escrow Account	-	(6,507,049)	-	(6,507,049)
Transfers In	209,544	-	735,271	944,815
Transfers Out	(867,771)	-	(209,544)	(1,077,315)
Total Other Financing Sources (Uses)	(657,860)	5,332,309	1,138,234	5,812,683
Net Change in Fund Balances	(1,877,850)	4,420,479	(365,991)	2,176,638
Fund Balances - Beginning of Year	7,763,687	(3,458,636)	3,318,431	7,623,482
Fund Balances - End of Year	\$ 5,885,837	\$ 961,843	\$ 2,952,440	\$ 9,800,120

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

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

Net Change in Fund Balances-Total Governmental Funds \$ 2,176,638

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

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

Capital Outlay	\$	881,659	
Depreciation		(4,673,776)	
Total			(3,792,117)

In the Statement of Activities, only the loss on the disposal of capital assets is reported, whereas, in the Governmental Funds, the proceeds from the disposals increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets. (67,186)

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

Delinquent property taxes		12,946	
Municipal income taxes		(1,952,983)	
Special assessments		70,213	
Intergovernmental		271,192	
Charges for services		61,389	
Total			(1,537,243)

Other financing sources in the Governmental funds increase long-term liabilities in the Statement of Net Position. These sources were attributed to the inception of capital leases and the issuance of debt. (12,259,358)

Repayment of City bond principal, refunding of debt, OPWC loan, and capital leases are expenditures in the Governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 9,562,296

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		542,113	
Claims		302,783	
Accrued interest on bonds		(17,986)	
Amortization of bond premiums		105,836	
Amortization of loss on refunding		(150,833)	
Total			781,913

Internal Service funds are used by management to charge costs to certain activities, such as insurance to individual funds. The net revenue (expense) of Internal Service funds are reported in the Governmental Activities. 80,397

Change in Net Position of Governmental Activities \$(5,054,660)

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

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 1,525,097	\$ 1,525,097	\$ 1,522,088	\$ (3,009)
Income Taxes	25,350,000	25,350,000	24,486,984	(863,016)
Other Local Taxes	676,000	676,000	629,480	(46,520)
Intergovernmental	1,475,973	1,475,973	1,855,683	379,710
Interest	70,000	70,000	84,070	14,070
Licenses and Permits	489,378	489,378	274,714	(214,664)
Fines and Forfeitures	1,847,200	1,847,200	1,750,195	(97,005)
Rentals	63,000	63,000	56,038	(6,962)
Charges for Services	5,601,552	5,601,552	5,653,607	52,055
Contributions and Donations	29,200	29,200	27,245	(1,955)
Special Assessments	875,000	875,000	820,474	(54,526)
All Other Revenues	5,257	5,257	5,759	502
Total Revenues	38,007,657	38,007,657	37,166,337	(841,320)
Expenditures:				
Current:				
Security of Persons and Property	20,559,563	20,795,158	20,498,073	297,085
Public Health	284,403	288,403	285,553	2,850
Leisure Time Activities	631,596	670,109	638,788	31,321
Community and Economic Development	1,380,056	1,380,056	1,250,044	130,012
Sanitation	2,206,644	2,313,029	2,283,168	29,861
General Government	13,016,158	13,769,622	13,059,535	710,087
Debt Service:				
Principal	170,000	585,000	585,000	-
Interest & Fiscal Charges	23,055	33,327	33,326	1
Total Expenditures	38,271,475	39,834,704	38,633,487	1,201,217
Excess of Revenues Over (Under) Expenditures	(263,818)	(1,827,047)	(1,467,150)	359,897
Other Financing Sources (Uses)				
Sale of Capital Assets	500	500	367	(133)
Transfers In	126,000	126,000	126,000	-
Transfers Out	(435,500)	(540,500)	(540,500)	-
Total Other Financing Sources (Uses)	(309,000)	(414,000)	(414,133)	(133)
Net Change in Fund Balance	(572,818)	(2,241,047)	(1,881,283)	359,764
Fund Balance - Beginning of Year	4,034,510	4,034,510	4,034,510	-
Prior Year Encumbrances Appropriated	108,671	108,671	108,671	-
Fund Balance - End of Year	\$ 3,570,363	\$ 1,902,134	\$ 2,261,898	\$ 359,764

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

City of Euclid, Ohio
Statement of Net Position
Proprietary Funds
December 31, 2014

	Enterprise Funds				Governmental Activities
	Waste Water Treatment	Water Line Improvement	Briardale Greens Golf Course	Total	Internal Service Fund
ASSETS					
Current Assets:					
Equity in Pooled Cash and Cash Equivalents	\$ 11,589,997	\$ 3,109,216	\$ 2,669	\$ 14,701,882	\$ 101,063
Cash and Cash Equivalents:					
In Segregated Accounts	-	-	50,000	50,000	-
Materials and Supplies Inventory	71,401	-	-	71,401	-
Accounts Receivable	4,025,097	600,602	-	4,625,699	-
Prepaid Items	14,899	-	-	14,899	-
Capital Leases Receivable	-	-	86,012	86,012	-
Total Current Assets	<u>15,701,394</u>	<u>3,709,818</u>	<u>138,681</u>	<u>19,549,893</u>	<u>101,063</u>
Noncurrent Assets:					
Capital Assets:					
Land	1,065,440	-	7,271,526	8,336,966	-
Construction in Progress	8,159,661	-	-	8,159,661	-
Depreciable Assets, Net of Depreciation	29,660,245	-	1,346,863	31,007,108	-
Total Noncurrent Assets	<u>38,885,346</u>	<u>-</u>	<u>8,618,389</u>	<u>47,503,735</u>	<u>-</u>
Total Assets	<u>54,586,740</u>	<u>3,709,818</u>	<u>8,757,070</u>	<u>67,053,628</u>	<u>101,063</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferral on Refunding	31,075	102,456	-	133,531	-
Total Deferred Outflows of Resources	<u>31,075</u>	<u>102,456</u>	<u>-</u>	<u>133,531</u>	<u>-</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable	227,456	27,094	-	254,550	-
Accrued Wages and Benefits	155,022	-	-	155,022	-
Compensated Absences Payable	76,803	-	-	76,803	-
Intergovernmental Payable	109,258	-	-	109,258	-
Accrued Interest Payable	20,881	23,858	-	44,739	-
Claims Payable	36,702	-	-	36,702	135,000
General Obligation Bonds Payable	237,850	669,000	-	906,850	-
OWDA Loans Payable	24,896	-	-	24,896	-
OPWC Loans Payable	359,214	238,844	-	598,058	-
Capital Leases Payable	-	-	20,409	20,409	-
Total Current Liabilities	<u>1,248,082</u>	<u>958,796</u>	<u>20,409</u>	<u>2,227,287</u>	<u>135,000</u>
Noncurrent Liabilities:					
Compensated Absences Payable	675,387	-	-	675,387	-
Claims Payable	6,359	-	-	6,359	30,000
Unamortized Bond Premiums	21,901	99,610	-	121,511	-
General Obligation Bonds Payable	1,951,643	7,371,000	-	9,322,643	-
OWDA Loans Payable	4,701,894	-	-	4,701,894	-
OPWC Loans Payable	3,610,232	2,963,387	-	6,573,619	-
Capital Leases Payable	-	-	65,603	65,603	-
Total Noncurrent Liabilities	<u>10,967,416</u>	<u>10,433,997</u>	<u>65,603</u>	<u>21,467,016</u>	<u>30,000</u>
Total Liabilities	<u>12,215,498</u>	<u>11,392,793</u>	<u>86,012</u>	<u>23,694,303</u>	<u>165,000</u>
NET POSITION					
Net Investment in Capital Assets	28,008,791	-	8,532,377	36,541,168	-
Unrestricted	14,393,526	(7,580,519)	138,681	6,951,688	(63,937)
Total Net Position	<u>\$ 42,402,317</u>	<u>\$ (7,580,519)</u>	<u>\$ 8,671,058</u>	<u>\$ 43,492,856</u>	<u>\$ (63,937)</u>

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

City of Euclid, Ohio
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2014

	Enterprise Funds			Governmental	
	Waste Water Treatment	Water Line Improvement	Briardale Greens Golf Course	Internal Service Fund	
			Total		
OPERATING REVENUES					
Charges for Services	\$ 15,426,252	\$ 2,003,009	\$ 709,972	\$18,139,233	\$ -
Other Services	7,080	-	-	7,080	-
Total Operating Revenues	<u>15,433,332</u>	<u>2,003,009</u>	<u>709,972</u>	<u>18,146,313</u>	<u>-</u>
OPERATING EXPENSES					
Salaries	4,503,701	-	-	4,503,701	-
Materials and Supplies	1,958,454	-	-	1,958,454	-
Contractual Services	2,233,709	1,815,720	709,972	4,759,401	30,935
Depreciation	1,083,860	-	95,235	1,179,095	-
Claims	-	-	-	-	21,168
Other	71,927	-	-	71,927	-
Total Operating Expense	<u>9,851,651</u>	<u>1,815,720</u>	<u>805,207</u>	<u>12,472,578</u>	<u>52,103</u>
Operating Income (Loss)	<u>5,581,681</u>	<u>187,289</u>	<u>(95,235)</u>	<u>5,673,735</u>	<u>(52,103)</u>
NONOPERATING REVENUES (EXPENSES)					
Loss on Sale of Capital Assets	(922)	-	-	(922)	-
Interest	21	-	-	21	-
Interest and Fiscal Charges	(201,124)	(310,131)	(1,141)	(512,396)	-
Intergovernmental	-	2,042,210	-	2,042,210	-
Total Nonoperating Revenues (Expenses)	<u>(202,025)</u>	<u>1,732,079</u>	<u>(1,141)</u>	<u>1,528,913</u>	<u>-</u>
Capital Contributions from Grants	2,528,406	-	-	2,528,406	-
Capital Contributions from Other Entities	-	-	110,582	110,582	-
Special Item - Loss on Transfer of Waterlines	-	(26,263,065)	-	(26,263,065)	-
Transfers In	35,279	-	-	35,279	132,500
Transfers Out	-	(35,279)	-	(35,279)	-
Change in Net Position	<u>7,943,341</u>	<u>(24,378,976)</u>	<u>14,206</u>	<u>(16,421,429)</u>	<u>80,397</u>
Net Position - Beginning of Year, as Restated	34,458,976	16,798,457	8,656,852	59,914,285	(144,334)
Net Position - End of Year	<u>\$ 42,402,317</u>	<u>\$ (7,580,519)</u>	<u>\$ 8,671,058</u>	<u>\$43,492,856</u>	<u>\$ (63,937)</u>

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

City of Euclid, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2014

	Enterprise Funds			Governmental	
	Waste Water Treatment	Water Line Improvement	Briardale Greens Golf Course	Total	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Charges for Services	\$ 15,014,587	\$ 1,833,099	\$ 709,972	\$17,557,658	\$ -
Cash Payments to Employees for Services and Benefits	(4,558,786)	-	-	(4,558,786)	-
Cash Payments for Goods and Services	(4,372,513)	(1,788,626)	(709,972)	(6,871,111)	(37,215)
Cash Payments for Claims	-	-	-	-	(56,168)
Other Cash Payments	(56,377)	-	-	(56,377)	-
Net Cash Provided by (Used in) Operating Activities	<u>6,026,911</u>	<u>44,473</u>	<u>-</u>	<u>6,071,384</u>	<u>(93,383)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Proceeds from OPWC Loan	-	239,187	-	239,187	-
Reimbursements Received for Waterlines	-	2,042,210	-	2,042,210	-
Principal Paid on Debt	-	(933,124)	-	(933,124)	-
Interest Paid on Debt	-	(304,159)	-	(304,159)	-
Transfers In	-	-	-	-	132,500
Net Cash Provided by Noncapital Financing Activities	<u>-</u>	<u>1,044,114</u>	<u>-</u>	<u>1,044,114</u>	<u>132,500</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital Grants Received	2,489,689	-	-	2,489,689	-
Proceeds from OWDA and OPWC Loans	3,955,040	-	-	3,955,040	-
Principal Paid on Debt	(1,947,685)	-	(28,162)	(1,975,847)	-
Interest Paid on Debt	(214,603)	-	(1,141)	(215,744)	-
Payments for Capital Acquisitions	(6,211,501)	-	-	(6,211,501)	-
Contributions from Other Entities	-	-	29,321	29,321	-
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(1,929,060)</u>	<u>-</u>	<u>18</u>	<u>(1,929,042)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on Investments	21	-	-	21	-
Net Cash Provided by Investing Activities	<u>21</u>	<u>-</u>	<u>-</u>	<u>21</u>	<u>-</u>
Net Increase in Cash and Cash Equivalents	4,097,872	1,088,587	18	5,186,477	39,117
Cash and Cash Equivalents - Beginning of Year, as Restated	7,492,125	2,020,629	52,651	9,565,405	61,946
Cash and Cash Equivalents - End of Year	<u>\$ 11,589,997</u>	<u>\$ 3,109,216</u>	<u>\$ 52,669</u>	<u>\$14,751,882</u>	<u>\$ 101,063</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
Operating Income (Loss)	\$ 5,581,681	\$ 187,289	\$ (95,235)	\$ 5,673,735	\$ (52,103)
Adjustments:					
Depreciation	1,083,860	-	95,235	1,179,095	-
(Increase) Decrease in Assets:					
Accounts Receivable	(418,745)	(169,910)	-	(588,655)	-
Intergovernmental Receivable	10,121	-	-	10,121	-
Materials and Supplies Inventory	(7,350)	-	-	(7,350)	-
Prepaid Items	(364)	-	-	(364)	-
Increase (Decrease) in Liabilities:					
Accounts Payable	(195,467)	27,094	-	(168,373)	(6,280)
Accrued Wages and Benefits	5,879	-	-	5,879	-
Compensated Absences Payable	(60,469)	-	-	(60,469)	-
Intergovernmental Payable	35,220	-	-	35,220	-
Claims Payable	(7,455)	-	-	(7,455)	(35,000)
Net Cash Provided by (Used in) Operating Activities	<u>\$ 6,026,911</u>	<u>\$ 44,473</u>	<u>\$ -</u>	<u>\$ 6,071,384</u>	<u>\$ (93,383)</u>
Schedule of Noncash Investing, Capital, and Related Financing Activities					
Proceeds from Refunding Debt	\$ 941,493	\$ -	\$ -	\$ 941,493	\$ -
Debt Issuance Costs	(9,493)	-	-	(9,493)	-
Payment to Refunding Debt Escrow	(932,000)	-	-	(932,000)	-
Capital Contribution from Other Entity	-	-	109,423	109,423	-

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

City of Euclid, Ohio
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2014

	<u>Agency Funds</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 823,597
Cash and Cash Equivalents: in Segregated Accounts	<u>243,433</u>
Total Assets	<u><u>\$1,067,030</u></u>
 Liabilities	
Deposits Held and Due to Others	<u><u>\$1,067,030</u></u>

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

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

NOTE 1: DESCRIPTION OF THE CITY AND REPORTING ENTITY

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

Reporting Entity

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

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

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

The City's basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements which provide a more detailed level of financial information.

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

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

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

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

B. Fund Accounting

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

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

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

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

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

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

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

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

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

B. Fund Accounting (Continued)

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

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

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

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

C. Measurement Focus

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

Fund Financial Statements All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

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

C. Measurement Focus (Continued)

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

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

D. Basis of Accounting

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

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

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

D. Basis of Accounting (Continued)

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

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

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

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, payments in lieu of taxes, sale of future revenues, and unavailable revenues. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2014, but which were levied to finance year 2015 operations. The property taxes, payments in lieu of taxes, and sale of future revenues have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period.

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

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

D. Basis of Accounting (Continued)

For the City, unavailable revenue includes delinquent property taxes (\$946,613), municipal income taxes (\$4,342,779), intergovernmental grants (\$1,250,372), special assessments (\$4,749,271), and charges for services (\$92,301). These amounts are deferred and recognized as inflows of resources in the period the amounts become available.

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

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

E. Budgetary Process

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

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

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

E. Budgetary Process

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

F. Cash and Cash Equivalents

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

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

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

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

During 2014, the City invested in U.S agency debt securities, municipal debt securities from governmental entities within the State of Ohio, negotiable certificates of deposit, and the State Treasury Asset Reserve of Ohio (STAR Ohio). Investments are reported at fair value, which is based on quoted market prices.

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

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

F. Cash and Cash Equivalents (Continued)

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2014.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the General Fund during 2014 amounted to \$52,745, which includes \$45,001 assigned from other City funds.

G. Inventory

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

H. Prepaid Items

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

I. Capital Assets

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

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

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

I. Capital Assets (Continued)

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

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

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

For 2014, the City's infrastructure consisted of streets, storm sewers, and sanitary sewers.

J. Interfund Balances

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

K. Compensated Absences

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

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

K. Compensated Absences (Continued)

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

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

L. Accrued Liabilities and Long-Term Obligations

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

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

M. Fund Balance

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

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

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

M. Fund Balance (Continued)

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

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

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

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

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

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

N. Net Position

Net Position is the residual amount when comparing assets and deferred outflows of resources to liabilities and deferred inflows of resources. The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. The restricted component of net position is reported when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The government-wide Statement of Net Position reports \$5,572,849 of restricted net position, none of which is restricted by enabling legislation. Net position restricted for other purposes include resources restricted for court computerization, court special projects, law enforcement trust, and other grant funds.

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

O. Operating Revenue and Expenses

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

P. Interfund Activity

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

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

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

Q. Bond Premium

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

R. Gain/Loss on Refunding

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

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. No extraordinary items occurred in 2014. See Note 21 for further explanation on the Special Item transaction in 2014.

T. Estimates

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

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

A. Change in Accounting Principles

GASB Statement Number 67, *Financial Reporting for Pension Plans-an amendment of GASB Statement No. 25*. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2013 and have been implemented by the City.

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

NOTE 3: CHANGE IN ACCOUNTING PRINCIPLES AND PRIOR PERIOD ADJUSTMENT
(Continued)

A. Change in Accounting Principles (Continued)

GASB Statement Number 69, *Government Combinations and Disposals of Government Operations*. The objective of this Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2013 and have been implemented by the City.

GASB Statement Number 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. The objective of this Statement is to improve the recognition, measurement, and disclosure guidance for state and local governments that have extended or received financial guarantees that are nonexchange transactions. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2013 and have been implemented by the City.

These GASB Statements did not have an effect on the City's financial statements.

B. Prior Period Adjustment

The net position of the City's business-type activities required a prior period adjustment due to the recognition of the cash and cash equivalents in segregated accounts for the Briardale Greens Golf Course Fund. This prior period adjustment had the following impact:

	Business-Type Activities	Briardale Greens Golf Course
Net Position, December 31, 2013	\$ 59,864,285	\$ 8,606,852
Prior Period Adjustment:		
Cash and Cash Equivalents in Segregated Accounts	50,000	50,000
Net Position, December 31, 2013, as Restated	\$ 59,914,285	\$ 8,656,852

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

NOTE 4: COMPLIANCE AND ACCOUNTABILITY

The following funds had deficits in fund balance or deficits in net position as of December 31, 2014:

<i>Governmental Funds</i>	
<i>Nonmajor</i>	
Community Development Block Grant	\$ 50,618
Public Building Construction	358,312
<i>Total Governmental Funds</i>	<u><u>\$ 408,930</u></u>
Enterprise Fund	
Water Line Improvement	<u><u>\$ 7,580,519</u></u>
Internal Service Fund	
Self-Insurance	<u><u>\$ 63,937</u></u>

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

NOTE 5: BUDGETARY BASIS OF ACCOUNTING

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

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

NOTE 5: **BUDGETARY BASIS OF ACCOUNTING** (Continued)

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

GAAP Basis	\$ (1,877,850)
Net Adjustment for Revenue Accruals	10,458
Net Adjustment for Expenditure Accruals	107,001
Funds with Separate Legally Adopted Budgets	(44,596)
Encumbrances	(76,296)
Budget Basis	<u>\$ (1,881,283)</u>

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City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

NOTE 6: FUND BALANCE

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

Fund Balances	General	General Obligation Bond Retirement	Other Governmental Funds	Total
<i>Nonspendable</i>				
Prepaid Items	\$ 78,047	\$ -	\$ 17,693	\$ 95,740
Materials and Supplies Inventory	75,551	-	155,412	230,963
Unclaimed Funds	31,711	-	-	31,711
Notes Receivable	892,428	-	-	892,428
<i>Total Nonspendable</i>	<u>1,077,737</u>	<u>-</u>	<u>173,105</u>	<u>1,250,842</u>
<i>Restricted for</i>				
Transportation	-	-	464,999	464,999
Drug & Alcohol Enforcement	-	-	148,433	148,433
Municipal Court	-	-	194,549	194,549
Recreation	-	-	101,121	101,121
Neighborhood Stabilization	-	-	645,315	645,315
Other Grants	-	-	20,998	20,998
Law Enforcement	-	-	181,810	181,810
Capital Improvements	-	-	276,043	276,043
Recreation Capital	-	-	154,869	154,869
TIF Capital Projects	-	-	815,797	815,797
Other Capital Improvements	-	-	166,007	166,007
Bond Retirement	-	961,843	-	961,843
<i>Total Restricted</i>	<u>-</u>	<u>961,843</u>	<u>3,169,941</u>	<u>4,131,784</u>
<i>Committed to</i>				
Nuisance Abatement	59,488	-	-	59,488
Community Television	2,248	-	-	2,248
Shore Cultural Center	45,988	-	-	45,988
Animal Shelter	-	-	18,324	18,324
<i>Total Committed</i>	<u>107,724</u>	<u>-</u>	<u>18,324</u>	<u>126,048</u>
<i>Assigned to</i>				
Purchases on Order	69,288	-	-	69,288
<i>Total Assigned</i>	<u>69,288</u>	<u>-</u>	<u>-</u>	<u>69,288</u>
<i>Unassigned (Deficit)</i>	4,631,088	-	(408,930)	4,222,158
Total Fund Balances	<u>\$ 5,885,837</u>	<u>\$ 961,843</u>	<u>\$ 2,952,440</u>	<u>\$ 9,800,120</u>

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

NOTE 7: DEPOSITS AND INVESTMENTS

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

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

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

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

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

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

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

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

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

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

Cash on Hand

The City had \$8,520 in undeposited cash on hand, which is reported on the balance sheet as part of "Equity in Pooled Cash and Cash Equivalents".

Deposits

Custodial Credit Risk Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in possession of an outside party. At year-end, the carrying amount of the City's deposits was \$12,033,205 (which does not include cash in segregated accounts of \$315,550 and cash with escrow agent of \$151,669) and the bank balance was \$12,746,705. Of the bank balance, \$1,409,366 was covered by Federal depository insurance and \$11,337,339 was exposed to custodial credit risk because it was uninsured and uncollateralized. Although the securities were held by the pledging institution's trust department and all statutory requirements for the investment of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

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

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

Investments

Investments are reported at fair value. As of December 31, 2014, the City had the following investments:

	Fair Market Value	Credit Rating
Federal Home Loan Bank	\$ 3,996,090	AA+
Federal Farm Credit Bank	1,000,295	AA+
Negotiable Certificates of Deposit	2,719,451	N/A
Municipal Securities	700,000	N/A
STAR Ohio	700,000	AAAm
Total Investments	<u>\$ 9,115,836</u>	

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

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Federal Home Loan Bank Bonds, Federal Farm Credit Bank, and Municipal Debt Securities are exposed to custodial credit risk in that they are uninsured, unregistered, and held by the counterparty's trust department or agent but not in the City's name. The City has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Finance Director or qualified trustee. The City's investments in negotiable certificates of deposit of \$2,719,451 were fully covered by the FDIC.

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

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

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

Concentration of Credit Risk The City places no limit on the amount it may invest in any one issuer. The following is the City's allocation as of December 31, 2014:

Percentage of Total Investments	
Federal Home Loan Bank	43%
Federal Farm Credit Bank	11%
Municipal Debt Securities	8%
Negotiable Certificates of Deposit	30%
STAR Ohio	8%
Total	100%

Component Unit - Euclid Development Corporation (EDCOR)

Custodial Credit Risk Custodial credit risk for deposits is the risk that in the event of bank failure, EDCOR will not be able to recover deposits or collateral securities that are in possession of an outside party. At year-end, the carrying amount of EDCOR's deposits was \$646,553 and the bank balance was \$649,985. Of the bank balance, the full amount was covered by Federal depository insurance.

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

NOTE 8: **RECEIVABLES**

Receivables at December 31, 2014, consisted primarily of municipal income taxes, property and other taxes, accounts (billings for utility services), special assessments, accrued interest on investments, and intergovernmental receivables arising from entitlements and shared revenues. All receivables are deemed collectible in full. Special assessments outstanding at December 31, 2014, are \$4,749,271, with delinquent special assessments outstanding being \$1,273,818.

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

NOTE 8: **RECEIVABLES** (Continued)

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

A. Property Taxes

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 2014 for real and public utility property taxes represents collections of 2013 taxes. Property tax payments received during 2014 for tangible personal property (other than public utility property) are for delinquent taxes from prior years.

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

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

The full tax rate for all City operations for the year ended December 31, 2014, was \$13.60 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2014 property tax receipts were based are as follows:

Real Property	\$ 567,767,480
Public Utility Property	19,072,000
Total Valuation	<u>\$ 586,839,480</u>

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

NOTE 8: **RECEIVABLES** (Continued)

A. Property Taxes (Continued)

The Cuyahoga County Fiscal Officer collects property taxes on behalf of all taxing districts in the County, including the City of Euclid. The County Fiscal Officer periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and tangible personal property taxes, public utility taxes, and outstanding delinquencies, which are measurable as of December 31, 2014, and for which there is an enforceable legal claim. In the governmental funds, the entire receivable has been offset by deferred inflows of resources since the current taxes were not levied to finance 2014 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue is deferred.

B. Income Tax

The City levies a municipal income tax of 2.85 percent on substantially all income earned within the City. The 0.85 percent collected is to be split between the City and the Euclid City School District at a ratio of 0.38 percent for the City and 0.47 percent for the District. In addition, residents are required to pay City income tax on income earned outside the City; however, a 100 percent credit is allowed for income taxes paid to other municipalities.

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

NOTE 8: **RECEIVABLES** (Continued)

C. Intergovernmental Receivables

A summary of the principal items of intergovernmental receivables follows:

<i>Governmental Activities</i>	
Local Government (County & State)	\$ 696,526
Gasoline Tax	660,217
Homestead and Rollback	310,021
Estate Tax	17,581
Motor Vehicle Tax	109,292
Various Grants	11,273
Other Intergovernmental	29,473
Total Intergovernmental Receivable	<u>\$ 1,834,383</u>

D. Notes and Loans Receivable

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

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

NOTE 9: CONTINGENCIES

A. Grants

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

B. Litigation

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

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City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

NOTE 10: CAPITAL ASSETS

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

	Balance 12/31/2013	Additions	Deletions	Balance 12/31/2014
Governmental Activities				
<i>Capital Assets, Not Being Depreciated</i>				
Land	\$ 10,775,705	\$ -	\$ -	\$ 10,775,705
Construction in Progress	2,479,587	225,065	2,114,394	590,258
<i>Total Capital Assets, Not Being Depreciated</i>	<u>13,255,292</u>	<u>225,065</u>	<u>2,114,394</u>	<u>11,365,963</u>
<i>Capital Assets, Being Depreciated</i>				
Land Improvements	7,176,568	1,685,689	-	8,862,257
Buildings and Improvements	16,854,709	404,640	-	17,259,349
Furniture, Fixtures, and Equipment	13,500,775	629,644	521,631	13,608,788
Infrastructure:				
Streets	130,884,113	51,015	-	130,935,128
<i>Total Capital Assets, Being Depreciated</i>	<u>168,416,165</u>	<u>2,770,988</u>	<u>521,631</u>	<u>170,665,522</u>
Less Accumulated Depreciation:				
Land Improvements	(5,165,110)	(274,198)	-	(5,439,308)
Buildings and Improvements	(7,930,601)	(369,103)	-	(8,299,704)
Furniture, Fixtures, and Equipment	(9,207,820)	(657,661)	(454,445)	(9,411,036)
Infrastructure:				
Streets	(99,867,506)	(3,372,814)	-	(103,240,320)
<i>Total Accumulated Depreciation</i>	<u>(122,171,037)</u>	<u>(4,673,776) *</u>	<u>(454,445)</u>	<u>(126,390,368)</u>
Total Capital Assets, Being Depreciated, Net	<u>46,245,128</u>	<u>(1,902,788)</u>	<u>67,186</u>	<u>44,275,154</u>
Governmental Activities Capital Assets, Net	<u>\$ 59,500,420</u>	<u>\$ (1,677,723)</u>	<u>\$ 2,181,580</u>	<u>\$ 55,641,117</u>

*Depreciation Expense was charged to governmental functions as follows:

General Government	\$ 302,410
Security of Persons and Property	464,774
Leisure Time Services	245,879
Community and Economic Development	87,506
Transportation	3,573,207
	<u>\$ 4,673,776</u>

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

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

	Balance 12/31/2013	Additions	Deletions	Balance 12/31/2014
Business-Type Activities				
<i>Capital Assets, Not Being Depreciated</i>				
Land	\$ 8,336,966	\$ -	\$ -	\$ 8,336,966
Construction in Progress	2,278,174	6,178,847	297,360	8,159,661
<i>Total Capital Assets, Not Being Depreciated</i>	<u>10,615,140</u>	<u>6,178,847</u>	<u>297,360</u>	<u>16,496,627</u>
<i>Capital Assets, Being Depreciated</i>				
Land Improvements	1,384,525	109,423	-	1,493,948
Buildings and Improvements	14,527,598	-	-	14,527,598
Furniture, Fixtures, and Equipment	8,025,318	98,568	46,058	8,077,828
Infrastructure:				
Sanitary Sewers	22,303,260	-	-	22,303,260
Storm Sewers	12,325,154	88,982	-	12,414,136
Waterlines	33,461,302	-	33,461,302	-
<i>Total Capital Assets, Being Depreciated</i>	<u>92,027,157</u>	<u>296,973</u>	<u>33,507,360</u>	<u>58,816,770</u>
Less Accumulated Depreciation:				
Land Improvements	(1,009,167)	(50,894)	-	(1,060,061)
Buildings and Improvements	(7,066,742)	(302,765)	-	(7,369,507)
Furniture, Fixtures, and Equipment	(7,132,067)	(149,097)	(45,136)	(7,236,028)
Infrastructure:				
Sanitary Sewers	(6,522,207)	(437,288)	-	(6,959,495)
Storm Sewers	(4,945,520)	(239,051)	-	(5,184,571)
Waterlines	(7,406,615)	-	(7,406,615)	-
<i>Total Accumulated Depreciation</i>	<u>(34,082,318)</u>	<u>(1,179,095)</u>	<u>(7,451,751)</u>	<u>(27,809,662)</u>
Total Capital Assets, Being Depreciated, Net	<u>57,944,839</u>	<u>(882,122)</u>	<u>26,055,609</u>	<u>31,007,108</u>
Business-Type Activities Capital Assets, Net	<u>\$ 68,559,979</u>	<u>\$ 5,296,725</u>	<u>\$ 26,352,969</u>	<u>\$ 47,503,735</u>

During 2014, the City entered into an agreement with the City of Cleveland. As a result of this agreement, the City transferred its previously recorded waterline infrastructure to the City of Cleveland. This transaction has been recorded as a Special Item on the financial statements. Further details of this transaction can be found in Note 21.

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

NOTE 11: LONG-TERM OBLIGATIONS

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

Debt Issue	Interest Rate	Original Issue Date	Original Issue Amount	Date of Maturity
<i>General Obligation Bonds:</i>				
Various Purpose - 2004 (1)	2.50-5.00	2004	\$ 8,709,000	2025
Various Purpose Refunding - 2004 (1)	2.50-5.00	2004	4,388,000	2025
Various Purpose Refunding - 2008	4.70-5.125	2008	2,800,000	2018
Various Purpose - 2008	3.00-5.00	2008	7,825,000	2028
Various Purpose and Refunding - 2011A	2.00-4.00	2011	5,437,000	2021
Various Purpose - 2011B	2.00-4.375	2011	2,341,000	2031
Various Purpose Refunding - 2014	2.34	2014	7,023,229	2025
<i>Long-term Notes Payable:</i>				
Various Purpose - 2014	1.125	2014	5,265,000	2015
<i>Industrial Development Revenue Bonds</i>				
Lincoln Electric Industrial Development Refunding - 2011	4.35	2011	1,015,000	2016
<i>Ohio Public Works Commission</i>				
East 222nd Reconstruction -2006	0.00	2006	1,257,200	2029
<i>Special Assessment Bonds with Governmental Commitment</i>				
Heritage Drive Improvements Refunding - 2011	2.00-3.00	2011	1,005,000	2018
<i>Enterprise General Obligation Bonds:</i>				
Various Purpose Refunding - 2004 (1)	3.80-5.125	1998	1,025,000	2018
Various Purpose Refunding - 2008	2.50-5.00	2004	2,660,000	2018
Waterline Improvement Refunding - 2011A	2.00-4.00	2011	2,488,000	2021
Sewer Improvement - 2011B	2.00-4.375	2011	748,000	2031
Waterline Improvement - 2011B	2.00-4.375	2011	6,376,000	2031
Various Purpose Refunding - 2014	2.34	2014	506,771	2025
<i>Enterprise OWDA Loans*:</i>				
Wastewater Treatment and Collection System	5.20	1993	9,842,765	2014
Wastewater Treatment and Collection Systems	4.56	1994	2,397,760	2014
Land Acquisition for Wastewater Treatment Plant	3.36	2012	908,840	2038
<i>Enterprise OPWC Loans*:</i>				
Newton Avenue Improvements - 2000	0.00	2000	1,468,836	2019
East 226th Street/Edgecliff - 2003	0.00	2003	1,528,108	2023
East 197th Street - 2001	0.00	2001	759,025	2020
East 255th Street - 2002	0.00	2002	400,534	2022
East 216th Street - 2004	0.00	2004	581,131	2024
Brandywine Pump Station - 2005	0.00	2006	408,000	2028
Chatworth Dr. Sanitary -2006	0.00	2006	240,400	2028
Euclid Ave/Babbitt Rd -2006	0.00	2006	540,900	2028
Miller Avenue - 2001	0.00	2001	1,689,900	2020
East 222nd Street -2003	0.00	2003	874,958	2023
East 214th Street - 2001	0.00	2001	262,735	2020
Euclid Avenue Improvement - 2008	0.00	2008	552,000	2028
East 222nd Street/Tungsten Road - 2009	0.00	2009	779,300	2039
Dille Road/East 204th Street - 2009	0.00	2009	950,000	2029
East 264th Street - 2010	0.00	2010	439,500	2030
East 248th Street/Shoreview - 2010	0.00	2010	887,600	2040
East 214th Street/Lakeshore - 2010	0.00	2010	958,500	2030
Roadway & Utility Improvement - 2011	0.00	2011	693,360	2031

* - There are several new OWDA/OPWC loans that the City has entered into however, these loans are not complete and an amortization schedule has not been provided to the City. Complete details of these loans are not available.
(1) - Bonds were fully retired in 2014 as a result of the 2014 refunding debt issuance.

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

NOTE 11: LONG-TERM OBLIGATIONS (Continued)

	Principal Outstanding 12/31/2013	Additions	Deletions	Principal Outstanding 12/31/2014	Due Within One Year
Governmental Activities					
<i>General Obligation Bonds:</i>					
Various Purpose - 2004	\$ 6,430,000	\$ -	\$ 6,430,000	\$ -	\$ -
Unamortized Premium	50,885	-	50,885	-	-
Various Purpose Refunding - 2004	1,037,000	-	1,037,000	-	-
Unamortized Premium	11,094	-	11,094	-	-
Various Purpose Refunding - 2008	990,000	-	185,000	805,000	185,000
Unamortized Premium	40,972	-	9,106	31,866	-
Various Purpose - 2008	5,160,000	-	425,000	4,735,000	450,000
Unamortized Premium	90,412	-	6,236	84,176	-
Various Purpose - 2011A	1,280,000	-	360,000	920,000	365,000
Unamortized Premium	16,118	-	5,076	11,042	-
Various Purpose Refunding - 2011A	2,904,000	-	420,000	2,484,000	438,000
Unamortized Premium	48,751	-	6,965	41,786	-
Various Purpose - 2011B	2,165,000	-	92,000	2,073,000	93,000
Unamortized Premium	21,300	-	1,183	20,117	-
Various Purpose Refunding - 2014	-	6,548,507	-	6,548,507	437,150
<i>Total General Obligation Bonds</i>	<u>20,245,532</u>	<u>6,548,507</u>	<u>9,039,545</u>	<u>17,754,494</u>	<u>1,968,150</u>
<i>Long-term Notes Payable:</i>					
Various Purpose - 2014	-	5,265,000	-	5,265,000	5,265,000
Unamortized Premium	-	25,851	14,003	11,848	-
<i>Total Long-term Notes Payable</i>	<u>-</u>	<u>5,290,851</u>	<u>14,003</u>	<u>5,276,848</u>	<u>5,265,000</u>
<i>Special Assessment Bonds</i>					
<i>with Governmental Commitment</i>					
Refunding Heritage Drive					
Improvements - 2011 Refunding	655,000	-	130,000	525,000	130,000
Unamortized Premium	6,439	-	1,288	5,151	-
<i>Total Special Assessment Bonds</i>	<u>661,439</u>	<u>-</u>	<u>131,288</u>	<u>530,151</u>	<u>130,000</u>
<i>Industrial Development Revenue Bonds</i>					
Lincoln Electric Industrial Development - 2011	530,000	-	170,000	360,000	175,000
<i>Ohio Public Works Commission</i>					
East 222nd Reconstruction -2006	1,336,299	-	83,519	1,252,780	83,519
<i>Other Obligations:</i>					
Capital Leases	375,358	420,000	114,222	681,136	105,028
Claims and Judgments Payable	548,123	66,508	404,291	210,340	135,000
Compensated Absences	6,913,374	1,715,387	2,257,500	6,371,261	369,142
<i>Total Other Obligations</i>	<u>7,836,855</u>	<u>2,201,895</u>	<u>2,776,013</u>	<u>7,262,737</u>	<u>609,170</u>
<i>Total Governmental Activities</i>	<u>\$ 30,610,125</u>	<u>\$ 14,041,253</u>	<u>\$ 12,214,368</u>	<u>\$ 32,437,010</u>	<u>\$ 8,230,839</u>

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

NOTE 11: LONG-TERM OBLIGATIONS (Continued)

	Principal Outstanding 12/31/2013	Additions	Deletions	Principal Outstanding 12/31/2014	Due Within One Year
Business-Type Activities					
<i>General Obligation Bonds:</i>					
Waste Water Fund:					
Various Purpose Refunding - 2008	\$ 715,000	\$ -	\$ 130,000	\$ 585,000	\$ 145,000
Unamortized Premium	19,900	-	4,423	15,477	-
Various Purpose Refunding - 2004	998,000	-	998,000	-	-
Unamortized Premium	7,186	-	7,186	-	-
Sewer Improvement - 2011B	692,000	-	29,000	663,000	30,000
Unamortized Premium	6,802	-	378	6,424	-
Various Purpose Refunding - 2014	-	941,493	-	941,493	62,850
Water Line Fund (a):					
Various Purpose Refunding - 2008	690,000	-	130,000	560,000	130,000
Unamortized Premium	19,022	-	4,228	14,794	-
Waterline Improvement - 2011B	5,893,000	-	249,000	5,644,000	252,000
Unamortized Premium	58,007	-	3,223	54,784	-
Waterline Improvement Refunding- 2011A	2,116,000	-	280,000	1,836,000	287,000
Unamortized Premium	35,037	-	5,005	30,032	-
<i>Total General Obligation Bonds:</i>	<u>11,249,954</u>	<u>941,493</u>	<u>1,840,443</u>	<u>10,351,004</u>	<u>906,850</u>
<i>OWDA Loans:</i>					
Waste Water Fund:					
Wastewater Treatment and Collection Systems -1993	526,678	-	526,678	-	-
Wastewater Treatment and Collection Systems -1994	238,335	-	238,335	-	-
Land Acquisition for Wastewater Treatment Facilities - 2012	895,907	-	22,890	873,017	24,896
Wastewater Treatment Plant Headworks Complex - 2013	174,600	231,421	52,321	353,700	-
SSO 25, 26 & 27, E. 220th, E. 194th & E. 222nd Design - 2013	220,898	17,489	238,387	-	-
Wastewater Treatment Plant Sludge Transfer Force Main Design - 2013	43,822	24,603	68,425	-	-
Wastewater Treatment Plant MBR Process Planning & Design - 2013	143,698	478,850	131,033	491,515	-
SSO 28, 33, 37 & Edgecliff SSO Elimination Design - 2013	41,306	244	41,550	-	-
SSO Elimination - 2013	238,209	673,275	24,112	887,372	-
Equalization Basin Phase 1 Design - 2014	-	326,813	-	326,813	-
SSO 25, 26 & 27, E. 220th, E. 194th & E. 222nd - 2014	-	1,201,759	-	1,201,759	-
Preconstruction Services for WWTP Improvements - 2014	-	299,405	55,022	244,383	-
WWTP Sludge Transfer Force Main - 2014	-	79,657	-	79,657	-
Edgecliff San. Sewer, WWTP Relief Sewer, SSO Elimination - 2014	-	268,574	-	268,574	-
<i>Total OWDA Loans</i>	<u>2,523,453</u>	<u>3,602,090</u>	<u>1,398,753</u>	<u>4,726,790</u>	<u>24,896</u>

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

NOTE 11: LONG-TERM OBLIGATIONS (Continued)

	Principal Outstanding 12/31/2013	Additions	Deletions	Principal Outstanding 12/31/2014	Due Within One Year
Business-Type Activities (Continued)					
<i>OPWC Loans:</i>					
Waste Water Fund:					
Newton Avenue Improvements - 2000	\$ 440,650	\$ -	\$ 73,442	\$ 367,208	\$ 73,442
East 226th Street/Edgecliff - 2003	725,852	-	76,405	649,447	76,405
East 197th Street - 2001	265,659	-	37,951	227,708	37,952
East 255th Street - 2002	170,228	-	20,026	150,202	20,027
East 216th Street - 2004	319,622	-	29,056	290,566	29,057
Brandywine Pump Station - 2006	245,316	-	16,918	228,398	16,919
Chatworth Dr. Sanitary -2006	170,759	-	11,777	158,982	11,776
Euclid Ave/Babbit Rd -2006	369,444	-	23,835	345,609	23,835
Euclid Avenue Improvement -2008	434,361	-	23,479	410,882	23,479
Dille Road/ East 204 - 2009	654,748	-	36,374	618,374	36,374
E. 264th Street - 2010	179,068	-	9,948	169,120	9,948
E. 274th and E. 275th SSO Elimination - 2014	-	352,950	-	352,950	-
Total Waste Water Fund	3,975,707	352,950	359,211	3,969,446	359,214
Water Line Fund (a):					
Miller Avenue - 2001	591,465	-	84,495	506,970	84,495
East 222nd Street -2003	437,478	-	43,748	393,730	43,748
East 214th Street - 2001	91,956	-	13,137	78,819	13,136
East 222nd/Tungsten Road - 2009	49,418	239,187	-	288,605	-
Dille Road/ East 204 - 2009	200,252	-	11,126	189,126	11,126
E. 264th Street - 2010	19,710	-	1,095	18,615	1,095
E. 248th Street/Shoreview - 2010	619,211	-	21,727	597,484	21,727
E. 214 Street/Lake Shore - 2010	533,707	-	28,849	504,858	28,849
Roadway & Utility Improvement - 2011	658,692	-	34,668	624,024	34,668
Total Water Line Fund	3,201,889	239,187	238,845	3,202,231	238,844
Total OPWC Loan	7,177,596	592,137	598,056	7,171,677	598,058
<i>Other Obligations</i>					
Capital Leases	4,751	109,423	28,162	86,012	20,409
Claims Payable	50,516	43,061	50,516	43,061	36,702
Compensated Absences	812,659	225,889	286,358	752,190	76,803
Total Other Obligations	867,926	378,373	365,036	881,263	133,914
Total Business-Type Activities	\$21,818,929	\$5,514,093	\$ 4,202,288	\$ 23,130,734	\$ 1,663,718

(a) During 2014, the City transferred its waterline infrastructure to the City of Cleveland. Therefore, this debt is no longer related to capital assets of the City.

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

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

Governmental capital leases will be paid from the General Permanent Improvement Fund. Business-type capital leases will be paid from the Waste Water Treatment Fund and Briardale Golf Course Fund.

The City participates in the State Workers' Compensation retrospective rating and payment system. This plan involves the payment of a minimum premium for administrative services and stop-loss coverage plus the actual claim costs for injured employees. The maintenance of these benefits and claims will be paid from the funds from which the employees are paid. Refer to Note 13 for further information.

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

The general obligation bonds for the water line improvement, OPWC water line loans, and capital leases for machinery and equipment will be paid from water usage charges. As a result of the City entering into an agreement with the City of Cleveland, the general obligation bonds and the OPWC water line loans are no longer associated with capital assets of the City.

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

At the end of the year, the City had two outstanding projects provided through OPWC loan funding and eight outstanding projects provided through OWDA loan funding that are still in the design phase. Final amortization schedules are not provided as of year-end. As of December 31, 2014, the total loan amounts received for the outstanding projects are reported in the previous schedules.

The City has pledged future general revenue to repay taxable Industrial Development Revenue bonds, which were defeased during 2011. Debt is payable solely from net revenues and are payable through 2016. Annual principal and interest payments on the revenue bonds are expected to require 0.5 percent of net revenue. Total principal and interest remaining to be paid on the debt is \$383,707. Principal and interest paid for the current year were \$193,055, and the related revenue received was \$109,336. See Note 8(D) for more information on the Industrial Development Revenue bonds.

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

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

On June 11, 2014, the City issued \$5.265 million in various purpose income tax notes at an interest rate of 1.125 percent with a maturity date of June 11, 2015. These notes were used to fully retire the 2013 various purpose notes. The original various purpose notes were issued for the purposes of equipment, vehicles, street improvements, and waterfront improvements.

Defeased Debt

On November 25, 2014, the City issued \$7,490,000 (\$6,548,507 for governmental activities and \$941,493 for business-type activities) in bonds for the purpose of refunding the callable portion of the City's outstanding various purpose improvements, series 2004. The refunding bonds were issued to refund at a lower overall interest cost. The advance refunding met the requirements of an in-substance debt defeasance and the bonds were removed from the City's government-wide financial statements. The aggregate debt service on the Series 2004 bonds were \$9,346,047 versus \$8,587,924 for the refunding bonds. As a result of the advance refunding, the City's cash savings attributable to this refunding transaction was \$758,123. The present value of the difference between the two debt streams using the arbitrage yield was \$742,140 which constitutes the economic gain on the transaction.

Prior Years' Debt Defeasance

In prior years, the City has defeased various bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. Government securities that were placed in the irrevocable trust fund. The investment and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the City's government-wide financial statements. As of December 31, 2014, the amount of defeased debt outstanding but removed from the government-wide financial statements amounted to \$8,490,000.

Legal Debt Margin

The City's overall legal debt margin was \$38,586,803 and the unvoted debt margin was \$9,244,829 at December 31, 2014.

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

NOTE 11: LONG-TERM OBLIGATIONS (Continued)

Principal and Interest Requirements

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2014 are as follows:

	<u>Governmental Activities</u>								
	<u>General Obligation Bonds</u>		<u>Special Assessment</u>		<u>Industrial Development</u>		<u>OPWC Loan</u>	<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 1,968,150	\$ 562,197	\$130,000	\$ 12,788	\$ 175,000	\$ 15,660	\$ 83,519	\$ 2,356,669	\$ 590,645
2016	2,084,295	506,100	135,000	10,188	185,000	8,048	83,519	2,487,814	524,336
2017	1,797,038	449,635	130,000	7,150	0	0	83,519	2,010,557	456,785
2018	1,852,153	391,845	130,000	3,900	0	0	83,519	2,065,672	395,745
2019	1,426,638	325,748	0	0	0	0	83,519	1,510,157	325,748
2020-2024	5,626,137	1,019,625	0	0	0	0	417,595	6,043,732	1,019,625
2025-2029	2,492,097	297,809	0	0	0	0	417,590	2,909,687	297,809
2030-2031	319,000	20,906	0	0	0	0	0	319,000	20,906
Total	<u>\$ 17,565,507</u>	<u>\$ 3,573,864</u>	<u>\$525,000</u>	<u>\$ 34,026</u>	<u>\$360,000</u>	<u>\$ 23,708</u>	<u>\$ 1,252,780</u>	<u>\$19,703,287</u>	<u>\$3,631,598</u>

	<u>Business Type Activities</u>						
	<u>General Obligation Bonds</u>		<u>OWDA Loans</u>		<u>OPWC Loans</u>	<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 906,850	\$ 361,770	\$ 24,896	\$ 29,126	\$ 598,058	\$ 1,529,804	\$ 390,896
2016	945,705	337,561	25,740	28,282	598,058	1,569,503	365,843
2017	962,962	312,349	26,612	27,410	598,058	1,587,632	339,759
2018	997,848	282,711	27,514	26,509	598,058	1,623,420	309,220
2019	718,361	247,248	28,446	25,576	598,058	1,344,865	272,824
2020-2024	2,513,863	908,716	157,357	112,756	1,872,322	4,543,542	1,021,472
2025-2029	2,212,904	477,859	185,884	84,229	1,044,020	3,442,808	562,088
2030-2034	971,000	63,638	219,583	50,530	460,545	1,651,128	114,168
2035-2039	0	0	176,985	12,092	108,635	285,620	12,092
2040-2042	0	0	0	0	54,310	54,310	0
Total	<u>\$10,229,493</u>	<u>\$2,991,852</u>	<u>\$ 873,017</u>	<u>\$ 396,510</u>	<u>\$ 6,530,122</u>	<u>\$17,632,632</u>	<u>\$3,388,362</u>

NOTE 12: COMPENSATED ABSENCES

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

NOTE 12: COMPENSATED ABSENCES (Continued)

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

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

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

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

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

NOTE 13: RISK MANAGEMENT

A. Property and Liability

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

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

A. Property and Liability (Continued)

During 2014, the City negotiated with Love Insurance Company for commercial insurance coverage relating to property, boiler, and machinery insurance. The cost of the current coverage in affect as of December 31, 2014 was \$66,467. The City carries a commercial package property insurance policy for blanket coverage. The City's total limit of liability is \$150,000,000 as a result of any one occurrence, regardless of the number of perils, coverages or locations involved. The policy coverage includes loss of business income for specific locations, personal property, securities, and property in the open. Included in this blanket is coverage in land marine, equipment breakdown with its own \$10,000 deductible, and crime shield coverage of \$25,000 per loss with a \$250 deductible.

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

The claims liability of \$165,000 reported in the Self-Insurance Internal Service Fund at December 31, 2014 consists of general liability insurance and is based on an estimate of costs relating to incurred but not reported claims. Changes in the fund's general liability insurance claims liability amount for the last three years follow:

December 31,	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2012	\$ 201,790	\$ 85,000	\$ 136,790	\$ 150,000
2013	150,000	130,263	80,263	200,000
2014	200,000	21,168	56,168	165,000

B. Health Insurance Benefits

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

The City structured its health care plan through a cost sharing program that includes yearly deductible amounts as well as co-pays. For covered individuals, premiums are to be paid by the employee in the amount of \$125 for single coverage and \$150 for family coverage per month. The yearly deductible amount is \$200 for single coverage, and \$300 for family coverage. In addition to this, covered employees or family members have a required co-pay of \$20 per office visit or \$50 per emergency care visit. If admitted to the hospital, the \$50 co-pay is waived.

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

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

B. Health Insurance Benefits (Continued)

Upon meeting the required employee contributions as well as staying within a Medical Mutual provider, maximum coverage is provided by the plan parameters. However, if an individual seeks care at a non-Medical Mutual provider, then generally 80 percent of the cost is covered. Furthermore, the plan allows for catastrophic (stop-loss) coverage of \$175,000 per individual. Employee medical benefits are charged to the respective fund from which the individual's salary is paid.

The claims liability of \$340,539 reported in the General Fund at December 31, 2014, is based on the requirements of GASB Statement No. 30, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. Changes in the fund's claims liability amount for the last three years follows:

<u>December 31,</u>	<u>Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>End of Year</u>
2012	\$ 1,275,489	\$ 3,946,527	\$ 4,843,816	\$ 378,200
2013	378,200	4,124,230	4,093,287	409,143
2014	409,143	4,081,333	4,149,937	340,539

C. Workers' Compensation Program

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

The claims liability of \$307,027 reported in governmental activities (with \$261,687 of the \$307,027 considered to be a current liability) and \$43,061 reported in business-type activities is based on the requirements of GASB Statement No. 30, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. Changes in the fund's claims liability amount for the last three years follows:

<u>December 31,</u>	<u>Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>End of Year</u>
2012	\$ 982,372	\$ 25,841	\$ 712,572	\$ 295,641
2013	295,641	486,506	383,508	398,639
2014	398,639	128,034	176,585	350,088

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

NOTE 14: **PENSION PLANS**

A. Ohio Public Employees Retirement System

The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan. 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 the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting www.opers.org/investments/cafr.shtml, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling (614) 222-5601 or (800) 222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2014, the members of all three plans were required to contribute 10.00 percent of their earnable salaries. The City's contribution rate was 14.00 percent of earnable salary. The pension allocation for the Traditional and Combined Plans was 12.00 percent during calendar year 2014. The City's required pension contributions for the Traditional Pension and Combined Plans for the years ended December 31, 2014, 2013, and 2012 were \$1,391,966, \$1,587,372, and \$1,370,944, respectively; 92.78 percent has been contributed for 2014 and 100 percent has been contributed for 2013 and 2012.

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

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

B. Ohio Police and Fire Pension Fund

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

From January 1, 2014 thru July 1, 2014, Plan members were required to contribute 10.75 percent of their annual covered salary. From July 2, 2014 thru December 31, 2014, Plan members were required to contribute 11.50 percent of their annual covered salary. Throughout 2014, the City was required to contribute 19.50 percent and 24.00 percent for police officers and firefighters, respectively.

The portion of the City's contributions to fund pension obligations from January 1, 2014 thru December 31, 2014 for police officers and firefighters was 19.00 percent and 23.50 percent, respectively. The City's contributions for pension obligations to the OP&F for police and firefighters were \$1,320,358 and \$1,367,120 for the year ended December 31, 2014, \$1,101,897 and \$1,167,732 for the year ended December 31, 2013, and \$864,597 and \$972,345 for the year ended December 31, 2012, respectively; 93.14 percent for police and 93.08 percent for firefighters have been contributed for 2014, with the remainder being reported as a liability. The full amount has been contributed for 2013 and 2012.

NOTE 15: **POST-EMPLOYMENT BENEFITS**

A. Ohio Public Employees Retirement System

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

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

A. Ohio Public Employees Retirement System (Continued)

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

In order to qualify for post-employment health care coverage, age and service retirees under the Traditional Pension and Combined Plans must have ten or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45. OPERS' eligibility requirements for post-employment health care coverage changed for those retiring on and after January 1, 2015. Please see the Plan Statement in the OPERS 2013 CAFR for details.

The Ohio Revised Code permits, but does not mandate, OPERS to provide the OPEB Plan to its eligible benefit recipients. Authority to establish and amend health care coverage is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting www.opers.org/investments/cafr.shtml, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care coverage. The 2014 local government employer contribution rate was 14.00 percent of earnable salary. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.00 percent of earnable salaries for local government employers. Active members do not fund the OPEB Plan.

OPERS' Post-employment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post employment health care. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.00 percent during calendar year 2014. Effective January 1, 2015, the portion of employer contributions allocated to health care remains at 2.00 percent for both plans, as recommended by OPERS actuary. The OPERS Board of Trustees is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

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

A. Ohio Public Employees Retirement System (Continued)

The City's actual employer contributions for December 31, 2014, 2013 and 2012 which were used to fund post-employment benefits were \$231,994, \$122,106, and \$548,378, respectively; 92.78 percent has been contributed for 2014 and 100 percent has been contributed for 2013 and 2012.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4.00 percent of the employer contributions toward the health care fund after the end of the transition period.

B. Ohio Police and Fire Pension Fund

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

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

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

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, OH 43215-5164. That report is also available on OP&F's website at www.op-f.org.

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

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

B. Ohio Police and Fire Pension Fund (Continued)

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 Trust and the Section 401(h) account as the employer contribution for retiree health care benefits. The portion of employer contributions allocated to health care was 0.50 percent of covered payroll from January 1, 2014 thru December 31, 2014. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of the Sections 115 and 401(h).

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

The City's contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were \$34,746 and \$29,088 for the year ended December 31, 2014, \$244,357 and \$202,542 for the year ended December 31, 2013, and \$457,728 and \$380,483 for the year ended December 31, 2012, respectively; 93.14 percent for police and 93.08 percent for firefighters have been contributed for 2014, with the remainder being reported as a liability. The full amount has been contributed for 2013 and 2012.

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

NOTE 16: CAPITAL LEASES

During 2014, the City entered into leases for a new ambulance, a stryker cot, three new police cars, a dump truck, and an irrigation system at the golf course. As of December 31, 2014, the City has not received the dump truck. In prior years, the City entered into leases for the acquisition various miscellaneous vehicles and equipment. The City's lease obligations meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards Board No. 13, *Accounting for Leases*. Capital lease payments are reflected as program expenditures on the budgetary statements and part of debt service on the Statement of Revenue, Expenditures, and Changes in Fund Balances.

Capital assets acquired by lease have been capitalized and depreciated as follows as of December 31, 2014:

	Governmental Activities	Business-Type Activities
<i>Capital Assets being Depreciated:</i>		
Furniture, Fixtures, and Equipment	\$ 725,622	\$ 131,503
Less: Accumulated Depreciation	(70,832)	(12,473)
<i>Total Capital Assets being Depreciated</i>	\$ 654,790	\$ 119,030
Year Ending		
<u>December 31,</u>		
2015	\$ 227,594	\$ 23,411
2016	183,175	23,411
2017	183,175	23,411
2018	108,713	23,411
Total Minimum Lease Payments	702,657	93,644
Less: Amount Representing Interest	(21,521)	(7,632)
Present Value of Minimum Lease Payments	\$ 681,136	\$ 86,012

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

NOTE 17: CONSTRUCTION AND OTHER COMMITMENTS

A. Construction Commitments

As of December 31, 2014, the City had the following significant commitments with respect to capital projects:

Capital Projects	Remaining Construction Commitment
<i>Business-Type Activities</i>	
Waste Water Projects:	
Sludge Forcemain Replacement	\$ 4,090,685
Edgecliff 1	4,524,865
A - Crystal	3,419,739
B - E. 222nd	1,561,075
C - E. 194th	110,236
	13,706,600
Water Line Projects:	
E. 222nd/Tungsten H2O	\$ 2,590,804
Total	\$ 16,297,404

B. Other Commitments

The City utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year-end are components of fund balance for subsequent year expenditures and may be reported as part of restricted, committed, or assigned classifications of fund balance. As of December 31, 2014, the City's commitments for encumbrances in the governmental funds were as follows:

	Outstanding Encumbrances
General	\$ 99,842
General Obligation Bond Retirement	11
All Other Governmental Funds	220,624
Total	\$ 320,477

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

NOTE 18: INTERFUND TRANSFERS AND BALANCES

A. Transfers

Transfers made during the year ended December 31, 2014, were as follows:

Transfers To	Transfers From				Total
	General Fund	General Obligation Bond Retirement	Nonmajor Governmental Funds	Water Line Improvement	
Governmental Funds:					
General Fund	\$ -	\$ -	\$ 209,544	\$ -	\$ 209,544
Nonmajor Governmental Funds	735,271	-	-	-	735,271
Total Governmental Funds	735,271	-	209,544	-	944,815
Enterprise Funds:					
Waste Water Treatment	-	-	-	35,279	35,279
Internal Service Fund	132,500	-	-	-	132,500
Total	\$ 867,771	\$ -	\$ 209,544	\$ 35,279	\$ 1,112,594

Transfers made from the General Fund to various other funds provided additional resources for current operations. The Euclid Endowment nonmajor capital project fund transferred \$209,544 to the Shore Corporation Fund for improvements to the City's Shore Cultural Center. The Shore Corporation Fund is combined with the General Fund on the governmental fund financial statements as a result of GASB Statement No. 54. All transfers were made in accordance with Ohio Revised Code Sections 5705.14, 5705.15, and 5705.16. Transfers between governmental funds are eliminated on the governmental activities' statement of activities.

Two transfers were created on a GAAP basis to record the payment of debt in the fund that recorded the liability. The General Fund transferred \$425,271 to the General Permanent Improvement Fund to record the annual repayment of interfund borrowings in the fund that originally borrowed the funds. The Water Line Improvement Fund transferred \$35,279 to the Waste Water Treatment Fund to record the OPWC loan payment.

B. Interfund Receivable and Payable

As of December 31, 2014, the \$358,313 interfund receivable in the General Obligation Bond Retirement Debt Service Fund is from manuscript notes from the Public Building Construction Capital Projects Fund. This interfund loan is used to fund repairs to the clubhouse located at the Briardale Greens Golf Course. The Public Building Construction Capital Projects Fund will repay this portion of the interfund loan with annual transfers from the General Fund.

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014
(Continued)

NOTE 19: SHORT-TERM OBLIGATIONS

The City's short-term debt activity, including the amount outstanding and interest rate, follows:

	Maturity Date	Principal Outstanding 12/31/2013	Additions	Deletions	Principal Outstanding 12/31/2014
<i>Notes Payable:</i>					
Various Purpose - 2013, 1.15%	June 12, 2014	\$ 5,265,000	\$ -	\$ 5,265,000	\$ -
Unamortized Premium		13,176	-	13,176	-
<i>Total Notes Payable</i>		<u>\$ 5,278,176</u>	<u>\$ -</u>	<u>\$ 5,278,176</u>	<u>\$ -</u>

On June 11, 2014, the City issued \$5.265 million in various purpose income tax notes at an interest rate of 1.125 percent with a maturity date of June 11, 2015. These notes were used to fully retire the 2013 various purpose notes. The original various purpose notes were issued for the purposes of equipment, vehicles, street improvements, and waterfront improvements.

The issuance of the 2014 various purpose income tax notes has been recorded as a long-term debt obligation since the City fully retired these notes with the issuance of various purpose income tax special obligation bonds, series 2015, dated June 3, 2015. See Note 22: Subsequent Event for further information.

NOTE 20: SALE OF FUTURE REVENUES

In the prior year, the City entered into an agreement with Landmark Infrastructure Holding Company, LLC. (the "Company"), under which the City relinquishes to the Company its future cell tower lease revenues over the next 35 years. In 2013, The City received a lump sum payment from the Company in the amount of \$210,000. This payment has been deferred over the next 35 years and is included under deferred inflows of resources on the City's basic financial statements.

NOTE 21: SPECIAL ITEM

During 2014, the City entered into an agreement with the City of Cleveland pertaining to the waterlines of the City being transferred to the City of Cleveland Water Department in exchange for future repairs and improvements to the waterline system. This disposal of the waterline infrastructure, net of accumulated depreciation is reflected as a loss of \$26,263,065 within the City's Water Line Improvement Fund.

NOTE 22: SUBSEQUENT EVENT

On June 3, 2015, the City issued \$6.999 million in various purpose income tax special obligation bonds, series 2015. These bonds were issued at an annual interest rate of 2.48 percent with a maturity date of June 1, 2030. These notes were used to fully retire the 2014 various purpose notes that matured on June 11, 2015, and provide additional funding for equipment purchases and street projects.

Combining Statements

Fund Descriptions – Nonmajor Governmental Funds

Non-Major Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

Fund Descriptions – Nonmajor Governmental Funds

Non-Major Special Revenue Funds (continued)

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

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

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

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

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

Non-Major Capital Project Funds

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

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

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

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

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

Fund Descriptions – Nonmajor Governmental Funds

Non-Major Capital Project Funds (continued)

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

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

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

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

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

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

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

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS			
Equity in Pooled Cash and Cash Equivalents	\$ 994,680	\$ 1,504,656	\$ 2,499,336
Cash and Cash Equivalents:			
With Escrow Agents	-	151,669	151,669
Materials and Supplies Inventory	155,412	-	155,412
Accounts Receivable	23,036	10	23,046
Intergovernmental Receivable	819,531	29,044	848,575
Prepaid Items	17,693	-	17,693
Property Taxes Receivable	349,355	456,849	806,204
Payments in Lieu of Taxes Receivable	-	301,122	301,122
Assets Held for Resale	614,974	-	614,974
Total Assets	\$ 2,974,681	\$ 2,443,350	\$ 5,418,031
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 41,300	\$ 30,871	\$ 72,171
Accrued Wages and Benefits	84,203	2,538	86,741
Intergovernmental Payable	45,075	1,222	46,297
Retainage Payable	10,797	6,858	17,655
Interfund Payable	-	358,313	358,313
Claims Payable	19,847	629	20,476
Total Liabilities	201,222	400,431	601,653
Deferred Inflows of Resources:			
Property Taxes and Payments in Lieu of Taxes	281,539	669,289	950,828
Sale of Future Revenues	-	201,500	201,500
Unavailable Revenue - Delinquent Property Taxes	67,816	88,682	156,498
Unavailable Revenue - Other	526,068	29,044	555,112
Total Deferred Inflows of Resources	875,423	988,515	1,863,938
Fund Balances:			
Nonspendable	173,105	-	173,105
Restricted	1,757,225	1,412,716	3,169,941
Committed	18,324	-	18,324
Unassigned (Deficit)	(50,618)	(358,312)	(408,930)
Total Fund Balances	1,898,036	1,054,404	2,952,440
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 2,974,681	\$ 2,443,350	\$ 5,418,031

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

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES			
Property Taxes	\$ 294,452	\$ 385,052	\$ 679,504
Payments in Lieu of Taxes	-	259,991	259,991
Intergovernmental	3,018,656	45,178	3,063,834
Interest	230	139	369
Fines and Forfeitures	267,267	-	267,267
Charges for Services	396,941	-	396,941
Contributions and Donations	9,390	140	9,530
All Other Revenues	243,535	9,010	252,545
Total Revenues	4,230,471	699,510	4,929,981
EXPENDITURES			
Current:			
Security of Persons and Property	443,650	-	443,650
Leisure Time Activities	800,204	95,045	895,249
Community and Economic Development	1,215,303	-	1,215,303
Transportation	1,931,627	-	1,931,627
General Government	500,472	4,836	505,308
Capital Outlay	-	1,297,529	1,297,529
Debt Service:			
Principal Retirement	-	114,222	114,222
Interest and Fiscal Charges	-	31,318	31,318
Total Expenditures	4,891,256	1,542,950	6,434,206
Excess of Revenues Over (Under) Expenditures	(660,785)	(843,440)	(1,504,225)
OTHER FINANCING SOURCES (USES)			
Sale of Capital Assets	-	192,507	192,507
Inception of Capital Lease	-	420,000	420,000
Transfers In	310,000	425,271	735,271
Transfers Out	-	(209,544)	(209,544)
Total Other Financing Sources (Uses)	310,000	828,234	1,138,234
Net Change in Fund Balances	(350,785)	(15,206)	(365,991)
Fund Balances - Beginning of Year	2,248,821	1,069,610	3,318,431
Fund Balances - End of Year	\$ 1,898,036	\$ 1,054,404	\$ 2,952,440



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

	<u>State Highway</u>	<u>Indigent Drivers Alcohol Treatment</u>	<u>Court Computer- ization</u>	<u>Court Special Projects</u>
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ 23,966	\$ 119,997	\$ 104,716	\$ 83,002
Materials and Supplies Inventory	-	-	-	-
Accounts Receivable	-	922	8,147	8,090
Intergovernmental Receivable	57,713	-	-	-
Prepaid Items	-	-	8,506	-
Property Taxes Receivable	-	-	-	-
Assets Held for Resale	-	-	-	-
Total Assets	<u>\$ 81,679</u>	<u>\$ 120,919</u>	<u>\$ 121,369</u>	<u>\$ 91,092</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Wages and Benefits	-	-	948	4,601
Intergovernmental Payable	-	-	440	2,139
Retainage Payable	-	-	-	-
Claims Payable	-	-	218	1,060
Total Liabilities	<u>-</u>	<u>-</u>	<u>1,606</u>	<u>7,800</u>
Deferred Inflows of Resources:				
Property Taxes	-	-	-	-
Unavailable Revenue - Delinq. Property Taxes	-	-	-	-
Unavailable Revenue - Other	37,789	-	-	-
Total Deferred Inflows of Resources	<u>37,789</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Nonspendable	-	-	8,506	-
Restricted	43,890	120,919	111,257	83,292
Committed	-	-	-	-
Unassigned (Deficit)	-	-	-	-
Total Fund Balances (Deficit)	<u>43,890</u>	<u>120,919</u>	<u>119,763</u>	<u>83,292</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 81,679</u>	<u>\$ 120,919</u>	<u>\$ 121,369</u>	<u>\$ 91,092</u>

(Continued)

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

	Animal Shelter	Indigent Drivers Interlock and Alcohol Monitoring	Street Maintenance & Construction
ASSETS			
Equity in Pooled Cash and Cash Equivalents	\$ 21,612	\$ 27,514	\$ 225,262
Materials and Supplies Inventory	-	-	155,412
Accounts Receivable	14	-	5,482
Intergovernmental Receivable	-	-	733,553
Prepaid Items	90	-	-
Property Taxes Receivable	-	-	-
Assets Held for Resale	-	-	-
Total Assets	\$ 21,716	\$ 27,514	\$ 1,119,709
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ -	\$ -	\$ 892
Accrued Wages and Benefits	1,941	-	45,849
Intergovernmental Payable	904	-	20,531
Retainage Payable	-	-	-
Claims Payable	457	-	9,847
Total Liabilities	3,302	-	77,119
Deferred Inflows of Resources:			
Property Taxes	-	-	-
Unavailable Revenue - Delinq. Property Taxes	-	-	-
Unavailable Revenue - Other	-	-	466,069
Total Deferred Inflows of Resources	-	-	466,069
Fund Balances:			
Nonspendable	90	-	155,412
Restricted	-	27,514	421,109
Committed	18,324	-	-
Unassigned (Deficit)	-	-	-
Total Fund Balances (Deficit)	18,414	27,514	576,521
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 21,716	\$ 27,514	\$ 1,119,709

Recreation Operating	Community Development Block Grant	Neighborhood Stabilization Program	Other Grants	Law Enforcement Trust	Total Nonmajor Special Revenue Funds
\$ 141,161	\$ -	\$ 31,895	\$ 27,429	\$ 188,126	\$ 994,680
-	-	-	-	-	155,412
42	-	-	339	-	23,036
22,210	-	-	6,055	-	819,531
6,083	-	-	-	3,014	17,693
349,355	-	-	-	-	349,355
-	-	614,974	-	-	614,974
<u>\$ 518,851</u>	<u>\$ -</u>	<u>\$ 646,869</u>	<u>\$ 33,823</u>	<u>\$ 191,140</u>	<u>\$ 2,974,681</u>
\$ 17,889	\$ 22,519	\$ -	\$ -	\$ -	\$ 41,300
11,052	16,396	670	1,472	1,274	84,203
7,068	7,865	530	556	5,042	45,075
-	-	-	10,797	-	10,797
4,073	3,838	354	-	-	19,847
<u>40,082</u>	<u>50,618</u>	<u>1,554</u>	<u>12,825</u>	<u>6,316</u>	<u>201,222</u>
281,539	-	-	-	-	281,539
67,816	-	-	-	-	67,816
22,210	-	-	-	-	526,068
<u>371,565</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>875,423</u>
6,083	-	-	-	3,014	173,105
101,121	-	645,315	20,998	181,810	1,757,225
-	-	-	-	-	18,324
-	(50,618)	-	-	-	(50,618)
<u>107,204</u>	<u>(50,618)</u>	<u>645,315</u>	<u>20,998</u>	<u>184,824</u>	<u>1,898,036</u>
<u>\$ 518,851</u>	<u>\$ -</u>	<u>\$ 646,869</u>	<u>\$ 33,823</u>	<u>\$ 191,140</u>	<u>\$ 2,974,681</u>

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

	State Highway	Indigent Drivers Alcohol Treatment	Court Computer- ization	Court Special Projects	Animal Shelter
REVENUES					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	112,041	-	-	-	-
Interest	-	-	-	-	-
Fines and Forfeitures	-	19,000	92,204	92,249	-
Charges for Services	-	-	-	-	28,886
Contributions and Donations	-	-	-	-	-
All Other Revenues	-	-	7	-	14
Total Revenues	<u>112,041</u>	<u>19,000</u>	<u>92,211</u>	<u>92,249</u>	<u>28,900</u>
EXPENDITURES					
Current:					
Security of Persons and Property	-	3,665	84,909	111,601	73,587
Leisure Time Activities	-	-	-	-	-
Community and Economic Development	-	-	-	-	-
Transportation	105,640	-	-	-	-
General Government	-	-	-	-	-
Total Expenditures	<u>105,640</u>	<u>3,665</u>	<u>84,909</u>	<u>111,601</u>	<u>73,587</u>
Excess of Revenues Over (Under) Expenditures	<u>6,401</u>	<u>15,335</u>	<u>7,302</u>	<u>(19,352)</u>	<u>(44,687)</u>
OTHER FINANCING SOURCES					
Transfers In	-	-	-	-	50,000
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,000</u>
Net Change in Fund Balances	6,401	15,335	7,302	(19,352)	5,313
Fund Balances - Beginning of Year	37,489	105,584	112,461	102,644	13,101
Fund Balances - End of Year	<u>\$ 43,890</u>	<u>\$ 120,919</u>	<u>\$ 119,763</u>	<u>\$ 83,292</u>	<u>\$ 18,414</u>

Indigent Drivers Interlock and Alcohol Monitoring	Street Maintenance & Construction	Recreation Operating	Community Development Block Grant	Neighborhood Stabilization Program	Other Grants	Law Enforcement Trust	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ 294,452	\$ -	\$ -	\$ -	\$ -	\$ 294,452
-	1,640,104	34,548	766,205	199,244	266,514	-	3,018,656
-	-	-	-	-	-	230	230
4,573	-	-	-	-	3,751	55,490	267,267
-	-	368,055	-	-	-	-	396,941
-	-	391	-	-	8,999	-	9,390
-	235,188	42	-	8,284	-	-	243,535
<u>4,573</u>	<u>1,875,292</u>	<u>697,488</u>	<u>766,205</u>	<u>207,528</u>	<u>279,264</u>	<u>55,720</u>	<u>4,230,471</u>
2,651	-	-	-	-	-	167,237	443,650
-	-	800,204	-	-	-	-	800,204
-	-	-	782,566	432,737	-	-	1,215,303
-	1,825,987	-	-	-	-	-	1,931,627
-	-	-	-	-	500,472	-	500,472
<u>2,651</u>	<u>1,825,987</u>	<u>800,204</u>	<u>782,566</u>	<u>432,737</u>	<u>500,472</u>	<u>167,237</u>	<u>4,891,256</u>
<u>1,922</u>	<u>49,305</u>	<u>(102,716)</u>	<u>(16,361)</u>	<u>(225,209)</u>	<u>(221,208)</u>	<u>(111,517)</u>	<u>(660,785)</u>
-	80,000	180,000	-	-	-	-	310,000
-	80,000	180,000	-	-	-	-	310,000
1,922	129,305	77,284	(16,361)	(225,209)	(221,208)	(111,517)	(350,785)
25,592	447,216	29,920	(34,257)	870,524	242,206	296,341	2,248,821
<u>\$ 27,514</u>	<u>\$ 576,521</u>	<u>\$ 107,204</u>	<u>\$ (50,618)</u>	<u>\$ 645,315</u>	<u>\$ 20,998</u>	<u>\$ 184,824</u>	<u>\$1,898,036</u>

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

	General Permanent Improvement	Recreation Capital	Sidewalk Repair & Replacement	Public Building Construction
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ 342,819	\$ 173,174	\$ 29,085	\$ 1
Cash and Cash Equivalents:				
With Escrow Agents	151,669	-	-	-
Accounts Receivable	-	10	-	-
Intergovernmental Receivable	17,085	11,959	-	-
Property Taxes Receivable	268,735	188,114	-	-
Payments in Lieu of Taxes Receivable	-	-	-	-
Total Assets	\$ 780,308	\$ 373,257	\$ 29,085	\$ 1
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 16,945	\$ 13,926	\$ -	\$ -
Accrued Wages and Benefits	-	2,538	-	-
Intergovernmental Payable	-	1,222	-	-
Retainage Payable	-	-	-	-
Interfund Payable	-	-	-	358,313
Claims Payable	-	629	-	-
Total Liabilities	16,945	18,315	-	358,313
Deferred Inflows of Resources:				
Property Taxes and Payments in Lieu of Taxes	216,569	151,598	-	-
Sale of Future Revenues	201,500	-	-	-
Unavailable Revenue - Delinquent Property Taxes	52,166	36,516	-	-
Unavailable Revenue - Other	17,085	11,959	-	-
Total Deferred Inflows of Resources	487,320	200,073	-	-
Fund Balances:				
Restricted	276,043	154,869	29,085	-
Unassigned (Deficit)	-	-	-	(358,312)
Total Fund Balances (Deficit)	276,043	154,869	29,085	(358,312)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 780,308	\$ 373,257	\$ 29,085	\$ 1

Euclid Endowment	Sims Park	Bennington Hamlet	CMP Properties	Harbor Town TIF	Downtown District A TIF	Total Nonmajor Capital Projects Funds
\$ 57,014	\$ 79,908	\$ 90,995	\$ 195,964	\$ 336,347	\$ 199,349	\$ 1,504,656
-	-	-	-	-	-	151,669
-	-	-	-	-	-	10
-	-	-	-	-	-	29,044
-	-	-	-	-	-	456,849
-	-	14,905	63,042	155,115	68,060	301,122
<u>\$ 57,014</u>	<u>\$ 79,908</u>	<u>\$ 105,900</u>	<u>\$ 259,006</u>	<u>\$ 491,462</u>	<u>\$ 267,409</u>	<u>\$ 2,443,350</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,871
-	-	-	-	-	-	2,538
-	-	-	-	-	-	1,222
-	-	-	-	-	6,858	6,858
-	-	-	-	-	-	358,313
-	-	-	-	-	-	629
-	-	-	-	-	6,858	400,431
-	-	14,905	63,042	155,115	68,060	669,289
-	-	-	-	-	-	201,500
-	-	-	-	-	-	88,682
-	-	-	-	-	-	29,044
-	-	14,905	63,042	155,115	68,060	988,515
57,014	79,908	90,995	195,964	336,347	192,491	1,412,716
-	-	-	-	-	-	(358,312)
<u>57,014</u>	<u>79,908</u>	<u>90,995</u>	<u>195,964</u>	<u>336,347</u>	<u>192,491</u>	<u>1,054,404</u>
<u>\$ 57,014</u>	<u>\$ 79,908</u>	<u>\$ 105,900</u>	<u>\$ 259,006</u>	<u>\$ 491,462</u>	<u>\$ 267,409</u>	<u>\$ 2,443,350</u>

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

	General Permanent Improvement	Recreation Capital	Sidewalk Repair & Replacement	Public Building Construction
REVENUES				
Property Taxes	\$ 226,501	\$ 158,551	\$ -	\$ -
Payment in Lieu of Taxes	-	-	-	-
Intergovernmental	26,575	18,603	-	-
Interest	24	-	-	-
Contributions and Donations	140	-	-	-
All Other Revenues	6,000	3,010	-	-
Total Revenues	259,240	180,164	-	-
EXPENDITURES				
Current:				
Leisure Time Activities	-	95,045	-	-
General Government	4,836	-	-	-
Capital Outlay	863,429	64,423	-	-
Debt Service:				
Principal Retirement	114,222	-	-	-
Interest and Fiscal Charges	14,931	-	-	-
Total Expenditures	997,418	159,468	-	-
Excess of Revenues (Under) Expenditures	(738,178)	20,696	-	-
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	70,205	-	-	-
Inception of Capital Lease	420,000	-	-	-
Transfer In	425,271	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	915,476	-	-	-
Net Change in Fund Balances	177,298	20,696	-	-
Fund Balances - Beginning of Year	98,745	134,173	29,085	(358,312)
Fund Balances - End of Year	\$ 276,043	\$ 154,869	\$ 29,085	\$ (358,312)

Euclid Endowment	Sims Park	Bennington Hamlet	CMP Properties	Harbor Town TIF	Downtown District A TIF	Total Nonmajor Capital Projects Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 385,052
-	-	13,857	60,352	107,489	78,293	259,991
-	-	-	-	-	-	45,178
115	-	-	-	-	-	139
-	-	-	-	-	-	140
-	-	-	-	-	-	9,010
<u>115</u>	<u>-</u>	<u>13,857</u>	<u>60,352</u>	<u>107,489</u>	<u>78,293</u>	<u>699,510</u>
-	-	-	-	-	-	95,045
-	-	-	-	-	-	4,836
34,336	-	25,935	5,000	188,779	115,627	1,297,529
-	-	-	-	-	-	114,222
-	-	-	-	16,387	-	31,318
<u>34,336</u>	<u>-</u>	<u>25,935</u>	<u>5,000</u>	<u>205,166</u>	<u>115,627</u>	<u>1,542,950</u>
<u>(34,221)</u>	<u>-</u>	<u>(12,078)</u>	<u>55,352</u>	<u>(97,677)</u>	<u>(37,334)</u>	<u>(843,440)</u>
122,302	-	-	-	-	-	192,507
-	-	-	-	-	-	420,000
-	-	-	-	-	-	425,271
<u>(209,544)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(209,544)</u>
<u>(87,242)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>828,234</u>
<u>(121,463)</u>	<u>-</u>	<u>(12,078)</u>	<u>55,352</u>	<u>(97,677)</u>	<u>(37,334)</u>	<u>(15,206)</u>
<u>178,477</u>	<u>79,908</u>	<u>103,073</u>	<u>140,612</u>	<u>434,024</u>	<u>229,825</u>	<u>1,069,610</u>
<u>\$ 57,014</u>	<u>\$ 79,908</u>	<u>\$ 90,995</u>	<u>\$ 195,964</u>	<u>\$ 336,347</u>	<u>\$ 192,491</u>	<u>\$ 1,054,404</u>

Fund Descriptions – Fiduciary Funds

Fiduciary Funds

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

Agency Funds

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

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

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

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

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

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

Temporary Suspense Fund - This fund accounts for miscellaneous funds temporarily on deposit with the City.

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

	Balance 12/31/2013	Additions	Deletions	Balance 12/31/2014
<u>Municipal Court and Jail Commissary</u>				
Assets				
Cash and Cash Equivalents: in Segregated Accounts	\$ 154,842	\$ 5,281,896	\$ 5,229,708	\$ 207,030
Liabilities				
Deposits Held and Due to Others	\$ 154,842	\$ 5,281,896	\$ 5,229,708	\$ 207,030
<u>Employee Flex Spending</u>				
Assets				
Cash and Cash Equivalents: in Segregated Accounts	\$ 38,217	\$ 251,859	\$ 253,673	\$ 36,403
Liabilities				
Deposits Held and Due to Others	\$ 38,217	\$ 251,859	\$ 253,673	\$ 36,403
<u>Retirees Insurance Payments</u>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 7,495	\$ 21,975	\$ 13,173	\$ 16,297
Liabilities				
Deposits Held and Due to Others	\$ 7,495	\$ 21,975	\$ 13,173	\$ 16,297
<u>Building Deposits</u>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 77,896	\$ 72,420	\$ 50,340	\$ 99,976
Liabilities				
Deposits Held and Due to Others	\$ 77,896	\$ 72,420	\$ 50,340	\$ 99,976
<u>Street Opening</u>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 63,375	\$ 13,000	\$ 13,000	\$ 63,375
Liabilities				
Deposits Held and Due to Others	\$ 63,375	\$ 13,000	\$ 13,000	\$ 63,375
<u>Revolving</u>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 761,392	\$31,592,821	\$31,710,518	\$ 643,695
Liabilities				
Deposits Held and Due to Others	\$ 761,392	\$31,592,821	\$31,710,518	\$ 643,695
<u>Temporary Suspense</u>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ -	\$ 69,555	\$ 69,301	\$ 254
Liabilities				
Deposits Held and Due to Others	\$ -	\$ 69,555	\$ 69,301	\$ 254
<u>Total - All Agency Funds</u>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 910,158	\$31,769,771	\$31,856,332	\$ 823,597
Cash and Cash Equivalents: in Segregated Accounts	193,059	5,533,755	5,483,381	243,433
Total Assets	<u>\$1,103,217</u>	<u>\$37,303,526</u>	<u>\$37,339,713</u>	<u>\$1,067,030</u>
Liabilities				
Deposits Held and Due to Others	<u>\$1,103,217</u>	<u>\$37,303,526</u>	<u>\$37,339,713</u>	<u>\$1,067,030</u>

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

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

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Property Taxes	\$ 1,525,097	\$ 1,522,088	\$ (3,009)
Income Taxes	25,350,000	24,486,984	(863,016)
Other Local Taxes	676,000	629,480	(46,520)
Intergovernmental	1,475,973	1,855,683	379,710
Interest	70,000	84,070	14,070
Licenses and Permits	489,378	274,714	(214,664)
Fines and Forfeitures	1,847,200	1,750,195	(97,005)
Rentals	63,000	56,038	(6,962)
Charges for Services	5,601,552	5,653,607	52,055
Contributions and Donations	29,200	27,245	(1,955)
Special Assessments	875,000	820,474	(54,526)
All Other Revenues	5,257	5,759	502
Total Revenues	38,007,657	37,166,337	(841,320)
Expenditures:			
Current:			
Security of Persons and Property			
Police			
Personal Services	11,293,008	11,055,401	237,607
Other	278,445	273,998	4,447
Total Police	11,571,453	11,329,399	242,054
Fire			
Personal Services	8,174,950	8,130,043	44,907
Other	84,660	79,088	5,572
Total Fire	8,259,610	8,209,131	50,479
Corrections			
Personal Services	523,505	520,705	2,800
Other	440,590	438,838	1,752
Total Corrections	964,095	959,543	4,552
Total Security of Persons and Property	20,795,158	20,498,073	297,085

(Continued)

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

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Public Health			
Health			
Personal Services	46,150	45,481	669
Other	242,253	240,072	2,181
Total Public Health	288,403	285,553	2,850
Leisure Time Activities			
Leisure Time Activities			
Personal Services	630,188	610,340	19,848
Other	39,921	28,448	11,473
Total Leisure Time Activities	670,109	638,788	31,321
Community and Economic Development			
Protective Inspection			
Personal Services	215,251	207,993	7,258
Other	10,069	8,409	1,660
Total Protective Inspection	225,320	216,402	8,918
Economic Development and Assistance			
Personal Services	701,000	645,584	55,416
Other	123,300	112,116	11,184
Total Economic Development and Assistance	824,300	757,700	66,600
Economic Opportunity			
Personal Services	207,510	205,849	1,661
Other	122,926	70,093	52,833
Total Economic Opportunity	330,436	275,942	54,494
Total Community and Economic Development	1,380,056	1,250,044	130,012
Sanitation			
Sanitation Department			
Personal Services	15,176	14,879	297
Other	2,297,853	2,268,289	29,564
Total Sanitation	2,313,029	2,283,168	29,861
General Government			
Legislative			
Personal Services	219,010	218,321	689
Other	4,600	2,730	1,870
Total Legislative	223,610	221,051	2,559

(Continued)

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

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Judicial			
Personal Services	823,050	789,720	33,330
Other	93,075	78,793	14,282
Total Judicial	<u>916,125</u>	<u>868,513</u>	<u>47,612</u>
Executive			
Personal Services	316,573	311,001	5,572
Other	2,525	1,971	554
Total Executive	<u>319,098</u>	<u>312,972</u>	<u>6,126</u>
Finance			
Personal Services	838,823	791,409	47,414
Other	203,534	193,137	10,397
Total Finance	<u>1,042,357</u>	<u>984,546</u>	<u>57,811</u>
Law			
Personal Services	477,818	439,693	38,125
Other	136,107	101,161	34,946
Total Law	<u>613,925</u>	<u>540,854</u>	<u>73,071</u>
Administration			
Personal Services	331,527	269,164	62,363
Other	168,544	161,755	6,789
Total Administration	<u>500,071</u>	<u>430,919</u>	<u>69,152</u>
Other Department			
Personal Services	5,481,629	5,246,202	235,427
Other	2,524,703	2,372,449	152,254
Total Other Department	<u>8,006,332</u>	<u>7,618,651</u>	<u>387,681</u>
General Government Buildings			
Personal Services	1,355,131	1,321,238	33,893
Other	792,973	760,791	32,182
Total General Governmental Buildings	<u>2,148,104</u>	<u>2,082,029</u>	<u>66,075</u>
Total General Government	<u>13,769,622</u>	<u>13,059,535</u>	<u>710,087</u>

(Continued)

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

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Debt Service:			
Principal	585,000	585,000	-
Interest & Fiscal Charges	33,327	33,326	1
Total Debt Service	618,327	618,326	1
Total Expenditures	39,834,704	38,633,487	1,201,217
Excess of Revenues Over (Under) Expenditures	(1,827,047)	(1,467,150)	359,897
Other Financing Sources (Uses)			
Sale of Capital Assets	500	367	(133)
Transfers In	126,000	126,000	-
Transfers Out	(540,500)	(540,500)	-
Total Other Financing Sources (Uses)	(414,000)	(414,133)	(133)
Net Change in Fund Balance	(2,241,047)	(1,881,283)	359,764
Fund Balance - Beginning of Year	4,034,510	4,034,510	-
Prior Year Encumbrances Appropriated	108,671	108,671	-
Fund Balance - End of Year	\$ 1,902,134	\$ 2,261,898	\$ 359,764

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

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Property Taxes	\$ 1,928,929	\$ 1,903,436	\$ (25,493)
Intergovernmental	654,268	602,056	(52,212)
Interest	15,600	11,768	(3,832)
Rentals	41,500	18,900	(22,600)
Special Assessments	143,015	116,470	(26,545)
All Other Revenues	5,000	50,418	45,418
Total Revenues	<u>2,788,312</u>	<u>2,703,048</u>	<u>(85,264)</u>
Expenditures:			
Current:			
General Government			
Personal Services	54,095	51,651	2,444
Other	112,073	77,785	34,288
Total General Government	<u>166,168</u>	<u>129,436</u>	<u>36,732</u>
Debt Service:			
Principal	7,944,519	7,944,519	-
Interest & Fiscal Charges	816,366	790,302	26,064
Bond Issuance Costs	19,897	19,897	-
Total Debt Service	<u>8,780,782</u>	<u>8,754,718</u>	<u>26,064</u>
Total Expenditures	<u>8,946,950</u>	<u>8,884,154</u>	<u>62,796</u>
Excess of Revenues Over (Under) Expenditures	(6,158,638)	(6,181,106)	(22,468)
Other Financing Source			
Notes Issued	5,265,000	5,680,000	415,000
Premium on Note Issuance	21,644	25,851	4,207
Total Other Financing Sources	<u>5,286,644</u>	<u>5,705,851</u>	<u>419,207</u>
Net Change in Fund Balance	(871,994)	(475,255)	396,739
Fund Balance - Beginning of Year	1,082,249	1,082,249	-
Fund Balance - End of Year	<u>\$ 210,255</u>	<u>\$ 606,994</u>	<u>\$ 396,739</u>

City of Euclid, Ohio
*Schedule of Revenues, Expenses and Changes in Fund Equity -
 Budget (Non-GAAP Basis) and Actual
 Waste Water Treatment Fund
 For the Year Ended December 31, 2014*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Charges for Services	\$ 12,568,544	\$ 15,008,287	\$ 2,439,743
Tap-in Fees	14,000	6,300	(7,700)
Interest	-	21	21
Intergovernmental	12,233,837	6,053,854	(6,179,983)
Total Revenues	<u>24,816,381</u>	<u>21,068,462</u>	<u>(3,747,919)</u>
Expenses:			
Current:			
Personal Services	4,926,787	4,559,797	366,990
Other	19,550,933	15,153,814	4,397,119
Debt Service:			
Principal Retirement	1,558,945	1,553,740	5,205
Interest and Fiscal Charges	275,301	214,601	60,700
Total Expenses	<u>26,311,966</u>	<u>21,481,952</u>	<u>4,830,014</u>
Excess of Revenues Over (Under) Expenses	(1,495,585)	(413,490)	1,082,095
Other Financing Sources (Uses)			
Transfer In	1,495,000	1,495,000	-
Transfer Out	(1,495,000)	(1,495,000)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Equity	(1,495,585)	(413,490)	1,082,095
Fund Equity - Beginning of Year	5,620,097	5,620,097	-
Prior Year Encumbrances Appropriated	1,872,027	1,872,027	-
Fund Equity - End of Year	<u>\$ 5,996,539</u>	<u>\$ 7,078,634</u>	<u>\$ 1,082,095</u>

City of Euclid, Ohio
*Schedule of Revenues, Expenses and Changes in Fund Equity -
 Budget (Non-GAAP Basis) and Actual
 Water Line Improvement Fund
 For the Year Ended December 31, 2014*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Charges for Services	\$ 1,735,393	\$ 1,833,099	\$ 97,706
Tap-in Fees	1,504,798	2,042,210	537,412
Interest	179	-	(179)
Intergovernmental	691,125	239,187	(451,938)
Total Revenues	<u>3,931,495</u>	<u>4,114,496</u>	<u>183,001</u>
Expenses:			
Current:			
Other	4,399,932	1,904,074	2,495,858
Debt Service:			
Principal Retirement	933,124	933,124	-
Interest and Fiscal Charges	304,161	304,161	-
Total Expenses	<u>5,637,217</u>	<u>3,141,359</u>	<u>2,495,858</u>
Net Change in Fund Equity	(1,705,722)	973,137	2,678,859
Fund Equity - Beginning of Year	1,978,378	1,978,378	-
Prior Year Encumbrances Appropriated	42,251	42,251	-
Fund Equity - End of Year	<u>\$ 314,907</u>	<u>\$ 2,993,766</u>	<u>\$ 2,678,859</u>

City of Euclid, Ohio
*Schedule of Revenues, Expenses and Changes in Fund Equity -
 Budget (Non-GAAP Basis) and Actual
 Briardale Greens Golf Course Fund
 For the Year Ended December 31, 2014*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:			
Charges for Services	\$ 998,157	\$ 709,972	\$ (288,185)
All Other Revenues	24,162	24,179	17
Total Revenues	<u>1,022,319</u>	<u>734,151</u>	<u>(288,168)</u>
Expenses:			
Current:			
Other	\$ 860,394	\$ 734,133	\$ 126,261
Total Expenses	<u>860,394</u>	<u>734,133</u>	<u>126,261</u>
Net Change in Fund Equity	161,925	18	(161,907)
Fund Equity - Beginning of Year	2,651	2,651	-
Fund Equity - End of Year	<u>\$ 164,576</u>	<u>\$ 2,669</u>	<u>\$ (161,907)</u>

City of Euclid, Ohio
*Schedule of Revenues, Expenses and Changes in Fund Equity -
 Budget (Non-GAAP Basis) and Actual
 Self Insurance Fund
 For the Year Ended December 31, 2014*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
Expenses:			
Current:			
Other	\$ 152,500	\$ 94,321	\$ 58,179
Total Expenses	<u>152,500</u>	<u>94,321</u>	<u>58,179</u>
Excess of Revenues Over (Under) Expenses	(152,500)	(94,321)	58,179
Other Financing Sources			
Transfer In	132,500	132,500	-
Total Other Financings Sources	<u>132,500</u>	<u>132,500</u>	<u>-</u>
Net Change in Fund Equity	(20,000)	38,179	58,179
Fund Equity - Beginning of Year	61,946	61,946	-
Fund Equity - End of Year	<u>\$ 41,946</u>	<u>\$ 100,125</u>	<u>\$ 58,179</u>

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

	Budgeted Amounts <u>Final</u>	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 106,000	\$ 115,426	\$ 9,426
Total Revenues	<u>106,000</u>	<u>115,426</u>	<u>9,426</u>
Expenditures:			
Current:			
Transportation			
Other	124,253	123,615	638
Total Expenditures	<u>124,253</u>	<u>123,615</u>	<u>638</u>
Net Change in Fund Balance	(18,253)	(8,189)	10,064
Fund Balance - Beginning of Year	14,180	14,180	-
Prior Year Encumbrances Appropriated	17,975	17,975	-
Fund Balance - End of Year	<u>\$ 13,902</u>	<u>\$ 23,966</u>	<u>\$ 10,064</u>

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

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Fines and Forfeitures	\$ 13,000	\$ 18,743	\$ 5,743
Total Revenues	<u>13,000</u>	<u>18,743</u>	<u>5,743</u>
Expenditures:			
Current:			
Security of Persons and Property			
Other	17,000	3,665	13,335
Total Expenditures	<u>17,000</u>	<u>3,665</u>	<u>13,335</u>
Net Change in Fund Balance	(4,000)	15,078	19,078
Fund Balance - Beginning of Year	104,919	104,919	-
Fund Balance - End of Year	<u>\$ 100,919</u>	<u>\$ 119,997</u>	<u>\$ 19,078</u>

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

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Fines and Forfeitures	\$ 85,000	\$ 90,560	\$ 5,560
Total Revenues	85,000	90,560	5,560
Expenditures:			
Current:			
Security of Persons and Property			
Personal Services	32,686	28,936	3,750
Other	76,000	59,485	16,515
Total Expenditures	108,686	88,421	20,265
Net Change in Fund Balance	(23,686)	2,139	25,825
Fund Balance - Beginning of Year	102,542	102,542	-
Fund Balance - End of Year	\$ 78,856	\$ 104,681	\$ 25,825

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

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Fines and Forfeitures	\$ 90,000	\$ 90,703	\$ 703
Total Revenues	<u>90,000</u>	<u>90,703</u>	<u>703</u>
Expenditures:			
Current:			
Security of Persons and Property			
Personal Services	119,855	102,705	17,150
Other	18,000	6,740	11,260
Total Expenditures	<u>137,855</u>	<u>109,445</u>	<u>28,410</u>
Net Change in Fund Balance	(47,855)	(18,742)	29,113
Fund Balance - Beginning of Year	101,744	101,744	-
Fund Balance - End of Year	<u>\$ 53,889</u>	<u>\$ 83,002</u>	<u>\$ 29,113</u>

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

	Budgeted Amounts <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$ 23,000	\$ 28,886	\$ 5,886
Total Revenues	<u>23,000</u>	<u>28,886</u>	<u>5,886</u>
Expenditures:			
Current:			
Security of Persons and Property			
Personal Services	62,820	59,843	2,977
Other	17,950	15,231	2,719
Total Expenditures	<u>80,770</u>	<u>75,074</u>	<u>5,696</u>
Excess of Revenues Over (Under) Expenditures	(57,770)	(46,188)	11,582
Other Financing Sources			
Transfers In	50,000	50,000	-
Total Other Financing Sources	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Net Change in Fund Balance	(7,770)	3,812	11,582
Fund Balance - Beginning of Year	17,679	17,679	-
Prior Year Encumbrances Appropriated	50	50	-
Fund Balance - End of Year	<u>\$ 9,959</u>	<u>\$ 21,541</u>	<u>\$ 11,582</u>

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

	Budgeted Amounts <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$ 25,706	\$ 41,169	\$ 15,463
Special Assessments	150,000	166,223	16,223
Total Revenues	<u>175,706</u>	<u>207,392</u>	<u>31,686</u>
Expenditures:			
Current:			
Community and Economic Development			
Other	101,200	84,226	16,974
Total Expenditures	<u>101,200</u>	<u>84,226</u>	<u>16,974</u>
Excess of Revenues Over (Under) Expenditures	74,506	123,166	48,660
Other Financing Uses			
Transfers Out	(126,000)	(126,000)	-
Total Other Financing Uses	<u>(126,000)</u>	<u>(126,000)</u>	<u>-</u>
Net Change in Fund Balance	(51,494)	(2,834)	48,660
Fund Balance - Beginning of Year	60,263	60,263	-
Fund Balance - End of Year	<u>\$ 8,769</u>	<u>\$ 57,429</u>	<u>\$ 48,660</u>

City of Euclid, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Indigent Drivers Interlock and Alcohol Monitoring Fund
 For the Year Ended December 31, 2014*

	Budgeted Amounts <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 6,000	\$ 4,573	\$ (1,427)
Total Revenues	<u>6,000</u>	<u>4,573</u>	<u>(1,427)</u>
Expenditures:			
Current:			
Security of Persons and Property			
Police and Others:			
Other	5,820	2,651	3,169
Total Expenditures	<u>5,820</u>	<u>2,651</u>	<u>3,169</u>
Net Change in Fund Balance	180	1,922	1,742
Fund Balance - Beginning of Year	25,592	25,592	-
Fund Balance - End of Year	<u>\$ 25,772</u>	<u>\$ 27,514</u>	<u>\$ 1,742</u>

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

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Intergovernmental	\$ 1,623,000	\$ 1,680,025	\$ 57,025
All Other Revenues	155,179	229,706	74,527
Total Revenues	<u>1,778,179</u>	<u>1,909,731</u>	<u>131,552</u>
Expenditures:			
Current:			
Transportation			
Personal Services	1,217,648	1,187,505	30,143
Other	769,007	745,544	23,463
Total Expenditures	<u>1,986,655</u>	<u>1,933,049</u>	<u>53,606</u>
Excess of Revenues Over (Under) Expenditures	<u>(208,476)</u>	<u>(23,318)</u>	<u>185,158</u>
Other Financing Sources			
Transfers In	80,000	80,000	-
Total Other Financing Sources	<u>80,000</u>	<u>80,000</u>	<u>-</u>
Net Change in Fund Balance	(128,476)	56,682	185,158
Fund Balance - Beginning of Year	43,052	43,052	-
Prior Year Encumbrances Appropriated	88,499	88,499	-
Fund Balance - End of Year	<u>\$ 3,075</u>	<u>\$ 188,233</u>	<u>\$ 185,158</u>

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

	Budgeted Amounts <u>Final</u>	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$ 200	\$ 415	\$ 215
Contributions and Donations	160	160	-
Total Revenues	<u>360</u>	<u>575</u>	<u>215</u>
Expenditures:			
Current:			
Community and Economic Development			
Personal Services	77,775	76,292	1,483
Other	6,200	4,966	1,234
Total Expenditures	<u>83,975</u>	<u>81,258</u>	<u>2,717</u>
Excess of Revenues Over (Under) Expenditures	(83,615)	(80,683)	2,932
Other Financing Sources			
Transfers In	82,000	82,000	-
Total Other Financing Sources	<u>82,000</u>	<u>82,000</u>	<u>-</u>
Net Change in Fund Balance	(1,615)	1,317	2,932
Fund Balance - Beginning of Year	5,459	5,459	-
Fund Balance - End of Year	<u>\$ 3,844</u>	<u>\$ 6,776</u>	<u>\$ 2,932</u>

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

	Budgeted Amounts <u>Final</u>	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property Taxes	\$ 309,284	\$ 294,452	\$ (14,832)
Intergovernmental	19,066	34,548	15,482
Charges for Services	389,000	368,055	(20,945)
Contributions and Donations	1,000	391	(609)
Total Revenues	<u>718,350</u>	<u>697,446</u>	<u>(20,904)</u>
Expenditures:			
Current:			
Leisure Time Activities			
Personal Services	476,510	442,567	33,943
Other	401,349	373,770	27,579
Total Expenditures	<u>877,859</u>	<u>816,337</u>	<u>61,522</u>
Excess of Revenues Over (Under) Expenditures	(159,509)	(118,891)	40,618
Other Financing Sources			
Transfers In	180,000	180,000	-
Total Other Financing Sources	<u>180,000</u>	<u>180,000</u>	<u>-</u>
Net Change in Fund Balance	20,491	61,109	40,618
Fund Balance - Beginning of Year	77,777	77,777	-
Prior Year Encumbrances Appropriated	717	717	-
Fund Balance - End of Year	<u>\$ 98,985</u>	<u>\$ 139,603</u>	<u>\$ 40,618</u>

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

	Budgeted Amounts <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 1,304,000	\$ 766,205	\$ (537,795)
Total Revenues	<u>1,304,000</u>	<u>766,205</u>	<u>(537,795)</u>
Expenditures:			
Current:			
Community and Economic Development			
Personal Services	599,545	537,649	61,896
Other	<u>704,455</u>	<u>228,556</u>	<u>475,899</u>
Total Expenditures	<u>1,304,000</u>	<u>766,205</u>	<u>537,795</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning of Year	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	Budgeted Amounts <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 452,983	\$ 199,244	\$ (253,739)
All Other Revenues	452,743	266,294	(186,449)
Total Revenues	<u>905,726</u>	<u>465,538</u>	<u>(440,188)</u>
Expenditures:			
Current:			
Community and Economic Development			
Personal Services	109,225	38,516	70,709
Other	796,501	492,414	304,087
Total Expenditures	<u>905,726</u>	<u>530,930</u>	<u>374,796</u>
Net Change in Fund Balance	-	(65,392)	(65,392)
Fund Balance - Beginning of Year	97,287	97,287	-
Fund Balance - End of Year	<u>\$ 97,287</u>	<u>\$ 31,895</u>	<u>\$ (65,392)</u>

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

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Intergovernmental	\$ 493,717	\$ 306,697	\$ (187,020)
Fines and Forfeitures	-	3,636	3,636
Contributions and Donations	12,000	8,999	(3,001)
All Other Revenues	1,494,283	-	(1,494,283)
Total Revenues	2,000,000	319,332	(1,680,668)
Expenditures:			
Current:			
General Government			
Personal Services	140,809	80,193	60,616
Other	1,870,561	448,527	1,422,034
Total Expenditures	2,011,370	528,720	1,482,650
Net Change in Fund Balance	(11,370)	(209,388)	(198,018)
Fund Balance - Beginning of Year	214,650	214,650	-
Prior Year Encumbrances Appropriated	11,370	11,370	-
Fund Balance - End of Year	\$ 214,650	\$ 16,632	\$ (198,018)

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

	Budgeted Amounts <u>Final</u>	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Interest	\$ 174	\$ 230	\$ 56
Fines and Forfeitures	73,000	55,490	(17,510)
Total Revenues	<u>73,174</u>	<u>55,720</u>	<u>(17,454)</u>
Expenditures:			
Current:			
Security of Persons and Property			
Personal Services	40,091	24,437	15,654
Other	257,598	181,909	75,689
Total Expenditures	<u>297,689</u>	<u>206,346</u>	<u>91,343</u>
Net Change in Fund Balance	(224,515)	(150,626)	73,889
Fund Balance - Beginning of Year	288,435	288,435	-
Prior Year Encumbrances Appropriated	16,805	16,805	-
Fund Balance - End of Year	<u>\$ 80,725</u>	<u>\$ 154,614</u>	<u>\$ 73,889</u>

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

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
All Other Revenues	\$ 109,612	\$ 11,483	\$ (98,129)
Total Revenues	<u>109,612</u>	<u>11,483</u>	<u>(98,129)</u>
Expenditures:			
Current:			
Leisure Time Activities			
Other	226,612	221,244	5,368
Total Expenditures	<u>226,612</u>	<u>221,244</u>	<u>5,368</u>
Excess of Revenues Over (Under) Expenditures	(117,000)	(209,761)	(92,761)
Other Financing Sources			
Transfers In	117,000	209,544	92,544
Total Other Financing Sources	<u>117,000</u>	<u>209,544</u>	<u>92,544</u>
Net Change in Fund Balance	-	(217)	(217)
Fund Balance - Beginning of Year	713	713	-
Fund Balance - End of Year	<u>\$ 713</u>	<u>\$ 496</u>	<u>\$ (217)</u>

City of Euclid, Ohio

*Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
General Permanent Improvement Fund
For the Year Ended December 31, 2014*

	Budgeted Amounts <u>Final</u>	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property Taxes	\$ 226,947	\$ 226,501	\$ (446)
Intergovernmental	25,630	26,575	945
Interest	-	12	12
Contributions and Donations	-	140	140
Total Revenues	<u>252,577</u>	<u>253,228</u>	<u>651</u>
Expenditures:			
Current:			
General Government			
Other	11,000	4,836	6,164
Capital Outlay:			
Other	880,105	631,262	248,843
Debt Service:			
Principal	114,222	114,222	-
Interest & Fiscal Charges	4,660	4,660	-
Total Debt Service	<u>118,882</u>	<u>118,882</u>	<u>-</u>
Total Expenditures	<u>1,009,987</u>	<u>754,980</u>	<u>255,007</u>
Excess of Revenues Over (Under) Expenditures	(757,410)	(501,752)	255,658
Other Financing Sources			
Sale of Capital Assets	<u>7,423</u>	<u>70,205</u>	<u>62,782</u>
Total Other Financing Sources	<u>7,423</u>	<u>70,205</u>	<u>62,782</u>
Net Change in Fund Balance	(749,987)	(431,547)	318,440
Fund Balance - Beginning of Year	418,738	418,738	-
Prior Year Encumbrances Appropriated	<u>289,987</u>	<u>289,987</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ (41,262)</u>	<u>\$ 277,178</u>	<u>\$ 318,440</u>

City of Euclid, Ohio

*Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Recreation Capital Fund
For the Year Ended December 31, 2014*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Property Taxes	\$ 167,025	\$ 158,551	\$ (8,474)
Intergovernmental	10,621	18,603	7,982
All Other Revenues	-	3,000	3,000
Total Revenues	<u>177,646</u>	<u>180,154</u>	<u>2,508</u>
Expenditures:			
Current:			
Leisure Time Activities			
Recreation Center			
Personal Services	77,091	72,898	4,193
Other	3,313	3,313	-
Total Leisure Time Activities	<u>80,404</u>	<u>76,211</u>	<u>4,193</u>
Capital Outlay:			
Other	123,897	89,061	34,836
Total Expenditures	<u>204,301</u>	<u>165,272</u>	<u>39,029</u>
Net Change in Fund Balance	(26,655)	14,882	41,537
Fund Balance - Beginning of Year	136,752	136,752	-
Prior Year Encumbrances Appropriated	600	600	-
Fund Balance - End of Year	<u>\$ 110,697</u>	<u>\$ 152,234</u>	<u>\$ 41,537</u>

City of Euclid, Ohio

*Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Sidewalk Repair and Replacement Fund
For the Year Ended December 31, 2014*

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

City of Euclid, Ohio

*Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Public Building Construction Fund
For the Year Ended December 31, 2014*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:			
Total Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures:			
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning of Year	1	1	-
Fund Balance - End of Year	<u><u>\$ 1</u></u>	<u><u>\$ 1</u></u>	<u><u>\$ -</u></u>

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

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Interest	\$ -	\$ 115	\$ 115
Total Revenues	<u>-</u>	<u>115</u>	<u>115</u>
Expenditures:			
Capital Outlay:			
Other	86,983	74,797	12,186
Total Expenditures	<u>86,983</u>	<u>74,797</u>	<u>12,186</u>
Excess of Revenues Over (Under) Expenditures	(86,983)	(74,682)	12,301
Other Financing Sources (Uses)			
Sale of Capital Assets	120,000	122,302	2,302
Transfers Out	(209,544)	(209,544)	-
Total Other Financing Sources (Uses)	<u>(89,544)</u>	<u>(87,242)</u>	<u>2,302</u>
Net Change in Fund Balance	(176,527)	(161,924)	14,603
Fund Balance - Beginning of Year	183,239	183,239	-
Prior Year Encumbrances Appropriated	11,983	11,983	-
Fund Balance - End of Year	<u>\$ 18,695</u>	<u>\$ 33,298</u>	<u>\$ 14,603</u>

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

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

City of Euclid Ohio

*Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Bennington Hamlet Fund
For the Year Ended December 31, 2014*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Payments in Lieu of Taxes	\$ 8,110	\$ 13,857	\$ 5,747
Total Revenues	<u>8,110</u>	<u>13,857</u>	<u>5,747</u>
Expenditures:			
Capital Outlay:			
Other	111,069	46,404	64,665
Total Expenditures	<u>111,069</u>	<u>46,404</u>	<u>64,665</u>
Net Change in Fund Balance	(102,959)	(32,547)	70,412
Fund Balance - Beginning of Year	59,004	59,004	-
Prior Year Encumbrances Appropriated	44,069	44,069	-
Fund Balance - End of Year	<u>\$ 114</u>	<u>\$ 70,526</u>	<u>\$ 70,412</u>

City of Euclid, Ohio

*Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
CMP Properties Fund
For the Year Ended December 31, 2014*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Payments in Lieu of Taxes	\$ 52,490	\$ 60,352	\$ 7,862
Total Revenues	52,490	60,352	7,862
Expenditures:			
Capital Outlay:			
Other	182,219	5,000	177,219
Debt Service:			
Interest & Fiscal Charges	10,000	-	10,000
Total Expenditures	192,219	5,000	187,219
Net Change in Fund Balance	(139,729)	55,352	195,081
Fund Balance - Beginning of Year	140,612	140,612	-
Fund Balance - End of Year	\$ 883	\$ 195,964	\$ 195,081

City of Euclid, Ohio
*Schedule of Revenues, Expenses and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Harbor Town TIF Fund
 For the Year Ended December 31, 2014*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Payments in Lieu of Taxes	\$ 88,661	\$ 107,489	\$ 18,828
Total Revenues	<u>88,661</u>	<u>107,489</u>	<u>18,828</u>
Expenditures:			
Capital Outlay:			
Other	504,726	188,779	315,947
Debt Service:			
Interest & Fiscal Charges	17,157	16,387	770
Total Expenditures	<u>521,883</u>	<u>205,166</u>	<u>316,717</u>
Net Change in Fund Balance	(433,222)	(97,677)	335,545
Fund Balance - Beginning of Year	434,024	434,024	-
Fund Balance - End of Year	<u>\$ 802</u>	<u>\$ 336,347</u>	<u>\$ 335,545</u>

City of Euclid, Ohio
*Schedule of Revenues, Expenses and Changes in Fund Equity -
 Budget (Non-GAAP Basis) and Actual
 Downtown District A TIF Fund
 For the Year Ended December 31, 2014*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Payments in Lieu of Taxes	\$ 56,869	\$ 78,293	\$ 21,424
Total Revenues	<u>56,869</u>	<u>78,293</u>	<u>21,424</u>
Expenditures:			
Capital Outlay:			
Other	285,700	115,624	170,076
Total Expenditures	<u>285,700</u>	<u>115,624</u>	<u>170,076</u>
Net Change in Fund Balance	(228,831)	(37,331)	191,500
Fund Balance - Beginning of Year	229,825	229,825	-
Fund Balance - End of Year	<u>\$ 994</u>	<u>\$ 192,494</u>	<u>\$ 191,500</u>

STATISTICAL SECTION

City of Euclid, Ohio

Statistical Section

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

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

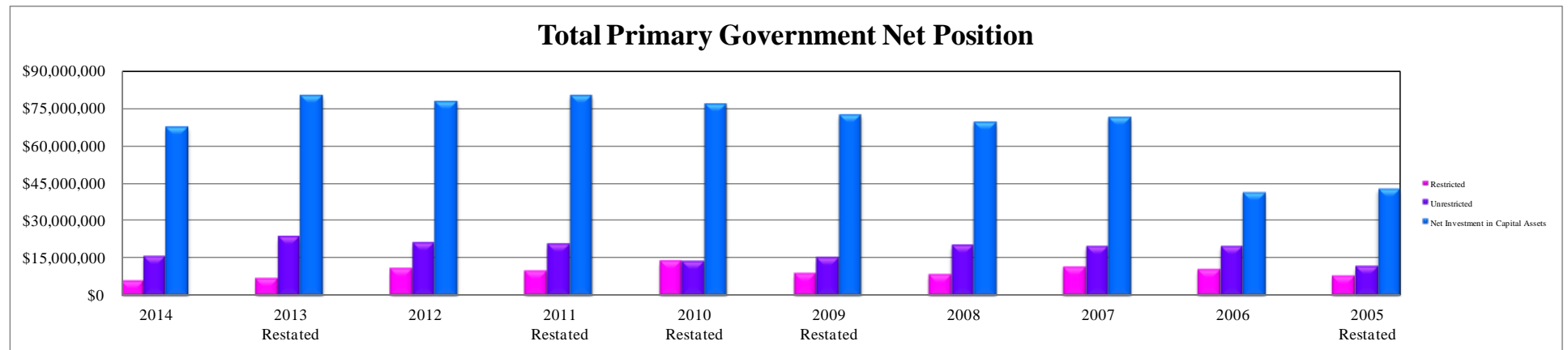
Sources: Unless otherwise noted, the information in these schedules is derived from the basic financial statements for the relevant year.

City of Euclid, Ohio

Net Position by Component Accrual Basis of Accounting Last Ten Years

Table 1

	2014	2013 Restated	2012	2011 Restated	2010 Restated	2009 Restated	2008	2007	2006	2005 Restated
Governmental Activities										
Net Investment in Capital Assets	\$ 30,734,068	\$ 32,235,958	\$ 32,146,243	\$ 36,430,785	\$ 36,290,780	\$ 37,644,890	\$39,956,632	\$ 41,151,610	\$12,190,259	\$ 13,335,911
Restricted	5,572,849	6,761,817	10,219,167	9,671,191	13,342,663	8,307,210	8,179,008	11,000,386	10,020,313	7,732,966
Unrestricted	8,532,458	10,896,260	12,076,435	11,807,492	5,052,623	3,360,059	5,636,227	4,075,405	6,065,273	2,959,733
Total Governmental Activities Net Position	\$ 44,839,375	\$ 49,894,035	\$ 54,441,845	\$ 57,909,468	\$ 54,686,066	\$ 49,312,159	\$53,771,867	\$ 56,227,401	\$28,275,845	\$ 24,028,610
Business Type - Activities										
Net Investment in Capital Assets	\$ 36,541,168	\$ 47,755,727	\$ 45,310,310	\$ 43,523,835	\$ 40,280,422	\$ 34,567,361	\$29,214,805	\$ 29,982,118	\$28,971,722	\$ 29,207,199
Unrestricted	6,951,688	12,158,558	8,658,820	8,144,885	8,285,405	11,352,949	13,829,216	11,908,239	13,304,043	8,390,986
Total Business-Type Activities Net Position	\$ 43,492,856	\$ 59,914,285	\$ 53,969,130	\$ 51,668,720	\$ 48,565,827	\$ 45,920,310	\$43,044,021	\$ 41,890,357	\$42,275,765	\$ 37,598,185
Primary Government										
Net Investment in Capital Assets	\$ 67,275,236	\$ 79,991,685	\$ 77,456,553	\$ 79,954,620	\$ 76,571,202	\$ 72,212,251	\$69,171,437	\$ 71,133,728	\$41,161,981	\$ 42,543,110
Restricted	5,572,849	6,761,817	10,219,167	9,671,191	13,342,663	8,307,210	8,179,008	11,000,386	10,020,313	7,732,966
Unrestricted	15,484,146	23,054,818	20,735,255	19,952,377	13,338,028	14,713,008	19,465,443	19,369,316	19,369,316	11,350,719
Total Primary Government Net Position	\$ 88,332,231	\$ 109,808,320	\$ 108,410,975	\$ 109,578,188	\$ 103,251,893	\$ 95,232,469	\$96,815,888	\$ 101,503,430	\$70,551,610	\$ 61,626,795



City of Euclid, Ohio

Changes in Net Position Accrual Basis of Accounting Last Ten Years

Table 2

	2014	2013	2012	2011 Restated	2010 Restated	2009 Restated	2008	2007	2006	2005 Restated
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 1,884,612	\$ 1,615,417	\$ 2,066,689	\$ 2,507,033	\$ 4,317,024	\$ 2,301,388	\$ 564,303	\$ 1,031,766	\$ 1,019,146	\$ 1,630,952
Security of Persons and Property	3,316,938	3,643,071	3,919,272	3,448,103	3,732,402	2,845,690	4,073,600	4,999,375	4,975,827	2,897,560
Public Health	91,297	84,625	76,651	77,382	82,068	78,398	83,793	91,602	92,922	33,424
Leisure Time Activities	368,130	403,594	394,730	450,554	433,648	590,597	730,006	883,285	796,916	615,674
Community and Economic Development	1,769,947	1,965,204	1,779,151	1,702,985	1,512,112	1,413,183	1,554,640	542,492	236,343	532,403
Sanitation	1,907,893	1,592,590	2,378,857	1,797,856	1,337,454	0	0	0	0	231,521
Transportation	0	2,024	600	0	0	114,156	39,637	207,307	88,588	191,361
Subtotal - Charges for Services	9,338,817	9,306,525	10,615,950	9,983,913	11,414,708	7,343,412	7,045,979	7,755,827	7,209,742	6,132,895
Operating Grants and Contributions:										
General Government	84,216	47,626	0	550,724	587,960	137,338	0	498,055	428,589	243,965
Security of Persons and Property	95,757	398,529	617,370	667,415	1,084,936	491,637	487,231	18,906	139,422	1,400
Public Health	18,326	14,569	0	0	0	0	0	0	0	0
Leisure Time Activities	391	368	6,741	51,895	3,766	10,039	4,327	5,947	43,084	36,744
Community and Economic Development	934,765	1,317,949	1,365,971	1,770,441	2,738,366	1,215,829	1,247,025	889,458	1,123,011	1,116,634
Sanitation	0	5,000	4,000	0	0	0	0	0	0	0
Transportation	1,874,674	1,576,336	1,691,509	1,707,991	1,819,510	1,699,535	1,861,667	1,935,960	1,835,670	1,927,988
Subtotal - Operating Grants and Contributions	3,008,129	3,360,377	3,685,591	4,748,466	6,234,538	3,554,378	3,600,250	3,348,326	3,569,776	3,326,731
Capital Grants and Contributions:										
General Government	191,784	0	18,354	65,527	350,000	0	279,401	0	18,690	31,219
Security of Persons and Property	0	21,561	124,372	25,511	0	0	0	0	0	0
Public Health	0	30,844	0	0	0	0	0	0	0	0
Transportation	0	125,587	34,227	1,514,633	0	0	0	0	0	0
Community and Economic Development	0	67,200	13,047	0	0	0	0	0	0	0
Leisure Time Activities	0	252,489	548,313	67,597	0	0	0	0	11,170	19,767
Subtotal - Capital Grants and Contributions	191,784	497,681	738,313	1,673,268	350,000	0	279,401	0	29,860	50,986
Total Governmental Activities Program Revenues	12,538,730	13,164,583	15,039,854	16,405,647	17,999,246	10,897,790	10,925,630	11,104,153	10,809,378	9,510,612
Business-Type Activities										
Charges for Services:										
Briardale Greens Golf Course	709,972	0	0	0	8,746	939,058	1,035,336	1,019,279	987,636	795,003
Waste Water Treatment	15,433,332	14,615,480	11,112,883	11,068,529	9,238,260	10,663,957	10,887,935	10,876,879	11,498,677	9,396,074
Water Line Improvement	2,003,009	1,682,000	2,895,931	1,606,374	1,551,174	1,967,426	1,623,543	1,671,736	1,605,235	840,218
Operating Grants and Contributions:										
Wastewater Treatment	0	0	0	0	184,648	227,712	52,675	39,479	814,589	0
Water Line Improvement	2,042,210	0	0	0	0	0	0	0	0	0
Capital Grants and Contributions:										
Briardale Golf Course	110,582	86,723	9,300	0	98,794	0	0	0	121,449	0
Waste Water Treatment	2,528,406	850,622	0	0	321,351	94,932	276,000	0	0	0
Water Line Improvement	0	0	0	1,053,139	464,161	1,042,281	65,348	0	0	0
Total Business-Type Activities Program Revenues	22,827,511	17,234,825	14,018,114	13,728,042	11,867,134	14,935,366	13,940,837	13,607,373	15,027,586	11,031,295
Total Primary Government Program Revenues	\$35,366,241	\$30,399,408	\$29,057,968	\$ 30,133,689	\$ 29,866,380	\$ 25,833,156	\$ 24,866,467	\$ 24,711,526	\$ 25,836,964	\$ 20,541,907

City of Euclid, Ohio

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

Table 2

	2014	2013	2012	2011	2010 Restated	2009 Restated	2008	2007	2006	2005 Restated
Expenses										
Governmental Activities:										
General Government	\$ 13,851,860	\$ 13,381,458	\$ 11,879,530	\$ 14,070,597	\$ 13,105,802	\$ 13,389,365	\$ 12,894,864	\$ 14,000,128	\$ 12,352,031	\$ 11,114,592
Security of Persons and Property:	20,975,180	21,090,420	20,602,865	19,892,646	20,607,153	21,052,721	23,445,910	22,884,517	21,466,024	21,544,601
Sanitation	2,274,374	2,310,771	2,063,996	2,185,892	1,916,687	2,251,317	2,506,683	2,219,004	2,013,501	1,777,289
Public Health	279,500	273,361	275,393	285,793	273,641	280,112	260,044	277,425	257,280	256,582
Leisure Time Activities	1,987,341	1,878,910	1,709,689	1,667,298	1,766,298	2,095,133	2,423,707	1,706,870	2,109,410	1,924,054
Community and Economic Development	2,606,619	3,004,987	2,991,518	2,884,982	2,873,059	2,846,921	3,201,584	2,955,795	3,173,312	2,619,435
Transportation	5,930,036	6,026,874	9,489,789	6,057,526	6,647,276	7,382,963	6,343,637	7,396,063	2,695,350	4,446,355
Interest and Fiscal Charges	830,823	993,111	1,210,537	846,954	1,418,378	1,406,102	1,505,395	1,553,302	1,546,588	1,566,775
Total Governmental Activities Expenses	48,735,733	48,959,892	50,223,317	47,891,688	48,608,294	50,704,634	52,581,824	52,993,104	45,613,496	45,249,683
Business-Type Activities										
Briardale Golf Course	806,348	88,397	92,343	80,540	131,602	894,060	988,166	1,059,840	996,359	1,206,580
Wastewater Treatment	10,053,697	9,997,445	10,203,983	9,601,656	9,938,574	10,920,206	11,061,437	10,109,869	9,438,610	10,732,693
Water Line Improvement	2,125,851	1,253,974	1,433,806	800,228	965,870	1,033,398	792,165	765,993	915,675	557,637
Total Business-Type Activities Expenses	12,985,896	11,339,816	11,730,132	10,482,424	11,036,046	12,847,664	12,841,768	11,935,702	11,350,644	12,496,910
Total Primary Government Program Expenses	61,721,629	60,299,708	61,953,449	58,374,112	59,644,340	63,552,298	65,423,592	64,928,806	56,964,140	57,746,593
Net (Expense)/Revenue										
Governmental Activities	(36,197,003)	(35,795,309)	(35,183,463)	(31,486,041)	(30,609,048)	(39,806,844)	(41,656,194)	(41,888,951)	(34,804,118)	(35,739,071)
Business-Type Activities	9,841,615	5,895,009	2,287,982	3,245,618	831,088	2,087,702	1,099,069	1,671,671	3,676,942	(1,465,615)
Total Primary Government Net Expense	(26,355,388)	(29,900,300)	(32,895,481)	(28,240,423)	(29,777,960)	(37,719,142)	(40,557,125)	(40,217,280)	(31,127,176)	(37,204,686)

City of Euclid, Ohio

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

Table 2

	2014	2013	2012	2011	2010 Restated	2009 Restated	2008	2007	2006	2005 Restated
General Revenues and Other Changes in Net Position										
Governmental Activities										
Property and Other Local Taxes	4,746,669	4,765,637	4,898,836	4,940,319	5,162,960	5,069,206	5,158,520	5,839,560	7,391,165	5,471,671
Municipal Income Taxes	22,555,188	23,090,347	22,359,573	24,315,337	22,994,810	22,527,179	24,124,792	24,286,649	26,227,696	22,004,837
Grants and Entitlements not Restricted to										
Specific Programs	2,576,299	2,189,349	3,061,866	4,458,718	6,874,711	5,885,372	6,460,923	5,647,600	3,846,566	5,745,954
Payments in Lieu of Taxes	259,991	261,567	304,822	179,400	174,801	172,310	123,164	72,269	68,730	59,293
Investment Income	64,882	90,253	107,136	94,986	173,483	451,410	921,534	1,303,442	1,163,865	663,536
Gain/Loss on Sale of Capital Assets	192,874	23,311	0	0	128,453	45,431	0	176,305	0	0
Miscellaneous	746,440	827,035	983,607	1,082,783	478,952	1,196,228	1,743,907	18,771	66,875	10,827
Transfers	0	0	0	420,923	(5,215)	0	667,820	286,456	286,456	(625,806)
Total Governmental Activities	31,142,343	31,247,499	31,715,840	35,492,466	35,982,955	35,347,136	39,200,660	37,631,052	39,051,353	33,330,312
Business-Type Activities										
Property Taxes	0	0	0	11,475	365,166	465,667	639,606	626,240	767,977	670,778
Grants and Entitlements not Restricted to										
Specific Programs	0	0	0	0	0	0	0	0	0	614,188
Investment Income	21	146	196	41,651	9,856	4,339	56,180	63,583	48,163	351
Miscellaneous	0	0	12,232	483,293	1,434,192	318,581	26,629	294	0	0
Transfers	0	0	0	(420,923)	5,215	0	(667,820)	(286,456)	(286,456)	625,806
Total Business-Type Activities	21	146	12,428	115,496	1,814,429	788,587	54,595	403,661	529,684	1,911,123
Total Primary Government General Revenues	31,142,364	31,247,645	31,728,268	35,607,962	37,797,384	36,135,723	39,255,255	38,034,713	39,581,037	35,241,435
Business-Type Activities										
Special Items	(26,263,065)	0	0	0	0	0	0	0	0	0
Total Primary Government General Revenues and Other Changes in Net Position	4,879,299	31,247,645	31,728,268	35,607,962	37,797,384	36,135,723	39,255,255	38,034,713	39,581,037	35,241,435
Change in Net Position										
Governmental Activities	(5,054,660)	(4,547,810)	(3,467,623)	4,006,425	5,373,907	(4,459,708)	(2,455,534)	(4,257,899)	4,247,235	(2,408,759)
Business-Type Activities	(16,421,429)	5,895,155	2,300,410	3,361,114	2,645,517	2,876,289	1,153,664	2,075,332	4,206,626	445,508
Total Primary Government Change in Net Position	\$ (21,476,089)	\$ 1,347,345	\$ (1,167,213)	\$ 7,367,539	\$ 8,019,424	\$ (1,583,419)	\$ (1,301,870)	\$ (2,182,567)	\$ 8,453,861	\$ (1,963,251)

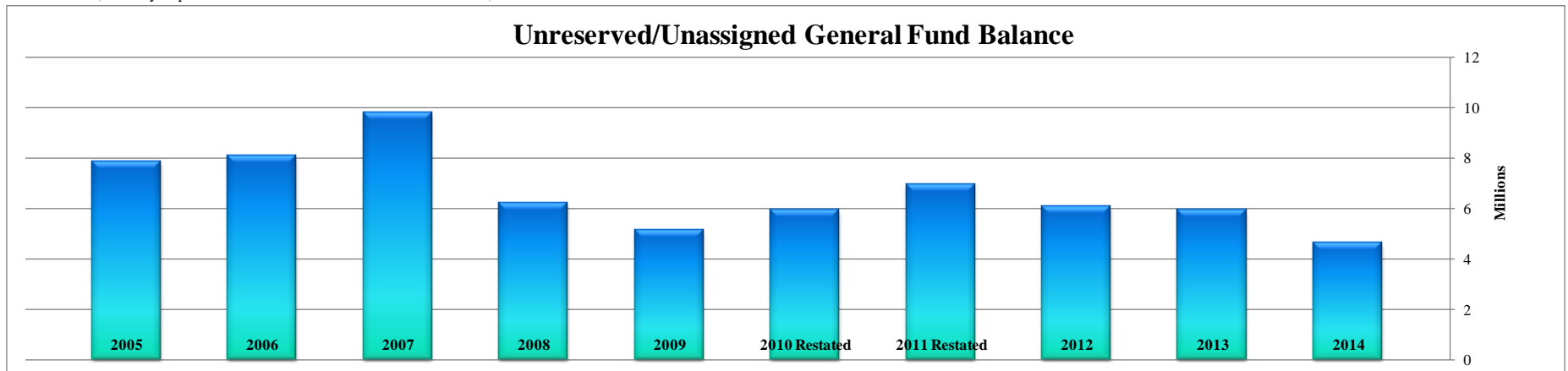
City of Euclid, Ohio

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

Table 3

	2014	2013	2012	2011 Restated	2010 Restated	2009	2008	2007	2006	2005
General Fund										
Nonspendable	\$ 1,077,737	\$ 1,278,550	\$ 1,323,212	\$ 1,367,748	\$ 1,460,576	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Committed	107,724	63,128	73,615	183,472	216,334	0	0	0	0	0
Assigned	69,288	506,881	451,520	36,008	28,105	0	0	0	0	0
Unassigned	4,631,088	5,915,128	6,046,519	6,954,074	5,938,091	0	0	0	0	0
Reserved	0	0	0	0	0	1,389,906	1,529,833	97,896	99,257	37,934
Unreserved	0	0	0	0	0	5,143,251	6,220,960	9,782,186	8,076,295	7,821,849
Total General Fund	5,885,837	7,763,687	7,894,866	8,541,302	7,643,106	6,533,157	7,750,793	9,880,082	8,175,552	7,859,783
All Other Governmental Funds										
Nonspendable	173,105	152,190	159,191	95,779	71,887	0	0	0	0	0
Restricted	4,131,784	3,546,337	3,144,566	6,093,620	8,028,597	0	0	0	0	0
Committed	18,324	12,473	1,077	0	0	0	0	0	0	0
Unassigned	(408,930)	(3,851,205)	(1,170,048)	(1,542,936)	(438,584)	0	0	0	0	0
Reserved	0	0	0	0	0	498,970	728,790	1,257,678	346,199	522,175
Unreserved, Undesignated, Reported in:										
Special Revenue funds	0	0	0	0	0	1,281,141	1,425,191	1,787,192	1,684,898	1,520,080
Debt Service funds	0	0	0	0	0	2,767,975	2,708,149	3,775,688	2,947,437	3,056,034
Capital Projects funds	0	0	0	0	0	2,095,459	2,081,323	2,131,623	2,499,812	401,209
Total All Other Governmental Funds	3,914,283	(140,205)	2,134,786	4,646,463	7,661,900	6,643,545	6,943,453	8,952,181	7,478,346	5,499,498
Total Governmental Funds	\$ 9,800,120	\$ 7,623,482	\$ 10,029,652	\$ 13,187,765	\$ 15,305,006	\$ 13,176,702	\$ 14,694,246	\$ 18,832,263	\$ 15,653,898	\$ 13,359,281

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



City of Euclid, Ohio

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

Last Ten Years

Table 4

	2014	2013	2012	2011 Restated	2010	2009	2008	2007	2006	2005
Revenues										
Property and Other Local Taxes	\$ 4,733,723	\$ 4,758,699	\$ 5,223,856	\$ 5,014,254	\$ 4,908,989	\$ 4,863,732	\$ 5,317,922	\$ 6,511,494	\$ 6,213,540	\$ 5,893,239
Municipal Income Taxes	24,508,171	24,043,014	20,599,919	23,868,290	22,165,312	22,295,312	23,949,387	25,508,186	23,084,613	23,029,224
Charges for Services	6,082,512	5,376,589	6,912,556	6,048,437	6,120,126	4,396,344	4,468,421	5,011,318	4,357,413	4,201,706
Fees, Licenses and Permits	274,714	556,302	161,302	180,020	148,341	136,019	119,297	131,568	45,638	241,899
Fines and Forfeitures	2,049,775	2,294,990	1,975,305	1,607,230	1,778,448	1,849,083	2,115,947	1,843,132	1,760,313	1,350,888
Payments in Lieu of Taxes	259,991	261,566	304,822	179,400	174,801	172,310	123,164	72,269	68,730	59,293
Intergovernmental	5,479,675	6,638,542	7,468,739	9,113,247	13,061,780	9,702,823	10,781,759	8,544,675	8,123,702	8,401,874
Special Assessments	1,103,167	1,236,275	1,229,316	1,223,194	335,115	320,199	505,921	84,684	190,634	88,111
Rentals	74,938	142,242	136,385	220,757	205,560	928,741	378,566	438,302	370,186	329,315
Contributions and Donations	50,905	18,780	79,483	1,610,147	57,741	51,034	35,658	27,517	144,696	35,280
Interest	64,882	90,253	107,376	97,802	256,825	500,049	862,215	1,286,011	1,162,032	663,536
Miscellaneous	342,989	1,304,261	982,197	1,082,783	478,952	1,196,228	891,394	18,771	66,875	10,827
Total Revenues	45,025,442	46,721,513	45,181,256	50,245,561	49,691,990	46,411,874	49,549,651	49,477,927	45,588,372	44,305,192
Expenditures										
Current:										
General Government	13,590,209	12,871,946	12,087,105	13,489,522	13,904,635	12,846,810	13,255,819	12,389,735	11,367,827	10,527,754
Security of Persons and Property	20,997,711	20,885,109	20,379,045	20,598,229	20,337,564	20,493,264	22,504,755	20,876,789	20,107,626	18,582,973
Public Health	273,132	277,146	275,451	289,293	272,263	272,496	260,044	277,809	257,651	257,846
Leisure Time Activities	1,731,598	1,651,776	1,517,664	1,519,385	1,568,545	1,826,333	2,142,829	1,998,691	1,836,370	1,662,926
Community and Economic Development	2,603,656	2,830,876	2,999,577	2,908,927	2,863,379	2,728,006	3,084,899	2,613,273	2,743,472	2,277,566
Sanitation	2,412,938	2,303,563	2,067,356	2,180,946	1,916,687	2,251,317	2,506,683	2,204,171	1,857,975	1,786,082
Transportation	1,931,627	1,905,970	1,909,461	1,862,722	2,109,236	2,232,410	2,596,559	2,242,299	2,096,922	1,587,855
Capital Outlay	1,297,529	2,514,506	2,658,188	4,967,119	2,547,975	3,015,982	5,376,523	3,579,883	2,780,690	3,227,405
Debt Service:										
Principal Retirement	2,963,741	3,177,581	3,077,574	7,151,780	5,240,760	3,305,944	9,590,395	6,419,365	2,927,010	8,711,529
Interest and Fiscal Charges	643,280	964,494	1,151,530	1,070,780	1,311,229	1,367,743	1,492,737	1,529,377	1,518,668	1,568,293
Debt Issuance Costs	67,315	0	17,592	179,065	0	0	275,697	0	0	0
Advance Refund Escrow	148,751	0	0	123,978	0	0	0	0	0	0
Total Expenditures	48,661,487	49,382,967	48,140,543	56,341,746	52,072,273	50,340,305	63,086,940	54,131,392	47,494,211	50,190,229
Excess of Revenues Over (Under) Expenditures	(3,636,045)	(2,661,454)	(2,959,287)	(6,096,185)	(2,380,283)	(3,928,431)	(13,537,289)	(4,653,465)	(1,905,839)	(5,885,037)

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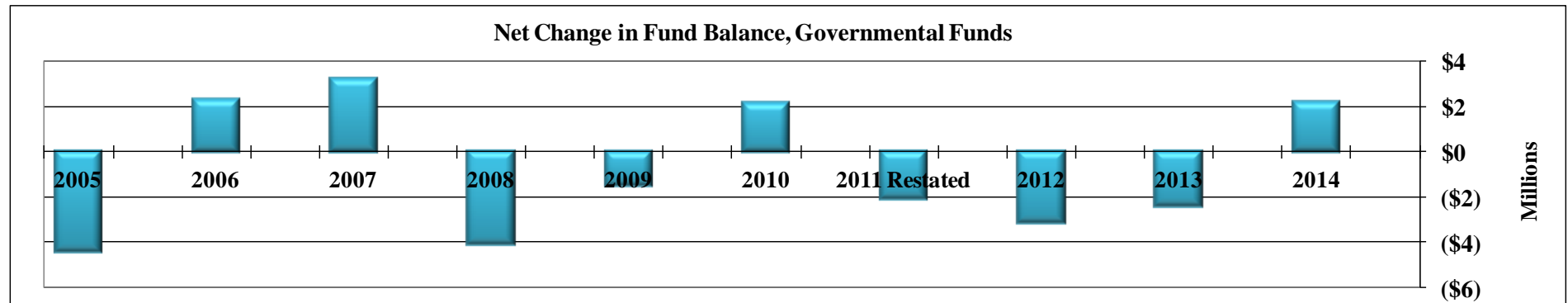
City of Euclid, Ohio

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

Last Ten Years

Table 4

	2014	2013	2012	2011 Restated	2010	2009	2008	2007	2006	2005
Other Financing Sources (Uses)										
Sale of Capital Assets	192,874	36,125	26,174	62,028	197,309	52,620	55,191	224,113	0	0
General Obligation Bonds Issued	0	0	0	4,316,000	0	0	10,625,000	0	0	0
Refunding Bonds Issued	6,548,507	0	0	5,482,000	0	0	0	0	0	0
Premium on Debt Issued	25,851	0	0	121,632	21,278	0	215,765	40,280	0	0
OPWC Loan	0	0	0	0	0	18,267	1,119,127	434,981	98,000	0
Notes Issued	5,265,000	0	0	0	4,290,000	2,340,000	0	6,846,000	3,816,000	100,000
Inception of Capital Lease	420,000	292,000	0	0	0	0	205,758	0	0	1,077,689
Insurance Recoveries	0	2,159	0	35,500	0	0	0	0	0	0
Transfers In	944,815	2,334,550	4,234,675	342,300	553,800	1,061,859	1,195,820	825,300	1,085,900	918,056
Transfers Out	(1,077,315)	(2,409,550)	(4,459,675)	(912,300)	(553,800)	(1,061,859)	(528,000)	(538,844)	(799,444)	(631,600)
Payment to Refunded Bond Escrow Agent	(6,507,049)	0	0	(5,468,216)	0	0	(3,489,389)	0	0	0
Total Other Financing Sources (Uses)	5,812,683	255,284	(198,826)	3,978,944	4,508,587	2,410,887	9,399,272	7,831,830	4,200,456	1,464,145
Net Change in Fund Balances	\$ 2,176,638	\$ (2,406,170)	\$ (3,158,113)	\$ (2,117,241)	\$ 2,128,304	\$ (1,517,544)	\$ (4,138,017)	\$ 3,178,365	\$ 2,294,617	\$ (4,420,892)
Debt Service as a Percentage of Noncapital Expenditures	7.55%	8.74%	9.28%	16.20%	13.48%	9.70%	19.68%	15.38%	9.79%	20.63%



City of Euclid, Ohio

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

Last Ten Years

Table 5

	Collection Year 2014	Collection Year 2013	Collection Year 2012	Collection Year 2011	Collection Year 2010	Collection Year 2009	Collection Year 2008	Collection Year 2007	Collection Year 2006	Collection Year 2005
Unvoted Millage										
Bond Sinking Fund	3.88	3.88	3.88	3.88	3.88	3.88	3.88	3.88	3.88	3.88
Total Unvoted Millage	3.88	3.88	3.88	3.88	3.88	3.88	3.88	3.88	3.88	3.88
Voted Millage										
1964 Charter Current Expense	6.72	6.72	6.72	6.72	6.72	6.72	6.72	6.72	6.72	6.72
1964 Charter Perm Improvement	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
1964 Charter Recreational	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70
1964 Charter Recreational	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30
1976 Sewage Levy	0.00	0.00	0.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Total Voted Millage	9.72	9.72	9.72	11.72	11.72	11.72	11.72	11.72	11.72	11.72
Total Millage	13.60	13.60	13.60	15.60	15.60	15.60	15.60	15.60	15.60	15.60
Overlapping Rates by Taxing District										
City of Euclid										
Residential/Agricultural Effective Rate	7.2808	7.2595	6.3749	6.3560	6.8571	6.5566	6.5540	6.5523	6.8792	6.8787
Commerical/Industrial and Public Utility Effective Rate	9.9585	9.9577	9.5791	9.4690	10.6120	10.3296	10.3634	10.3668	10.3549	9.9554
General Business and Public Utility Personal Property	13.6000	13.6000	13.6000	13.6000	15.6000	15.6000	15.6000	15.6000	15.6000	15.6000
Euclid City Schools										
Residential/Agricultural Effective Rate	74.7478	72.2593	53.3148	54.4667	54.4664	46.1446	39.1132	39.0934	43.0313	37.5124
Commerical/Industrial and Public Utility Effective Rate	86.3873	84.0823	71.9537	72.7342	72.8014	66.1743	59.4467	59.4747	59.3941	51.2261
General Business and Public Utility Personal Property	100.7000	98.4000	88.4000	89.8000	89.9000	85.2000	78.2000	78.2000	78.2000	72.8000
Cuyahoga County										
Residential/Agricultural Effective Rate	14.0500	13.2200	13.1182	13.1866	13.1789	12.6607	11.8688	11.8655	11.7227	10.9754
Commerical/Industrial and Public Utility Effective Rate	13.9495	12.9968	12.7846	12.8412	12.8457	12.8153	12.4535	12.4941	12.5881	11.9846
General Business and Public Utility Personal Property	14.0500	13.2200	13.2200	13.3200	13.3200	13.3200	13.4200	13.4200	13.5200	13.5200
Special Taxing Districts (1)										
Residential/Agricultural Effective Rate	9.9639	9.0635	9.0041	8.9900	7.9811	7.2832	7.2794	7.2761	7.7965	6.3793
Commerical/Industrial and Public Utility Effective Rate	9.8843	8.9621	8.8649	8.8450	7.9119	7.8711	7.8782	7.8962	8.0597	6.7804
General Business and Public Utility Personal Property	9.9800	9.0800	9.0800	9.0800	8.2800	8.2800	8.2800	8.2800	8.2800	7.2800

Source: Cuyahoga County Fiscal Officer

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

Charter millage is consistently applied to all types of property.

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

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

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

City of Euclid, Ohio

Assessed Valuations and Estimated Actual Values of Taxable Property

Last Ten Years

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value
2014	\$ 399,245,760	\$ 168,521,720	\$ 1,622,192,800	\$ 19,072,000	\$ 21,672,727
2013	\$ 401,745,490	\$ 168,140,380	\$ 1,628,245,343	\$ 17,368,880	\$ 19,737,364
2012	\$ 546,762,120	\$ 175,905,170	\$ 2,064,763,686	\$ 16,043,950	\$ 18,231,761
2011	\$ 551,393,850	\$ 179,899,430	\$ 2,089,409,371	\$ 15,476,470	\$ 17,586,898
2010	\$ 553,341,120	\$ 181,540,130	\$ 2,099,660,714	\$ 15,108,400	\$ 17,168,636
2009	\$ 615,910,790	\$ 183,124,340	\$ 2,282,957,514	\$ 13,964,270	\$ 15,868,489
2008	\$ 617,695,210	\$ 184,247,970	\$ 2,291,266,229	\$ 21,020,000	\$ 23,886,364
2007	\$ 549,090,850	\$ 185,048,420	\$ 2,097,540,771	\$ 22,108,400	\$ 25,123,182
2006	\$ 549,066,990	\$ 196,770,870	\$ 2,130,965,314	\$ 24,167,100	\$ 27,462,614
2005	\$ 549,167,830	\$ 202,727,320	\$ 2,148,271,857	\$ 24,947,560	\$ 28,349,500

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

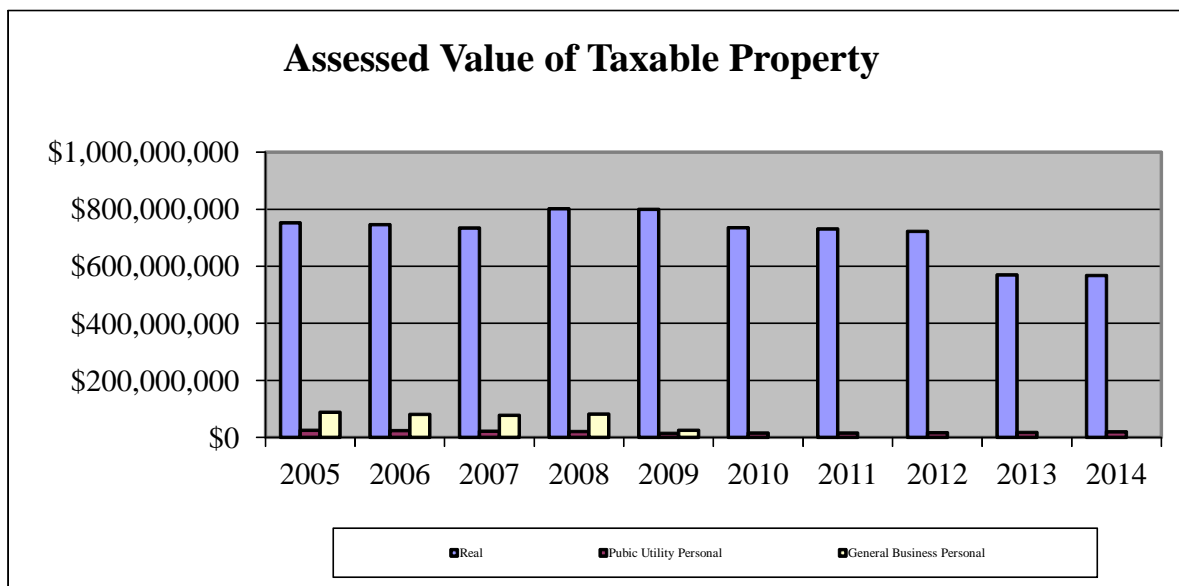
The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General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

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

Source: Ohio Department of Taxation

Table 6

Tangible Personal Property		Total		Ratio	Weighted Average Tax Rate
General Business					
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
\$ -	\$ -	\$ 586,839,480	\$ 1,643,865,527	35.70%	8.2551
\$ -	\$ -	\$ 587,254,750	\$ 1,647,982,707	35.63%	8.2196
\$ -	\$ -	\$ 738,711,240	\$ 2,082,995,447	35.46%	7.2948
\$ -	\$ -	\$ 746,769,750	\$ 2,106,996,269	35.44%	7.2561
\$ -	\$ -	\$ 749,989,650	\$ 2,116,829,351	35.43%	7.9421
\$ 24,916,620	\$ 132,888,640	\$ 837,916,020	\$ 2,431,714,643	34.46%	7.8008
\$ 81,771,053	\$ 436,112,283	\$ 904,734,233	\$ 2,751,264,875	32.88%	8.3575
\$ 77,001,463	\$ 410,674,469	\$ 833,249,133	\$ 2,533,338,423	32.89%	8.4756
\$ 80,320,200	\$ 321,280,800	\$ 850,325,160	\$ 2,479,708,728	34.29%	8.7551
\$ 88,592,903	\$ 354,371,612	\$ 865,435,613	\$ 2,530,992,969	34.19%	8.7436



City of Euclid, Ohio

Property Tax Levies and Collections

Last Ten Years

Table 7

Year	Current Tax Levy	Current Tax Collections (1)	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Current Tax Levy
2014	\$ 5,242,049	\$ 4,612,167	87.98%	\$ 302,689	\$ 4,914,856	93.76%	\$ 946,613	18.06%
2013	\$ 5,176,102	\$ 4,667,849	90.18%	\$ 281,672	\$ 4,949,521	95.62%	\$ 933,666	18.04%
2012	\$ 5,752,944	\$ 5,173,294	89.92%	\$ 376,418	\$ 5,549,712	96.47%	\$ 926,729	16.11%
2011	\$ 6,884,315	\$ 5,171,119	75.11%	\$ 316,071	\$ 5,487,190	79.71%	\$ 433,724	6.30%
2010	\$ 7,526,417	\$ 5,778,277	76.77%	\$ 457,077	\$ 6,235,354	82.85%	\$ 496,190	6.59%
2009	\$ 7,636,772	\$ 5,849,893	76.60%	\$ 423,626	\$ 6,273,519	82.15%	\$ 547,502	7.17%
2008	\$ 7,755,667	\$ 6,345,313	81.82%	\$ 489,718	\$ 6,835,031	88.13%	\$ 511,356	6.59%
2007	\$ 8,248,325	\$ 6,773,525	82.12%	\$ 362,574	\$ 7,136,099	86.52%	\$ 426,602	5.17%
2006	\$ 8,161,127	\$ 6,759,330	82.82%	\$ 291,261	\$ 7,050,591	86.39%	\$ 659,193	8.08%
2005	\$ 6,571,871	\$ 5,470,854	83.25%	\$ 302,983	\$ 5,773,837	87.86%	\$ 552,594	8.41%

Source: Cuyahoga County Fiscal Officer

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

Note: The County is aware of the requirement to report delinquent tax collections by levy year rather than by collection year. The County's current computer system tracks levy amounts by either current levy or delinquent levy. Once amounts become part of the delinquent levy, the ability to track information by levy year is lost. The County is looking at options to provide this information in the future.

City of Euclid, Ohio

Principal Taxpayers – Real Estate Tax

2014 and 2005

Table 8

Taxpayer	2014	
	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Cleveland Electric Illum Co.	\$ 16,522,190	2.91 %
Niederst Indian Hills, LLC	10,967,880	1.93
Lincoln Electric Co	8,252,740	1.45
Northpointe Towers LTD	7,700,000	1.36
Harbor Crest LTD.	5,593,740	0.99
Euclid Leasing Housing Associates 1, Ltd.	3,025,770	0.53
AE Portfolio, LLC	2,940,000	0.52
Horizon House LTD	2,967,580	0.52
Normandy Towers East I & II, LLC	2,552,350	0.45
The Sisters of St. Joseph of Mark Generalate	2,303,390	0.41
Total	<u>\$ 62,825,640</u>	<u>11.07 %</u>
Total Assessed Valuation	<u>\$ 567,767,480</u>	
Taxpayer	2005	
	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Cleveland Electric Illuminating Co.	\$ 9,893,300	1.40 %
Lincoln Electric Co.	9,800,010	1.40
Argo Technology Products Corporation	7,519,650	1.07
Ohio Bell Telephone Co.	7,041,790	1.00
Harbor Crest Ltd.	5,441,240	0.78
Indian Hills Senior Community, Inc.	8,263,500	1.18
Horizon House, Ltd.	3,642,630	0.52
AE Portfolio, LLC	3,509,040	0.50
Aerc-Watergate, Inc	3,500,000	0.50
Depot Land Co., Ltd.	2,163,030	0.31
Total	<u>\$ 60,774,190</u>	<u>8.66 %</u>
Total Assessed Valuation	<u>\$ 701,793,380</u>	

Source: Cuyahoga County Fiscal Officer

(1) The amounts presented represent the assessed values upon which 2014 and 2005 collections

City of Euclid, Ohio

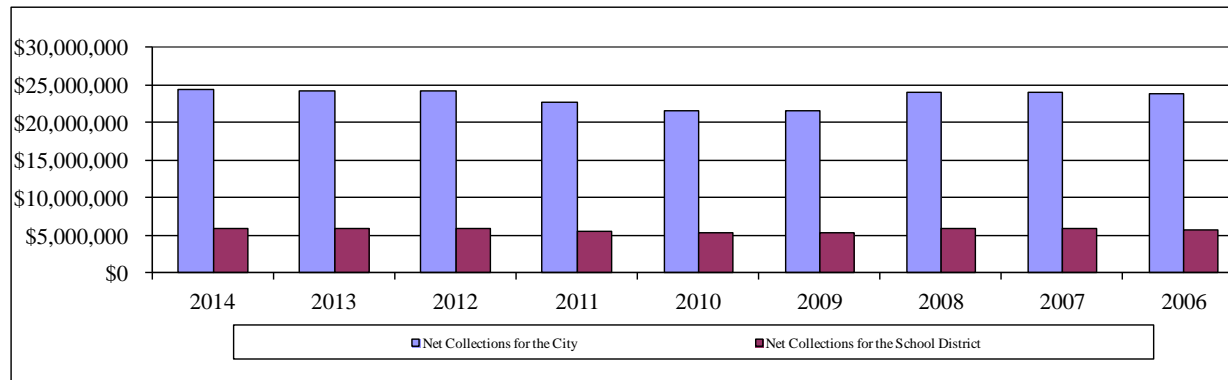
Income Tax Collection

Last Nine Years

Table 9

Year	Tax Rate	Individual	Net Profit	Payroll Withholding	Penalty and Interest	Miscellaneous Revenue	Gross Collections	Refunds and Adjustments	Net Collections	Net Collections for the City	Net Collections for the School District
2014	2.85%	\$4,864,917	\$3,645,543	\$22,189,891	\$605,852	\$32,405	\$31,338,608	(\$890,681)	\$30,447,927	\$24,486,985	\$5,960,942
2013	2.85%	\$4,730,185	\$3,149,071	\$22,024,374	\$535,721	\$177,761	\$30,617,112	(\$607,558)	\$30,009,554	\$24,145,781	\$5,863,773
2012	2.85%	\$4,791,973	\$3,880,111	\$21,381,656	\$595,097	\$199,002	\$30,847,839	(\$791,291)	\$30,056,548	\$24,163,169	\$5,893,379
2011	2.85%	\$5,024,705	\$3,148,360	\$19,758,688	\$625,900	\$187,785	\$28,745,438	(\$465,598)	\$28,279,840	\$22,732,211	\$5,547,629
2010	2.85%	\$5,082,908	\$3,567,641	\$17,882,748	\$586,113	\$92,518	\$27,211,928	(\$458,849)	\$26,753,079	\$21,511,064	\$5,242,015
2009	2.85%	\$5,571,815	\$2,205,169	\$19,127,921	\$501,077	\$139,475	\$27,545,457	(\$710,927)	\$26,834,530	\$21,570,417	\$5,264,113
2008	2.85%	\$5,613,660	\$3,506,412	\$20,750,925	\$658,185	\$31,777	\$30,560,960	(\$621,987)	\$29,938,973	\$24,076,487	\$5,862,486
2007	2.85%	\$5,828,145	\$3,057,660	\$21,195,076	\$562,751	\$37,298	\$30,680,930	(\$823,011)	\$29,857,919	\$24,021,190	\$5,836,729
2006	2.85%	\$5,875,202	\$2,250,314	\$21,436,836	\$533,447	\$103,748	\$30,199,547	(\$515,617)	\$29,683,931	\$23,914,232	\$5,769,698

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



City of Euclid, Ohio

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

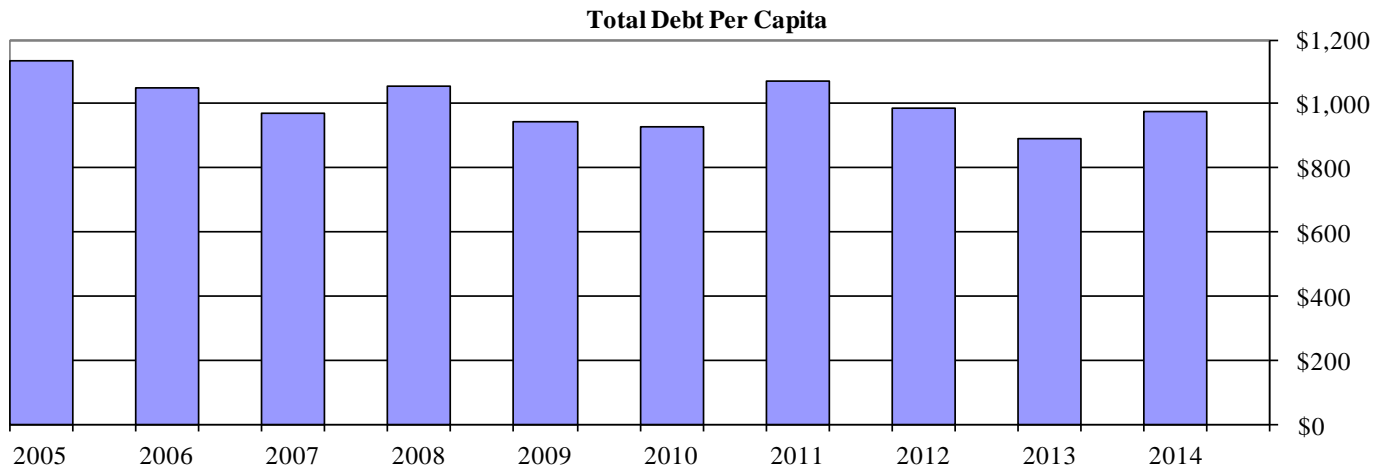
Last Ten Years

Table 10

Year	Governmental Activities						Business-Type Activities				Total Debt	Percentage of Personal Income
	General Obligation Bonds (1)	Long-term Notes Payable (1)	Special Assessment Bonds (1)	OPWC Loans	Capital Leases	Development Revenue Bonds (1)	General Obligation Bonds (1)	Capital Leases	OWDA Loans	OPWC Loans		
2014	\$ 17,464,865	\$ 5,276,848	\$ 457,089	\$ 1,252,780	\$ 681,136	\$ 286,000	\$ 10,217,473	\$ 86,012	\$ 4,726,790	\$ 7,171,677	\$ 47,620,670	4.56%
2013	\$ 19,975,891	\$ 0	\$ 570,111	\$ 1,336,299	\$ 375,358	\$ 419,000	\$ 11,098,452	\$ 4,751	\$ 2,523,453	\$ 7,177,596	\$ 43,480,911	4.17%
2012	\$ 22,581,511	\$ 0	\$ 683,133	\$ 1,419,818	\$ 271,420	\$ 547,000	\$ 11,874,105	\$ 57,692	\$ 2,915,302	\$ 7,775,402	\$ 48,125,383	4.61%
2011	\$ 25,114,131	\$ 0	\$ 786,155	\$ 1,503,337	\$ 286,628	\$ 665,000	\$ 12,612,758	\$ 108,395	\$ 3,184,851	\$ 8,134,229	\$ 52,395,484	5.02%
2010	\$ 23,114,489	\$ 0	\$ 995,000	\$ 1,586,856	\$ 473,890	\$ 995,000	\$ 5,945,106	\$ 246,279	\$ 4,790,889	\$ 7,372,374	\$ 45,519,883	4.36%
2009	\$ 25,667,580	\$ 0	\$ 1,080,000	\$ 1,670,375	\$ 653,131	\$ 1,120,000	\$ 6,537,151	\$ 357,699	\$ 6,779,135	\$ 5,971,616	\$ 49,836,687	4.81%
2008	\$ 28,354,079	\$ 0	\$ 1,160,000	\$ 1,652,108	\$ 1,085,075	\$ 1,235,000	\$ 6,962,444	\$ 449,192	\$ 8,620,444	\$ 6,079,837	\$ 55,598,179	5.36%
2007	\$ 23,007,141	\$ 0	\$ 1,235,000	\$ 532,981	\$ 1,304,712	\$ 1,340,000	\$ 6,546,909	\$ 502,859	\$ 10,328,970	\$ 6,352,551	\$ 51,151,123	4.93%
2006	\$ 25,043,297	\$ 0	\$ 1,305,000	\$ 98,000	\$ 1,736,675	\$ 1,440,000	\$ 6,863,551	\$ 540,893	\$ 11,915,515	\$ 6,515,556	\$ 55,458,487	5.35%
2005	\$ 27,264,455	\$ 0	\$ 1,375,000	\$ 0	\$ 2,174,685	\$ 1,530,000	\$ 7,165,193	\$ 693,242	\$ 13,389,914	\$ 6,069,001	\$ 59,661,490	5.76%

(1) Amounts include associated premiums and deferrals on refunding

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



City of Euclid, Ohio

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

Table 11

<u>Year</u>	<u>Population (1)</u>	<u>Estimated Actual Value of Taxable Property (2)</u>	<u>Net Bonded Debt (3)</u>	<u>Ratio of Net Bonded Debt to Estimated Actual Value of Taxable Property</u>	<u>Net Bonded Debt Per Capita</u>
2014	48,920	\$ 1,643,865,527	\$32,959,186	2.00 %	\$ 674
2013	48,920	\$ 1,647,982,707	\$31,074,343	1.89 %	\$ 635
2012	48,920	\$ 2,082,995,447	\$34,455,616	1.65 %	\$ 704
2011	48,920	\$ 2,106,996,269	\$34,936,226	1.66 %	\$ 714
2010	48,920	\$ 2,116,829,351	\$25,814,059	1.22 %	\$ 528
2009	52,717	\$ 2,431,714,643	\$28,608,582	1.18 %	\$ 543
2008	52,717	\$ 2,751,264,875	\$31,720,374	1.15 %	\$ 602
2007	52,717	\$ 2,533,338,423	\$25,778,362	1.02 %	\$ 489
2006	52,717	\$ 2,479,708,728	\$28,959,411	1.17 %	\$ 549
2005	52,717	\$ 2,530,992,969	\$31,373,614	1.24 %	\$ 595

Sources:

(1) Source: U. S. Census

(a) Years 2005 through 2009 - 2000 Federal Census

(b) Years 2010 through 2014 - 2010 Federal Census

(2) Cuyahoga County Fiscal Officer

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

City of Euclid, Ohio

Computation of Direct and Overlapping Governmental Activities Debt

December 31, 2014

Table 12

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
Direct - City of Euclid (2)			
General Obligation Bonds, net	\$ 17,464,865	100.00%	\$ 17,464,865
Long-term Notes Payable, net	5,276,848	100.00%	5,276,848
Special Assessment Bonds, net	457,089	100.00%	457,089
OPWC Loans	1,252,780	100.00%	1,252,780
Capital Leases	681,136	100.00%	681,136
Development Revenue Bonds, net	286,000	100.00%	286,000
Total Direct Debt	25,418,718		25,418,718
Overlapping			
Euclid City School District	41,283,596	100.00%	41,283,596
Cuyahoga County	262,275,000	2.09%	5,492,298
Regional Transit Authority	102,840,000	2.09%	2,153,571
Total Overlapping Debt	406,398,596		48,929,465
Total	\$ 431,817,314		\$ 74,348,183

Source: Cuyahoga County Fiscal Officer

- (1) Percentages were determined by dividing each overlapping subdivision's assessed valuation within the City by its total assessed valuation.
- (2) Amounts include associated premiums and deferrals on refunding

City of Euclid, Ohio

Legal Debt Margin

Last Ten Years

	2014	2013	2012	2011	2010
Total Assessed Property Value	<u>\$ 586,839,480</u>	<u>\$ 587,254,750</u>	<u>\$ 738,711,240</u>	<u>\$ 746,769,750</u>	<u>\$ 749,989,650</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>61,618,145</u>	<u>61,661,749</u>	<u>77,564,680</u>	<u>78,410,824</u>	<u>78,748,913</u>
Debt Outstanding:					
General Obligation Bonds	\$ 17,754,494	\$ 20,245,532	\$ 22,890,262	\$ 25,114,131	\$ 23,114,489
General Obligation Bonds - Enterprise	10,351,004	11,249,954	12,051,810	12,612,758	5,945,106
Special Assessment Bonds	530,151	661,439	792,727	786,155	995,000
Notes	5,276,848	5,278,176	5,276,969	3,432,049	4,290,000
Notes - Enterprise	0	0	0	0	7,040,000
OPWC Loans	1,252,780	1,336,299	1,419,818	1,503,337	1,586,856
OPWC Loans - Enterprise	7,171,677	7,177,596	7,775,402	8,134,229	7,372,374
OWDA Loans	4,726,790	2,523,453	2,915,302	3,184,851	4,790,889
Industrial Development Revenue Bonds	360,000	530,000	695,000	665,000	995,000
Total Gross Indebtedness	<u>47,423,744</u>	<u>49,002,449</u>	<u>53,817,290</u>	<u>55,432,510</u>	<u>56,129,714</u>
Less:					
General Obligation Bonds - Enterprise	(10,351,004)	(11,249,954)	(12,051,810)	(12,612,758)	(5,945,106)
Special Assessment Bonds	(530,151)	(661,439)	(792,727)	(786,155)	(995,000)
Notes	0	0	0	0	(4,290,000)
Notes - Enterprise	0	0	0	0	(7,040,000)
OPWC Loans	(1,252,780)	(1,336,299)	(1,419,818)	(1,503,337)	(1,586,856)
OPWC Loans - Enterprise	(7,171,677)	(7,177,596)	(7,775,402)	(8,134,229)	(7,372,374)
OWDA Loans	(4,726,790)	(2,523,453)	(2,915,302)	(3,184,851)	(4,790,889)
Industrial Development Revenue Bonds	(360,000)	(530,000)	(695,000)	(665,000)	(995,000)
General Obligation Bond Retirement Fund Balance	0	0	0	(2,790,663)	(3,245,536)
Total Net Debt Applicable to Debt Limit	<u>23,031,342</u>	<u>25,523,708</u>	<u>28,167,231</u>	<u>25,755,517</u>	<u>19,868,953</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$ 38,586,803</u>	<u>\$ 36,138,041</u>	<u>\$ 49,397,449</u>	<u>\$ 52,655,307</u>	<u>\$ 58,879,960</u>
Legal Debt Margin as a Percentage of the Debt Limit	62.62%	58.61%	63.69%	67.15%	74.77%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$ 32,276,171</u>	<u>\$ 32,299,011</u>	<u>\$ 40,629,118</u>	<u>\$ 41,072,336</u>	<u>\$ 41,249,431</u>
Total Gross Indebtedness	\$ 47,423,744	\$ 49,002,449	\$ 53,817,290	\$ 55,432,510	\$ 56,129,714
Less:					
General Obligation Bonds - Enterprise	(10,351,004)	(11,249,954)	(12,051,810)	(12,612,758)	(5,945,106)
Special Assessment Bonds	(530,151)	(661,439)	(792,727)	(786,155)	(995,000)
Notes	0	0	0	0	(4,290,000)
Notes - Enterprise	0	0	0	0	(7,040,000)
OPWC Loans	(1,252,780)	(1,336,299)	(1,419,818)	(1,503,337)	(1,586,856)
OPWC Loans - Enterprise	(7,171,677)	(7,177,596)	(7,775,402)	(8,134,229)	(7,372,374)
OWDA Loans	(4,726,790)	(2,523,453)	(2,915,302)	(3,184,851)	(4,790,889)
Industrial Development Revenue Bonds	(360,000)	(530,000)	(695,000)	(665,000)	(995,000)
General Obligation Bond Retirement Fund Balance	0	0	0	(2,790,663)	(3,245,536)
Net Debt Within 5 ½ % Limitations	<u>23,031,342</u>	<u>25,523,708</u>	<u>28,167,231</u>	<u>25,755,517</u>	<u>19,868,953</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$ 9,244,829</u>	<u>\$ 6,775,303</u>	<u>\$ 12,461,887</u>	<u>\$ 15,316,819</u>	<u>\$ 21,380,478</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	28.64%	20.98%	30.67%	37.29%	51.83%

Source: City Financial Records

Table 13

2009	2008	2007	2006	2005
<u>\$ 837,916,020</u>	<u>\$ 904,734,233</u>	<u>\$ 833,249,133</u>	<u>\$ 850,325,160</u>	<u>\$ 865,435,613</u>
87,981,182	94,997,094	87,491,159	89,284,142	90,870,739
\$ 25,481,000	\$ 28,160,000	\$ 23,029,000	\$ 25,073,000	\$ 27,302,000
6,454,000	6,870,000	6,536,000	6,852,000	7,153,000
1,080,000	1,160,000	1,235,000	1,305,000	1,375,000
2,340,000	0	6,846,000	3,816,000	100,000
7,040,000	5,600,000	3,000,000	3,000,000	1,000,000
1,670,375	1,652,108	532,981	98,000	0
5,971,616	6,079,837	6,352,551	6,515,556	6,069,001
6,779,135	8,620,444	10,328,970	11,915,515	13,389,914
1,120,000	1,235,000	1,340,000	1,440,000	1,530,000
<u>57,936,126</u>	<u>59,377,389</u>	<u>59,200,502</u>	<u>60,015,071</u>	<u>57,918,915</u>
(6,454,000)	(6,870,000)	(6,536,000)	(6,852,000)	(7,153,000)
(1,080,000)	(1,160,000)	(1,235,000)	(1,305,000)	(1,375,000)
(2,340,000)	0	(6,846,000)	(3,816,000)	(100,000)
(7,040,000)	(5,600,000)	(3,000,000)	(3,000,000)	(1,000,000)
(1,670,375)	(1,652,108)	(532,981)	(98,000)	0
(5,971,616)	(6,079,837)	(6,352,551)	(6,515,556)	(6,069,001)
(6,779,135)	(8,620,444)	(10,328,970)	(11,915,515)	(13,389,914)
(1,120,000)	(1,235,000)	(1,340,000)	(1,440,000)	(1,530,000)
<u>(3,596,149)</u>	<u>(3,596,149)</u>	<u>(3,775,688)</u>	<u>(2,947,437)</u>	<u>(3,056,034)</u>
<u>21,884,851</u>	<u>24,563,851</u>	<u>19,253,312</u>	<u>22,125,563</u>	<u>24,245,966</u>
\$ 66,096,331	\$ 70,433,243	\$ 68,237,847	\$ 67,158,579	\$ 66,624,773
75.13%	74.14%	77.99%	75.22%	73.32%
\$ 46,085,381	\$ 49,760,383	\$ 45,828,702	\$ 46,767,884	\$ 47,598,959
\$ 57,936,126	\$ 59,377,389	\$ 59,200,502	\$ 60,015,071	\$ 57,918,915
(6,454,000)	(6,870,000)	(6,536,000)	(6,852,000)	(7,153,000)
(1,080,000)	(1,160,000)	(1,235,000)	(1,305,000)	(1,375,000)
(2,340,000)	0	(6,846,000)	(3,816,000)	(100,000)
(7,040,000)	(5,600,000)	(3,000,000)	(3,000,000)	(1,000,000)
(1,670,375)	(1,652,108)	(532,981)	(98,000)	0
(5,971,616)	(6,079,837)	(6,352,551)	(6,515,556)	(6,069,001)
(6,779,135)	(8,620,444)	(10,328,970)	(11,915,515)	(13,389,914)
(1,120,000)	(1,235,000)	(1,340,000)	(1,440,000)	(1,530,000)
<u>(3,596,149)</u>	<u>(3,596,149)</u>	<u>(3,775,688)</u>	<u>(2,947,437)</u>	<u>(3,056,034)</u>
<u>21,884,851</u>	<u>24,563,851</u>	<u>19,253,312</u>	<u>22,125,563</u>	<u>24,245,966</u>
\$ 24,200,530	\$ 25,196,532	\$ 26,575,390	\$ 24,642,321	\$ 23,352,993
52.51%	50.64%	57.99%	52.69%	49.06%

City of Euclid, Ohio

Pledged Revenue Coverage
Industrial Development Revenue Bonds – General Fund
Last Ten Years

Table 14

Year	Net Revenues (1)	Net Revenue Available for Debt Service	Debt Service			Coverage
			Principal	Interest	Total	
2014	\$ 109,336	\$ 109,336	\$ 170,000	\$ 23,055	\$ 193,055	0.57
2013	\$ 109,336	\$ 109,336	\$ 165,000	\$ 30,233	\$ 195,233	0.56
2012	\$ 109,336	\$ 109,336	\$ 155,000	\$ 36,975	\$ 191,975	0.57
2011	\$ 109,336	\$ 109,336	\$ 165,000	\$ 33,114	\$ 198,114	0.55
2010	\$ 109,336	\$ 109,336	\$ 125,000	\$ 92,400	\$ 217,400	0.50
2009	\$ 109,336	\$ 109,336	\$ 115,000	\$ 101,888	\$ 216,888	0.50
2008	\$ 109,336	\$ 109,336	\$ 105,000	\$ 110,550	\$ 215,550	0.51
2007	\$ 109,335	\$ 109,335	\$ 100,000	\$ 118,800	\$ 218,800	0.50
2006	\$ 109,336	\$ 109,336	\$ 90,000	\$ 126,225	\$ 216,225	0.51
2005	\$ 109,336	\$ 109,336	\$ 85,000	\$ 133,238	\$ 218,238	0.50

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

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

City of Euclid, Ohio

Principal Employers

2014 and 2006

Table 15

2014		
Employer	Number of W-2 Issued	Percentage of Total City Employment
Lincoln Electric	2,604	10.47%
Cleveland Clinic	1,507	6.06%
Euclid Board of Education	1,025	4.12%
University Hospital Health System	836	3.36%
City of Euclid	590	2.37%
Cuyahoga County	515	2.07%
Eaton Industrial Corporation	416	1.67%
Hose Masters	388	1.56%
Babcock & Wilcox Nuclear Operations	297	1.19%
HC Starck Incorporated	150	0.60%
Total	8,328	33.47%
Total Estimated Employment within the City	<u>24,879</u>	
2006 (1)		
Employer	Number of W-2 Issued	Percentage of Total City Employment
Lincoln Electric	2,771	11.07%
Euclid Board of Education	1,464	5.85%
Meridia Health Systems	1,282	5.12%
City of Euclid	680	2.72%
Cuyahoga County	598	2.39%
Argo Tech Corporation	437	1.75%
University Hospitals Health System	388	1.55%
Hose Masters	278	1.11%
Marine Mechanical Corp.	261	1.04%
GE Lighting, Inc.	160	0.64%
Total	8,319	33.24%
Total Estimated Employment within the City	<u>25,025</u>	

Source: City Income Tax Department

(1) Information prior to 2006 is not available

City of Euclid, Ohio

Demographic and Economic Statistics

Last Ten Years

Table 16

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)	Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Cuyahoga County Unemployment Rate (3)	Average Sales Price of Residential Property (4)	Total Assessed Property Value (4)
2014	48,920	\$ 1,043,365,760	\$ 21,328	\$ 36,263	41	19.6%	5,277	5.3%	\$ 51,752	\$ 586,839,480
2013	48,920	\$ 1,043,365,760	\$ 21,328	\$ 36,263	41	19.6%	5,381	7.2%	\$ 56,716	\$ 587,254,750
2012	48,920	\$ 1,043,365,760	\$ 21,328	\$ 36,263	41	19.6%	5,580	6.6%	\$ 54,872	\$ 738,711,240
2011	48,920	\$ 1,043,365,760	\$ 21,328	\$ 36,263	41	19.6%	5,793	7.1%	\$ 50,265	\$ 746,769,750
2010	48,920	\$ 1,043,365,760	\$ 21,328	\$ 36,263	41	19.6%	6,168	9.5%	\$ 71,632	\$ 749,989,650
2009	52,717	\$ 1,036,627,088	\$ 19,664	\$ 35,151	38.9	19.6%	6,040	9.0%	\$ 69,136	\$ 837,916,020
2008	52,717	\$ 1,036,627,088	\$ 19,664	\$ 35,151	38.9	19.6%	6,042	7.1%	\$ 81,777	\$ 904,734,233
2007	52,717	\$ 1,036,627,088	\$ 19,664	\$ 35,151	38.9	19.6%	6,303	6.3%	\$ 99,664	\$ 833,249,133
2006	52,717	\$ 1,036,627,088	\$ 19,664	\$ 35,151	38.9	19.6%	6,414	5.7%	\$ 107,011	\$ 850,325,160
2005	52,717	\$ 1,036,627,088	\$ 19,664	\$ 35,151	38.9	19.6%	6,301	6.0%	\$ 111,934	\$ 865,435,613

(1) Source: U. S. Census

(a) Years 2005 through 2009 - 2000 Federal Census

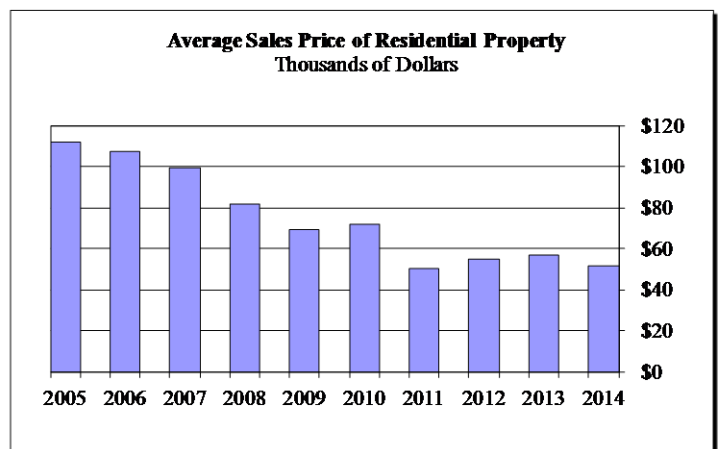
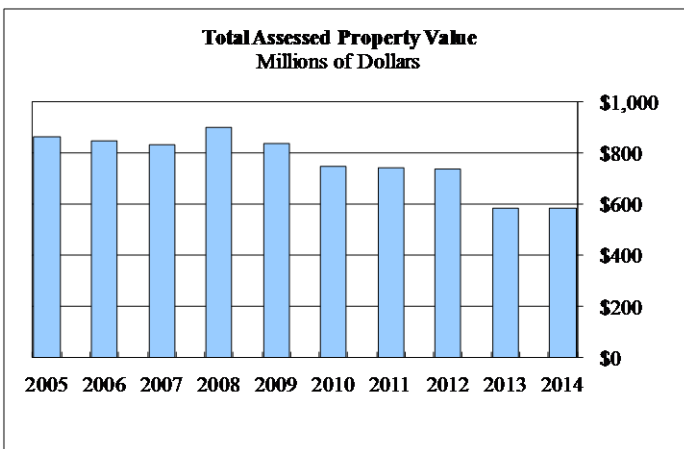
(b) Years 2010 through 2014 - 2010 Federal Census

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

(3) Source: County Planning Commission

(4) Source: County Auditor

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



City of Euclid, Ohio

Full-Time Equivalent City Employees by Function/Program

Last Ten Years

Table 17

Function/Program	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Government										
Council	11	11	10	10	10	11	11	11	11	11
Finance	9	11	11	12	14	15	16	15	13	13
Tax	8	8	8	8	8	10	10	10	7	7
Mayor	24	24	22	22	22	22	24	24	24	24
Law	7	10	9	11	11	10	9	9	10	8
Municipal Court	25	28	27	26	28	28	26	26	23	27
Public Service Administration	4	3	4	5	6	7	6	6	6	6
Engineer	3	7	6	6	6	2	3	3	3	3
Public Building	8	8	8	8	8	10	10	10	9	10
Security of Persons and Property										
Police	91	93	92	93	97	96	99	95	95	95
Police - Administration	12	11	11	11	11	11	9	7	7	7
Police - Records Room	6	4	5	5	6	6	6	6	6	5
Police - School Guards	10	11	11	11	11	11	10	10	10	10
Police - Communications	18	18	18	17	16	16	17	16	15	14
Police - Corrections	0	13	29	28	28	28	38	38	36	32
Police - Animal Control	1	1	2	2	2	2	3	2	2	2
Fire	77	76	80	81	79	79	82	82	80	77
Fire - Administration	2	0	0	0	0	0	0	0	0	0
Leisure Time Activities										
Recreation - Administration	4	5	4	4	4	4	5	4	4	4
Parks & Rec Maintenance	13	12	12	12	13	14	15	14	17	16
Recreation - Programs	59	56	56	56	75	75	75	75	75	75
Shore Cultural Center	0	0	0	0	0	0	4	4	4	4
Golf Course	0	0	0	0	0	27	34	34	34	33
Community Development										
Economic Development	6	7	6	7	6	6	8	7	6	5
Building	2	2	3	4	4	5	4	4	3	2
Housing	10	10	11	11	10	12	13	11	10	10
Weatherization	4	5	4	4	5	5	6	6	6	7
Senior Programs	10	11	12	11	8	15	23	21	20	21
Transportation										
Motor Maintenance	9	9	8	8	8	12	12	12	12	12
Traffic Maintenance	1	1	1	1	0	4	4	4	4	4
Street M&R	24	25	25	25	26	29	27	25	23	23
Basic Utility Services										
Wastewater	36	43	43	42	43	43	43	43	44	44
Totals:	<u>494</u>	<u>523</u>	<u>538</u>	<u>541</u>	<u>565</u>	<u>615</u>	<u>652</u>	<u>634</u>	<u>619</u>	<u>611</u>

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

City of Euclid, Ohio

Operating Indicators by Function/Program

Last Ten Years

Table 18

Function/Program	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Government										
<i>Council and Clerk</i>										
Number of Ordinances & Resolutions Passed	141	150	198	183	178	218	250	258	220	202
<i>Finance Department</i>										
Number of checks/ vouchers issued	4,046	4,123	4,312	4,785	4,781	6,492	6,966	6,839	6,292	5,258
Amount of checks written	\$ 16,794,496	\$ 16,606,930	\$ 16,785,380	\$ 19,158,227	\$ 22,146,777	\$ 21,145,225	\$ 21,301,660	\$ 20,765,198	\$ 18,347,965	\$ 20,341,425
Interest earnings for fiscal year (cash basis)	\$ 84,071	\$ 97,847	\$ 91,462	\$ 114,879	\$ 261,703	\$ 578,273	\$ 970,513	\$ 1,393,041	\$ 968,963	\$ 488,302
Agency Ratings - Moody's Financial Services	Aa2	Aa2	Aa2	A1	A1	A1	A1	A1	A1	A1
Health Insurance Costs vs General Fund Expenditures %	12.49%	13.68%	12.45%	11.90%	11.96%	9.89%	8.96%	8.81%	9.19%	9.04%
General Fund Receipts (cash basis)	\$ 37,286,945	\$ 37,981,989	\$ 39,828,625	\$ 38,435,617	\$ 37,792,896	\$ 36,206,654	\$ 38,721,325	\$ 38,573,561	\$ 37,147,964	\$ 34,784,647
General Fund Expenditures (cash basis)	\$ 39,097,396	\$ 37,912,194	\$ 38,430,772	\$ 38,582,867	\$ 36,685,422	\$ 38,143,278	\$ 39,123,349	\$ 37,588,519	\$ 36,015,179	\$ 33,973,504
General Fund Cash Balances	\$ 2,306,483	\$ 4,116,934	\$ 4,047,139	\$ 2,591,536	\$ 2,796,536	\$ 1,689,062	\$ 3,625,687	\$ 4,027,711	\$ 3,042,669	\$ 1,909,884
<i>Income Tax Department</i>										
Number of Individual Returns	36,866	29,203	25,844	25,125	24,552	25,487	32,180	28,916	34,128	n/a
Number of Business Returns	3,414	4,362	3,214	3,168	2,950	2,958	2,928	2,638	2,853	n/a
Number of Business Withholding Accounts	3,514	3,800	3,050	3,022	2,979	3,043	3,050	3,117	3,131	n/a
Amount of Penalties and Interest Collected	\$ 605,852	\$ 535,721	\$ 595,147	\$ 625,900	\$ 586,113	\$ 501,077	\$ 658,185	\$ 562,411	\$ 533,448	n/a
Annual number of Corporate withholding forms processed	17,016	14,759	16,193	16,720	17,045	17,746	18,434	18,448	17,992	n/a
Annual number of balance due statements forms processed	27,357	22,180	21,563	10,926	7,471	6,484	7,779	6,914	7,033	n/a
Annual number of estimated payment forms processed	15,049	19,331	21,818	22,123	12,844	14,883	15,916	15,512	20,167	n/a
Annual number of reconciliations of withholdings processed	2,247	2,281	2,205	2,391	2,188	3,112	2,230	1,643	2,325	n/a
<i>Municipal Court</i>										
Number of Civil Cases	3,853	3,975	4,009	3,671	3,614	4,234	4,937	4,670	4,041	3,246
Number of Traffic/Criminal cases	7,592	7,862	7,643	6,720	7,430	7,510	8,718	7,573	6,398	5,908
<i>Vital Statistics</i>										
<i>Certificates Filed</i>										
Number of Births	5	5	2	0	4	2	1	2	2	4
Number of Deaths	423	414	368	366	404	430	491	406	440	512
<i>Certificates Issued</i>										
Number of Births	1,969	1,782	1,559	1,616	1,482	1,724	1,855	2,401	2,458	2,518
Number of Deaths	1,577	1,477	1,398	1,391	1,703	1,830	2,128	2,080	2,218	2,684
Burial Permits Issued	743	884	763	639	625	675	601	579	456	478
<i>Civil Service</i>										
Number of police entry tests administered	0	1	0	0	1	0	0	0	1	1
Number of fire entry tests administered	0	1	0	0	1	0	0	1	(a)	1
Number of police promotional tests administered	0	1	0	2	3	0	0	4	1	(a)
Number of fire promotional tests administered	0	0	4	0	3	0	3	0	4	(a)
Number of hires of Police Officers from certified lists	8	6	0	6	4	0	0	3	2	6
Number of hires of Fire/Medics from certified lists	7	5	5	10	0	0	0	5	(a)	12
Number of promotions from police certified lists	10	0	0	18	0	1	0	4	1	(a)
Number of promotions from fire certified lists	9	0	7	3	3	0	3	1	11	(a)
Number of Police Lateral Hires	0	1	6	n/a	n/a	n/a	n/a	n/a	n/a	n/a

(Continued)

City of Euclid, Ohio

Operating Indicators by Function/Program (continued)

Last Ten Years

Table 18

Function/Program	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Government										
<i>Building Department Indicators</i>										
Estimated Value of Construction	\$ 7,816,356	\$ 22,572,868	\$ 14,571,894	\$ 10,879,053	\$ 22,004,556	\$ 17,632,080	\$ 19,829,373	\$ 19,199,769	\$ 14,337,881	\$ 12,461,795
Number of permits issued	3,419	2,909	3,667	2,978	2,504	2,964	2,430	2,194	2,294	2,291
Amount of Revenue generated from permits	\$ 418,511	\$ 430,184	\$ 421,875	\$ 1,271,562	\$ 325,992	\$ 231,664	\$ 221,555	\$ 268,817	\$ 218,779	\$ 203,544
Number of contractor registrations issued	875	3,863	1,056	989	794	969	919	910	808	785
<i>Housing Department Indicators</i>										
Total dwelling / housing units	26,053	26,111	26,153	26,181	26,205	26,235	26,235	26,265	26,284	26,284
Number of point of sale inspections	923	937	840	654	748	859	1,218	1,153	1,288	1,229
Number of rental inspections performed	11,779	11,845	11,129	11,126	11,138	10,890	10,435	9,482	9,761	9,017
Revenue generated from Housing Fees	\$ 968,029	\$ 846,802	\$ 799,942	\$ 729,035	\$ 735,200	\$ 839,055	\$ 876,234	\$ 732,683	\$ 720,042	\$ 579,290
Security of Persons & Property										
<i>Police</i>										
Total Crimes/Offenses	11,584	11,288	12,594	13,956	18,130	15,592	17,187	19,789	21,446	16,677
Motor Vehicle Accidents	1,229	1,218	1,282	1,269	1,223	1,149	1,315	1,428	1,456	1,516
Fatalities from Motor Vehicle Accidents	2	2	2	3	2	1	3	3	1	2
Number of criminal arrests	3,017	2,874	3,249	2,665	2,988	2,654	3,201	2,942	2,883	2,566
Number of traffic citations issued	11,678	10,785	11,080	8,983	10,712	12,373	12,023	10,094	8,498	7,719
Number of parking citations issued	4,983	2,511	2,686	3,389	3,208	3,596	5,133	6,311	3,980	3,997
Narcotics & Vice Criminal Charges	1,295	2,043	2,060	1,457	1,760	1,798	2,524	2,277	2,710	2,252
Warrants Processed	4,256	3,953	2,466	2,390	1,926	2,669	3,351	4,247	3,335	3,465
Emergency Response Team (ERT) calls for service	17	19	14	7	13	29	25	14	6	10
Police Dept. Auxiliary hours worked	1,506.15	1,590.00	2,014.00	2,573.00	1,912.75	2,088.00	2,330.00	2,818.75	2,976.50	3,068.50
Grant Awards	\$ 100,040	\$ 106,584	\$ 548,842	\$ 585,689	\$ 1,807,491	\$ 1,665,907	\$ 296,910	\$ 238,261	\$ 296,860	\$ 265,784
Prisoners (Total Jail Days)	699	10,090	17,390	14,482	20,957	19,166	30,364	29,591	29,339	25,416
Prisoner revenue	\$ -	\$ 292,111	\$ 399,663	\$ 385,031	\$ 719,895	\$ 469,059	\$ 678,661	\$ 997,818	\$ 519,437	\$ 666,896
Juvenile Diversion Program - referred	156	243	362	240	264	255	165	557	363	347
Juvenile Diversion Program - accepted	85	118	170	205	114	203	82	456	324	181
<i>Fire</i>										
EMS Calls	7,634	7,164	6,796	6,670	6,208	5,636	5,575	5,466	5,544	5,452
Ambulance Billing Collections (net)	\$ 1,107,475	\$ 1,310,616	\$ 1,475,553	\$ 1,370,438	\$ 1,231,380	\$ 1,228,840	\$ 1,178,278	\$ 1,175,599	\$ 1,174,427	\$ 1,124,218
Fire Calls	1,535	1,262	1,389	1,212	1,225	1,152	1,403	1,259	1,236	1,165
Fire Losses	\$ 1,698,670	\$ 1,427,400	\$ 1,756,825	\$ 3,409,405	\$ 1,256,000	\$ 380,450	\$ 1,585,500	\$ 1,119,925	\$ 917,200	\$ 1,219,400
Fire Safety Company Inspections	1,167	1,060	1,620	1,452	1,460	1,462	1,355	1,433	1,664	2,273
Fire Prevention Bureau Inspections	693	1,455	2,850	2,691	2,704	2,978	2,614	2,841	2,616	2,763
EMS Training (Man Hours)	1,920.00	1,920.00	1,500.00	1,450.00	1,255.00	1,452.75	1,334.50	1,996.75	1,917.75	1,071.50
Fire Training (Man Hours)	10,573.00	3,556.00	7,215.00	6,223.00	6,381.00	7,001.25	8,591.00	7,028.00	6,939.75	6,784.00
Public Health and Welfare										
Cemetery burials	0	3	2	5	1	3	1	0	0	3
Cemetery cremations	0	2	2	2	3	2	4	0	1	1
Cemetery sale of lots	0	0	0	0	0	0	0	0	0	0
Cemetery receipts	\$ -	\$ 1,300	\$ 875	\$ 2,475	\$ 600	\$ 1,000	\$ 1,000	\$ 400	\$ 400	\$ 1,415

(Continued)

City of Euclid, Ohio

Operating Indicators by Function/Program (continued)

Last Ten Years

Table 18

Function/Program	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Leisure Time Activities										
<i>Recreation</i>										
Swimming pool receipts	\$ 62,021	\$ 82,524	\$ 85,166	\$ 91,655	\$ 96,334	\$ 98,348	\$ 98,716	\$ 102,644	\$ 98,214	\$ 100,703
Ice Arena receipts	\$ 130,171	\$ 129,006	\$ 124,809	\$ 141,293	\$ 115,074	\$ 141,666	\$ 178,106	\$ 173,572	\$ 174,213	\$ 134,925
Youth & Adult Sports receipts	\$ 123,931	\$ 146,593	\$ 142,412	\$ 159,667	\$ 177,020	\$ 179,836	\$ 210,318	\$ 222,765	\$ 231,549	\$ 232,096
Shore Cultural Facility rentals	\$ 285,183	\$ 254,085	\$ 306,324	\$ 360,401	\$ 290,623	\$ 117,887	\$ 211,921	\$ 229,676	\$ 195,479	\$ 178,188
<i>Golf</i>										
Rounds of Golf	28,800	30,800	38,691	31,169	31,856	35,118	40,486	44,636	44,742	46,776
Golf/Pro-shop receipts	\$ 584,158	\$ 642,322	\$ 701,977	\$ 569,643	\$ 601,983	\$ 623,533	\$ 679,953	\$ 658,739	\$ 673,323	\$ 624,760
Food & Beverage receipts	\$ 214,110	\$ 334,121	\$ 348,439	\$ 295,821	\$ 244,397	\$ 318,844	\$ 359,389	\$ 326,050	\$ 305,959	\$ 153,072
Community Development										
Grant amounts received due to Economic Development Dept.	\$ 1,617,312	\$ 1,850,449	\$ 1,260,262	\$ 2,292,241	\$ 3,157,430	\$ 1,245,302	\$ 1,244,705	\$ 1,663,793	\$ 1,165,922	\$ 1,567,271
Transportation										
Motor Maintenance - Number of vehicles & equip. maintained	509	499	493	512	542	544	513	509	501	554
Motor Maintenance - Repair Orders	1,462	2,026	1,277	1,777	1,905	2,151	2,332	2,437	3,031	2,994
Traffic Maintenance - No. of responses to EPD Signals/Signs	398.00	150.00	105.00	N/A	N/A	N/A	239.00	271.00	248.00	265.00
Snow & Ice Removal - Salt (tons)	5,642.00	7,259.00	\$ 4,451	4,483.51	6,763.83	5,261.25	\$ 9,572	\$ 8,902	\$ 4,405	\$ 9,759
Snow & Ice Removal - Salt (cost)	\$ 330,000	\$ 366,548	210,164.00	\$ 202,215	\$ 311,652	\$ 221,330	354,225.00	313,080.15	152,508.73	329,885.64
Street Repair Maintenance - Cold Patch (tons)	310.89	184.00	182.00	357.20	291.27	296.97	\$ 577	\$ 477	\$ 426	\$ 382
Street Repair Maintenance - Cold Patch (cost)	\$ 31,089	\$ 15,917	15,295.00	\$ 30,716	\$ 25,807	\$ 29,714	43,432.00	24,348.93	21,703.50	16,812.84
Street Repair Maintenance - Hot Mix (tons)	719.18	715.00	\$ 744	468.46	904.07	741.38	\$ 657	\$ 1,037	\$ 1,072	\$ 781
Street Repair Maintenance - Hot Mix (cost)	\$ 45,308	\$ 42,171	42,400	\$ 26,307	\$ 49,451	\$ 41,493	29,550	31,450	31,163	18,907
Street Repair Maintenance - Emulsion/Crack Sealer (gallons)	504	1,945	\$ 1,018	909	1,898	1,766	\$ 1,815	\$ 2,442	\$ 2,637	\$ 1,428
Street Repair Maintenance - Emulsion/Crack Sealer (cost)	\$ 1,159	\$ 4,863	2,545	\$ 2,518	\$ 5,542	\$ 4,681	3,936	4,533	4,199	1,572
Sewer Jet Cleaning - Sanitary Sewers (feet)	91,220	118,082	121,878	172,530	250,510	193,475	213,225	223,435	169,100	6,345
Sewer Jet Cleaning - Storm Sewers (feet)	0	0	0	2,000	20,390	2,100	5,225	4,635	4,320	2,500
Sewer Repairs (includes Water Department damage)	40	39	33	36	47	76	71	78	61	68
House Call Sewer Jobs/Residential & Business	1,154	1,361	1,006	1,431	1,058	1,185	1,139	1,195	1,595	1,492
Catch Basin Repairs	30	23	42	62	49	55	66	39	54	45
Catch Basin Cleaning	467	409	488	576	1,134	1,194	849	569	623	320
Man Hole Repairs	8	6	4	20	20	23	13	30	13	5
Sidewalk Repairs	7	11	10	16	14	16	9	25	12	19
Curb & Apron Repairs	39	53	88	40	52	80	31	50	17	25
Leaf Collection - Number of Loads	891	784	815	845	754	750	691	774	1,139	734
Street Sweeping - Number of Loads (dirt & debris)	434	352	401	248	381	386	471	321	582	352
Street Sweeping - Number of times whole city sweep	3	4	4	3	3	4	8	5	6	3
Water Hole Maintenance - New Water Openings	287	171	197	259	213	250	264	312	190	229
Water Hole Maintenance - Completed (cemented/asphalted)	234	250	314	265	326	288	265	195	221	279
Water Hole Maintenance - Total not completed	90	40	130	361	363	538	493	480	355	388
Fire Hydrants Painted	0	0	0	0	0	0	2,034	103	58	80

(Continued)

City of Euclid, Ohio

Operating Indicators by Function/Program (continued)

Last Ten Years

Table 18

Function/Program	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Wastewater Department										
Wastewater Rates for Water Consumption Based Customers (per 1000 MCF)										
Euclid	\$ 66.23	\$ 52.20	\$ 48.17	\$ 35.17	\$ 33.01	\$ 31.01	\$ 29.01	\$ 29.01	\$ 29.01	\$ 29.01
Cuyahoga County (So.Euclid, Highland Hts, Richmond Hts)	35.19	34.19	33.49	29.21	29.05	29.05	29.05	29.05	29.49	26.05
Willoughby Hills	31.38	30.38	30.38	24.16	24.16	24.16	24.16	24.16	24.16	24.16
Waste Water Flow MGD (Million Gallons per Day)										
Euclid	\$ 14.46	\$ 13.88	\$ 12.86	\$ 15.50	\$ 11.70	\$ 10.59	\$ 13.80	\$ 16.74	\$ 15.58	\$ 14.09
Wickliffe	2.35	2.46	2.36	2.93	1.93	1.92	2.14	2.36	2.60	2.51
Willowick	1.75	1.82	1.72	2.25	1.70	1.88	2.08	1.85	2.00	1.49
Total	18.56	18.16	16.94	20.68	15.33	14.39	18.02	20.95	20.18	18.09
Water Line Construction Fund										
Euclid (charges included with wastewater billing) (per 1000 MCF)	\$ 10.00	\$ 10.00	\$ 10.00	\$ 9.00	\$ 9.00	\$ 9.00	\$ 8.00	\$ 7.00	\$ 6.00	\$ 5.50
Wastewater Rates										
Wickliffe & Willowick (master metered per 1,000 GA)										
Operating, Maintenance & Repairs	\$ 1.71	\$ 1.70	\$ 1.70	\$ 1.39	\$ 1.39	\$ 1.39	\$ 1.39	\$ 1.39	\$ 1.39	\$ 1.39
Capital Costs	0.39	0.39	0.39	0.28	0.28	0.28	0.28	0.28	0.28	0.28
Lakeshore Trunk Sewer Line maintenance	0.00	0.00	0.00	0.06	0.06	0.06	0.06	0.06	0.06	0.06
Total	2.10	2.09	2.09	1.73	1.73	1.73	1.73	1.73	1.73	1.73
Willoughby Hills (per MCF of water consumption)										
Operating, Maintenance & Repairs	\$ 25.60	\$ 24.60	\$ 24.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60
Capital Costs	5.78	5.78	5.78	4.08	4.08	4.08	4.08	4.08	4.08	4.08
Satellite Sewer Discharge Program services	0.00	0.00	0.00	0.48	0.48	0.48	0.48	0.48	0.48	0.48
Total	31.38	30.38	30.38	24.16	24.16	24.16	24.16	24.16	24.16	24.16
Cuyahoga County (So.Euclid, Highland Hts, Richmond Hts)										
Operating, Maintenance & Repairs	\$ 25.60	\$ 24.60	\$ 24.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60
Capital Costs	5.78	5.78	5.78	4.08	4.08	4.08	4.08	4.08	4.08	4.08
Satellite Sewer Discharge Program services	0.00	0.00	0.00	0.48	0.48	0.48	0.48	0.48	0.48	0.48
Equalization under billing (2nd quarter 2000)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.44	0.44
Equalization under billing (3rd quarter 2000)	0.00	0.00	0.00	1.94	1.94	1.94	1.94	1.94	1.94	0.00
Meter Reading/Billing Charges (City of Cleveland)	2.31	2.31	1.61	1.61	1.45	1.45	1.45	1.45	1.45	1.45
Administrative Expenses (City of Euclid)	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	0.00
Total	35.19	34.19	33.49	29.21	29.05	29.05	29.05	29.05	29.49	26.05
Euclid										
Operating, Maintenance & Repairs	\$ 25.60	\$ 24.60	\$ 24.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60
Capital Costs	9.95	9.41	8.08	4.08	4.08	4.08	4.08	4.08	4.08	4.08
Peterson Construction Fund	18.37	15.88	13.88	9.88	7.88	5.88	3.88	3.88	3.88	3.88
Meter Reading/Billing Charges	2.31	2.31	1.61	1.61	1.61	1.61	1.45	1.45	1.45	1.45
Total	56.23	52.20	48.17	35.17	33.17	31.17	29.01	29.01	29.01	29.01

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

City of Euclid, Ohio

Capital Assets Statistics by Function/Program

Last Ten Years

Table 19

Function/Program	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Government										
Square Footage Occupied	11,392	11,392	11,392	11,392	11,392	11,392	11,392	11,392	11,392	11,392
Administrative Vehicles	2	2	2	3	2	1	1	17	21	20
Inspection Vehicles	14	15	14	14	11	12	14	14	13	13
Municipal Court Vehicles	1	1	1	1	1	1	1	1	1	1
Lands & Buildings Vehicles	11	11	12	14	11	11	11	10	9	9
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Mini-stations	2	2	2	2	2	2	2	2	2	1
Square Footage of Buildings	58,384	58,384	58,384	58,384	58,384	58,384	58,384	58,384	58,384	51,194
Vehicles	62	65	64	63	63	64	64	66	69	59
Fire										
Stations	3	3	3	3	3	3	3	3	3	4
Square Footage of Buildings	27,389	27,389	27,389	27,389	27,389	27,389	27,389	27,389	27,389	34,579
Vehicles	19	18	18	18	13	16	18	18	18	18
Recreation										
Number of Parks	6	6	6	6	3	3	3	3	3	3
Acres of Parks	106	106	106	106	106	106	106	106	106	106
Acres of Playgrounds/Recreation	254	254	254	254	254	254	254	254	254	254
Number of Playgrounds	14	14	14	14	14	14	14	14	14	14
Number of Tennis Courts	6	6	6	6	6	6	6	6	6	6
Number of Skateboarding Areas	1	1	1	1	1	1	1	1	1	1
Number of Baseball Diamonds	9	9	9	9	9	9	9	9	9	9
Number of Soccer Fields	7	7	7	7	7	7	7	7	7	7
Number of Swimming Pools	4	4	4	4	5	6	6	6	6	6
Number of Spray Parks	1	1	0	0	0	0	0	0	0	0
Number of Ice Rinks	1	1	1	1	1	1	1	1	1	1
Acres of Golf Course	126	126	126	126	126	126	126	126	126	126
Square Footage of Shore Center Building	153,525	153,525	153,525	153,525	153,525	153,525	153,525	153,525	153,525	153,525
Vehicles	13	17	16	16	n/a	n/a	n/a	n/a	18	17
Other Public Works										
Streets (miles)	143.065	143.065	143.065	143.065	143.065	143.065	143.065	143.065	143.065	143.065
Service Vehicles	57	57	58	54	43	43	40	35	35	33
Wastewater										
Sanitary Sewers (miles)	262.38	262.38	262.38	262.38	262.38	262.38	262.38	262.38	262.38	262.38
Vehicles	11	10	10	10	11	10	11	20	13	13
Water Department										
Water Lines (miles)	139.65	139.65	139.65	139.65	139.65	139.65	139.65	139.65	139.65	139.65

Source: City Departments

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Dave Yost • Auditor of State

CITY OF EUCLID

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
OCTOBER 6, 2015**