

CITY OF SOUTH EUCLID, OHIO

AUDIT REPORT

FOR THE YEAR ENDED DECEMBER 31, 2008



Mary Taylor, CPA
Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the City of South Euclid, Cuyahoga County, prepared by James G. Zupka, CPA, Inc., for the audit period January 1, 2008 through December 31, 2008. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

June 3, 2009

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**CITY OF SOUTH EUCLID, OHIO
AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2008**

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

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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**

City Council
City of South Euclid
South Euclid, Ohio

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the City of South Euclid, Ohio as of and for the year ended December 31, 2008, which collectively comprise the City of South Euclid, Ohio's basic financial statements and have issued our report thereon dated May 15, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of South Euclid, Ohio's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City of South Euclid, Ohio's financial statements that is more than inconsequential will not be prevented or detected by the City of South Euclid, Ohio's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City of South Euclid, Ohio's internal control.

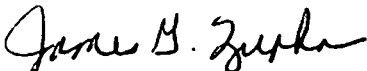
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies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

Compliance and Other Matters

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

We noted certain matters of noncompliance or other matters that we reported to the management of the City of South Euclid, Ohio, in a separate letter dated May 15, 2009.

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


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

May 15, 2009

CITY OF SOUTH EUCLID, OHIO
SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2008

No significant findings or questioned costs were included in the prior year's audit report.

Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

CITY OF SOUTH EUCLID, OHIO

COMPREHENSIVE

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2008

ISSUED BY THE DEPARTMENT OF FINANCE

Joseph G. Filippo, CPA

FINANCE DIRECTOR

City of South Euclid, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2008
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CITY OF SOUTH EUCLID



FINANCE DEPARTMENT

Joseph G. Filippo, CPA
Director of Finance

May 15, 2009

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

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

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

Under Ohio law, regular audits are required to be performed on all financial related operations of the City. These audits may be done by either the State Auditor's Office or, if the State Auditor permits, an independent public accounting firm. For the year 2008, the City of South Euclid was audited by James G. Zupka, CPA Inc. Their unqualified opinion is included in the financial section of this report.

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

Reporting Entity

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

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

The City is a member of the Northern Ohio Risk Management Association, a shared risk pool. In addition, the City participates in the Tri-City Consortium on Aging and the South Euclid-Lyndhurst Recreation Commission which have been determined to be joint ventures and the Northeast Ohio Public Energy Council, the First Suburbs Consortium of Northeast Ohio Council of Governments and the Heights Area Special Rescue Team which are jointly governed organizations. The shared risk pool, joint ventures and the jointly governed organizations are discussed in Notes 8, 18 and 19 to the basic financial statements.

Form of Government

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

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

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

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

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

City Services

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

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

Economic Condition and Outlook

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

Several retail shopping districts, which are among the major tax contributors within the City, are available for the City's residents, including a 14,000 square foot shopping district at the intersection of Mayfield and Green Roads, anchored by CVS Pharmacy, and the Mayfield-Green Road shopping center, housing over 58 retail stores including Marc's discount store and Blockbuster Video. Another small shopping center is located in the northern section of the City known as Glendale Shopping Center and houses 13 retail stores. A smaller strip is located on Cedar and Green Roads. The redevelopment of the Cedar Center shopping area is progressing with the acquisition of the property. The City has successfully negotiated a Developer's Agreement with The Coral Company to redevelop the north side of Cedar Center into a mixed use development consisting of retail, office and residential uses. Early site plans show 120,000 square feet of retail use, 18,000 square feet of office use and 74 residential units. In addition there are plans for an interior civic space of 9,000 square feet and exterior green space plazas for events. The Coral Company has already developed the south side of Cedar Center, located in University Heights, which is anchored by Whole Foods and CVS. The City's development will be complimentary to the University Heights side and will again unify the Cedar Center area into a shopping and life style center.

Notre Dame College recently completed a project in order to meet the College's growing enrollment. Ongoing improvements include increased parking facilities, exterior walkways and the addition of new dormitory rooms, two new dormitories, and a wrestling room.

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

With an increase in foreclosed properties throughout our region, much of our efforts were focused on vacant and abandoned properties. Working with County grant funds, the Building Department was able to demolish a few condemned properties and fix violations on over 8 homes in the community. During the past year, residents have improved their homes by alterations and additions valued at \$5,444,223. A total of 847 permits were issued in 2008, which included 63 commercial permits for additions or improvements totaling \$16,068,205. The City is emphasizing enforcement of maintenance standards on its population of rental housing as well with a program goal of annual exterior inspections with interior inspections performed every three years.

Long term financial planning

The General Fund balance decreased from the previous year in 2008. The net change in fund balance for the General fund was (\$359,291) which represents a 6.77 percent decrease. The General Fund balance was still a healthy \$4,947,801.

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

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

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

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

Relevant financial policies

The City uses the City income tax to run its daily operations. All of the income tax goes into the General Fund. When needed the General Fund will subsidize other funds where revenue collected is not enough to cover their expenses. Funds that may receive an operating transfer include the Parking Lots and Meters and Swimming Pools special revenue funds, and the Safety Forces Vehicle, Sewer Rehabilitation, General Capital Improvements, Road Improvement and the Flood Control capital projects funds. All transfers are approved by City Council.

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

Major Initiatives

For the Year In 2008, the City of South Euclid continued its commitment to provide quality services and facilities to the City's residents. Emphasis continued to be placed on the maintenance and improvement of the City's infrastructure, specifically streets and sewers. The City also continued its traditional annual road resurfacing program. Through the combination of the Road Improvement Fund and the Flood Control Fund 9 streets were able to be reconstructed or resurfaced. \$692,000 was spent from the Road Improvement Fund and over \$5,100,000 was spent from the Flood Control Fund.

There were several major projects for 2008 starting with the replacement or renovation of various infrastructure assets within the City, including the completion of the Bluestone Area Infrastructure project, the East Antisdale/Grosvenor Infrastructure Project and the Brookline Road infrastructure project, consisting of sewers, bridges and culverts, at the end of the year. The bridge on Telhurst Road was replaced along with the beginning of replacing all the manholes throughout the City. This project will be completed in 2009. The Ramblewood Condominium Association had an old pump station replaced with a new sanitary sewer system.

A water splash park constructed by the City at the Quarry North Park opened in 2008. A \$150,000 community-built "Playground of Possibilities" was constructed in the Fall of 2008.

Construction of new housing continues to be a priority in the City. One Planned Unit Residential Development (PURD), called Novicky Court reached completion last year, with 14 attached units constructed, and all have been sold. Construction has begun at the City's other major housing developments. Cutter's Creek's 46 attached dwelling units are nearing completion and have been selling well. Construction also continues at Francis Court Gables which will be a sixteen unit townhouse development.

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

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

The redevelopment of the Cedar Center area is progressing. January 2009 saw the start of the demolition of the buildings with completion sometime in the summer. The current plans call for the Coral Company to redevelop the property with approximately 120,000 square feet of retail space and various restaurant locations. There will also be 18,000 square feet of office space and residential units. The intersection of Warrensville Road and Cedar Road will become a revitalized shopping area vital to our community.

The City continues to analyze the four quadrants at Mayfield and Green Roads, to allow the area to reach its full potential. The City continues to attract interest in all of our commercial districts which demonstrates the City's success in winning over the development community. Some of the new and revitalized businesses include Dr. Sender's Pediatric Health Center, Dunkin Donuts/Baskin Robbins, Fifth Third Bank, and a new podiatrist's office building.

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

Other Information

Awards

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

The Government Finance Officers Association of the United States and Canada awards a Certificate of Achievement for Excellence in Financial Reporting to a governmental unit that publishes an informative and efficiently organized Comprehensive Annual Financial Report (CAFR) whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. The City of South Euclid received the Certificate of Achievement for its 2007 Comprehensive Annual Financial Report.

A Certificate of Achievement is valid for a period of one year only. We believe that this CAFR for 2008 continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the Government Finance Officers Association to determine its eligibility for another certificate.

Acknowledgements

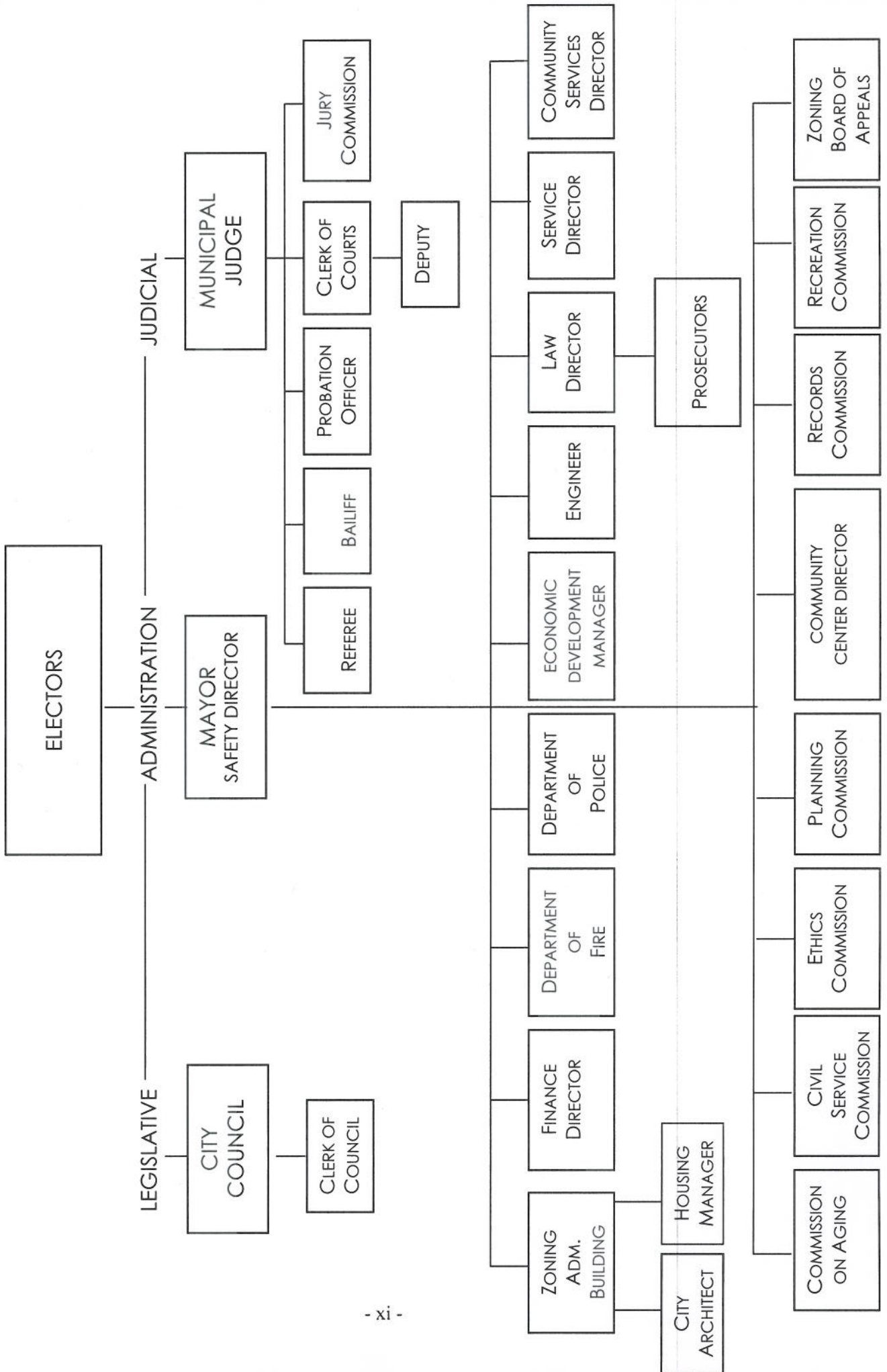
The preparation of this report would not be possible without the diligent and extra work by our Finance Department staff. I appreciate their efforts. Appreciation is also expressed to all City Hall Department Heads and Superintendents for their cooperation and assistance. In addition, my gratitude and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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Joseph G. Filippo". The signature is fluid and cursive, with the first name "Joseph" written in a smaller, more compact script than the last name "Filippo".

Joseph G. Filippo, CPA
Finance Director

**CITY OF SOUTH EUCLID
ORGANIZATION CHART**



CITY OF SOUTH EUCLID

ELECTED AND APPOINTED CITY OFFICIALS

HONORABLE MAYOR GEORGINE WELO

CITY COUNCIL

Modestino Romeo, President, Ward 2

Ruth Gray, Ward 1

Dr. David B. Miller, At Large

Robert P. Hartigan, At Large

Sunny Simon, At Large

Edward A. Icove, Ward 3

Jane Goodman, Ward 4

MUNICIPAL JUDGE

Patricia A. Kleri

APPOINTED OFFICIALS

Joseph G. Filippo, Director of Finance

Michael Lograsso, Director of Law

Edward J. Gallagher, Director of Service

Paul Kowalczyk, Building Commissioner

Kevin Nietert, Chief of Police

Thomas Cannell, Chief of Fire

Andrew K. Blackley, City Engineer

A. Calisto Caminati, Jr., Director of Economic Development

Meg Martines, Director of Community Center

Keith A. Benjamin, Director of Community Services

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of South Euclid
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2007

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



A handwritten signature in black ink, appearing to read "M. L. Post".

President

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

Executive Director

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

Certified Public Accountants

5240 East 98th Street

Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the City Council
City of South Euclid, Ohio

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of South Euclid, Ohio, as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of South Euclid, Ohio's management. Our responsibility is to express opinions on these financial statements based on our audit.

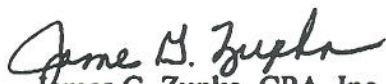
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of South Euclid, Ohio, as of December 31, 2008, and the respective changes in financial position, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 15, 2009, on our consideration of the City of South Euclid, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of South Euclid, Ohio's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.


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

May 15, 2009

City of South Euclid, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

The discussion and analysis of the City of South Euclid's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2008. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers are encouraged to consider information presented here in conjunction with the additional information contained in the transmittal letter, as well as the basic financial statements and the notes to the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

- The assets of the City of South Euclid exceeded its liabilities at December 31, 2008 by \$45,655,225. Of this amount, \$5,754,886 may be used to meet the City's ongoing obligations to citizens and vendors.
- Total assets decreased by \$816,761 which represents a decrease of 0.93 percent from 2007 to 2008. This was primarily due to a decrease in equity pooled in cash and cash equivalents of \$2,796,504, offset by increases to capital assets of \$647,100, special assessments receivable by \$501,002 and income tax receivable by \$626,058.
- Total liabilities decreased by \$1,266,272 which represents a decrease of 2.94 percent from 2007 to 2008. This decrease was mainly due to a decrease in contracts payable of \$1,165,860.
- In total, net assets in governmental activities increased \$449,511 during 2008. This represents a 0.99 percent increase from 2007.
- The second-largest shopping area in the City is located at Cedar Road between Warrensville and Fenwick Roads. The City has purchased the 10+ acres of property and is currently planning for the center's conversion from a strip mall to a mixed-use residential, business and retail project. The City has a developer's agreement with the Coral Company who is scheduled to purchase the property by the end of 2009. Demolition of the existing buildings will be completed sometime in the summer followed by construction.

Using this Annual Financial Report

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

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

City of South Euclid, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

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

Statement of Net Assets and the Statement of Activities

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

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

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

Reporting the City of South Euclid's Most Significant Funds

Fund Financial Statements

The analysis of the City's major funds begins on page 7. Fund financial reports provide detailed information about the City's major funds. The City of South Euclid has established many funds that account for the multitude of services, facilities and infrastructure provided to our residents. However, these fund financial statements focus on the City's most significant funds. The City's major funds are the General Fund and the Flood Control and Land Acquisition Capital Projects Funds.

Governmental Funds

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

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

As noted earlier, the Statement of Net Assets looks at the City as a whole and can be used as an indicator of the City's financial position. Table 1 provides a summary of the City's net assets for 2008 compared to 2007.

City of South Euclid, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

	Governmental Activities		
	2008	2007	Change
Assets			
Current and Other Assets	\$45,204,216	\$46,668,077	(\$1,463,861)
Capital Assets, Net	42,188,789	41,541,689	647,100
Total Assets	87,393,005	88,209,766	(816,761)
Liabilities			
Current Liabilities	9,776,805	11,182,566	1,405,761
Long-Term Liabilities:			
Due Within One Year	1,504,216	1,491,773	(12,443)
Due in More Than One Year	30,456,759	30,329,713	(127,046)
Total Liabilities	41,737,780	43,004,052	1,266,272
Net Assets			
Invested in Capital Assets, Net of Related Debt	30,383,626	28,853,662	1,529,964
Restricted for:			
Capital Projects	6,357,363	5,732,147	625,216
Debt Service	1,176,701	1,205,795	(29,094)
Street Maintenance	437,529	618,196	(180,667)
Street Lighting	514,248	551,299	(37,051)
Sewer Maintenance	384,037	398,264	(14,227)
Other Purposes	646,835	304,415	342,420
Unrestricted	5,754,886	7,541,936	(1,787,050)
Total Net Assets	\$45,655,225	\$45,205,714	\$449,511

Total assets decreased by \$816,761 from 2007 to 2008. Equity pooled in cash and cash equivalents decreased \$2,796,504 and this was offset by a \$647,100 increase in capital assets, net of depreciation, \$626,058 in income taxes receivable, \$501,002 in special assessments receivable, and \$248,658 increase in intergovernmental receivables. Income taxes receivable increased due to the voters passing an increase in August 2005 increasing the rate from 1.5 percent to 2.0 percent in January 2006, which is still having residual effects on the collection of income taxes. Special assessments receivable increased due to assessments for criminal, false alarm and cost of abatement nuisances, as well as home improvement special assessments.

Total liabilities decreased by \$1,266,272 due mostly to a \$1,165,860 reduction in contracts payable from a decrease in construction projects.

Table 2 shows the changes in net assets for the years ended December 31, 2008 and 2007 and corresponds to the Statement of Activities on page 13.

City of South Euclid, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

Table 2
Changes in Net Assets

	Governmental Activities		
	2008	2007	Change
Revenues			
Program Revenues			
Charges for Services and			
Operating Assessments	\$5,385,812	\$5,149,759	\$236,053
Operating Grants	1,107,332	910,810	196,522
Capital Grants	245,873	693,176	(447,303)
Total Program Revenues	6,739,017	6,753,745	(14,728)
General Revenues			
Property Taxes	5,450,094	5,572,775	(122,681)
Income Taxes	9,085,439	8,997,144	88,295
Grants and Entitlements	2,351,687	2,292,053	59,634
Interest	426,403	1,014,924	(588,521)
Miscellaneous	521,451	220,916	300,535
Total General Revenues	17,835,074	18,097,812	(262,738)
<i>Total Revenues</i>	24,574,091	24,851,557	(277,466)
Program Expenses			
General Government:			
Legislative and Executive	2,819,870	2,402,438	(417,432)
Judicial System	467,629	490,694	23,065
Security of Persons and Property:			
Police	5,477,289	5,282,303	(194,986)
Fire	4,228,508	3,934,595	(293,913)
Public Health Services	133,196	135,702	2,506
Leisure Time Activities	585,200	1,065,090	479,890
Community Development	294,638	236,405	(58,233)
Building Department	770,710	737,700	(33,010)
Transportation	3,579,503	3,322,800	(256,703)
Basic Utility Services	3,928,628	3,028,247	(900,381)
Swimming Pools	420,665	379,311	(41,354)
Interest and Fiscal Charges	1,418,744	1,497,241	78,497
Total Program Expenses	24,124,580	22,512,526	(1,612,054)
<i>Increase in Net Assets</i>	449,511	2,339,031	(1,889,520)
<i>Net Assets Beginning of Year</i>	45,205,714	42,866,683	2,339,031
<i>Net Assets End of Year</i>	\$45,655,225	\$45,205,714	\$449,511

City of South Euclid, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

Program revenues decreased by \$14,728 in 2008. Capital grants accounted for \$447,303 of this decrease. General revenues decreased by \$262,738 from 2007. The decrease in interest income was due to lower rates of return on the City's investments and less cash available for investments. The decrease in property taxes was due to a decrease in the collection of property taxes.

Governmental Activities

Several revenue sources fund our governmental activities with the City income tax being the largest contributor. The City's income tax rate was 1.5 percent from 1984 through 2005. In August 2005 the voters of South Euclid passed an income tax rate increase to 2.00 percent. The new rate of 2.00 percent became effective January 1, 2006. Residents of the City who work in another community receive a 0.75 percent credit on income earned outside the City and paid to another municipality. In prior years, the City has experienced a decline in income tax collections. The City remains committed to collecting all taxes due to it and during 2008 worked in conjunction with the Regional Income Tax Agency to identify and assess individuals who were delinquent in filing their income tax returns. This effort will account for over \$60,000 in additional collections in 2008. Property tax revenues decreased in 2008 and are the City's second largest source of revenues. Revenues from grants and entitlements represented 9.57 percent of total governmental revenues. These funds are received from the State of Ohio in the form of Local Government Assistance and Estate Taxes.

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

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

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

The City's Funds

Information about the City's major funds starts on page 14. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$23,249,166, and expenditures of \$43,235,251. The general fund had a fund balance at year end of \$4,947,801 with annual expenditures of \$16,851,155. The general fund balance decreased \$359,291 in 2008, due to increases in police and fire salaries. During 2008, \$1,240,000 was transferred from the general fund, enabling the City to fund capital improvements and acquisitions and providing operating funds for the swimming pools, parking lots and matching grant funds. Overall, the fund balances in the nonmajor funds increased by \$89,414 due to decreased overall expenditures in these funds.

During 2008, the Flood Control capital projects fund balance decreased from \$2,760,917 to \$1,922,532. This decrease is the result of the City completing the Bluestone Area Infrastructure project, the East Antisdale/Grosvenor Infrastructure project, the Brookline Road Infrastructure project and the Ramblewood Sewer Improvement project. The projects include new sanitary sewers, storm sewers and water lines within the City. The City also replaced the Telhurst Road Bridge. During 2008, the Land Acquisition capital projects fund balance decreased \$389,718 due to an increase in interest expenditures from the issuance of bond anticipation notes.

City of South Euclid, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

General Fund Budgeting Highlights

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

During the course of 2008, the City amended its general fund budget numerous times. The actual revenue amount was more than the final budget by \$42,764. This variance is made up of higher than expected income tax and property tax collections. It also includes unanticipated nuisance abatement collections and court fees. Final appropriations exceeded actual expenditures by \$1,004,690. This variance was due primarily to the conservative budgeting techniques of the City and a concerted effort to reduce spending at the end of the year.

The City's ending unobligated budgetary fund balance was \$1,047,841 higher than the final budget amount.

Capital Assets and Debt Administration

Capital Assets

At the end of 2008, the City of South Euclid had \$42,188,789 invested in land, construction in progress, buildings, equipment, vehicles and infrastructure. Table 3 shows 2008 balances of capital assets as compared to 2007.

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

	Governmental Activities	
	2008	2007
Land	\$1,182,897	\$1,182,897
Construction in Progress	2,036,998	8,172,545
Buildings and Improvements	3,228,226	3,383,022
Equipment	503,875	583,186
Vehicles	1,766,030	1,338,416
Infrastructure		
Streets	13,536,842	13,837,942
Bridges, Sewers and Culverts	17,989,199	11,057,701
Waterlines	1,899,638	1,939,941
Traffic Signals	45,084	46,039
Total Capital Assets	\$42,188,789	\$41,541,689

Capital assets increased by \$647,100 in 2008. This was primarily due to the construction and renovation of various infrastructure assets within the City, including the Langerdale/Nine Mile project, the Brookline Flood project, and the Ramblewood Sewer, all of which consist of sewers, bridges and culverts. The City also constructed the Playground of Possibilities in 2008.

City of South Euclid, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

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

The City purchased five new vehicles and leased four new vehicles in 2008. Purchased vehicles included three 2008 Ford Crown Victoria police cars, one 2009 Harley Davidson police motorcycle, and one 2008 Ford E250 van for the service department. Leased vehicles included two Ford Super Duty trucks and one 2008 International 740 truck for the service department. The final lease was for a 2008 Ford Explorer for the fire chief, which replaced a totaled vehicle. The City's garage staff works to maintain the fleet of vehicles at a high level of repair to extend their longevity. When replacement is required, City vehicles continue to be purchased or leased from the General Capital Improvement and Repair Fund, which receives funding from the General Fund.

The City Engineer maintains a comprehensive listing of all the streets, sewer and water lines and bridges and culverts within the City. Each spring, this inventory is updated with current conditions and recommendations made for repair or replacement. As mentioned before, the City has been very aggressive in pursuing funding to assist in the financing of infrastructure projects. For more information about the City's capital assets, see Note 9 to the basic financial statements.

Long-Term Obligations

At December 31, 2008, the City of South Euclid had \$31,960,975 in outstanding long-term obligations, of which \$7,973,354 was in General Obligation Bonds. Table 4 summarizes the long-term obligations outstanding.

Table 4
Outstanding Long-Term Obligations at Year End

	Governmental Activities	
	2008	2007
General Obligation Bonds	\$7,973,354	\$8,842,976
Special Assessment Bonds	270,000	305,000
OPWC Loans	1,935,257	1,747,086
OWDA Loans	1,893,877	1,974,401
Notes	18,010,000	17,000,000
Police and Fire Pension Liability	308,796	315,023
Capital Lease	406,035	356,546
Compensated Absences	1,163,656	1,280,454
Total	\$31,960,975	\$31,821,486

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

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

City of South Euclid, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

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

The OPWC loans represent four, twenty-year zero-interest loans. The OPWC loan's repayment source is service assessments being collected in the Flood Control Fund. In fiscal year 2008, the City began the Nine Mile Creek Rehabilitation OPWC project, and as of December 31, 2008 the project was not finalized. Therefore, the repayment schedule is not included in the schedule of debt service payments.

The \$18,010,000 Land Acquisition Bond Anticipation note issued January 28, 2008 at 4.50 percent and outstanding at December 31, 2008, will mature January 27, 2009.

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

The City of South Euclid's overall legal debt margin is \$21,655,882 with an unvoted debt margin of \$6,038,862 on December 31, 2008. For more information about the City's long-term obligations, see Notes 11 and 12 to the basic financial statements.

Current Financial Related Activities

The Administration provided strong fiscal management, holding general operating expenses in check while maintaining City services at a high level in 2008. But with decreasing revenues from Federal and State sources and increasing expenses, the City is going to see some tougher times in the coming years. In 2009, hospitalization has again increased along with the City's portion of the Ohio Public Employee's Retirement System contribution. The City will see flat or decreased income tax collections in 2009 due to the economic times and loss of jobs. Expenses can only be cut back so much without jeopardizing the safety, health and welfare of the residents. The Administration will continue to monitor the revenues and expenses and make appropriate adjustments as needed. The Administration continues toward its goal of keeping all residents and other interested parties fully informed as to the financial status of the City of South Euclid.

Contacting the City of South Euclid's Financial Management

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

Basic Financial Statements

City of South Euclid, Ohio

Statement of Net Assets

December 31, 2008

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$11,089,971
Cash and Cash Equivalents	
In Segregated Accounts	67,187
Accounts Receivable	50,784
Accrued Interest Receivable	526
Intergovernmental Receivable	1,748,545
Prepaid Items	84,390
Materials and Supplies Inventory	118,807
Income Taxes Receivable	4,373,184
Property Taxes Receivable	5,343,964
Special Assessments Receivable	3,919,135
Investment in Joint Venture	113,850
Assets Held for Resale	18,293,873
Nondepreciable Capital Assets	3,219,895
Depreciable Capital Assets	38,968,894
	<hr/>
<i>Total Assets</i>	87,393,005
	<hr/>
Liabilities	
Accounts Payable	163,875
Accrued Wages	461,761
Contracts Payable	881,764
Intergovernmental Payable	639,541
Accrued Interest Payable	788,620
Matured Compensated Absences Payable	74,501
Deferred Revenue	4,966,743
Notes Payable	1,800,000
Long-Term Liabilities:	
Due Within One Year	1,504,216
Due In More Than One Year	30,456,759
	<hr/>
<i>Total Liabilities</i>	41,737,780
	<hr/>
Net Assets	
Invested in Capital Assets, Net of Related Debt	30,383,626
Restricted for:	
Capital Projects	6,357,363
Debt Service	1,176,701
Street Maintenance	437,529
Street Lighting	514,248
Sewer Maintenance	384,037
Other Purposes	646,835
Unrestricted	5,754,886
	<hr/>
<i>Total Net Assets</i>	\$45,655,225
	<hr/> <hr/>

See accompanying notes to the basic financial statements

City of South Euclid, Ohio
Statement of Activities
For the Year Ended December 31, 2008

	Program Revenues			Net (Expense)	
	Expenses	Charges for Services and Operating Assessments	Operating Grants	Revenue and Changes in Net Assets	
			Capital Grants	Governmental Activities	
Governmental Activities:					
General Government:					
Legislative and Executive	\$2,819,870	\$345,357	\$0	\$0	(\$2,474,513)
Judicial System	467,629	57,596	0	0	(410,033)
Security of Persons and Property:					
Police	5,477,289	693,554	20,285	0	(4,763,450)
Fire	4,228,508	495,777	80,945	0	(3,651,786)
Public Health Services	133,196	16,474	0	0	(116,722)
Leisure Time Activities	585,200	49,565	0	62,224	(473,411)
Community Development	294,638	36,442	0	0	(258,196)
Building Department	770,710	93,325	0	0	(677,385)
Transportation	3,579,503	188,751	886,437	81,489	(2,422,826)
Basic Utility Services	3,928,628	3,289,671	119,665	102,160	(417,132)
Swimming Pools	420,665	119,300	0	0	(301,365)
Interest and Fiscal Charges	1,418,744	0	0	0	(1,418,744)
<i>Total Governmental Activities</i>	<u>\$24,124,580</u>	<u>\$5,385,812</u>	<u>\$1,107,332</u>	<u>\$245,873</u>	<u>(17,385,563)</u>
General Revenues					
Property Taxes Levied for:					
					4,256,560
					442,310
					511,338
					239,886
					9,085,439
					2,351,687
					426,403
					521,451
					<u>17,835,074</u>
					449,511
					<u>45,205,714</u>
					<u>\$45,655,225</u>

See accompanying notes to the basic financial statements

City of South Euclid, Ohio

Balance Sheet

Governmental Funds

December 31, 2008

	General	Flood Control	Land Acquisition	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$4,904,584	\$2,804,296	\$318,573	\$3,062,518	\$11,089,971
Cash and Cash Equivalents In Segregated Accounts	67,187	0	0	0	67,187
Materials and Supplies Inventory	30,506	0	0	88,301	118,807
Accrued Interest Receivable	526	0		0	526
Accounts Receivable	50,784	0	0	0	50,784
Interfund Receivable	68,000	0	0	0	68,000
Intergovernmental Receivable	1,160,795	0	0	587,750	1,748,545
Prepaid Items	84,390	0	0	0	84,390
Income Taxes Receivable	4,373,184	0	0	0	4,373,184
Property Taxes Receivable	4,060,202	0	0	1,283,762	5,343,964
Investment in Joint Venture	113,850	0	0	0	113,850
Assets Held for Resale	0	0	18,293,873	0	18,293,873
Special Assessments Receivable	94,309	2,522,980	0	1,301,846	3,919,135
Total Assets	\$15,008,317	\$5,327,276	\$18,612,446	\$6,324,177	\$45,272,216
Liabilities					
Accounts Payable	\$86,432	\$0	\$1,000	\$76,443	\$163,875
Accrued Wages	425,665	0	0	36,096	461,761
Contracts Payable	0	881,764	0	0	881,764
Intergovernmental Payable	553,861	0	0	85,680	639,541
Matured Compensated Absences Payable	74,501	0		0	74,501
Interfund Payable	0	0	0	68,000	68,000
Accrued Interest Payable	0	0	2,310	0	2,310
Deferred Revenue	8,920,057	2,522,980	0	3,101,478	14,544,515
Notes Payable	0	0	1,800,000	0	1,800,000
Total Liabilities	10,060,516	3,404,744	1,803,310	3,367,697	18,636,267
Fund Balances					
Reserved for Encumbrances	208,058	621,539	0	256,690	1,086,287
Reserved for Assets Held for Resale	0	0	18,293,873	0	18,293,873
Unreserved					
Designated for					
Compensated Absences	40,704	0	0	0	40,704
Undesignated, Reported in:					
General Fund	4,699,039	0	0	0	4,699,039
Special Revenue Funds	0	0	0	659,747	659,747
Debt Service Funds	0	0	0	736,311	736,311
Capital Projects Funds (Deficit)	0	1,300,993	(1,484,737)	1,303,732	1,119,988
Total Fund Balances	4,947,801	1,922,532	16,809,136	2,956,480	26,635,949
Total Liabilities and Fund Balances	\$15,008,317	\$5,327,276	\$18,612,446	\$6,324,177	\$45,272,216

See accompanying notes to the basic financial statements

City of South Euclid, Ohio
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 December 31, 2008*

Total Governmental Fund Balances	\$26,635,949
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*Amounts reported for governmental activities in the
 statement of net assets are different because*

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	42,188,789
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Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:

Property Taxes	377,221
Income Taxes	3,687,199
Special Assessments	3,919,135
Intergovernmental	1,480,367
Investment in Joint Venture	113,850

Total	9,577,772
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In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(786,310)
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:

Compensated Absences	(1,163,656)
General Obligation Bonds	(7,973,354)
Notes Payable	(18,010,000)
Special Assessment Bonds	(270,000)
OPWC Loans Payable	(1,935,257)
OWDA Loans Payable	(1,893,877)
Capital Leases Payable	(406,035)
Police and Fire Pension Loan	(308,796)

Total	(31,960,975)
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<i>Net Assets of Governmental Activities</i>	<u><u>\$45,655,225</u></u>
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See accompanying notes to the basic financial statements

City of South Euclid, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2008

	General	Flood Control	Land Acquisition	Other Governmental Funds	Total Governmental Funds
Revenues					
Property Taxes	\$4,263,726	\$0	\$0	\$1,190,147	\$5,453,873
Income Taxes	8,463,897	0	0	0	8,463,897
Special Assessments	0	2,013,505	0	711,652	2,725,157
Intergovernmental	2,091,655	102,160	0	1,250,860	3,444,675
Interest	426,403	0	0	0	426,403
Fees, Licenses and Permits	449,376	0	0	1,720	451,096
Fines and Forfeitures	615,955	0	0	27,715	643,670
Rentals	101,928	0	0	20,700	122,628
Charges for Services	851,420	0	0	144,896	996,316
Other	467,504	7,874	0	46,073	521,451
<i>Total Revenues</i>	<u>17,731,864</u>	<u>2,123,539</u>	<u>0</u>	<u>3,393,763</u>	<u>23,249,166</u>
Expenditures					
Current:					
General Government:					
Legislative and Executive	2,788,445	0	0	5,514	2,793,959
Judicial System	490,556	0	0	0	490,556
Security of Persons and Property:					
Police	5,295,982	0	0	97,396	5,393,378
Fire	4,000,687	0	0	129,801	4,130,488
Public Health Services	133,196	0	0	0	133,196
Leisure Time Activities	403,482	0	0	0	403,482
Community Development	294,638	0	0	0	294,638
Building Department	773,098	0	0	0	773,098
Transportation	1,114,059	0	0	1,133,439	2,247,498
Basic Utility Services	1,537,462	0	0	942,849	2,480,311
Swimming Pools	0	0	0	330,541	330,541
Capital Outlay	0	2,544,325	402,725	1,056,962	4,004,012
Debt Service:					
Principal Retirement	6,227	510,133	17,000,000	845,413	18,361,773
Interest and Fiscal Charges	13,323	205,246	996,993	182,759	1,398,321
<i>Total Expenditures</i>	<u>16,851,155</u>	<u>3,259,704</u>	<u>18,399,718</u>	<u>4,724,674</u>	<u>43,235,251</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>880,709</u>	<u>(1,136,165)</u>	<u>(18,399,718)</u>	<u>(1,330,911)</u>	<u>(19,986,085)</u>
Other Financing Sources (Uses)					
Sale of Capital Assets	0	0	0	5,423	5,423
Inception of Capital Lease	0	0	0	174,902	174,902
Bond Anticipation Notes Issued	0	0	18,010,000	0	18,010,000
OPWC Loan Proceeds	0	297,780	0	0	297,780
Transfers In	0	0	0	1,257,232	1,257,232
Transfers Out	(1,240,000)	0	0	(17,232)	(1,257,232)
<i>Total Other Financing Sources (Uses)</i>	<u>(1,240,000)</u>	<u>297,780</u>	<u>18,010,000</u>	<u>1,420,325</u>	<u>18,488,105</u>
<i>Net Change in Fund Balances</i>	(359,291)	(838,385)	(389,718)	89,414	(1,497,980)
<i>Fund Balances Beginning of Year</i>	<u>5,307,092</u>	<u>2,760,917</u>	<u>17,198,854</u>	<u>2,867,066</u>	<u>28,133,929</u>
<i>Fund Balances End of Year</i>	<u>\$4,947,801</u>	<u>\$1,922,532</u>	<u>\$16,809,136</u>	<u>\$2,956,480</u>	<u>\$26,635,949</u>

See accompanying notes to the basic financial statements

City of South Euclid, Ohio
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2008*

Net Change in Fund Balances - Total Governmental Funds (\$1,497,980)

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

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

Capital Outlay	2,461,146
Depreciation	(1,801,591)

Total	659,555
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Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities of activities, a gain or loss is reported for each disposal. (12,455)

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

Property Taxes	(3,779)
Income Taxes	621,542
Intergovernmental	260,217
Special Assessments	501,002
Investment in Joint Venture	(54,057)

Total	1,324,925
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Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 18,361,773

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

Accrued Interest on Bonds	114,955
Amortization of Premium	1,295
Bond Accretion	(136,673)

Total	(20,423)
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Some expenses, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. 116,798

Inception of a capital lease is an other financing source in the governmental funds, but increases liabilities in governmental activities. (174,902)

Other financing sources in the governmental funds increase long-term liabilities in the statement of net assets.

Proceeds of OWPC Loans	(297,780)
Proceeds of Notes	(18,010,000)

Total	(18,307,780)
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<i>Change in Net Assets of Governmental Activities</i>	\$449,511
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See accompanying notes to the basic financial statements

City of South Euclid, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$3,912,894	\$4,253,424	\$4,263,726	\$10,302
Income Taxes	7,763,319	8,438,942	8,459,381	20,439
Intergovernmental	1,855,012	2,016,449	2,021,333	4,884
Interest	406,781	442,182	443,253	1,071
Fees, Licenses and Permits	441,754	480,199	481,362	1,163
Fines and Forfeitures	559,168	607,831	609,303	1,472
Rentals	93,655	101,806	102,053	247
Charges for Services	782,256	850,334	852,394	2,060
Other	428,210	465,474	466,600	1,126
<i>Total Revenues</i>	<u>16,243,049</u>	<u>17,656,641</u>	<u>17,699,405</u>	<u>42,764</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive	3,202,549	3,202,549	2,908,260	294,289
Judicial System	551,910	551,910	502,587	49,323
Security of Persons and Property:				
Police	5,636,515	5,636,515	5,306,773	329,742
Fire	4,021,239	4,021,239	3,955,438	65,801
Public Health Services	147,834	147,834	143,088	4,746
Leisure Time Activities	467,371	467,371	412,701	54,670
Community Development	390,024	390,024	346,543	43,481
Building Department	893,756	893,756	818,078	75,678
Transportation	1,202,754	1,202,754	1,143,581	59,173
Basic Utility Services	1,573,347	1,573,347	1,545,560	27,787
<i>Total Expenditures</i>	<u>18,087,299</u>	<u>18,087,299</u>	<u>17,082,609</u>	<u>1,004,690</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,844,250)</u>	<u>(430,658)</u>	<u>616,796</u>	<u>1,047,454</u>
Other Financing Sources (Uses)				
Advances In	100,949	109,734	110,000	266
Advances Out	(53,000)	(53,000)	(53,000)	0
Transfers Out	(1,244,114)	(1,240,121)	(1,240,000)	121
<i>Total Other Financing Sources (Uses)</i>	<u>(1,196,165)</u>	<u>(1,183,387)</u>	<u>(1,183,000)</u>	<u>387</u>
<i>Net Change in Fund Balance</i>	(3,040,415)	(1,614,045)	(566,204)	1,047,841
<i>Fund Balance Beginning of Year</i>	4,775,650	4,775,650	4,775,650	0
Prior Year Encumbrances Appropriated	334,963	334,963	334,963	0
<i>Fund Balance End of Year</i>	<u>\$2,070,198</u>	<u>\$3,496,568</u>	<u>\$4,544,409</u>	<u>\$1,047,841</u>

See accompanying notes to the basic financial statements

City of South Euclid, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Fund
December 31, 2008

Assets	
Equity in Pooled Cash and Cash Equivalents	<u><u>\$1,440,291</u></u>
Liabilities	
Deposits Held and Due to Others	<u><u>\$1,440,291</u></u>

See accompanying notes to the basic financial statements

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2008

Note 1 – Description of the City and Reporting Entity

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

Reporting Entity

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

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

The City is associated with six organizations: one shared risk pool, two joint ventures and three defined as jointly governed organizations. The Northern Ohio Risk Management Association is a shared risk pool. The joint ventures are the Tri-City Consortium on Aging and the South Euclid-Lyndhurst Recreation Commission. The Northeast Ohio Public Energy Council, the First Suburbs Consortium of Northeast Ohio Council of Governments and the Heights Area Special Rescue Team are jointly governed organizations. These organizations are presented in Notes 8, 18 and 19 to the basic financial statements.

Note 2 – Summary of Significant Accounting Policies

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

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2008

A. Basis of Presentation

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

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

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

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

B. Fund Accounting

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

Governmental Funds

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

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

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2008

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

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

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

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

C. Measurement Focus

Government-wide Financial Statements

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

Fund Financial Statements

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

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

D. Basis of Accounting

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

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2008

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the year in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 6). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

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

Property taxes for which there is an enforceable legal claim as of December 31, 2008, but which were levied to finance year 2009 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

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

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

E. Cash and Cash Equivalents

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

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

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2008

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

Following the Charter and Codified Ordinances of the City as well as Ohio statutes, the City has, by resolution, specified the funds to receive an allocation of interest earnings. Interest is distributed to the general fund. Interest revenue credited to the general fund during 2008 amounted to \$426,403, which includes \$237,825 assigned from other City funds.

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

F. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2008, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of purchase and reflecting the expenditure/expense in the year in which the services are consumed.

G. Inventory

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

H. Assets Held for Resale

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

I. Capital Assets

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

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

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2008

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

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

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

J. Interfund Balances

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

K. Compensated Absences

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

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

L. Accrued Liabilities and Long-Term Obligations

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

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

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2008

M. Fund Balance Reserves and Designations

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

N. Net Assets

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

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

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

O. Internal Activity

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

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

P. Bond Premiums

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

Q. Extraordinary and Special Items

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

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2008

R. Estimates

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

S. Budgetary Process

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

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

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

Note 3 - Budgetary Basis of Accounting

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).
4. Investments reported at cost (budget) rather than fair value (GAAP).

City of South Euclid, Ohio
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5. Advances-In and Advances-Out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).
6. Unrecorded cash represents amounts received but not reported by the City on the operating statements (budget), but which is reported on the GAAP basis operating statements.

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

Net Change in Fund Balance	
	General
GAAP Basis	(\$359,291)
Net Adjustment for Revenue Accruals	(49,835)
Advances In	110,000
Beginning Fair Value Adjustment for Investments	127,744
Ending Fair Value Adjustment for Investments	(110,368)
Net Adjustment for Expenditure Accruals	18,353
Advances Out	(53,000)
Encumbrances	(249,807)
Budget Basis	(\$566,204)

Note 4 – Change in Accounting Principles

For 2008, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 49, “Accounting and Financial Reporting for Pollution Remediation Obligations”. GASB Statement No. 49 addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effect of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. The implementation of this Statement did not result in any change to the City’s financial statements.

Note 5 - Deposits and Investments

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

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

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

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

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

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

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

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

Deposits

Custodial Credit Risk Custodial credit risk for deposits is the risk that, in the event of the failure of the counterparty, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$1,734,851 of the City's bank balance of \$2,630,971 was uninsured and uncollateralized. Although the securities were held by the pledging financial institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

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

City of South Euclid, Ohio
Notes to the Basic Financial Statements
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Investments

As of December 31, 2008, the City had the following investments:

	Maturity		Total
	Less Than Six months	More Than One Year But Less Than Three Years	
Federal Home Loan Mortgage Corporation Notes	\$0	\$2,040,550	\$2,040,550
Federal Home Loan Bank Bonds	1,005,700	2,601,495	3,607,195
Federal National Mortgage Association Notes	0	1,704,289	1,704,289
Repurchase Agreements	2,729,103	0	2,729,103
Total Portfolio	\$3,734,803	\$6,346,334	\$10,081,137

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

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

Concentration of Credit Risk. The City places no limit on the amount it may invest in any one issuer. The following is the City's allocation as of December 31, 2008:

Investment	Percentage of Investments
Federal Home Loan Mortgage Corporation Notes	16.91 %
Federal Home Loan Bank Bonds	35.78
Federal National Mortgage Association Notes	20.24
Repurchase Agreements	27.07

Note 6 - Receivables

Receivables at December 31, 2008, consisted primarily of municipal income taxes, property and other taxes, intergovernmental receivables arising from entitlements and shared revenues, special assessments, and accounts (billings for utility service).

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

Special assessments expected to be collected in more than one year amount to \$230,000 in the Special Assessment Bond Retirement Fund. At December 31, 2008 the total amount of delinquent special assessments was \$419,032.

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

A. Property Taxes

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 2008 for real and public utility property taxes represents collections of the 2007 taxes. Property tax payments received during 2008 for tangible personal property (other than public utility property) is for 2008 taxes.

2008 real property taxes are levied after October 1, 2008, on the assessed value as of January 1, 2008, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2008 real property taxes are collected in and intended to finance 2009.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2008 public utility property taxes which became a lien December 31, 2007, are levied after October 1, 2008, and are collected in 2009 with real property taxes.

2008 tangible personal property taxes are levied after October 1, 2007, on the value as of December 31, 2007. Collections are made in 2008. Tangible personal property assessments are being phased out - the assessment percentage for all property including inventory for 2008 is 6.25 percent. This will be reduced to zero for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable at September 20.

The full tax rate for all City operations for the year ended December 31, 2008, was \$14.90 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2008 property tax receipts were based are as follows:

Category	Assessed Value
Real Estate	
Residential/Agricultural	\$398,510,910
Other Real Estate	52,057,390
Tangible Personal Property	
Public Utility	6,012,100
General	1,759,885
Total Assessed Values	\$458,340,285

City of South Euclid, Ohio
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For The Year Ended December 31, 2008

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City of South Euclid. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and tangible personal property taxes and public utility taxes which are measurable as of December 31, 2008 and for which there is an enforceable legal claim. In the general fund, the general obligation bond retirement fund, the road improvement capital projects fund and the police and fire pension special revenue funds, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2008 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is deferred.

B. Income Taxes

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

C. Intergovernmental Receivables

A summary of intergovernmental receivables follows:

Governmental Activities	Amount
Local Government	\$711,007
Homestead and Rollback	404,897
Gasoline and Excise Tax	214,408
Estate Tax	137,389
State and Local Highway Tax	94,973
Permissive Motor Vehicle License Tax	63,149
OPWC Grant	62,224
Motor Vehicle License Fees	59,922
Cuyahoga County Auditor	576
Total	\$1,748,545

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2008

Note 7 - Risk Management

A. Property and Liability

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

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

B. Worker's Compensation

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

Note 8 - Shared Risk Pool

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

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

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

In 2008, the City of South Euclid paid \$93,229 in premiums from the general fund, which represents 9.81 percent of total premiums. Financial information can be obtained by contacting the fiscal agent, the Finance Director at the City of Bedford Heights, 5661 Perkins Road, Bedford Heights, Ohio, 44146.

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2008

Note 9 - Capital Assets

Capital asset activity for the year ended December 31, 2008, was as follows:

Governmental Activities	Balance 12/31/2007	Additions	Deductions	Balance 12/31/2008
Capital Assets not being Depreciated:				
Land	\$1,182,897	\$0	\$0	\$1,182,897
Construction in Progress	8,172,545	1,328,319	(7,463,866)	2,036,998
Total Capital Assets not being Depreciated	<u>9,355,442</u>	<u>1,328,319</u>	<u>(7,463,866)</u>	<u>3,219,895</u>
Capital Assets being Depreciated:				
Buildings and Improvements	10,613,026	263,872	0	10,876,898
Equipment	2,169,649	76,986	0	2,246,635
Vehicles	4,058,467	719,475	(41,414)	4,736,528
Infrastructure:				
Streets	20,317,387	381,979	0	20,699,366
Bridges, Sewers and Culverts	12,568,100	7,154,381	0	19,722,481
Waterlines	2,413,372	0	0	2,413,372
Traffic Signals	47,732	0	0	47,732
Total Capital Assets being Depreciated	<u>52,187,733</u>	<u>8,596,693</u>	<u>(41,414)</u>	<u>60,743,012</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(7,230,004)	(418,668)	0	(7,648,672)
Equipment	(1,586,463)	(156,297)	0	(1,742,760)
Vehicles	(2,720,051)	(279,406)	28,959	(2,970,498)
Infrastructure:				
Streets	(6,479,445)	(683,079)	0	(7,162,524)
Bridges, Sewers and Culverts	(1,510,399)	(222,883)	0	(1,733,282)
Waterlines	(473,431)	(40,303)	0	(513,734)
Traffic Signals	(1,693)	(955)	0	(2,648)
Total Accumulated Depreciation	<u>(20,001,486)</u>	<u>(1,801,591) *</u>	<u>28,959</u>	<u>(21,774,118)</u>
Total Capital Assets being Depreciated, Net	<u>32,186,247</u>	<u>6,795,102</u>	<u>(12,455)</u>	<u>38,968,894</u>
Governmental Activities Capital Assets, Net	<u>\$41,541,689</u>	<u>\$8,123,421</u>	<u>(\$7,476,321)</u>	<u>\$42,188,789</u>

*Depreciation expense was charged to governmental activities as follows:

General Government:	
Legislative and Executive	\$1,967
Judicial System	6,178
Security of Persons and Property:	
Police	40,937
Fire	32,097
Leisure Time Activities	13,250
Building Department	7,100
Transportation	1,144,226
Basic Utility Services	465,712
Swimming Pools	90,124
Total Depreciation Expense	<u>\$1,801,591</u>

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2008

Note 10 – Assets Held for Resale

Assets held for resale represents ten plus acres of land on Cedar Road purchased by the City which will be sold for development purposes. The City has a developer’s agreement with the Coral Company who is scheduled to purchase the property by the end of 2009.

Note 11 - Note Debt

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

	Balance 12/31/2007	Additions	Reductions	Balance 12/31/2008
3.30% Land Acquisition Fund	\$0	\$1,800,000	\$0	\$1,800,000
3.60% Land Acquisition Fund	1,800,000	0	1,800,000	0
Total	<u>\$1,800,000</u>	<u>\$1,800,000</u>	<u>\$1,800,000</u>	<u>\$1,800,000</u>

In 2008, the City issued \$1,800,000 in Housing Development bond anticipation notes for acquiring real property and improving the site to assist in providing housing. These notes mature on December 17, 2009. The Housing Development bond anticipation notes that were issued in 2007 for \$1,800,000 matured on December 18, 2008.

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

Note 12 - Long-Term Obligations

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

Debt Issue	Interest Rate	Original Issue	Year of Maturity
1998 Recreational Facilities Improvement Refunding Bonds:			
Current Interest Serial Bonds	4.0% to 4.4%	\$4,685,000	2003 to 2009
Capital Appreciation Bonds	4.75% to 4.85%	59,994	2010 to 2011
2003 Various Purpose General Obligation Bond	3.0% to 3.7%	9,400,000	2004 to 2018
2002 Parking Lot Improvement Special Assessment Bond	4.0% to 6.7%	630,000	1994 to 2014
OPWC Liberty Road Bridge Replacement	0%	755,891	2002 to 2022
OPWC Whitehall Road Bridge Replacement	0%	188,822	2006 to 2025
OPWC Bexley Infrastructure	0%	1,247,424	2005 to 2024
OPWC Nine Mile Creek Rehabilitation	0%	297,780	N/A
Land Acquisition Bond Anticipation Note	4.50%	18,010,000	2009
OWDA Stormwater Improvement	N/A	2,052,371	N/A
Police and Fire Pension	4.25%	391,010	1973 to 2035

City of South Euclid, Ohio
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A schedule of changes in bonds and other long-term obligations of the City during 2008 follows:

	Amount Outstanding 12/31/2007	Additions	Deletions	Amount Outstanding 12/31/2008	Amounts Due In One Year
Governmental Activities (Cont'd)					
<i>General Obligation Bonds</i>					
1998 Recreational Facilities					
Improvement Refunding Bonds					
Current Interest Serial Bonds	\$950,000	\$0	(\$450,000)	\$500,000	\$500,000
Capital Appreciation Bonds	59,994	0	0	59,994	0
Accretion on Capital Appreciation Bonds	523,736	136,673	0	660,409	0
Total 1998 Recreational Facilities Bonds	<u>1,533,730</u>	<u>136,673</u>	<u>(450,000)</u>	<u>1,220,403</u>	<u>500,000</u>
2003 Various Purpose General Obligation Bonds	7,295,000	0	(555,000)	6,740,000	565,000
Premium on Various Purpose Bonds	14,246	0	(1,295)	12,951	0
Total 2003 Various Purpose General Obligation Bonds	<u>7,309,246</u>	<u>0</u>	<u>(556,295)</u>	<u>6,752,951</u>	<u>565,000</u>
<i>Total General Obligation Bonds</i>	<u>8,842,976</u>	<u>136,673</u>	<u>(1,006,295)</u>	<u>7,973,354</u>	<u>1,065,000</u>
<i>Special Assessment Bonds</i>					
<i>with Governmental Commitment</i>					
2002 Parking Lot Improvement	305,000	0	(35,000)	270,000	40,000
<i>OPWC Loans:</i>					
Liberty Road Bridge Replacement	548,020	0	(37,795)	510,225	37,793
Whitehall Road Bridge Replacement	169,940	0	(62,373)	107,567	62,371
Bexley Infrastructure	1,029,126	0	(9,441)	1,019,685	9,442
Nine Mile Creek Rehabilitation	0	297,780	0	297,780	0
Total OPWC Loans	<u>1,747,086</u>	<u>297,780</u>	<u>(109,609)</u>	<u>1,935,257</u>	<u>109,606</u>
Notes Payable	17,000,000	18,010,000	(17,000,000)	18,010,000	0
OWDA Stormwater Improvement	1,974,401	0	(80,524)	1,893,877	0
Police and Fire Pension	315,023	0	(6,227)	308,796	6,495
Capital Lease	356,546	174,902	(125,413)	406,035	151,983
Compensated Absences	1,280,454	640,227	(757,025)	1,163,656	131,132
<i>Total Governmental Activities</i>	<u>\$31,821,486</u>	<u>\$19,259,582</u>	<u>(\$19,120,093)</u>	<u>\$31,960,975</u>	<u>\$1,504,216</u>

In 1998, the City defeased a 1991 recreational facilities improvement bond issue in order to take advantage of lower interest rates. The proceeds of the new bonds were placed in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. On December 31, 2008, \$500,000 of the defeased bonds are still outstanding.

On August 15, 1998 the City issued \$4,744,994 in voted general obligation bonds which included serial and capital appreciation (deep discount) bonds in the amount of \$4,685,000 and \$59,994, respectively. The general obligation bonds were issued for the purpose of refunding a portion of the 1991 recreational facilities improvement bonds to take advantage of lower interest rates. The bonds were issued for a fourteen year period with a final maturity at December 1, 2011. The bonds will be retired from the general obligation bond retirement fund.

City of South Euclid, Ohio
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For The Year Ended December 31, 2008

The serial and capital appreciation bonds remained outstanding at December 31, 2008. The capital appreciation bonds were originally sold at a discount of \$1,085,006, which is being accreted annually until the point of maturity of the capital appreciation bonds, which is December 1, 2011.

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

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

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

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

The \$18,010,000 Land Acquisition Bond Anticipation note issued January 28, 2008 at 4.50 percent and outstanding at December 31, 2008, will mature January 27, 2009. The note will be paid from the land acquisition capital projects fund.

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

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

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

As of December 31, 2008, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$21,655,882 and the unvoted legal debt margin was \$6,038,862.

Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2008 are as follows:

City of South Euclid, Ohio
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For The Year Ended December 31, 2008

	General Obligation Bonds				Special Assessment Bonds	
	Serial		Capital Appreciation		Principal	Interest
	Principal	Interest	Principal	Accretion		
2009	\$1,065,000	\$246,304	\$0	\$0	\$40,000	\$18,090
2010	590,000	207,354	33,586	541,414	40,000	15,410
2011	610,000	189,654	26,408	543,592	45,000	12,730
2012	630,000	171,048	0	0	45,000	9,715
2013	655,000	150,888	0	0	50,000	6,700
2014-2018	3,690,000	405,888	0	0	50,000	3,350
Total	\$7,240,000	\$1,371,136	\$59,994	\$1,085,006	\$270,000	\$65,995

	Police and Fire Pension		OPWC Loans
	Principal	Interest	Principal
	2009	\$6,495	\$13,055
2010	6,773	12,778	109,607
2011	7,065	12,486	109,607
2012	7,368	12,182	109,607
2013	7,685	11,865	109,607
2014-2018	43,668	54,084	548,035
2019-2023	53,835	43,917	491,338
2024-2028	66,498	31,254	50,070
2029-2033	82,058	15,693	0
2034-2035	27,351	1,102	0
Total	\$308,796	\$208,416	\$1,637,477

Note 13 - Compensated Absences

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

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

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

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2008

Note 14 – Capital Lease

In 2008, the City entered into capitalized lease obligations for five Ford vehicles. In prior years, the City had entered into a capitalized lease obligation for eleven new Ford vehicles and a master leaf collection unit. The leases meet the criteria for a capital lease as defined by the Statement of Financial Accounting Standards No. 13 “Accounting for Lease” and have been recorded on the government-wide statements. The original amounts capitalized for the capital leases and the book values as of December 31, 2008 are as follows:

	Amounts
Vehicles	\$769,465
Less: Accumulated Depreciation	(191,640)
Current Book Value	\$577,825

The following is a schedule of the future minimum leases payments required under the capital lease and the present value of the minimum lease payments as of December 31, 2008.

	Amounts
2009	\$170,346
2010	156,266
2011	39,198
2012	39,198
2013	39,198
Total Minimum Lease Payments	444,206
Less: Amount representing interest	(38,171)
Present Value of Minimum Lease Payments	\$406,035

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

Note 15 - Contingencies

A. Litigation

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

B. Grants

The City received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2008

claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2008.

Note 16 - Defined Benefit Pension Plans

A. Ohio Public Employees Retirement System

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

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the traditional pension and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2008, members in state and local classifications contributed 10 percent of covered payroll and public safety and law enforcement members contributed 10.1 percent.

The City's contribution rate for 2008 was 14 percent, except for those plan members in law enforcement or public safety, for whom the City's contribution was 17.4 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The City's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2008, 2007, and 2006 were \$290,787, \$301,464, and \$323,402 respectively; 89.28 percent has been contributed for 2008 and 100 percent for 2007 and 2006. Contributions to the member-directed plan for 2008 were \$2,416 made by the City and \$1,726 made by the plan members.

B. Ohio Police and Fire Pension Fund

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

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2008

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations. The City's contribution was 19.5 percent for police officers and 24 percent for firefighters. Contribution rates are established by State statute. For 2008, a portion of the City's contributions equal to 6.75 percent of covered payroll was allocated to fund the post-employment health care plan. The City's contributions to OP&F for police and firefighters were \$373,253 and \$455,223 for the year ended December 31, 2008, \$327,665 and \$388,910 for the year ended December 31, 2007, and \$323,843 and \$369,349 for the year ended December 31, 2006. 65.59 percent has been contributed for police and 64.32 percent has been contributed for firefighters for 2008. The full amount has been contributed for 2007 and 2006.

In addition to current contributions, the City pays installments on the accrued liability incurred when the State of Ohio established the statewide pension system for police and fire fighters in 1967. As of December 31, 2008, the unfunded liability of the City was \$308,796 payable in semi-annual payments through the year of 2035. This is an accounting liability of the City which will not vary.

Note 17 - Postemployment Benefits

A. Ohio Public Employees Retirement System

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

To qualify for post-employment health care coverage, age-and-service retirees under the traditional and combined plans must have ten or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not require, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

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

Funding Policy – The post-employment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401 (h). State statute requires that public employers fund post-employment health care through their contributions to OPERS. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of post-employment health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2008, state and local government employers contributed at a rate of 14 percent of covered payroll (17.4 percent for public safety and law enforcement). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding post-employment health care benefits. For 2008, the amount of the employer contributions which was allocated to fund post-employment health care was 7 percent of covered payroll.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2008

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2008, 2007, and 2006 were \$290,787, \$198,569 and \$158,186 respectively; 89.28 percent has been contributed for 2008 and 100 percent for 2007 and 2006.

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

B. Ohio Police and Fire Pension Fund

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

OP&F provides access to post-retirement healthcare coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person.

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

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

Funding policy – OP&F's post-employment healthcare plan was established and is administered as an Internal Revenue Code 401(h) account within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees. The Ohio Revised Code sets the contribution rates for participating employers and for plan members to the OP&F. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.50 percent and 24 percent of covered payroll for police and fire employers, respectively.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made to the pension plan to the 401(h) account as the employer contribution for retiree healthcare benefits. For the year ended December 31, 2008, the employer contribution allocated to the healthcare plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the healthcare plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and also is limited by the provisions of Section 401(h).

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

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2008

The City's contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were \$246,188 and \$217,107 for the year ended December 31, 2008, \$216,120 and \$185,480 for the year ended December 31, 2007, and \$213,598 and \$176,151 for the year ended December 31, 2006. The full amount has been contributed for 2007 and 2006. 65.59 percent has been contributed for police and 64.32 percent has been contributed for firefighters for 2008.

Note 18 - Joint Ventures

A. Tri-City Consortium on Aging

The Tri-City Consortium on Aging (Consortium) is a joint venture among the Cities of South Euclid, Lyndhurst and Highland Heights, formed for the purpose of coordinating among the cities all matters related to assistance and programs for the aged. Consortium revenues consist of contributions from the member cities and federal grants. The Consortium is controlled by the Council composed of the Mayors of the Cities of South Euclid, Lyndhurst, and Highland Heights, with the advice of a nine member commission. Continued existence of the Consortium is dependent on the City's continued participation; however the City of South Euclid has no explicit and measurable equity interest in the Consortium. The Consortium is not accumulating financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the City. In 2008, the City contributed \$267,125, paid from the general fund, which represented 50.2 percent of Consortium revenues. To obtain a copy of the Consortium's financial statements, write to the Tri-City Consortium on Aging, 1370 Victory Drive, South Euclid, Ohio, 44121.

B. South Euclid-Lyndhurst Recreation Commission

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

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

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2008

Note 19 - Jointly Governed Organizations

A. Northeast Ohio Public Energy Council

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

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the eight-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. The City of South Euclid did not contribute to NOPEC during 2008. Financial information can be obtained by contacting Joseph Migliorini, Board Chairman, at 175 South Main Street, Akron, Ohio 44308 or at their website at www.nopecinfo.org.

B. First Suburbs Consortium of Northeast Ohio Council of Governments

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

The Council is governed by an Assembly made up of one representative from each member community. The representatives then elect the Governing Board made up of a Chair, Vice Chair and other members elected in annual elections. The Board oversees and manages the council. The degree of control exercised by any participating government is limited to its representation in the Assembly and on the Board. During 2008, the City of South Euclid contributed \$3,000 to the Council. Financial information can be obtained by contacting First Suburbs Consortium of Northeast Ohio Council of Governments, 40 Severance Circle, Cleveland Heights, Ohio 44118.

C. Heights Area Special Rescue Team

The City is a member of the Heights Area Special Rescue Team (HASRT). HASRT is a council of governments formed under Ohio Revised Code Chapter 167. The governing body of HASRT is comprised of the five Fire Chiefs of the member cities. HASRT was established to provide mutual aid for the provision of emergency fire protection and rescue squad services and to organize, train and equip a special rescue team to conduct rescue activities requiring unusual training and/or equipment in participating communities. Annual member receipts are based on an agreed formula based on the member cities population. During 2008, the City of South Euclid contributed \$4,905 to HASRT. Financial information can be obtained by contacting Heights Area Special Rescue Team, 3400 Lee Road, Shaker Heights, Ohio, 44120.

City of South Euclid, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2008

Note 20 - Interfund Transactions

A. Interfund Balances

Interfund balances at December 31, 2008 consist of an interfund receivable in the general fund for \$68,000 and interfund payables in the operation home improvement and FEMA firefighters grant special revenue funds for \$15,000 and \$53,000 respectively. The interfund payables are advances for grant monies that the fund will receive at a later date. They are expected to be paid within one year.

B. Interfund Transfers

Interfund transfers for the year ended December 31, 2008, consisted of the following:

Transfers To	Transfers From		Total
	General	Recreation Improvement	
Other Governmental Funds:			
Parking Lots and Meters	\$70,000	\$0	\$70,000
Swimming Pools	220,000	0	220,000
Sewer Rental	50,000	0	50,000
General Capital Improvements	300,000	17,232	317,232
Safety Forces Vehicle	200,000	0	200,000
Road Improvement	400,000	0	400,000
<i>Total</i>	<u>\$1,240,000</u>	<u>\$17,232</u>	<u>\$1,257,232</u>

The transfers from the general fund to the parking lots and meters, swimming pools and sewer rental special revenue funds were to cover general operating expenditures. The general capital improvements capital projects fund received a transfer from the general fund to help cover general operating expenditures. The safety forces vehicle capital projects fund received transfers from the general fund to fund future capital purchases. Capital purchases in the safety forces vehicle fund will benefit the police and fire departments. A transfer from the general fund to the road improvement capital projects fund was made as a supplement to tax levy proceeds to cover costs. The transfer from the recreation improvement fund to the general capital improvement fund was made to help cover costs associated with building Splash Park.

Note 21 – Subsequent Events

On January 26, 2009, the City issued \$11,550,000 in general obligation urban development notes and \$7,000,000 in general obligation real estate acquisition notes in anticipation of the issuance of bonds. The urban development and real estate acquisition notes were issued at the rates of 3.8 and 2.5 percent, respectively. These notes will mature on January 25, 2010.

Combining Fund Statements and

Individual Schedules

Combining Statements – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

To account for the proceeds of specific revenue sources (other than major capital projects) that are restricted by law and administrative action to expenditures for specified purposes.

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

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

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

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

Parking Lots and Meters Fund The Parking Lots and Meters Fund accounts for the operations of the parking lots within the City.

Swimming Pools Fund The Swimming Pools Fund accounts for the operations of the City's three pools.

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

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

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

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

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

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

(continued)

Nonmajor Special Revenue Funds (continued)

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

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

Nonmajor Debt Service Funds

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term and special assessment principal, interest and related costs.

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

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

Nonmajor Capital Projects Funds

Capital Projects Funds are established to account for financial resources to be used for the construction or acquisition of major capital facilities.

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

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

Recreation Improvement Fund The Recreation Improvement Fund accounts for resources set aside for the improvement of City parks.

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

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

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

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

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

City of South Euclid, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2008

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$798,565	\$736,311	\$1,527,642	\$3,062,518
Materials and Supplies Inventory	88,301	0	0	88,301
Intergovernmental Receivable	451,162	36,801	99,787	587,750
Property Taxes Receivable	243,612	527,827	512,323	1,283,762
Special Assessments Receivable	900,532	401,314	0	1,301,846
<i>Total Assets</i>	<u>\$2,482,172</u>	<u>\$1,702,253</u>	<u>\$2,139,752</u>	<u>\$6,324,177</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$40,824	\$0	\$35,619	\$76,443
Accrued Wages	36,096	0	0	36,096
Intergovernmental Payable	85,680	0	0	85,680
Interfund Payable	68,000	0	0	68,000
Deferred Revenue	1,523,426	965,942	612,110	3,101,478
<i>Total Liabilities</i>	<u>1,754,026</u>	<u>965,942</u>	<u>647,729</u>	<u>3,367,697</u>
Fund Balances				
Reserved for Encumbrances	68,399	0	188,291	256,690
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	659,747	0	0	659,747
Debt Service Funds	0	736,311	0	736,311
Capital Projects Funds	0	0	1,303,732	1,303,732
<i>Total Fund Balances</i>	<u>728,146</u>	<u>736,311</u>	<u>1,492,023</u>	<u>2,956,480</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$2,482,172</u>	<u>\$1,702,253</u>	<u>\$2,139,752</u>	<u>\$6,324,177</u>

City of South Euclid, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2008

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property Taxes	\$240,316	\$437,367	\$512,464	\$1,190,147
Special Assessments	705,430	6,222	0	711,652
Intergovernmental	1,107,132	68,601	75,127	1,250,860
Fees, Licenses and Permits	1,720	0	0	1,720
Fines and Forfeitures	27,715	0	0	27,715
Rentals	20,700	0	0	20,700
Charges for Services	144,896	0	0	144,896
Other	27,223	0	18,850	46,073
<i>Total Revenues</i>	<u>2,275,132</u>	<u>512,190</u>	<u>606,441</u>	<u>3,393,763</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive	0	5,514	0	5,514
Security of Persons and Property:				
Police	97,396	0	0	97,396
Fire	129,801	0	0	129,801
Transportation	1,133,439	0	0	1,133,439
Basic Utility Services	942,849	0	0	942,849
Swimming Pools	330,541	0	0	330,541
Capital Outlay	0	0	1,056,962	1,056,962
Debt Service:				
Principal Retirement	0	485,000	360,413	845,413
Interest and Fiscal Charges	0	62,297	120,462	182,759
<i>Total Expenditures</i>	<u>2,634,026</u>	<u>552,811</u>	<u>1,537,837</u>	<u>4,724,674</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(358,894)</u>	<u>(40,621)</u>	<u>(931,396)</u>	<u>(1,330,911)</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	0	0	5,423	5,423
Inception of Capital Lease	0	0	174,902	174,902
Transfers In	340,000	0	917,232	1,257,232
Transfers Out	0	0	(17,232)	(17,232)
<i>Total Other Financing Sources (Uses)</i>	<u>340,000</u>	<u>0</u>	<u>1,080,325</u>	<u>1,420,325</u>
<i>Net Change in Fund Balances</i>	<u>(18,894)</u>	<u>(40,621)</u>	<u>148,929</u>	<u>89,414</u>
<i>Fund Balances Beginning of Year</i>	<u>747,040</u>	<u>776,932</u>	<u>1,343,094</u>	<u>2,867,066</u>
<i>Fund Balances End of Year</i>	<u><u>\$728,146</u></u>	<u><u>\$736,311</u></u>	<u><u>\$1,492,023</u></u>	<u><u>\$2,956,480</u></u>

City of South Euclid, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2008

	Operation Home Improvement	COPS Grant	Street Construction, Maintenance and Repair	State Highway
Assets				
Equity in Pooled Cash and				
Cash Equivalents	\$50,150	\$1,451	\$74,762	\$7,161
Materials and Supplies Inventory	0	0	88,301	0
Intergovernmental Receivable	0	0	341,605	27,698
Property Taxes Receivable	0	0	0	0
Special Assessments Receivable	121,337	0	0	0
<i>Total Assets</i>	<u>\$171,487</u>	<u>\$1,451</u>	<u>\$504,668</u>	<u>\$34,859</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$0	\$3,171	\$0
Accrued Wages	0	0	23,344	2,125
Intergovernmental Payable	0	0	17,101	1,549
Interfund Payable	15,000	0	0	0
Deferred Revenue	121,337	0	285,095	23,116
<i>Total Liabilities</i>	<u>136,337</u>	<u>0</u>	<u>328,711</u>	<u>26,790</u>
Fund Balances				
Reserved for Encumbrances	0	290	4,607	0
Unreserved, Undesignated (Deficit)	35,150	1,161	171,350	8,069
<i>Total Fund Balances</i>	<u>35,150</u>	<u>1,451</u>	<u>175,957</u>	<u>8,069</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$171,487</u>	<u>\$1,451</u>	<u>\$504,668</u>	<u>\$34,859</u>

<u>Parking Lots and Meters</u>	<u>Swimming Pools</u>	<u>Permissive Motor Vehicle License</u>	<u>Police Range</u>	<u>Law Enforcement</u>	<u>FEMA Firefighters Grant</u>	<u>Street Lighting</u>
\$17,967	\$48,877	\$16,750	\$37,819	\$146,735	\$111,338	\$142,012
0	0	0	0	0	0	0
0	0	63,149	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	405,837
<u>\$17,967</u>	<u>\$48,877</u>	<u>\$79,899</u>	<u>\$37,819</u>	<u>\$146,735</u>	<u>\$111,338</u>	<u>\$547,849</u>
\$0	\$3,075	\$0	\$0	\$800	\$0	\$33,601
676	0	0	0	0	0	0
0	284	0	0	0	0	0
0	0	0	0	0	53,000	0
0	0	52,361	0	0	0	405,837
<u>676</u>	<u>3,359</u>	<u>52,361</u>	<u>0</u>	<u>800</u>	<u>53,000</u>	<u>439,438</u>
17	0	0	0	0	63,112	0
17,274	45,518	27,538	37,819	145,935	(4,774)	108,411
<u>17,291</u>	<u>45,518</u>	<u>27,538</u>	<u>37,819</u>	<u>145,935</u>	<u>58,338</u>	<u>108,411</u>
<u>\$17,967</u>	<u>\$48,877</u>	<u>\$79,899</u>	<u>\$37,819</u>	<u>\$146,735</u>	<u>\$111,338</u>	<u>\$547,849</u>

(continued)

City of South Euclid, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2008

	Sewer Rental	Police Pension	Fire Pension	Total Nonmajor Special Revenue Funds
Assets				
Equity in Pooled Cash and				
Cash Equivalents	\$43,868	\$69,838	\$29,837	\$798,565
Materials and Supplies Inventory	0	0	0	88,301
Intergovernmental Receivable	0	9,355	9,355	451,162
Property Taxes Receivable	0	121,806	121,806	243,612
Special Assessments Receivable	373,358	0	0	900,532
<i>Total Assets</i>	<u>\$417,226</u>	<u>\$200,999</u>	<u>\$160,998</u>	<u>\$2,482,172</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$177	\$0	\$0	\$40,824
Accrued Wages	9,951	0	0	36,096
Intergovernmental Payable	6,746	35,000	25,000	85,680
Interfund Payable	0	0	0	68,000
Deferred Revenue	373,358	131,161	131,161	1,523,426
<i>Total Liabilities</i>	<u>390,232</u>	<u>166,161</u>	<u>156,161</u>	<u>1,754,026</u>
Fund Balances				
Reserved for Encumbrances	373	0	0	68,399
Unreserved, Undesignated (Deficit)	26,621	34,838	4,837	659,747
<i>Total Fund Balances</i>	<u>26,994</u>	<u>34,838</u>	<u>4,837</u>	<u>728,146</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$417,226</u>	<u>\$200,999</u>	<u>\$160,998</u>	<u>\$2,482,172</u>

City of South Euclid, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2008

	Operation Home Improvement	COPS Grant	Street Construction, Maintenance and Repair	State Highway
Revenues				
Property Taxes	\$0	\$0	\$0	\$0
Special Assessments	0	0	0	0
Intergovernmental	119,665	0	704,414	57,115
Fees, Licenses and Permits	0	0	0	0
Fines and Forfeitures	0	0	0	0
Rentals	0	0	0	0
Charges for Services	0	0	0	0
Other	0	0	27,223	0
<i>Total Revenues</i>	<u>119,665</u>	<u>0</u>	<u>731,637</u>	<u>57,115</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police	0	0	0	0
Fire	0	0	0	0
Transportation	0	0	921,590	73,920
Basic Utility Services	43,071	0	0	0
Swimming Pools	0	0	0	0
<i>Total Expenditures</i>	<u>43,071</u>	<u>0</u>	<u>921,590</u>	<u>73,920</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	76,594	0	(189,953)	(16,805)
Other Financing Sources				
Transfers In	0	0	0	0
<i>Net Change in Fund Balances</i>	76,594	0	(189,953)	(16,805)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>(41,444)</u>	<u>1,451</u>	<u>365,910</u>	<u>24,874</u>
<i>Fund Balances End of Year</i>	<u>\$35,150</u>	<u>\$1,451</u>	<u>\$175,957</u>	<u>\$8,069</u>

(continued)

City of South Euclid, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Year Ended December 31, 2008

	Parking Lots and Meters	Swimming Pools	Permissive Motor Vehicle License	Police Range
Revenues				
Property Taxes	\$0	\$0	\$0	\$0
Special Assessments	0	0	0	0
Intergovernmental	0	0	127,860	0
Fees, Licenses and Permits	1,720	0	0	0
Fines and Forfeitures	0	0	0	6,572
Rentals	0	0	0	20,700
Charges for Services	2,616	119,300	0	0
Other	0	0	0	0
<i>Total Revenues</i>	<u>4,336</u>	<u>119,300</u>	<u>127,860</u>	<u>27,272</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police	0	0	0	0
Fire	0	0	0	0
Transportation	0	0	137,929	0
Basic Utility Services	70,123	0	0	0
Swimming Pools	0	330,541	0	0
<i>Total Expenditures</i>	<u>70,123</u>	<u>330,541</u>	<u>137,929</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(65,787)	(211,241)	(10,069)	27,272
Other Financing Sources				
Transfers In	70,000	220,000	0	0
<i>Net Change in Fund Balances</i>	4,213	8,759	(10,069)	27,272
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>13,078</u>	<u>36,759</u>	<u>37,607</u>	<u>10,547</u>
<i>Fund Balances End of Year</i>	<u><u>\$17,291</u></u>	<u><u>\$45,518</u></u>	<u><u>\$27,538</u></u>	<u><u>\$37,819</u></u>

Law Enforcement	FEMA Firefighters Grant	Street Lighting	Sewer Rental	Police Pension	Fire Pension	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$120,158	\$120,158	\$240,316
0	0	369,846	335,584	0	0	705,430
0	60,660	0	0	18,709	18,709	1,107,132
0	0	0	0	0	0	1,720
21,143	0	0	0	0	0	27,715
0	0	0	0	0	0	20,700
0	0	0	22,980	0	0	144,896
0	0	0	0	0	0	27,223
<u>21,143</u>	<u>60,660</u>	<u>369,846</u>	<u>358,564</u>	<u>138,867</u>	<u>138,867</u>	<u>2,275,132</u>
12,246	0	0	0	85,150	0	97,396
0	14,651	0	0	0	115,150	129,801
0	0	0	0	0	0	1,133,439
0	0	407,967	421,688	0	0	942,849
0	0	0	0	0	0	330,541
<u>12,246</u>	<u>14,651</u>	<u>407,967</u>	<u>421,688</u>	<u>85,150</u>	<u>115,150</u>	<u>2,634,026</u>
8,897	46,009	(38,121)	(63,124)	53,717	23,717	(358,894)
0	0	0	50,000	0	0	340,000
8,897	46,009	(38,121)	(13,124)	53,717	23,717	(18,894)
<u>137,038</u>	<u>12,329</u>	<u>146,532</u>	<u>40,118</u>	<u>(18,879)</u>	<u>(18,880)</u>	<u>747,040</u>
<u>\$145,935</u>	<u>\$58,338</u>	<u>\$108,411</u>	<u>\$26,994</u>	<u>\$34,838</u>	<u>\$4,837</u>	<u>\$728,146</u>

City of South Euclid, Ohio
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2008

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$640,146	\$96,165	\$736,311
Intergovernmental Receivable	36,801	0	36,801
Property Taxes Receivable	527,827	0	527,827
Special Assessments Receivable	0	401,314	401,314
<i>Total Assets</i>	<u>\$1,204,774</u>	<u>\$497,479</u>	<u>\$1,702,253</u>
Liabilities and Fund Balances			
Liabilities			
Deferred Revenue	\$564,628	\$401,314	\$965,942
Fund Balances			
Unreserved, Undesignated	<u>640,146</u>	<u>96,165</u>	<u>736,311</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,204,774</u>	<u>\$497,479</u>	<u>\$1,702,253</u>

City of South Euclid, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2008

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
Revenues			
Property Taxes	\$437,367	\$0	\$437,367
Special Assessments	0	6,222	6,222
Intergovernmental	68,601	0	68,601
<i>Total Revenues</i>	<u>505,968</u>	<u>6,222</u>	<u>512,190</u>
Expenditures			
General Government:			
Legislative and Executive	5,514	0	5,514
Debt Service:			
Principal Retirement	450,000	35,000	485,000
Interest and Fiscal Charges	41,800	20,497	62,297
<i>Total Expenditures</i>	<u>497,314</u>	<u>55,497</u>	<u>552,811</u>
<i>Net Change in Fund Balances</i>	8,654	(49,275)	(40,621)
<i>Fund Balances Beginning of Year</i>	<u>631,492</u>	<u>145,440</u>	<u>776,932</u>
<i>Fund Balances End of Year</i>	<u><u>\$640,146</u></u>	<u><u>\$96,165</u></u>	<u><u>\$736,311</u></u>

City of South Euclid, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2008

	General Capital Improvements	Safety Forces Vehicle	Recreation Improvement	Road Improvement
Assets				
Equity in Pooled Cash and Cash Equivalents	\$95,553	\$594,590	\$5,000	\$363,737
Intergovernmental Receivable	62,224	0	0	37,563
Property Taxes Receivable	0	0	0	512,323
<i>Total Assets</i>	<u>\$157,777</u>	<u>\$594,590</u>	<u>\$5,000</u>	<u>\$913,623</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$35,619	\$0	\$0	\$0
Deferred Revenue	62,224	0	0	549,886
<i>Total Liabilities</i>	<u>97,843</u>	<u>0</u>	<u>0</u>	<u>549,886</u>
Fund Balances				
Reserved for Encumbrances	6,133	22,634	0	159,524
Unreserved, Undesignated	53,801	571,956	5,000	204,213
<i>Total Fund Balances</i>	<u>59,934</u>	<u>594,590</u>	<u>5,000</u>	<u>363,737</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$157,777</u>	<u>\$594,590</u>	<u>\$5,000</u>	<u>\$913,623</u>

Sidewalk Improvement	Stanhope Parking Lot	Issue II	Sewer Rehabilitation	Total Nonmajor Capital Projects Funds
\$7	\$2,853	\$464,651	\$1,251	\$1,527,642
0	0	0	0	99,787
0	0	0	0	512,323
<u>\$7</u>	<u>\$2,853</u>	<u>\$464,651</u>	<u>\$1,251</u>	<u>\$2,139,752</u>
\$0	\$0	\$0	\$0	\$35,619
0	0	0	0	612,110
0	0	0	0	647,729
0	0	0	0	188,291
7	2,853	464,651	1,251	1,303,732
7	2,853	464,651	1,251	1,492,023
<u>\$7</u>	<u>\$2,853</u>	<u>\$464,651</u>	<u>\$1,251</u>	<u>\$2,139,752</u>

City of South Euclid, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2008

	General Capital Improvements	Safety Forces Vehicle	Recreation Improvement	Road Improvement
Revenues				
Property Taxes	\$0	\$0	\$0	\$512,464
Intergovernmental	0	0	0	75,127
Other	14,073	4,777	0	0
<i>Total Revenues</i>	<u>14,073</u>	<u>4,777</u>	<u>0</u>	<u>587,591</u>
Expenditures				
Capital Outlay	613,874	7,469	0	435,619
Debt Service:				
Principal Retirement	125,413	0	0	235,000
Interest and Fiscal Charges	17,902	0	0	102,560
<i>Total Expenditures</i>	<u>757,189</u>	<u>7,469</u>	<u>0</u>	<u>773,179</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(743,116)</u>	<u>(2,692)</u>	<u>0</u>	<u>(185,588)</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	0	5,423	0	0
Inception of Capital Lease	174,902	0	0	0
Transfers In	317,232	200,000	0	400,000
Transfers Out	0	0	(17,232)	0
<i>Total Other Financing Sources (Uses)</i>	<u>492,134</u>	<u>205,423</u>	<u>(17,232)</u>	<u>400,000</u>
<i>Net Change in Fund Balances</i>	<u>(250,982)</u>	<u>202,731</u>	<u>(17,232)</u>	<u>214,412</u>
<i>Fund Balances Beginning of Year</i>	<u>310,916</u>	<u>391,859</u>	<u>22,232</u>	<u>149,325</u>
<i>Fund Balances End of Year</i>	<u><u>\$59,934</u></u>	<u><u>\$594,590</u></u>	<u><u>\$5,000</u></u>	<u><u>\$363,737</u></u>

Sidewalk Improvement	Stanhope Parking Lot	Issue II	Sewer Rehabilitation	Total Nonmajor Capital Projects Funds
\$0	\$0	\$0	\$0	\$512,464
0	0	0	0	75,127
0	0	0	0	18,850
0	0	0	0	606,441
0	0	0	0	1,056,962
0	0	0	0	360,413
0	0	0	0	120,462
0	0	0	0	1,537,837
0	0	0	0	(931,396)
0	0	0	0	5,423
0	0	0	0	174,902
0	0	0	0	917,232
0	0	0	0	(17,232)
0	0	0	0	1,080,325
0	0	0	0	148,929
7	2,853	464,651	1,251	1,343,094
\$7	\$2,853	\$464,651	\$1,251	\$1,492,023

Combining Statement - Agency Fund

Agency Fund

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

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

City of South Euclid, Ohio
Statement of Changes in Assets and Liabilities
Agency Fund
For the Year Ended December 31, 2008

	Beginning Balance 12/31/07	Additions	Deductions	Ending Balance 12/31/08
<i>Deposits Fund</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,188,673	\$664,646	\$413,028	\$1,440,291
Liabilities				
Deposits Held and Due to Others	\$1,188,673	\$664,646	\$413,028	\$1,440,291

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

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$3,912,894	\$4,253,424	\$4,263,726	\$10,302
Income Taxes	7,763,319	8,438,942	8,459,381	20,439
Intergovernmental	1,855,012	2,016,449	2,021,333	4,884
Interest	406,781	442,182	443,253	1,071
Fees, Licenses and Permits	441,754	480,199	481,362	1,163
Fines and Forfeitures	559,168	607,831	609,303	1,472
Rentals	93,655	101,806	102,053	247
Charges for Services	782,256	850,334	852,394	2,060
Other	428,210	465,474	466,600	1,126
<i>Total Revenues</i>	<u>16,243,049</u>	<u>17,656,641</u>	<u>17,699,405</u>	<u>42,764</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive:				
Council				
Personal Services	85,180	85,180	82,260	2,920
Materials and Supplies	9,000	9,000	3,508	5,492
Other	9,100	9,100	6,616	2,484
Total Council	<u>103,280</u>	<u>103,280</u>	<u>92,384</u>	<u>10,896</u>
Mayor				
Personal Services	160,052	160,052	156,135	3,917
Contractual Services	3,368	3,368	3,025	343
Materials and Supplies	3,973	3,973	3,672	301
Other	11,990	11,990	11,021	969
Total Mayor	<u>179,383</u>	<u>179,383</u>	<u>173,853</u>	<u>5,530</u>
Finance Department				
Personal Services	286,690	286,690	265,227	21,463
Contractual Services	22,192	22,192	21,233	959
Materials and Supplies	8,635	8,635	6,516	2,119
Other	5,950	5,950	3,048	2,902
Total Finance Department	<u>323,467</u>	<u>323,467</u>	<u>296,024</u>	<u>27,443</u>
Law Director				
Personal Services	152,050	152,050	145,638	6,412
Contractual Services	204,288	204,288	198,792	5,496
Materials and Supplies	16,559	16,559	16,342	217
Other	15,200	15,200	14,650	550
Total Law Director	<u>388,097</u>	<u>388,097</u>	<u>375,422</u>	<u>12,675</u>
Civil Service				
Personal Services	8,300	8,300	7,757	543
Contractual Services	50,000	50,000	19,240	30,760
Materials and Supplies	100	100	3	97
Other	5,125	5,125	1,878	3,247
Total Civil Service	<u>\$63,525</u>	<u>\$63,525</u>	<u>\$28,878</u>	<u>\$34,647</u>

(continued)

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Municipal Complex				
Personal Services	\$94,863	\$94,863	\$86,294	\$8,569
Contractual Services	483,637	483,637	372,635	111,002
Materials and Supplies	64,700	64,700	28,195	36,505
Other	46,651	46,651	36,109	10,542
Total Municipal Complex	689,851	689,851	523,233	166,618
Engineer				
Personal Services	19,290	19,290	18,848	442
Contractual Services	27,289	27,289	19,230	8,059
Materials and Supplies	250	250	240	10
Total Engineer	46,829	46,829	38,318	8,511
Mandated				
Contractual Services	525,619	525,619	503,766	21,853
General Services				
Personal Services	34,251	34,251	30,864	3,387
Contractual Services	396,282	396,282	396,102	180
Other	451,965	451,965	449,416	2,549
Total General Services	882,498	882,498	876,382	6,116
Total Legislative and Executive	3,202,549	3,202,549	2,908,260	294,289
Judicial System:				
Municipal Court				
Personal Services	502,505	502,505	458,375	44,130
Contractual Services	7,587	7,587	6,966	621
Materials and Supplies	31,668	31,668	31,057	611
Other	10,150	10,150	6,189	3,961
Total Judicial System	551,910	551,910	502,587	49,323
Total General Government	3,754,459	3,754,459	3,410,847	343,612
Security of Persons and Property:				
Police:				
Police Department				
Personal Services	4,715,130	4,715,130	4,509,554	205,576
Contractual Services	100,751	100,751	94,148	6,603
Materials and Supplies	129,581	129,581	127,366	2,215
Other	126,813	126,813	114,790	12,023
Total Police	5,072,275	5,072,275	4,845,858	226,417
Dispatchers				
Personal Services	559,240	559,240	456,191	103,049
Other	5,000	5,000	4,724	276
Total Dispatchers	564,240	564,240	460,915	103,325
Total Police	\$5,636,515	\$5,636,515	\$5,306,773	\$329,742

(continued)

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Fire:				
Fire Department				
Personal Services	\$3,740,175	\$3,740,175	\$3,711,258	\$28,917
Contractual Services	134,865	134,865	125,471	9,394
Materials and Supplies	60,853	60,853	49,601	11,252
Other	53,346	53,346	45,633	7,713
Total Fire Department	3,989,239	3,989,239	3,931,963	57,276
Fire Hydrants				
Contractual Services	24,000	24,000	22,891	1,109
Materials and Supplies	8,000	8,000	584	7,416
Total Fire Hydrants	32,000	32,000	23,475	8,525
Total Fire	4,021,239	4,021,239	3,955,438	65,801
Total Security of Persons and Property	9,657,754	9,657,754	9,262,211	395,543
Public Health Services:				
Health and Human Services				
Contractual Services	147,834	147,834	143,088	4,746
Leisure Time Activities:				
Recreation Department				
Personal Services	108,179	108,179	97,431	10,748
Contractual Services	54,824	54,824	45,662	9,162
Materials and Supplies	3,000	3,000	1,106	1,894
Other	14,650	14,650	8,197	6,453
Total Recreation Department	180,653	180,653	152,396	28,257
Community Center				
Personal Services	129,705	129,705	124,143	5,562
Contractual Services	45,738	45,738	40,006	5,732
Materials and Supplies	21,165	21,165	12,067	9,098
Other	90,110	90,110	84,089	6,021
Total Community Center	286,718	286,718	260,305	26,413
Total Leisure Time Activities	467,371	467,371	412,701	54,670
Community Development:				
Boards and Commissions				
Personal Services	34,420	34,420	32,914	1,506
Contractual Services	850	850	750	100
Other	30	30	0	30
Total Boards and Commissions	35,300	35,300	33,664	1,636
Community Relations				
Personal Services	79,411	79,411	73,609	5,802
Contractual Services	1,200	1,200	1,110	90
Materials and Supplies	8,279	8,279	2,388	5,891
Other	29,400	29,400	27,330	2,070
Total Community Relations	\$118,290	\$118,290	\$104,437	\$13,853

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Economic Development Department:				
Economic Development Department				
Personal Services	\$101,875	\$101,875	\$91,025	\$10,850
Contractual Services	114,159	114,159	103,000	11,159
Materials and Supplies	1,700	1,700	645	1,055
Other	18,700	18,700	13,772	4,928
Total Economic Development Department	236,434	236,434	208,442	27,992
Total Community Development	390,024	390,024	346,543	43,481
Building Department:				
Building Department				
Personal Services	708,050	708,050	664,895	43,155
Contractual Services	27,088	27,088	24,057	3,031
Materials and Supplies	23,300	23,300	21,871	1,429
Other	135,318	135,318	107,255	28,063
Total Building Department	893,756	893,756	818,078	75,678
Transportation:				
Service Department				
Personal Services	635,079	635,079	613,151	21,928
Contractual Services	151,402	151,402	148,199	3,203
Materials and Supplies	57,925	57,925	47,476	10,449
Other	8,473	8,473	8,127	346
Total Service Department	852,879	852,879	816,953	35,926
Service Garage				
Personal Services	146,901	146,901	130,301	16,600
Contractual Services	68,218	68,218	64,963	3,255
Materials and Supplies	123,486	123,486	120,594	2,892
Other	11,270	11,270	10,770	500
Total Service Garage	349,875	349,875	326,628	23,247
Total Transportation	1,202,754	1,202,754	1,143,581	59,173
Basic Utility Services:				
Refuse Collection and Disposal				
Contractual Services	1,380,000	1,380,000	1,366,065	13,935
Curbside Recycling				
Personal Services	157,347	157,347	144,346	13,001
Contractual Services	35,000	35,000	34,285	715
Other	1,000	1,000	864	136
Total Curbside Recycling	193,347	193,347	179,495	13,852
Total Basic Utility Services	1,573,347	1,573,347	1,545,560	27,787
<i>Total Expenditures</i>	18,087,299	18,087,299	17,082,609	1,004,690
<i>Excess of Revenues Over (Under) Expenditures</i>	(\$1,844,250)	(\$430,658)	\$616,796	\$1,047,454

(continued)

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other Financing Sources (Uses)				
Advances In	\$100,949	\$109,734	\$110,000	\$266
Advances Out	(53,000)	(53,000)	(53,000)	0
Transfers Out	(1,244,114)	(1,240,121)	(1,240,000)	121
<i>Total Other Financing Sources (Uses)</i>	<u>(1,196,165)</u>	<u>(1,183,387)</u>	<u>(1,183,000)</u>	<u>387</u>
<i>Net Change in Fund Balance</i>	(3,040,415)	(1,614,045)	(566,204)	1,047,841
<i>Fund Balance Beginning of Year</i>	4,775,650	4,775,650	4,775,650	0
Prior Year Encumbrances Appropriated	<u>334,963</u>	<u>334,963</u>	<u>334,963</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$2,070,198</u></u>	<u><u>\$3,496,568</u></u>	<u><u>\$4,544,409</u></u>	<u><u>\$1,047,841</u></u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Flood Control Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Special Assessments	\$1,610,294	\$1,925,325	\$2,013,505	\$88,180
Intergovernmental	145,260	173,679	181,633	7,954
Other	6,297	7,529	7,874	345
<i>Total Revenues</i>	1,761,851	2,106,533	2,203,012	96,479
Expenditures				
Capital Outlay:				
Contractual Services	5,547,881	5,547,881	5,114,719	433,162
Other	2,536	2,536	1,932	604
Total Capital Outlay	5,550,417	5,550,417	5,116,651	433,766
Debt Service:				
Principal Retirement	669,540	669,540	510,133	159,407
Interest and Fiscal Charges	269,381	269,381	205,246	64,135
Total Debt Service	938,921	938,921	715,379	223,542
<i>Total Expenditures</i>	6,489,338	6,489,338	5,832,030	657,308
<i>Excess of Revenues Under Expenditures</i>	(4,727,487)	(4,382,805)	(3,629,018)	753,787
Other Financing Sources				
OPWC Loan Proceeds	238,149	284,739	297,780	13,041
<i>Net Change in Fund Balance</i>	(4,489,338)	(4,098,066)	(3,331,238)	766,828
<i>Fund Balance Beginning of Year</i>	3,824,264	3,824,264	3,824,264	0
Prior Year Encumbrances Appropriated	807,967	807,967	807,967	0
<i>Fund Balance End of Year</i>	\$142,893	\$534,165	\$1,300,993	\$766,828

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Land Acquisition Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Capital Outlay:				
Contractual Services	268,558	268,558	240,297	28,261
Capital Outlay	107,074	107,074	97,408	9,666
Other	177,447	177,447	162,428	15,019
Total Capital Outlay	553,079	553,079	500,133	52,946
Debt Service:				
Principal Retirement	20,665,575	20,665,575	18,800,000	1,865,575
Interest and Fiscal Charges	1,095,762	1,095,762	996,843	98,919
Total Debt Service	21,761,337	21,761,337	19,796,843	1,964,494
<i>Total Expenditures</i>	22,314,416	22,314,416	20,296,976	2,017,440
<i>Excess of Revenues Under Expenditures</i>	(22,314,416)	(22,314,416)	(20,296,976)	2,017,440
Other Financing Sources				
Bond Anticipation Notes Issued	21,610,000	21,610,000	19,810,000	(1,800,000)
<i>Net Change in Fund Balance</i>	(704,416)	(704,416)	(486,976)	217,440
<i>Fund Balance Beginning of Year</i>	800,133	800,133	800,133	0
Prior Year Encumbrances Appropriated	4,416	4,416	4,416	0
<i>Fund Balance End of Year</i>	\$100,133	\$100,133	\$317,573	\$217,440

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Operation Home Improvement Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$100,000	\$119,665	\$119,665	\$0
Expenditures				
Current:				
Basic Utility Services:				
Refuse Collection and Disposal:				
Other	86,472	86,472	60,221	26,251
<i>Excess of Revenues Over Expenditures</i>	13,528	33,193	59,444	26,251
Other Financing Uses				
Advances Out	(110,000)	(110,000)	(110,000)	0
<i>Net Change in Fund Balance</i>	(96,472)	(76,807)	(50,556)	26,251
<i>Fund Balance Beginning of Year</i>	99,234	99,234	99,234	0
Prior Year Encumbrances Appropriated	1,472	1,472	1,472	0
<i>Fund Balance End of Year</i>	<u>\$4,234</u>	<u>\$23,899</u>	<u>\$50,150</u>	<u>\$26,251</u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
COPS Grant Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Security of Persons and Property:				
Police Department:				
Other	1,450	1,450	290	1,160
<i>Net Change in Fund Balance</i>	(1,450)	(1,450)	(290)	1,160
<i>Fund Balance Beginning of Year</i>	1,451	1,451	1,451	0
<i>Fund Balance End of Year</i>	<u>\$1</u>	<u>\$1</u>	<u>\$1,161</u>	<u>\$1,160</u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Construction, Maintenance and Repair Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$715,000	\$707,119	\$707,119	\$0
Other	0	27,223	27,223	0
<i>Total Revenues</i>	715,000	734,342	734,342	0
Expenditures				
Current:				
Transportation:				
Street Maintenance:				
Personal Services	643,501	643,501	632,342	11,159
Contractual Services	240,703	240,703	235,514	5,189
Materials and Supplies	45,692	45,692	38,168	7,524
Other	8,917	8,917	8,683	234
<i>Total Expenditures</i>	938,813	938,813	914,707	24,106
<i>Net Change in Fund Balance</i>	(223,813)	(204,471)	(180,365)	24,106
<i>Fund Balance Beginning of Year</i>	233,178	233,178	233,178	0
Prior Year Encumbrances Appropriated	15,457	15,457	15,457	0
<i>Fund Balance End of Year</i>	\$24,822	\$44,164	\$68,270	\$24,106

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
State Highway Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$55,000	\$57,334	\$57,334	\$0
Expenditures				
Current:				
Transportation:				
Street Maintenance:				
Personal Services	63,450	63,450	61,662	1,788
Materials and Supplies	12,000	12,000	12,000	0
<i>Total Expenditures</i>	75,450	75,450	73,662	1,788
<i>Net Change in Fund Balance</i>	(20,450)	(18,116)	(16,328)	1,788
<i>Fund Balance Beginning of Year</i>	23,489	23,489	23,489	0
<i>Fund Balance End of Year</i>	\$3,039	\$5,373	\$7,161	\$1,788

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Parking Lots and Meters Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fees, Licenses and Permits	\$2,788	\$2,410	\$2,410	\$0
Charges for Services	2,570	2,615	2,616	1
<i>Total Revenues</i>	5,358	5,025	5,026	1
Expenditures				
Current:				
Basic Utility Services:				
Parking Lots and Meters:				
Personal Services	3,062	3,062	2,246	816
Contractual Services	68,445	68,445	57,436	11,009
Materials and Supplies	4,969	4,969	4,170	799
Other	7,434	7,434	6,238	1,196
<i>Total Expenditures</i>	83,910	83,910	70,090	13,820
<i>Excess of Revenues Under Expenditures</i>	(78,552)	(78,885)	(65,064)	13,821
Other Financing Sources				
Transfers In	74,642	70,000	70,000	0
<i>Net Change in Fund Balance</i>	(3,910)	(8,885)	4,936	13,821
<i>Fund Balance Beginning of Year</i>	12,582	12,582	12,582	0
Prior Year Encumbrances Appropriated	420	420	420	0
<i>Fund Balance End of Year</i>	\$9,092	\$4,117	\$17,938	\$13,821

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Swimming Pools Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$112,514	\$119,300	\$119,300	\$0
Expenditures				
Current:				
Swimming Pools:				
Personal Services	221,544	221,544	208,930	12,614
Contractual Services	91,557	91,557	86,344	5,213
Materials and Supplies	27,758	27,758	26,004	1,754
Other	8,500	8,500	7,144	1,356
<i>Total Expenditures</i>	349,359	349,359	328,422	20,937
<i>Excess of Revenues Under Expenditures</i>	(236,845)	(230,059)	(209,122)	20,937
Other Financing Sources				
Transfers In	207,486	220,000	220,000	0
<i>Net Change in Fund Balance</i>	(29,359)	(10,059)	10,878	20,937
<i>Fund Balance Beginning of Year</i>	36,890	36,890	36,890	0
Prior Year Encumbrances Appropriated	1,109	1,109	1,109	0
<i>Fund Balance End of Year</i>	\$8,640	\$27,940	\$48,877	\$20,937

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Permissive Motor Vehicle License Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$125,000	\$127,344	\$127,344	\$0
Expenditures				
Current:				
Transportation:				
Materials and Supplies	141,215	141,215	137,929	3,286
<i>Net Change in Fund Balance</i>	(16,215)	(13,871)	(10,585)	3,286
<i>Fund Balance Beginning of Year</i>	26,120	26,120	26,120	0
Prior Year Encumbrances Appropriated	1,215	1,215	1,215	0
<i>Fund Balance End of Year</i>	<u>\$11,120</u>	<u>\$13,464</u>	<u>\$16,750</u>	<u>\$3,286</u>

City of South Euclid, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Range Fund
For the Year Ended December 31, 2008*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeitures	\$9,639	\$6,572	\$6,572	\$0
Rentals	30,361	20,700	20,700	0
<i>Total Revenues</i>	<u>40,000</u>	<u>27,272</u>	<u>27,272</u>	<u>0</u>
Expenditures				
Current:				
Security of Persons and Property:				
Police Department:				
Contractual Services	15,000	15,000	0	15,000
Materials and Supplies	20,000	20,000	0	20,000
<i>Total Expenditures</i>	<u>35,000</u>	<u>35,000</u>	<u>0</u>	<u>35,000</u>
<i>Net Change in Fund Balance</i>	5,000	(7,728)	27,272	35,000
<i>Fund Balance Beginning of Year</i>	<u>10,547</u>	<u>10,547</u>	<u>10,547</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$15,547</u></u>	<u><u>\$2,819</u></u>	<u><u>\$37,819</u></u>	<u><u>\$35,000</u></u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Law Enforcement Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeitures	\$25,000	\$50,977	\$21,143	(\$29,834)
Expenditures				
Current:				
Security of Persons and Property:				
Police Department:				
Other	125,507	125,507	12,246	113,261
<i>Net Change in Fund Balance</i>	(100,507)	(74,530)	8,897	83,427
<i>Fund Balance Beginning of Year</i>	136,531	136,531	136,531	0
Prior Year Encumbrances Appropriated	507	507	507	0
<i>Fund Balance End of Year</i>	<u>\$36,531</u>	<u>\$62,508</u>	<u>\$145,935</u>	<u>\$83,427</u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
FEMA Firefighters Grant Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$35,971	\$35,449	\$60,660	\$25,211
Expenditures				
Current:				
Security of Persons and Property:				
Fire Department:				
Other	78,000	78,000	77,763	237
<i>Excess of Revenues Under Expenditures</i>	(42,029)	(42,551)	(17,103)	25,448
Other Financing Sources				
Advances In	31,429	30,972	53,000	22,028
<i>Net Change in Fund Balance</i>	(10,600)	(11,579)	35,897	47,476
<i>Fund Balance Beginning of Year</i>	12,329	12,329	12,329	0
<i>Fund Balance End of Year</i>	<u>\$1,729</u>	<u>\$750</u>	<u>\$48,226</u>	<u>\$47,476</u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Street Lighting Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Special Assessments	\$350,000	\$369,846	\$369,846	\$0
Expenditures				
Current:				
Basic Utility Services:				
Street Maintenance:				
Contractual Services	429,000	429,000	407,178	21,822
<i>Net Change in Fund Balance</i>	(79,000)	(59,154)	(37,332)	21,822
<i>Fund Balance Beginning of Year</i>	179,344	179,344	179,344	0
<i>Fund Balance End of Year</i>	<u>\$100,344</u>	<u>\$120,190</u>	<u>\$142,012</u>	<u>\$21,822</u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Sewer Rental Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Special Assessments	\$340,870	\$335,584	\$335,584	\$0
Charges for Services	23,342	22,980	22,980	0
<i>Total Revenues</i>	364,212	358,564	358,564	0
Expenditures				
Current:				
Basic Utility Services:				
Sewer Maintenance:				
Personal Services	293,244	293,244	282,218	11,026
Contractual Services	140,783	140,783	127,132	13,651
Materials and Supplies	13,564	13,564	12,943	621
Other	2,155	2,155	2,137	18
<i>Total Expenditures</i>	449,746	449,746	424,430	25,316
<i>Excess of Revenues Under Expenditures</i>	(85,534)	(91,182)	(65,866)	25,316
Other Financing Sources				
Transfers In	50,788	50,000	50,000	0
<i>Net Change in Fund Balance</i>	(34,746)	(41,182)	(15,866)	25,316
<i>Fund Balance Beginning of Year</i>	50,010	50,010	50,010	0
Prior Year Encumbrances Appropriated	9,174	9,174	9,174	0
<i>Fund Balance End of Year</i>	\$24,438	\$18,002	\$43,318	\$25,316

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Police Pension Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$113,251	\$120,158	\$120,158	\$0
Intergovernmental	17,634	18,709	18,709	0
<i>Total Revenues</i>	130,885	138,867	138,867	0
Expenditures				
Current:				
Security of Persons and Property:				
Police:				
Contractual Services	125,100	125,100	80,150	44,950
<i>Net Change in Fund Balance</i>	5,785	13,767	58,717	44,950
<i>Fund Balance Beginning of Year</i>	11,121	11,121	11,121	0
<i>Fund Balance End of Year</i>	<u>\$16,906</u>	<u>\$24,888</u>	<u>\$69,838</u>	<u>\$44,950</u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Fire Pension Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$113,251	\$120,158	\$120,158	\$0
Intergovernmental	17,634	18,709	18,709	0
<i>Total Revenues</i>	130,885	138,867	138,867	0
Expenditures				
Current:				
Security of Persons and Property:				
Fire:				
Contractual Services	125,100	125,100	120,150	4,950
<i>Net Change in Fund Balance</i>	5,785	13,767	18,717	4,950
<i>Fund Balance Beginning of Year</i>	11,120	11,120	11,120	0
<i>Fund Balance End of Year</i>	<u>\$16,905</u>	<u>\$24,887</u>	<u>\$29,837</u>	<u>\$4,950</u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Obligation Bond Retirement Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$414,843	\$437,367	\$437,367	\$0
Intergovernmental	65,068	68,601	68,601	0
<i>Total Revenues</i>	<u>479,911</u>	<u>505,968</u>	<u>505,968</u>	<u>0</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive:				
Contractual Services	586	586	539	47
Other	5,413	5,413	4,975	438
Total General Government	<u>5,999</u>	<u>5,999</u>	<u>5,514</u>	<u>485</u>
Debt Service:				
Principal Retirement	489,626	489,626	450,000	39,626
Interest and Fiscal Charges	45,481	45,481	41,800	3,681
Total Debt Service	<u>535,107</u>	<u>535,107</u>	<u>491,800</u>	<u>43,307</u>
<i>Total Expenditures</i>	<u>541,106</u>	<u>541,106</u>	<u>497,314</u>	<u>43,792</u>
<i>Net Change in Fund Balance</i>	(61,195)	(35,138)	8,654	43,792
<i>Fund Balance Beginning of Year</i>	<u>631,492</u>	<u>631,492</u>	<u>631,492</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$570,297</u></u>	<u><u>\$596,354</u></u>	<u><u>\$640,146</u></u>	<u><u>\$43,792</u></u>

City of South Euclid, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Special Assessment Bond Retirement Fund
For the Year Ended December 31, 2008*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Special Assessments	\$6,222	\$6,222	\$6,222	\$0
Expenditures				
Debt Service:				
Principal Retirement	39,101	39,101	35,000	4,101
Interest and Fiscal Charges	22,899	22,899	20,497	2,402
<i>Total Expenditures</i>	62,000	62,000	55,497	6,503
<i>Net Change in Fund Balance</i>	(55,778)	(55,778)	(49,275)	6,503
<i>Fund Balance Beginning of Year</i>	145,440	145,440	145,440	0
<i>Fund Balance End of Year</i>	\$89,662	\$89,662	\$96,165	\$6,503

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Capital Improvements Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Other	\$16,269	\$14,073	\$14,073	\$0
Expenditures				
Capital Outlay:				
Capital Outlay	728,899	728,899	662,690	66,209
<i>Excess of Revenues Under Expenditures</i>	(712,630)	(714,826)	(648,617)	66,209
Other Financing Sources				
Transfers In	366,731	317,232	317,232	0
<i>Net Change in Fund Balance</i>	(345,899)	(397,594)	(331,385)	66,209
<i>Fund Balance Beginning of Year</i>	286,506	286,506	286,506	0
Prior Year Encumbrances Appropriated	120,385	120,385	120,385	0
<i>Fund Balance End of Year</i>	\$60,992	\$9,297	\$75,506	\$66,209

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Safety Forces Vehicle Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Other	\$4,282	\$4,777	\$4,777	\$0
Expenditures				
Capital Outlay:				
Capital Outlay	144,137	144,137	54,303	89,834
Other	3,061	3,061	1,000	2,061
<i>Total Expenditures</i>	147,198	147,198	55,303	91,895
<i>Excess of Revenues Under Expenditures</i>	(142,916)	(142,421)	(50,526)	91,895
Other Financing Sources				
Sale of Capital Assets	5,423	5,423	5,423	0
Transfers In	190,295	200,000	200,000	0
<i>Total Other Financing Sources</i>	195,718	205,423	205,423	0
<i>Net Change in Fund Balance</i>	52,802	63,002	154,897	91,895
<i>Fund Balance Beginning of Year</i>	369,861	369,861	369,861	0
Prior Year Encumbrances Appropriated	47,198	47,198	47,198	0
<i>Fund Balance End of Year</i>	\$469,861	\$480,061	\$571,956	\$91,895

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Recreation Improvement Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures	0	0	0	0
<i>Excess of Revenues Over Expenditures</i>	0	0	0	0
Other Financing Uses				
Transfers Out	(22,232)	(22,232)	(17,232)	5,000
<i>Net Change in Fund Balance</i>	(22,232)	(22,232)	(17,232)	5,000
<i>Fund Balance Beginning of Year</i>	22,232	22,232	22,232	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$5,000</u>	<u>\$5,000</u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Road Improvement Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$493,142	\$512,464	\$512,464	\$0
Intergovernmental	72,293	75,126	75,127	1
<i>Total Revenues</i>	<u>565,435</u>	<u>587,590</u>	<u>587,591</u>	<u>1</u>
Expenditures				
Capital Outlay:				
Contractual Services	691,980	691,980	691,980	0
Debt Service:				
Principal Retirement	252,502	252,502	235,000	17,502
Interest and Fiscal Charges	120,837	120,837	102,560	18,277
Total Debt Service	<u>373,339</u>	<u>373,339</u>	<u>337,560</u>	<u>35,779</u>
<i>Total Expenditures</i>	<u>1,065,319</u>	<u>1,065,319</u>	<u>1,029,540</u>	<u>35,779</u>
<i>Excess of Revenues Under Expenditures</i>	(499,884)	(477,729)	(441,949)	35,780
Other Financing Sources				
Transfers In	384,918	400,000	400,000	0
<i>Net Change in Fund Balance</i>	(114,966)	(77,729)	(41,949)	35,780
<i>Fund Balance Beginning of Year</i>	205,903	205,903	205,903	0
Prior Year Encumbrances Appropriated	40,259	40,259	40,259	0
<i>Fund Balance End of Year</i>	<u>\$131,196</u>	<u>\$168,433</u>	<u>\$204,213</u>	<u>\$35,780</u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Sidewalk Improvement Fund
For the Year Ended December 31, 2008

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

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Stanhope Parking Lot Fund
For the Year Ended December 31, 2008

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

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Issue II Fund
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Capital Outlay:				
Contractual Services	464,649	464,649	0	464,649
<i>Net Change in Fund Balance</i>	(464,649)	(464,649)	0	464,649
<i>Fund Balance Beginning of Year</i>	158,743	158,743	158,743	0
Prior Year Encumbrances Appropriated	305,908	305,908	305,908	0
<i>Fund Balance End of Year</i>	<u>\$2</u>	<u>\$2</u>	<u>\$464,651</u>	<u>\$464,649</u>

City of South Euclid, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Sewer Rehabilitation Fund
For the Year Ended December 31, 2008

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

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Statistical Section

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

Contents	Pages(s)
<i>Financial Trends</i>	<i>S2 – S9</i>
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
<i>Revenue Capacity</i>	<i>S10 – S13</i>
These schedules contain information to help the reader assess the City's most significant local revenue, the municipal income tax.	
<i>Debt Capacity</i>	<i>S14 – S19</i>
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
<i>Economic and Demographic Information</i>	<i>S20 – S23</i>
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	
<i>Operating Information</i>	<i>S24 – S28</i>
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

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

City of South Euclid, Ohio

Net Assets By Component

Last Nine Years

(Accrual Basis of Accounting)

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Governmental Activities				
Invested in Capital Assets,				
Net of Related Debt	\$30,383,626	\$28,853,662	\$22,453,546	\$20,848,365
Restricted:				
Capital Projects	6,357,363	5,732,147	10,817,930	12,072,013
Debt Service	1,176,701	1,205,795	1,228,773	1,230,674
Street Maintenance	437,529	618,196	868,767	767,151
Street Lighting	514,248	551,299	564,263	581,334
Sewer Maintenance	384,037	398,264	361,298	398,185
Other Purposes (1)	646,835	304,415	338,842	295,348
Unrestricted	<u>5,754,886</u>	<u>7,541,936</u>	<u>6,233,264</u>	<u>5,772,223</u>
<i>Total Governmental Activities Net Assets</i>	<u>\$45,655,225</u>	<u>\$45,205,714</u>	<u>\$42,866,683</u>	<u>\$41,965,293</u>

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

2004	2003	2002	2001	2000
\$18,556,099	\$17,806,555	\$14,677,992	\$16,110,371	\$15,005,341
13,586,656	9,536,999	12,337,811	10,221,386	7,091,825
1,209,362	4,689,143	4,624,328	564,075	657,985
745,178	619,840	0	0	0
616,735	638,139	0	0	0
374,740	386,731	0	0	0
404,799	449,460	2,340,095	2,507,471	2,581,842
5,689,409	6,886,696	6,541,579	6,937,209	6,740,644
<u>\$41,182,978</u>	<u>\$41,013,563</u>	<u>\$40,521,805</u>	<u>\$36,340,512</u>	<u>\$32,077,637</u>

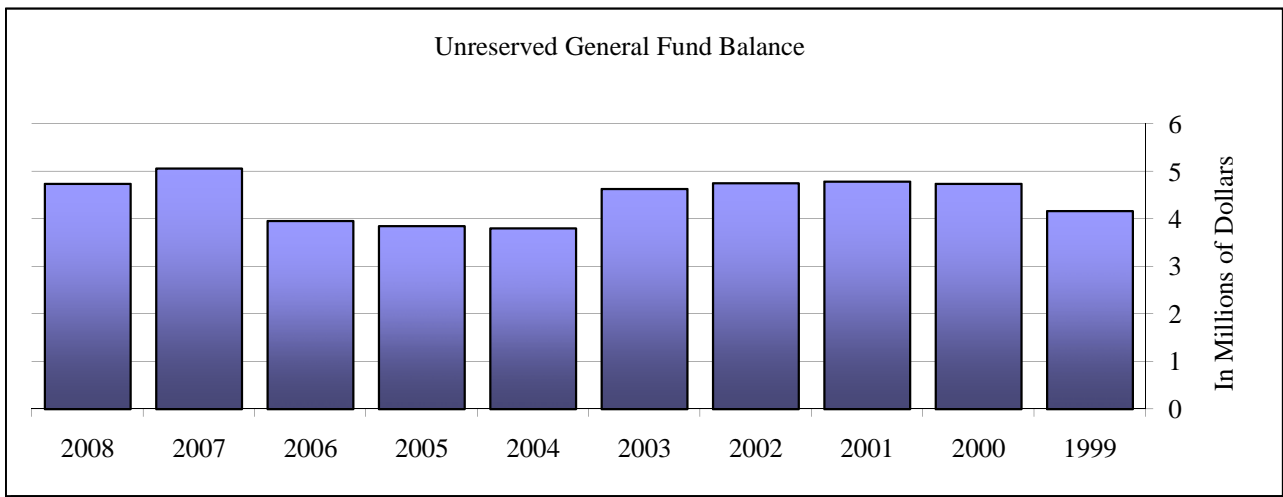
City of South Euclid, Ohio
Changes in Net Assets
Last Eight Years
(Accrual Basis of Accounting)

	2008	2007	2006	2005
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government:				
Legislative and Executive	\$345,357	\$317,840	\$235,896	\$214,236
Judicial System	57,596	62,730	44,503	42,818
Security of Persons and Property:				
Police	693,554	663,424	475,520	444,970
Fire	495,777	495,329	328,461	326,040
Public Health Services	16,474	18,029	12,693	12,796
Leisure Time Activities	49,565	53,397	35,031	74,440
Community Development	36,442	31,376	19,959	22,012
Building Department	93,325	94,543	62,304	57,307
Transportation	188,751	98,837	96,845	89,006
Basic Utility Services	3,289,671	3,200,213	2,952,317	2,934,578
Swimming Pools	119,300	114,041	121,333	142,634
Operating Grants, Contributions and Interest	1,107,332	910,810	1,032,575	928,712
Capital Grants, Contributions and Capital Assessments	245,873	693,176	86,335	24,468
<i>Total Governmental Activities Program Revenues</i>	<u>6,739,017</u>	<u>6,753,745</u>	<u>5,503,772</u>	<u>5,314,017</u>
Expenses				
Governmental Activities:				
General Government:				
Legislative and Executive	2,819,870	2,402,438	2,423,252	2,149,780
Judicial System	467,629	490,694	463,068	439,808
Security of Persons and Property:				
Police	5,477,289	5,282,303	5,202,341	4,600,120
Fire	4,228,508	3,934,595	3,583,897	3,552,050
Public Health Services	133,196	135,702	130,178	127,609
Leisure Time Activities	585,200	1,065,090	377,023	385,161
Community Development	294,638	236,405	204,704	219,507
Building Department	770,710	737,700	646,628	587,553
Transportation	3,579,503	3,322,800	3,138,160	2,732,270
Basic Utility Services	3,928,628	3,028,247	3,322,453	2,590,425
Swimming Pools	420,665	379,311	371,225	442,493
Interest and Fiscal Charges	1,418,744	1,497,241	496,930	491,110
<i>Total Governmental Activities Expenses</i>	<u>24,124,580</u>	<u>22,512,526</u>	<u>20,359,859</u>	<u>18,317,886</u>
<i>Total Primary Government Net Expense</i>	<u>(17,385,563)</u>	<u>(15,758,781)</u>	<u>(14,856,087)</u>	<u>(13,003,869)</u>
General Revenues and Other Changes in Net Assets				
Governmental Activities				
Taxes:				
Property Taxes Levied For:				
General Purposes	4,256,560	4,318,695	4,005,660	3,945,778
Debt Service	442,310	456,913	487,938	491,236
Capital Projects	511,338	546,189	549,010	558,422
Other Purposes	239,886	250,978	229,592	228,914
Municipal Income Taxes	9,085,439	8,997,144	7,309,426	5,889,209
Grants and Entitlements not Restricted to				
Specific Programs	2,351,687	2,292,053	2,186,857	2,132,798
Increase in Investment in Joint Venture	0	0	27,217	0
Investment Earnings	426,403	1,014,924	766,878	459,995
Gain on Sale of Capital Assets	0	0	42,525	0
Miscellaneous	521,451	220,916	152,374	79,832
<i>Total Governmental Activities</i>	<u>17,835,074</u>	<u>18,097,812</u>	<u>15,757,477</u>	<u>13,786,184</u>
<i>Total Primary Government Change in Net Assets</i>	<u>\$449,511</u>	<u>\$2,339,031</u>	<u>\$901,390</u>	<u>\$782,315</u>

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

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

	2008	2007	2006	2005
General Fund				
Reserved	\$208,058	\$246,721	\$98,956	\$99,302
Unreserved	4,739,743	5,060,371	3,957,818	3,848,239
Total General Fund	4,947,801	5,307,092	4,056,774	3,947,541
All Other Governmental Funds				
Reserved	19,172,102	19,430,616	1,772,610	1,868,745
Unreserved, Undesignated, Reported in:				
Special Revenue funds	659,747	718,116	946,986	851,780
Debt Service funds	736,311	776,932	772,589	735,471
Capital Projects funds	1,119,988	1,901,173	6,952,753	7,962,465
Total All Other Governmental Funds	21,688,148	22,826,837	10,444,938	11,418,461
Total Governmental Funds	\$26,635,949	\$28,133,929	\$14,501,712	\$15,366,002



2004	2003	2002	2001	2000	1999
\$151,359	\$161,318	\$145,434	\$204,815	\$336,574	\$595,558
3,801,648	4,634,250	4,751,166	4,789,106	4,741,657	4,164,477
3,953,007	4,795,568	4,896,600	4,993,921	5,078,231	4,760,035
932,454	1,012,722	247,085	1,355,357	422,301	1,328,236
943,201	1,117,585	1,456,501	1,041,451	1,323,116	1,042,397
678,299	631,875	576,357	522,235	491,534	487,305
10,286,763	10,268,190	14,016,454	12,057,860	4,977,999	3,957,710
12,840,717	13,030,372	16,296,397	14,976,903	7,214,950	6,815,648
\$16,793,724	\$17,825,940	\$21,192,997	\$19,970,824	\$12,293,181	\$11,575,683

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

	2008	2007	2006	2005	2004
Revenues					
Property Taxes	\$5,453,873	\$5,501,086	\$5,268,129	\$5,279,878	\$5,265,227
Income Taxes	8,463,897	8,674,233	6,741,479	5,594,529	5,349,183
Special Assessments	2,725,157	3,019,836	2,841,329	2,891,889	2,879,471
Intergovernmental	3,444,675	3,965,660	3,311,300	3,205,613	3,026,880
Interest	426,403	1,014,924	766,878	459,995	163,416
Fees, Licenses and Permits	451,096	416,655	606,335	638,644	534,101
Fines and Forfeitures	643,670	547,248	578,346	472,986	521,519
Rentals	122,628	620,707	158,687	184,116	166,792
Charges for Services	996,316	587,344	306,598	257,754	346,546
Other	521,451	220,916	152,374	79,832	31,795
Total Revenues	23,249,166	24,568,609	20,731,455	19,065,236	18,284,930
Expenditures					
Current:					
General Government (1)					
General Government:					
Legislative and Executive	2,793,959	2,383,974	2,424,399	2,140,190	2,171,553
Judicial System	490,556	472,870	453,396	426,959	437,166
Security of Persons and Property (2)					
Security of Persons and Property:					
Police	5,393,378	5,116,404	4,842,681	4,522,458	4,376,502
Fire	4,130,488	3,867,768	3,484,989	3,400,649	3,279,987
Public Health Services	133,196	135,702	130,178	127,609	136,516
Leisure Time Activities	403,482	400,970	370,605	341,400	393,217
Community Development	294,638	236,405	204,704	219,507	185,669
Building Department	773,098	714,860	643,659	569,766	572,410
Transportation	2,247,498	2,237,033	1,748,928	1,940,539	1,779,840
Basic Utility Services	2,480,311	2,280,720	2,135,250	1,840,926	1,930,402
Swimming Pools	330,541	298,761	274,413	266,658	351,821
Capital Outlay	4,004,012	10,014,436	3,821,801	3,208,757	2,583,885
Debt Service:					
Principal Retirement	18,361,773	1,315,524	1,175,441	1,070,655	1,019,245
Interest and Fiscal Charges	1,398,321	520,804	415,518	427,297	460,865
Total Expenditures	43,235,251	29,996,231	22,125,962	20,503,370	19,679,078
<i>Excess of Revenues Over</i> <i>(Under) Expenditures</i>	<u>(19,986,085)</u>	<u>(5,427,622)</u>	<u>(1,394,507)</u>	<u>(1,438,134)</u>	<u>(1,394,148)</u>
Other Financing Sources (Uses)					
Sale of Capital Assets	5,423	7,468	173,253	10,412	6,023
Bond Anticipation Notes Issued	18,010,000	17,000,000	0	0	0
OWDA Loan Proceeds	0	2,052,371	0	0	0
General Obligation Bonds Issued	0	0	0	0	0
Premium on General Obligation Bonds	0	0	0	0	0
General Obligation Notes Issued	0	0	0	0	0
Premium on General Obligation Notes	0	0	0	0	0
OPWC Loans Issued	297,780	0	0	0	355,909
Inception of Capital Lease	174,902	0	356,964	0	0
Transfers In	1,257,232	1,650,547	945,000	732,917	407,500
Transfers Out	(1,257,232)	(1,650,547)	(945,000)	(732,917)	(407,500)
Total Other Financing Sources (Uses)	18,488,105	19,059,839	530,217	10,412	361,932
Net Change in Fund Balances	<u>(\$1,497,980)</u>	<u>\$13,632,217</u>	<u>(\$864,290)</u>	<u>(\$1,427,722)</u>	<u>(\$1,032,216)</u>
Debt Service as a Percentage of Noncapital Expenditures	48.5%	8.8%	9.5%	9.5%	9.5%

(1) General Government was shown in total for years 1999 and 2000.

(2) Security of Persons and Property was shown in total for years 1999 and 2000.

2003	2002	2001	2000	1999
\$4,767,851	\$4,942,050	\$4,733,663	\$4,552,516	\$4,475,041
5,739,236	5,729,709	5,480,272	5,385,924	5,404,307
2,731,482	2,810,566	2,838,353	1,855,655	1,973,302
3,733,712	5,664,588	3,917,807	3,617,495	3,527,776
264,118	472,003	679,836	703,591	570,978
748,651	604,012	169,739	171,630	138,903
489,830	450,711	467,915	360,976	414,642
105,893	42,530	97,359	94,913	94,104
303,336	276,359	284,989	351,706	456,990
17,128	71,598	48,570	166,704	178,860
<u>18,901,237</u>	<u>21,064,126</u>	<u>18,718,503</u>	<u>17,261,110</u>	<u>17,234,903</u>
			2,301,392	2,703,982
1,955,867	1,954,740	1,914,256		
444,559	365,555	370,071	6,746,905	6,613,379
4,178,466	3,887,106	3,853,690		
2,978,482	2,777,117	2,569,171		
168,765	111,483	102,938	91,338	98,340
467,343	360,608	334,721	815,416	756,215
207,345	139,688	130,464	556,553	501,068
719,646	630,633	544,835	0	0
1,675,861	1,547,080	1,480,690	1,540,384	1,757,927
1,968,487	1,918,152	1,930,490	1,520,283	1,437,963
461,665	498,134	493,966	2,399,172	2,314,488
7,510,874	8,339,672	2,443,991	0	0
9,342,841	6,318,734	1,394,639	1,369,448	1,354,265
431,485	385,878	260,248	256,126	285,656
<u>32,511,686</u>	<u>29,234,580</u>	<u>17,824,170</u>	<u>17,597,017</u>	<u>17,823,283</u>
<u>(13,610,449)</u>	<u>(8,170,454)</u>	<u>894,333</u>	<u>(335,907)</u>	<u>(588,380)</u>
2,731	32,677	211,625	0	0
0	0	0	0	0
0	0	0	0	0
9,400,000	0	0	0	0
20,074	0	0	0	0
0	8,900,000	5,900,000	1,000,000	1,000,000
0	13,617	6,195	0	0
820,587	446,333	665,490	53,405	0
0	0	0	0	0
348,103	1,403,833	1,802,751	871,300	825,000
<u>(348,103)</u>	<u>(1,403,833)</u>	<u>(1,802,751)</u>	<u>(871,300)</u>	<u>(825,000)</u>
<u>10,243,392</u>	<u>9,392,627</u>	<u>6,783,310</u>	<u>1,053,405</u>	<u>1,000,000</u>
<u>(\$3,367,057)</u>	<u>\$1,222,173</u>	<u>\$7,677,643</u>	<u>\$717,498</u>	<u>\$411,620</u>
64.2%	47.2%	12.1%	10.2%	10.1%

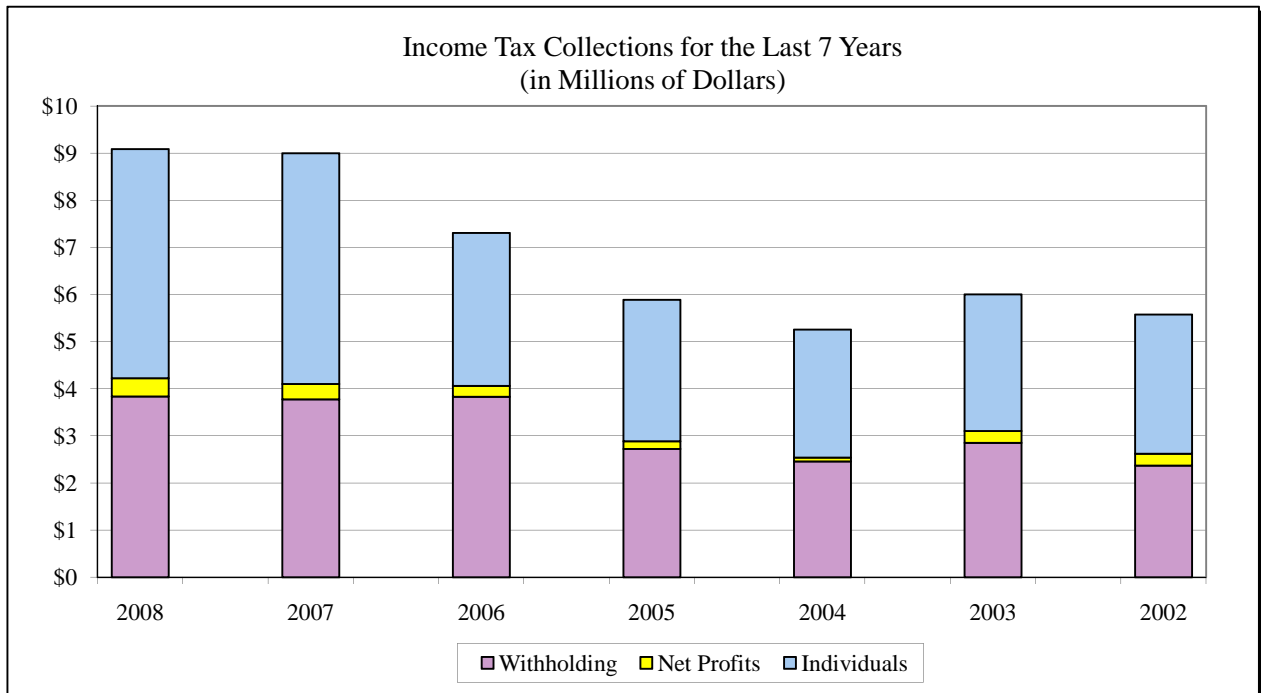
City of South Euclid, Ohio
Income Tax Revenue Base and Collections
Last Seven Years (1)

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

(1) Information prior to 2002 is not available.

(2) 2002 through 2008 are on an Accrual Basis.

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



City of South Euclid, Ohio
Income Tax Statistics
One Year Ago and Seven Years Ago

2007 (1)				
Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
\$0 - \$24,999	2,319	32.73%	\$24,523,837	7.13%
\$25,000 - \$49,999	1,901	26.83	70,924,423	20.62
\$50,000 - \$74,999	1,395	19.69	85,828,263	24.95
\$75,000 - \$99,999	778	10.98	67,199,590	19.53
Over \$100,000	692	9.77	95,562,020	27.77
Total	<u>7,085</u>	<u>100.00%</u>	<u>\$344,038,133</u>	<u>100.00%</u>

2001 (2)				
Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
\$0 - \$24,999	2,605	34.54%	\$26,735,621	8.03%
\$25,000 - \$49,999	2,206	29.25	82,287,624	24.70
\$50,000 - \$74,999	1,502	19.90	92,021,417	27.62
\$75,000 - \$99,999	706	9.36	60,447,804	18.14
Over \$100,000	524	6.95	71,646,224	21.51
Total	<u>7,543</u>	<u>100.00%</u>	<u>\$333,138,690</u>	<u>100.00%</u>

(1) Information for 2007 is the most current available.

(2) Information prior to 2001 is not available.

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

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

<u>2008 Taxpayers</u>	<u>Ranking</u>
South Euclid-Lyndhurst Board of Education	1
University Hospitals Health System	2
City of South Euclid	3
Notre Dame College	4
Cuyahoga County	5
University Surburban Health Center	6
Rochling Glastic Composites	7
Riser Foods	8
Aerocontrex Group Inc.	9
Allergy Immunology Association Inc.	10

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

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

(1) Information prior to 2003 is not available.

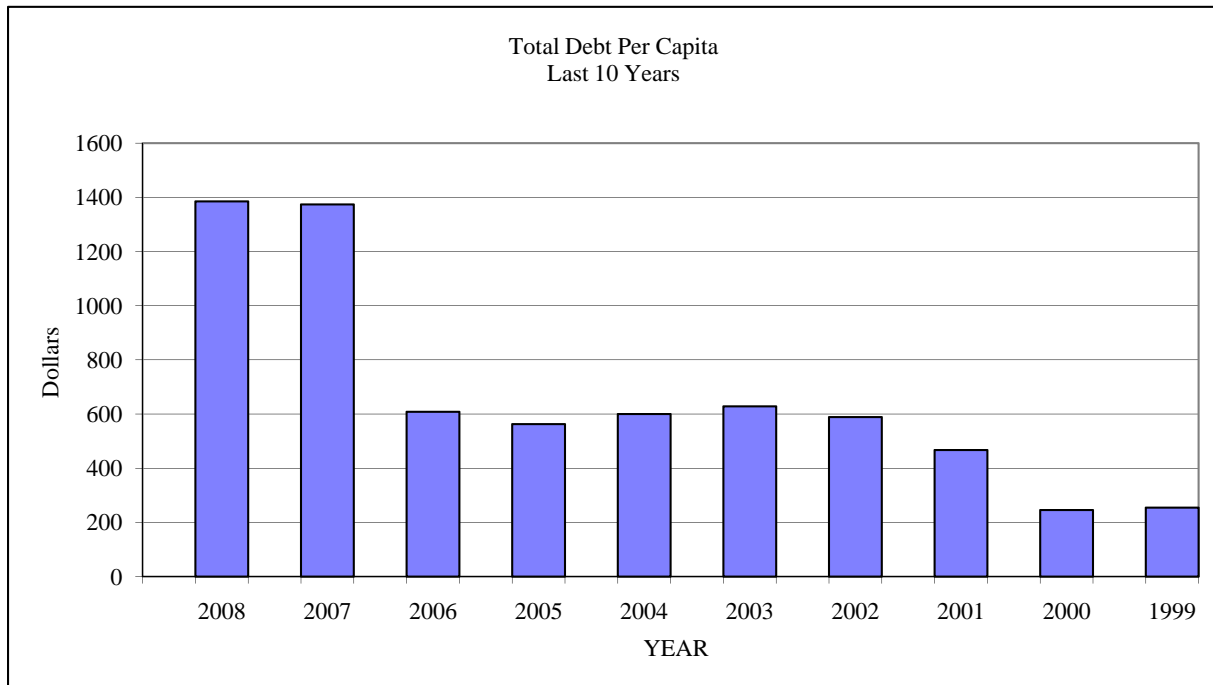
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City of South Euclid, Ohio
*Ratio of Outstanding Debt to
 Total Personal Income and Debt Per Capita
 Last Ten Years*

Governmental Activities

Year	General Obligation Bonds	Special Assessment Bonds	OPWC Loans	OWDA Loans	Capital Leases	Police and Fire Pension	General Obligation Bond Anticipation Notes
2008	\$7,973,354	\$270,000	\$1,935,257	\$1,893,877	\$406,035	\$308,796	\$19,810,000
2007	8,842,976	305,000	1,747,086	1,974,401	356,546	315,023	18,800,000
2006	9,711,038	340,000	1,856,693	0	291,856	320,994	1,800,000
2005	10,586,506	375,000	1,966,300	0	0	326,720	0
2004	11,174,994	405,000	2,216,053	0	0	332,209	0
2003	12,089,994	435,000	1,929,124	0	0	337,474	0
2002	3,005,000	460,000	1,146,332	0	0	342,520	8,900,000
2001	3,542,458	485,000	718,895	0	0	347,358	5,901,549
2000	3,873,533	510,000	53,405	0	0	351,997	1,000,000
1999	4,181,108	535,000	0	0	0	356,445	1,000,000

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



<u>Total Debt</u>	<u>Percentage of Personal Income (1)</u>	<u>Per Capita (1)</u>
\$32,597,319	6.19%	\$1,385
32,341,032	6.14	1,374
14,320,581	2.72	608
13,254,526	2.52	563
14,128,256	2.68	600
14,791,592	2.81	628
13,853,852	2.63	589
10,995,260	2.09	467
5,788,935	1.10	246
6,072,553	1.58	254

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

Year	Population (1)		Estimated True Values of Taxable Property (2)	Bonded Debt (3)	Ratio of Bonded Debt to Estimated True Values of Taxable Property	Bonded Debt Per Capita
2008	23,537	b	\$1,411,689,760	\$7,973,354	0.56 %	\$338.76
2007	23,537	b	1,313,072,481	8,842,976	0.67	375.71
2006	23,537	b	1,336,234,226	9,711,038	0.73	412.59
2005	23,537	b	1,224,421,930	10,586,506	0.86	449.78
2004	23,537	b	1,221,430,277	11,174,994	0.91	474.78
2003	23,537	b	1,211,632,103	12,089,994	1.00	513.66
2002	23,537	b	1,114,318,570	3,005,000	0.27	127.67
2001	23,537	b	1,110,215,623	3,542,458	0.32	150.51
2000	23,537	b	1,113,072,820	3,873,533	0.35	164.57
1999	23,866	a	1,016,244,347	4,181,108	0.41	175.19

Sources:

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

(a) 1990 Federal Census

(b) 2000 Federal Census

(2) Cuyahoga County Auditor

(3) Includes all general obligation bonded debt.

City of South Euclid, Ohio
Computation of Direct and Overlapping Governmental Activities Debt
 December 31, 2008

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City of South Euclid
Direct - City of South Euclid			
General Obligation Bonds	\$7,973,354	100.00%	\$7,973,354
Special Assessment Bonds	270,000	100.00%	270,000
OPWC Loans	1,935,257	100.00%	1,935,257
OWDA Loans	1,893,877	100.00%	1,893,877
Capital Leases	406,035	100.00%	406,035
Police and Fire Pension	308,796	100.00%	308,796
Notes Payable	<u>19,810,000</u>	100.00%	<u>19,810,000</u>
<i>Total Direct</i>	<u>32,597,319</u>		<u>32,597,319</u>
Overlapping			
South Euclid-Lyndhurst City School District			
General Obligation Bonds	8,545,000	93.49%	7,988,721
Cleveland Heights School District			
General Obligation Bonds	13,720,000	6.51%	893,172
Energy Conservation Bonds	3,790,000	6.51%	246,729
Capital Lease Obligations	751,000	6.51%	48,890
Cuyahoga County (2)			
General Obligation Bonds	173,500,000	1.40%	2,429,000
Capital Lease Obligations	2,269,000	1.40%	31,766
Loans Payable	6,551,000	1.40%	91,714
Cleveland Heights University			
Heights Public Library			
Capital Lease Obligations	581,291	6.51%	37,842
Greater Cleveland Regional			
Transit Authority			
General Obligation Bonds	140,763,731	1.40%	1,970,692
Capital Lease Obligations	23,684,005	1.40%	331,576
SIB Loan	<u>3,575,318</u>	1.40%	<u>50,054</u>
<i>Total Overlapping Debt</i>	<u>377,730,345</u>		<u>14,120,156</u>
Total	<u><u>\$410,327,664</u></u>		<u><u>\$46,717,475</u></u>

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

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

Source: Cuyahoga County Auditor

City of South Euclid, Ohio

Legal Debt Margin

Last Ten Years

	2008	2007	2006	2005
Population	23,537	23,537	23,537	23,537
Total Assessed Property Value	<u>\$458,340,285</u>	<u>\$459,486,360</u>	<u>\$465,051,645</u>	<u>\$428,196,500</u>
General Bonded Debt Outstanding:				
General Obligation Bonds	\$7,299,994	\$8,304,994	\$9,279,994	\$10,239,994
Special Assessment Bonds	270,000	305,000	340,000	375,000
Bond Anticipation Notes	19,810,000	18,800,000	1,800,000	0
OPWC Loans	1,935,257	1,747,086	1,856,693	1,966,300
OWDA Loans	<u>1,893,877</u>	<u>1,974,401</u>	<u>0</u>	<u>0</u>
Total Gross Indebtedness	31,209,128	31,131,481	13,276,687	12,581,294
Less:				
Special Assessment Bonds	(270,000)	(305,000)	(340,000)	(375,000)
OPWC Loans	(1,935,257)	(1,747,086)	(1,856,693)	(1,966,300)
OWDA Loans	(1,893,877)	(1,974,401)	0	0
General Obligation Bond Retirement Fund Balance	<u>(640,146)</u>	<u>(631,492)</u>	<u>(624,400)</u>	<u>(586,697)</u>
Total Net Debt Applicable to Debt Limit	<u>26,469,848</u>	<u>26,473,502</u>	<u>10,455,594</u>	<u>9,653,297</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>48,125,730</u>	<u>48,246,068</u>	<u>48,830,423</u>	<u>44,960,633</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$21,655,882</u>	<u>\$21,772,566</u>	<u>\$38,374,829</u>	<u>\$35,307,336</u>
Legal Debt Margin as a Percentage of the Debt Limit	45.00%	45.13%	78.59%	78.53%
Unvoted Debt Limitation 5 ½ % of Assessed Valuation	<u>\$25,208,716</u>	<u>\$25,271,750</u>	<u>\$25,577,840</u>	<u>\$23,550,808</u>
Total Gross Indebtedness	31,209,128	31,131,481	13,276,687	12,581,294
Less:				
Special Assessment Bonds	(270,000)	(305,000)	(340,000)	(375,000)
OPWC Loans	(1,935,257)	(1,747,086)	(1,856,693)	(1,966,300)
OWDA Loans	(1,893,877)	(1,974,401)	0	0
Voted General Obligation Bonds	(7,299,994)	(8,304,994)	(9,279,994)	(10,239,994)
General Obligation Bond Retirement Fund Balance	<u>(640,146)</u>	<u>(631,492)</u>	<u>(624,400)</u>	<u>(586,697)</u>
Net Debt Within 5 ½ % Limitations	<u>19,169,854</u>	<u>18,168,508</u>	<u>1,175,600</u>	<u>0</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$6,038,862</u>	<u>\$7,103,242</u>	<u>\$24,402,240</u>	<u>\$23,550,808</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	23.96%	28.11%	95.40%	100.00%

Source: City Financial Records

2004	2003	2002	2001	2000	1999
23,537	23,537	23,537	23,537	23,537	23,866
<u>\$428,020,457</u>	<u>\$424,956,568</u>	<u>\$389,649,944</u>	<u>\$388,535,868</u>	<u>\$391,349,144</u>	<u>\$357,742,347</u>
\$11,174,994	\$12,089,994	\$3,005,000	\$3,542,458	\$3,873,533	\$4,181,108
405,000	435,000	460,000	485,000	510,000	535,000
0	0	8,900,000	5,901,549	1,000,000	1,000,000
2,216,053	1,929,124	1,146,332	718,895	53,405	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
13,796,047	14,454,118	13,511,332	10,647,902	5,436,938	5,716,108
(405,000)	(435,000)	(460,000)	(485,000)	(510,000)	(535,000)
(2,216,053)	(1,929,124)	(1,146,332)	(718,895)	(53,405)	0
0	0	0	0	0	0
<u>(528,218)</u>	<u>(480,323)</u>	<u>(429,268)</u>	<u>(373,139)</u>	<u>(360,815)</u>	<u>(370,046)</u>
<u>10,646,776</u>	<u>11,609,671</u>	<u>11,475,732</u>	<u>9,070,868</u>	<u>4,512,718</u>	<u>4,811,062</u>
<u>44,942,148</u>	<u>44,620,440</u>	<u>40,913,244</u>	<u>40,796,266</u>	<u>41,091,660</u>	<u>37,562,946</u>
<u>\$34,295,372</u>	<u>\$33,010,769</u>	<u>\$29,437,512</u>	<u>\$31,725,398</u>	<u>\$36,578,942</u>	<u>\$32,751,884</u>
76.31%	73.98%	71.95%	77.77%	89.02%	87.19%
<u>\$23,541,125</u>	<u>\$23,372,611</u>	<u>\$21,430,747</u>	<u>\$21,369,473</u>	<u>\$21,524,203</u>	<u>\$19,675,829</u>
13,796,047	14,454,118	13,511,332	10,647,902	5,436,938	5,716,108
(405,000)	(435,000)	(460,000)	(485,000)	(510,000)	(535,000)
(2,216,053)	(1,929,124)	(1,146,332)	(718,895)	(53,405)	0
0	0	0	0	0	0
(11,174,994)	(12,089,994)	(3,005,000)	(3,542,458)	(3,873,533)	(4,181,108)
<u>(528,218)</u>	<u>(480,323)</u>	<u>(429,268)</u>	<u>(373,139)</u>	<u>(360,815)</u>	<u>(370,046)</u>
<u>0</u>	<u>0</u>	<u>8,470,732</u>	<u>5,528,410</u>	<u>639,185</u>	<u>629,954</u>
<u>\$23,541,125</u>	<u>\$23,372,611</u>	<u>\$12,960,015</u>	<u>\$15,841,063</u>	<u>\$20,885,018</u>	<u>\$19,045,875</u>
100.00%	100.00%	60.47%	74.13%	97.03%	96.80%

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

2008	
Employer	Number of Employees
South Euclid-Lyndhurst Board of Education	441
Notre Dame College	427
Marc Glassman Inc.	351
University Hospitals Health System	280
Cuyahoga County Auditor	259
Ohio Bell	200
City of South Euclid	296
Glastic Corporation	175
University Surburban Health Center	150
Riser Foods Company	226
Total	<u>2,805</u>
Total Employment within the City	<u>n/a</u>

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

Source: Regional Income Tax Agency

(1) Information prior to 2006 not available.

n/a - Information not available

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

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita	Median Household Income (1)	Median Age (1)
2008	23,537	\$526,828,671	\$22,383	\$48,346	38
2007	23,537	526,828,671	22,383	48,346	38
2006	23,537	526,828,671	22,383	48,346	38
2005	23,537	526,828,671	22,383	48,346	38
2004	23,537	526,828,671	22,383	48,346	38
2003	23,537	526,828,671	22,383	48,346	38
2002	23,537	526,828,671	22,383	48,346	38
2001	23,537	526,828,671	22,383	48,346	38
2000	23,537	526,828,671	22,383	48,346	38
1999	23,866	384,576,724	16,114	36,119	37

(1) Source: U. S. Census

(a) Years 2000 through 2008 - 2000 Federal Census

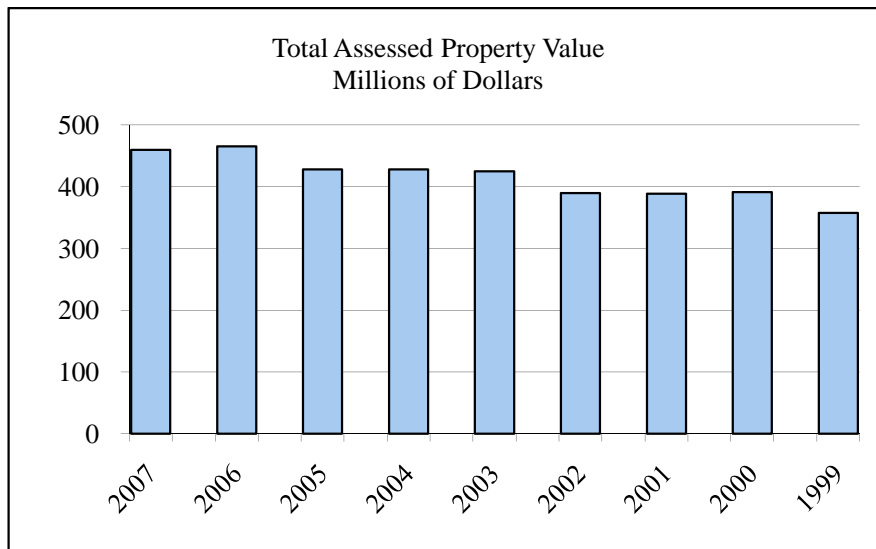
(b) Years 1998 through 1999 - 1990 Federal Census

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

(3) Cuyahoga County Planning Commission

(4) Source: Cuyahoga County Auditor

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



Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Cuyahoga County Unemployment Rate (3)	Total Assessed Property Value (4)
67.0%	4,336	6.8%	\$458,340,285
67.0	4,307	6.1	459,486,360
67.0	4,462	5.5	465,051,645
65.5	4,613	5.9	428,196,500
65.6	4,669	6.3	428,020,457
59.2	4,634	6.2	424,956,568
58.8	4,392	5.7	389,649,944
58.6	4,452	4.5	388,535,868
54.8	4,482	4.1	391,349,144
55.0	4,429	4.4	357,742,347

City of South Euclid, Ohio
City Government Employees by Function/Program
Last Seven Years (1)

Function/Program	2008	2007	2006	2005	2004	2003	2002
General Government:							
Legislative and Executive							
City Council	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Mayors Office	2.00	2.00	2.00	2.00	2.00	2.00	3.00
Finance	4.00	5.00	5.00	5.00	5.00	5.00	5.00
Law	2.50	3.00	3.00	2.00	2.00	2.00	2.00
Civil Service	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Municipal Complex	2.00	3.00	3.00	2.00	3.00	3.00	3.00
Engineering	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Judicial System							
Municipal Court	12.00	10.00	10.00	10.00	11.00	12.00	9.00
Security of Persons and Property							
Police	58.00	59.00	58.00	64.00	64.00	65.00	64.00
Fire	38.00	37.00	36.00	34.00	34.00	33.00	33.00
Leisure Time Activities							
Recreation	2.00	3.00	3.00	3.00	3.00	3.00	3.00
Community Center	6.00	6.00	6.00	4.00	4.00	6.00	6.00
Community Development							
Boards and Commissions	9.00	10.00	10.00	10.00	10.00	10.00	10.00
Community Relations	1.50	1.00	2.00	2.00	1.00	1.00	1.00
Economic Development	1.00	1.00	0.00	0.00	0.00	0.00	0.00
Building Department							
Transportation	12.00	11.00	11.00	11.00	11.00	11.00	12.00
Service Department							
Service Department	22.00	23.00	23.00	21.00	21.00	20.00	20.00
Service Garage	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Basic Utility Services							
Curbside Recycling	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Swimming Pools							
	30.00	30.00	35.00	52.00	52.00	52.00	52.00
Totals:	<u>213.00</u>	<u>215.00</u>	<u>218.00</u>	<u>233.00</u>	<u>234.00</u>	<u>236.00</u>	<u>234.00</u>

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

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

(1) Information prior to 2002 is not available.

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

Function/Program	2008	2007	2006
General Government			
<i>City Council</i>			
Ordinances Introduced	59	72	88
Resolutions Introduced	62	75	44
<i>Municipal Court</i>			
Revenues Distributed to City General Fund	592,391	515,782	520,000
Operating Expenses Paid from General Fund	502,549	473,410	447,133
Traffic Charges Filed	5,300	5,302	4,602
Parking Tickets Processed	4,648	4,318	6,036
Criminal Charges Filed	2,023	2,098	1,613
Housing Code Charges Filed	1,112	1,134	886
Civil Cases Filed	1,179	1,042	1,028
Marriages Performed	10	9	9
Security of Persons & Property			
<i>Police</i>			
Number of Stations	1	1	1
Policemen and Officers	41	42	41
Bike Patrol Fleet	4	4	N/A
S.W.A.T. Members	7	8	N/A
K-9 Units	2	2	2
School Guards	13	13	13
Hours of Training	3,336	2,792	1,967
Number of Persons Arrested	1,092	1,063	947
Number of Traffic Citations Issued	5,757	5,376	4,787
Number of Parking Violations/Arrests	4,641	4,316	5,709
Police Responses	19,558	18,541	16,874
9-1-1 Emergency Calls Received	7,303	5,807	5,545
<i>Fire</i>			
Number of Stations	1	1	1
Firemen and Officers	37	37	35
Paramedics	26	27	23
Hours of Training	6,290	5,641	5,703
Number of Incidents	3,139	2,929	2,926
EMS Responses	2,052	1,955	2,022
Total Fire Loss	\$291,600	\$231,000	\$335,450
Building Department			
Residential Building Permits Issued	784	827	976
Estimated Value of Residential Construction	\$5,444,223	\$5,288,766	\$5,725,155
Commercial Building Permits Issued	63	63	36
Estimated Value of Commercial Construction	\$16,068,205	\$14,281,819	\$2,807,093
Transportation			
Number of Trees Planted	170	311	74
Tons of Salt Purchased	7,417	9,500	7,743
Basic Utility Services			
Tons Paper Recycling Picked Up	521	580	507
Tons of Plastic Recycling Picked Up	316	330	459
Swimming Pools			
Number of Pools	2	2	2
Swimming Pool Receipts	\$119,300	\$114,041	\$121,334
Swimming Pool Expenditures	\$328,423	\$304,882	\$273,248

(1) Information prior to 2002 is not available.

2005	2004	2003	2002
78	94	103	80
66	58	41	49
454,176	466,201	480,000	430,000
422,141	427,404	441,679	365,917
4,304	4,239	4,708	4,446
N/A	N/A	N/A	N/A
1,294	1,018	1,141	552
480	386	399	78
943	906	932	811
9	6	15	18
1	1	1	1
41	41	41	41
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
1	1	1	1
16	18	17	17
1,655	2,300	2,600	2,400
997	990	965	872
4,467	4,239	4,838	4,447
4,756	4,115	4,299	5,272
17,984	15,196	N/A	14,412
5,576	N/A	N/A	N/A
1	1	1	1
34	33	32	32
22	21	20	20
3,485	3,296	3,994	4,131
2,938	2,894	3,056	2,882
2,065	2,065	2,091	1,685
\$225,200	\$363,600	\$363,050	\$850,100
983	1,027	1,011	1,178
\$7,032,396	\$5,608,679	\$7,003,250	\$6,861,206
39	38	45	70
\$995,007	\$1,104,551	\$3,557,985	\$7,595,022
3	397	N/A	N/A
4,196	7,321	10,492	8,060
563	N/A	N/A	N/A
314	N/A	N/A	N/A
2	3	3	3
\$142,635	\$132,913	\$155,454	\$162,770
\$270,526	\$350,436	\$456,467	\$505,710

City of South Euclid, Ohio
Capital Assets Statistics by Function/Program
Last Seven Years (1)

Function/Program	2008	2007	2006	2005
General Government				
Total Square Footage (2)	54,002	54,002	54,002	54,002
Vehicles	1	1	1	1
Security of Persons and Property				
<i>Police</i>				
Number of Stations	1	1	1	1
Vehicles	25	35	30	28
<i>Fire</i>				
Number of Stations	1	1	1	1
Vehicles	10	11	10	10
Leisure Time Activities				
Number of Parks	3	3	3	3
Number of Playgrounds	2	2	2	2
Number of Swimming Pools	2	2	2	2
Number of Tennis Courts	4	4	4	4
Number of Community Centers	1	1	1	1
Square Footage of Community Center	10,582	10,582	10,582	10,582
Building Department				
Vehicles	9	10	8	8
Transportation				
Street Miles	67	67	67	61
Storm Sewer Miles	60	60	60	N/A
Sanitary Sewer Miles	64	64	64	N/A
Water Line Miles	70	70	70	N/A
Square Footage of Service Garage	13,897	13,897	13,897	13,897
Square Footage of Parking Garage	17,542	17,542	17,542	17,542
Vehicles	32	32	32	29
Basic Utility Services				
Vehicles	21	19	19	19

(1) Information prior to 2002 is not available.

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

2004	2003	2002
54,002	54,002	54,002
1	1	1
1	1	1
28	28	28
1	1	1
9	9	9
3	3	3
2	2	2
3	3	3
4	4	8
1	1	1
10,582	10,582	10,582
8	8	8
61	61	61
N/A	N/A	56
N/A	N/A	56
N/A	N/A	61
13,897	13,897	13,897
17,542	17,542	17,542
29	27	27
19	19	19

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Mary Taylor, CPA
Auditor of State

CITY OF SOUTH EUCLID

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 1, 2009**