CITY OF SOUTH EUCLID CUYAHOGA COUNTY, OHIO

AUDIT REPORT

FOR THE YEAR ENDED DECEMBER 31, 2013

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



City Council City of South Euclid 1349 S. 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, 2013 through December 31, 2013. 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.

Dave Yost Auditor of State

June 17, 2014



CITY OF SOUTH EUCLID CUYAHOGA COUNTY, OHIO AUDIT REPORT

FOR THE YEAR ENDED DECEMBER 31, 2013

TABLE OF CONTENTS	<u>PAGE</u>
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1-2
Status of Prior Findings and Recommendations	3

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

Certified Public Accountants 5240 East 98th Street Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of South Euclid, Cuyahoga County, Ohio, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City of South Euclid, Ohio's basic financial statements, and have issued our report thereon dated May 9, 2014, wherein we noted that the City restated its December 31, 2012 fund balance of the Land Acquisition Fund due to the reclassification of capital assets to assets held for resale.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of This Report

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

James G. Zupka, CPA, President, Obt. CPA, President, Obt. CPA, President, Obt. Cn-James G. Zupka, CPA, President, Obt. Cn-James G. Zupka, CPA, President, Obt. Cn-James G. Zupka, CPA, Inc. Obares G. Zupka, CPA, Inc. Obares G. Zupka, CPA, Inc. Certified Public Accountants

May 9, 2014

CITY OF SOUTH EUCLID CUYAHOGA COUNTY, OHIO STATUS OF PRIOR FINDINGS AND RECOMMENDATIONS FOR THE YEAR ENDED DECEMBER 31, 2013

The prior audit report, as of December 31, 2012, included no citations or instances of noncompliance. 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, 2013	
ISSUED BY THE DEPARTMENT OF FINANCE	
James Smith	
FINANCE DIRECTOR	

City of South Euclid, Ohio Comprehensive Annual Financial Report For the Year Ended December 31, 2013 Table of Contents

I.	Introductory Section	Page
	Title Page	i
	Table of Contents	ii
	Transmittal Letter	
	Organization Chart	X111
	GFOA Certificate of Achievement.	XIV
II.	Financial Section	
	Independent Auditor's Report	1
	Management's Discussion and Analysis	5
	Basic Financial Statements:	
	Government Wide Financial Statements:	
	Statement of Net Position	14
	Statement of Activities	15
	Fund Financial Statements:	
	Balance Sheet - Governmental Funds	16
	Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	17
	Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	18
	Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	19
	Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual: General Fund	20
	Statement of Fiduciary Assets and Liabilities - Agency Fund	
	Notes to the Basic Financial Statements	22
	Combining and Individual Fund Statements and Schedules:	
	Combining Statements - Nonmajor Governmental Funds:	
	Fund Descriptions	52
	Combining Balance Sheet - Nonmajor Governmental Funds	54
	Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	55
	r und Datances - nothilajor Governittettat l'unds	J

City of South Euclid, Ohio Comprehensive Annual Financial Report For the Year Ended December 31, 2013 Table of Contents (continued)

Combining Balance Sheet - Nonmajor Special Revenue Funds	56
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds	59
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Debt Service Funds	63
Combining Balance Sheet - Nonmajor Capital Projects Funds	64
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds	66
Combining Statement - Agency Fund:	
Fund Description	68
Statement of Changes in Assets and Liabilities - Agency Fund	69
Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual: Major Funds:	
General Fund	71
Flood Control Fund	
Land Acquisition Fund	77
Nonmajor Funds:	
Operation Home Improvement Fund	78
COPS Grant Fund.	
Street Construction, Maintenance and Repair Fund	
State Highway Fund	
Permissive Motor Vehicle License Fund	
HUD Grant Fund	
Police Range Fund	
Law Enforcement Fund	
Street Lighting Fund	
FEMA Firefighters Grant Fund Sewer Rental Fund	
Police Pension Fund	
Fire Pension Fund.	
Parking Lots and Meters Fund	
Swimming Pools Fund	
General Obligation Bond Retirement Fund	
Special Assessment Bond Retirement Fund	
General Capital Improvements Fund	
Safety Forces Vehicle Fund	
Water Distribution Infrastructure Fund	97
Road Improvement Fund	
Sidewalk Improvement Fund	
Stanhope Parking Lot Fund	
Police Vehicles Fund	
Sewer Rehabilitation Fund	102

City of South Euclid, Ohio *Comprehensive Annual Financial Report* For the Year Ended December 31, 2013 Table of Contents (continued)

III. Statistical Section

Statistical Section Description	S1
Net Position by Component – Last Ten Years	S2
Changes in Net Position – Last Ten Years	S4
Fund Balances, Governmental Funds – Last Ten Years	S6
Changes in Fund Balances, Governmental Funds – Last Ten Years	S8
Income Tax Revenue Base and Collections – Last Ten Years	S10
Income Tax Statistics – 2012 and 2005	S11
Principal Income Taxpayers – Current Year and Seven Years Ago	S12
Ratio of Outstanding Debt to Total Personal Income and Debt Per Capita – Last Ten Years	S14
Ratio of General Obligation Bonded Debt to Estimated True Values and Bonded Debt Per Capita – Last Ten Years	S16
Computation of Direct and Overlapping Governmental Activities Debt	S17
Legal Debt Margin – Last Ten Years.	S18
Principal Employers – Current Year and Seven Years Ago	S20
Demographic and Economic Statistics – Last Ten Years	S22
City Government Employees by Function/Program – Last Ten Years	S24
Operating Indicators by Function/Program – Last Ten Years	S26
Capital Assets Statistics by Function/Program – Last Ten Years	S28

CITY OF SOUTH EUCLID



May 9, 2014

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 2013, the City of South Euclid was audited by James G. Zupka, CPA Inc. Their unmodified opinion is included in the financial section of this report.

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

Reporting Entity

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

The City is in the Cleveland Primary Metropolitan Statistical Area, comprised of the four counties of Cuyahoga, Geauga, Lake and Medina, which is the 16th largest in the United States. The City is also in the Cleveland-Akron-Canton Consolidated Metropolitan Statistical Area which is the 15th most populous in the Country.

The City is a member of the Northern Ohio Risk Management Association, a shared risk pool. In addition, the City participates in the Community Partnership on Aging which has been determined to be a joint venture and the Northeast Ohio Public Energy Council, the First Suburbs Consortium of Northeast Ohio Council of Governments, the Heights Area Special Rescue Team and the Eastside Departments Group Enforcement

which are jointly governed organizations. The shared risk pool, joint ventures and the jointly governed organizations are discussed in Notes 10, 20 and 21 to the basic financial statements.

Form of Government

The City operates under and is governed by its Charter which voters first adopted in 1953 and which has been amended from time to time. The last amendment was made in 2012. The City is also subject to certain general laws applicable to all Ohio cities. Under the Ohio Constitution, the City may exercise all local self-government and police powers to the extent that none are in conflict with applicable general laws. The Charter also establishes certain administrative departments.

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

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

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

City Services

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

Economic Condition and Outlook

Cedar Center North Redevelopment Project

The Cedar Center North Redevelopment Project has revitalized a once-blighted and brownfield contaminated retail area, and added hundreds of new jobs to the City's tax base while helping to stabilize a neighborhood hardest-hit by the housing and foreclosure crisis and economic recession.

Cedar Center North, once a blighted and obsolete retail strip, which was over 40 percent vacant, has been demolished and previous contamination of the brownfield site has been remediated. The Public-Private Redevelopment began in April 2011 with the construction of the first phase of the new Cedar Center North Shopping District began with a new national anchor, Gordon Foods Marketplace, which opened in 2011, followed by the construction and opening of a new Bob Evans restaurant in April 2012. As of Spring 2014 an approximately 7 additional acres have developed with the following retailors open for business: Starbucks, Panera Bread, Chipotle, Menchie's Frozen Yogurt, Petsmart, Sprint, Piada Italian Street Food, China Gate Restaurant, Jimmy Johns Sandwich Shop, Little Caesar's Pizza, Five Guys Burgers and Fries, Huntington Learning Center, BuyBacks Entertainment, Levin Mattress, Sport Clips, GNC, Square One Nails and Wingstop. Zoup and Dani La'Rose Salon and Spa will be opening summer 2014 making the current development 100 percent leased.

Many of the restaurants feature outdoor dining areas, which complement a community Civicspace area which has been built near the center of the new Cedar Center North District. The Civicspace is being utilized as a free civic space for the enjoyment of residents and for community band concerts, festivals, and other events. Nearly three-acres remain available for development, and the City is moving forward with marketing the remaining land with the expectation of final site development in the next two years.

The revitalization of the Cedar Center North Business District has helped stabilize one of the areas hardest-hit by the national housing and foreclosure crisis and helped spark additional residential and commercial reinvestment in the neighborhood. The City recognizes the importance of return on investment from the project to the community as a net benefit in the form of tax revenues, enhanced quality of life, stabilization of adjoining neighborhoods and growth in the local economy. As a result, income generated through the Cedar Center Tax Increment Financing District and Oakwood Commons Development Project will provide funds to pay annual debt service and maintain a high level quality of life that will attract and retain both residents and a qualified workforce. These efforts have already shown effectiveness with the transformation of two long-vacant commercial buildings near the center, which are currently being completely revitalized and will become home to a longtime neighborhood jeweler and monument business. In addition, a dilapidated retail strip plaza near Cedar Center will be undergoing a major renovation and facelift during 2014.

Oakwood Commons \$45 Million Retail Development

On November 8, 2011, South Euclid voters approved Issue 96, affirming the unanimous votes by South Euclid's Planning Commission and City Council to rezone 63 acres of the closed Oakwood Country Club from residential to commercial use. The rezoning allows for the construction of a new 41-acre retail development by developer First Interstate Properties. In October 2013 Oakwood's first tenant, a Walmart Supercenter opened for business. Several months later, the first of several outparcels was built which includes four tenants: Foot Locker, Penn Station Subs, Sally Beauty and Great Clips. Another big box retail store and additional outparcels for restaurants and retailers are in the planning and leasing stages.

The Oakwood Commons development is unique in that it is the first "green-built" retail center in Ohio and sets a standard for a new model of sustainable design practices in a commercial environment. Per a development agreement with the City, all buildings in Oakwood Commons will be LEED-certified, making it the first shopping center in the region to have LEED certification. The Walmart Supercenter is the first LEED Certified, sustainably built Walmart in the world.

In addition, First Interstate has donated 21-acres to the City to be permanently preserved as greenspace, nearly doubling the amount of publicly accessible community green space in South Euclid and providing residents with a new "nature" park with trails and walking paths. First Interstate invested over \$400,000 to turn the greenspace into a natural public park, which will officially open in spring 2014.

Oakwood Commons Economic Impact

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

Additional City Retail & Business Districts:

The City's retail shopping and business districts serve as important tax contributors and pedestrian friendly shopping areas for residents. The continuing revitalization of some of South Euclid's older and obsolete business districts serve to help maintain and revitalize adjacent neighborhoods. A few of the vacant spaces saw rebirth during the year with the return of Loparo's Pizza, a longtime South Euclid institution and the renovations of some long-time vacant buildings and older establishments for new uses.

In 2012, the Mayfield-Green Shopping District housed more than a dozen national and local retail stores including: CVS Pharmacy, Marc's Discount Store, The Coffee Phix, Dance 2 Shine Dance Studio, Eat at Joe's, South Euclid Hardware, Key Bank and other restaurants and shops, including a Giant Eagle Supermarket. The Red Hot Cabana, a casual gourmet restaurant, opened on the site of the former Burger

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

The Shopping District's location to the growing Notre Dame College campus, University Suburban Health Center, and Senders Pediatric Health Center has contributed to continuing signs of building revitalization and storefront renovations.

Smaller neighborhood-based shopping districts located throughout the City serve the needs of residents and small businesses, including the Glengate, Glenmont and Cedar-Green Shopping areas. The Glengate Shopping District on South Green Road has seen continuing private reinvestment which has sparked two new restuarants: Neveah Cuisine and a new eatery/jazz club scheduled to open in 2014.

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

South Euclid is home to **Notre Dame College** (NDC), a private, four-year institution of higher learning and the City's largest employer. The college celebrated its 90th anniversary in 2013. In 2011 NDC acquired the former Regina High School building to further expand their classroom and office space as part of the continued growth of the college. The college holds the distinction of being one of the fastest growing colleges in the country. College enrollment has grown from several hundred to several thousand in the last decade, spurring the creation of new academic and athletic programs and acceptance into the NCAA. Notre Dame recently completed a new dormitory in order to meet the College's growing enrollment. As the City's largest employer, Notre Dame College also serves as one of the City's community partners, collaborating with the City on major events and activities for residents.

Industrial and Commercial Anchors

South Euclid has an industrial-commercial corridor, which is home to a variety of manufacturing industries and is also vital to maintaining the City's tax base and contributing to a stable economic environment. Anchor businesses in the district include AeroControlex Group Inc., a Division of TransDigm, Inc., a Fortune 500 company that manufactures custom components for the aerospace industry. AeroControlex Group Inc. completed the expansion to their existing facility in 2009 and as a result of the acquisition of another company, is expanding again in 2013 and bringing another estimated 50 new employees to the South Euclid location. Additional anchors include Rochling Glastic Composites, LP, an international German company which manufactures thermoset polymers used in appliances, and Gent Machine Company, which manufactures Davenport and Swiss screw machine parts that are used in automotive, safety and other growing industries. In 2012, Gent Machine purchased a building next door to their current location and has expanded to meet their growing industrial clientele which includes Tesla Automotive. Gent has added approximately 40 jobs as a result of their expansion.

"One South Euclid" Community Development Corporation

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

HOUSING AND NEIGHBORHOOD REDEVELOPMENT

TRANSFORMING NEIGHBORHOODS AND CREATING OPPORTUNITY

The City's residential areas are home to close to 10,000 dwelling units with a diversity of housing types from pre-World War II era colonials and farmhouses, 1950's style bungalows and thousands of homes built between 1960 and the 1980's. In the last decade, the City has continued to provide for the demand for new housing and several new developments as well as the construction of some infill homes. While there has been an increase in vacant homes as a result of the housing and foreclosure crisis and economic recession, homeowners continue to carefully maintain their properties and the City has been proactive in providing a mix of new programs and enhanced codes to both enforce and remediate the negative effects of the nationwide economic downturn, to encourage individual upkeep, the City continues to administer its exterior residential inspection program. The program establishes minimum standards governing the maintenance of dwelling structures, which allows the City to work to create neighborhoods that are enjoyable to inhabit.

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

The Green Neighborhoods Initiative

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

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

The City has undertaken three types of revitalization projects: the green rehabilitation of formerly foreclosed homes, the creation of unique community gardens and park space, and the establishment of an infill lot redevelopment program. The Green Neighborhoods Initiative builds on the noteworthy sustainability initiatives already in place in the City, such as the Langerdale Marsh retrofit, the creation of the South Euclid Land Conservancy and numerous "green" ordinances that have been passed in recent years by City Council, such as those encouraging storm water management best practices and riparian protection. In 2013, we completed our second new "green-built" Idea Home— serving as another model for the private market to build affordable, new green-homes in South Euclid. The home sold for approximately \$162,000. The City constructed that home with an additional \$200,000 grant from HUD National Stabilization Round 3.

Measuring Results

The objective of the Green Neighborhoods Initiative is to create demand for South Euclid's housing stock and re-brand the City as the first choice for green and sustainable living. The projects increase neighborhood pride and encourage additional investment in existing homes. At the end of 2013, five bungalow retrofits have been completed and sold, two new homes were completed and sold, six community gardens and three community parks have been constructed.

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

A 2010-2013 analysis of home sales data on these streets reveals that, on average, a Green Neighborhoods retrofit sold for more than twice the amount of an average home on the same street (Between \$112,000 and \$162,000). This is a measurable example of the success of the program and illustrates the viability of our housing market.

Residential Building Permits Increase by 63 percent

The Green Neighborhoods Initiative homes are serving as models throughout South Euclid for the private rehabilitation of vacant and foreclosed homes and have led to greater confidence in South Euclid's housing market. Since the program's inception, there has been a 63 percent increase in private residential rehabilitation and construction projects. Residential building permits have increased from 827 in 2007 to 2,006 in 2013 and residential construction valuation has gone from \$5,288,766 in 2007 to \$7,265,721 in 2013.

Additional private reinvestment has resulted since the start of the initiative, as three newly constructed private homes have been sold, with four additional units planned for 2014.

Long term financial planning

The general fund balance increased in 2013 from the previous year. The net change in fund balance for the general fund was \$379,847, which represents about a 7 percent increase. The general fund balance was still a healthy \$5,492,835 at year end.

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

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

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

The City also established a land bank to enhance the City's appearance and well-being. This activity is accounted for in the land acquisition fund.

Relevant financial policies

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

Major Initiatives

For the Year In 2013, 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 five streets were able to be reconstructed or resurfaced. There were also a number of roads where preventative maintenance work was performed. Over \$1,000,000 was spent from the road improvement fund and over \$2,700,000 was spent from the flood control fund.

In 2009, the City of South Euclid entered into a joint economic development agreement with the City of Cleveland whereby the City of Cleveland has assumed ownership, including capital improvement and repair responsibilities, for the public water mains within the City of South Euclid, in return for South Euclid sharing a portion of any tax revenue that would be generated by any business that might relocate from Cleveland to South Euclid. Under this agreement South Euclid can elect to replace failing water mains under a municipal public bidding and contract process. The cost of this, including engineering and supervision, is then eligible for reimbursement by the City of Cleveland. In 2010, a new fund entitled Water Distribution Infrastructure fund was established to account for these projects. Over \$1,600,000 was spent for water main replacement in 2013. There are also projects scheduled for 2014.

The Planned Unit Residential Development, (PURD), known as Cutter's Creek, built three units in 2013. The entire development is planned with 46 units. To date, 38 of those units have been constructed.

The Police Department purchased four new vehicles in 2013, three new police cars outfitted with all the new equipment and computers and a detective car. The Fire Department purchased a new chase vehicle in 2013. This vehicle will allow the Fire Department to more efficiently use its available manpower. The Service Department is in a lease to own contract for two new all-purpose trucks and two new leaf machines. The City is always is in the process of updating the aging computers throughout City Hall. The City Hall also had a major upgrade in 2013 with a new front parking lot. The parking lot project was completely funded by the Surface Water Improvement Fund Grant.

The City continues to improve communication with residents. In 2013, the City continued the process of updating the website, <u>WWW.CITYOFSOUTHEUCLID.COM</u> and in 2009 the website was redesigned to allow ease of access for residents. This user-friendly upgrade allows residents the ability to easily contact any of the City's respective departments.

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

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

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

Other Information

<u>Awards</u>

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of South Euclid for its comprehensive annual financial report for the fiscal year ended December 31, 2012. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The City of South Euclid also received the Ohio Auditor of State Award with Distinction. This award was presented for excellence in financial reporting for the Comprehensive Annual Financial Report for the fiscal year ended 2012.

Acknowledgements

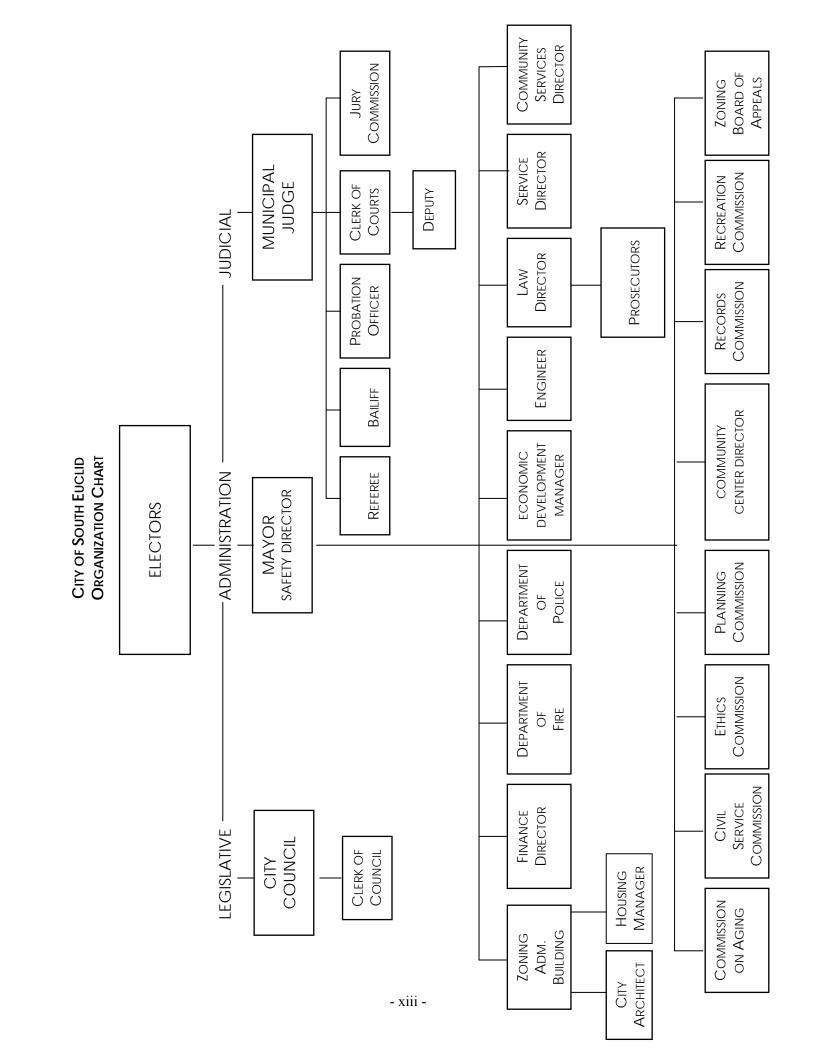
The preparation of this report would not be possible without the diligent and extra work by our Finance Department staff. I appreciate their efforts. Appreciation is also expressed to all City Hall Department Heads and Superintendents for their cooperation and assistance. In addition, my gratitude and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

Respectfully submitted,

Georgine Welo

Mayor

James P. Smith Finance Director



CITY OF SOUTH EUCLID

ELECTED AND APPOINTED CITY OFFICIALS

HONORABLE MAYOR GEORGINE WELO

CITY COUNCIL

Dr. David B. Miller, President, At Large

Modestino Romeo, Ward 2

Ruth Gray, Ward 1

Marty Gelfand, At Large

Dennis Fiorelli, At Large

Edward A. Icove, Ward 3

Jane Goodman, Ward 4

MUNICIPAL JUDGE

Gayle Williams - Byers

APPOINTED OFFICIALS

James P. Smith, Director of Finance

Michael Lograsso, Director of Law

James Anderson, Director of Service

Paul Kowalczyk, Building Commissioner

Kevin Nietert, Chief of Police

Douglas Stefko, Chief of Fire

Andrew K. Blackley, City Engineer

Michael Love, Director of Economic Development

Meg Martines, Director of Community Center

Keith A. Benjamin, Director of Community Services



Government Finance Officers Association

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, 2012

Executive Director/CEO

(This Page Intentionally Left Blank)

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

Certified Public Accountants 5240 East 98th Street Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

The Honorable David Yost Auditor of State State of Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of South Euclid, Cuyahoga County, Ohio, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of South Euclid, Ohio, as of December 31, 2013, and the respective changes in financial position, thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 3 to the financial statements, during 2013, the City of South Euclid restated its December 31, 2012 fund balance for the Land Acquisition Fund due to the reclassification of capital assets to assets held for resale. Our opinion in not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 9, 2014, on our consideration of the City of South Euclid, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of South Euclid, Ohio's internal control over financial reporting and compliance.

James G. Zupka, CPA, Inc.

Certified Public Accountants

May 9, 2014

(This Page Intentionally Left Blank)

Management's Discussion and Analysis For the Year Ended December 31, 2013 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, 2013. 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 and deferred outflows of the City of South Euclid exceeded its liabilities and deferred inflows at December 31, 2013. This is due to the addition of capital assets for Eastway Road, Sheridan Road, Professor Road and the City Hall parking lot as capital projects are completed.
- In November, voters of South Euclid passed a 3 year, 3.25 mill, safety forces levy. The levy will generate approximately \$1,100,000 annually.
- The Planned Unit Residential Development, (PURD), known as Cutter's Creek, continued building in 2013 with an additional three units being completed. The entire development is planned with 46 units. To date, 37 of those units have been constructed.
- The second-largest shopping area in the City is located at Cedar Road between Warrensville and Fenwick Roads. The City holds 2.6 acres of land related to the shopping area, which remains for sale.

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 Position 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.

Management's Discussion and Analysis For the Year Ended December 31, 2013 Unaudited

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

Statement of Net Position and the Statement of Activities

The Statement of Net Position 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 position. Over time, increases or decreases in net position 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 Position 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 Position and the Statement of Activities are divided into the following categories:

- Assets
- Deferred Outflows of Resources
- Liabilities
- Deferred Inflows of Resources
- Net Position
- Program Revenues and Expenses
- General Revenues
- Net Position 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 10. 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 Position and the Statement of Activities) and governmental funds.

Management's Discussion and Analysis For the Year Ended December 31, 2013 Unaudited

Government-wide Financial Analysis

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2013?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by the private sector. The basis for this accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid. These two statements report the City's net position and the changes in that position. The change in position is important because it tells the reader whether, for the City as a whole, the financial position of the City has improved or diminished. As can be seen from the increase in net position, the overall financial position has slightly improved. This increase can be attributed to the continued pay down of outstanding debt.

The City of South Euclid as a Whole

Recall that the Statement of Net Position looks at the City as a whole. Table 1 provides a summary of the City's net position for 2013 compared to 2012.

Table 1Net Postion

	Governmental Activities		
	2013	2012	Change
Assets			
Current and Other Assets	\$25,883,457	\$26,071,775	(\$188,318)
Capital Assets, Net	47,447,592	45,781,299	1,666,293
Total Assets	73,331,049	71,853,074	1,477,975
Deferred Outflows of Resources	56,768	68,314	(11,546)
Liabilities			
Current Liabilities	5,668,423	6,172,355	503,932
Long-Term Liabilities:			
Due Within One Year	1,047,861	1,012,822	(35,039)
Due in More Than One Year	24,826,189	26,028,087	1,201,898
Total Liabilities	31,542,473	33,213,264	1,670,791
Deferred Inflows of Resources	\$4,946,226	\$3,809,081	(\$1,137,145)

Management's Discussion and Analysis For the Year Ended December 31, 2013 Unaudited

Table 1 *Net Postion - Continued*

	Governmental Activities		
	2013	2012	Change
Net Position			
Net Investment in Capital Assets	\$21,844,110	\$18,625,891	\$3,218,219
Restricted for:			
Capital Projects	6,392,259	8,580,926	(2,188,667)
Law Enforcement	246,533	234,065	12,468
Street Maintenance	409,352	572,744	(163,392)
Street Lighting	494,395	482,838	11,557
Sewer Maintenance	400,631	428,476	(27,845)
Community Development	545,288	528,710	16,578
Other Purposes	329,432	31,371	298,061
Unrestricted	6,237,118	5,414,022	823,096
Total Net Position	\$36,899,118	\$34,899,043	\$2,000,075

Total assets increased from 2012 to 2013 due to increases in net capital assets offset by a slight decrease in current and other assets. Capital assets increased from additions to various infrastructure assets and additional vehicles.

Total liabilities decreased due to the continued pay down of outstanding debt obligations. Current liabilities such as accounts payable, contracts payable and intergovernmental payable decreased due to the City making efforts to keep costs down.

Table 2 shows the changes in net position for the years ended December 31, 2013 and 2012 and corresponds to the Statement of Activities on page 15.

Management's Discussion and Analysis For the Year Ended December 31, 2013 Unaudited

Table 2Changes in Net Position

	Governmental Activities		
	2013	2012	Change
Revenues			
Program Revenues:			
Charges for Services and			
Operating Assessments	\$5,087,198	\$5,212,396	(\$125,198)
Operating Grants	1,210,123	930,169	279,954
Capital Grants	2,007,576	894,761	1,112,815
Total Program Revenues	8,304,897	7,037,326	1,267,571
General Revenues:			
Property Taxes	4,296,037	4,793,234	(497,197)
Income Taxes	9,988,116	8,633,358	1,354,758
Grants and Entitlements	1,311,137	1,487,408	(176,271)
Interest	20,375	35,813	(15,438)
Gain on Sale of Capital Assets	188,672	81,862	106,810
Miscellaneous	244,154	474,843	(230,689)
Total General Revenues	16,048,491	15,506,518	541,973
Total Revenues	24,353,388	22,543,844	1,809,544
Program Expenses			
General Government:			
Legislative and Executive	2,463,689	2,805,130	341,441
Judicial System	667,517	756,170	88,653
Security of Persons and Property:			
Police	5,561,405	5,608,603	47,198
Fire	4,088,680	4,547,123	458,443
Public Health Services	134,290	131,696	(2,594)
Leisure Time Activities	284,408	277,716	(6,692)
Community Development	263,078	198,062	(65,016)
Building Department	725,237	701,612	(23,625)
Transportation	3,291,914	3,499,610	207,696
Basic Utility Services	3,594,613	4,500,720	906,107
Swimming Pools	336,650	344,435	7,785
Interest and Fiscal Charges	941,832	500,435	(441,397)
Total Program Expenses	22,353,313	23,871,312	1,517,999
Change in Net Position	2,000,075	(1,327,468)	3,327,543
Net Position Beginning of Year	34,899,043	36,226,511	(1,327,468)
Net Position End of Year	\$36,899,118	\$34,899,043	\$2,000,075

Program revenues increased in 2013 due to increases in operating assessments and more capital grants being received. General revenues increased mainly due to increases in income tax. The increase in income tax can be contributed to an increase in jobs within the City. Total program expenses decreased due to the decreased costs of providing general government, security of persons and property, transportation and basic utility services. Basic utility services decreased due to the City spending less on flood control and water infrastructure in 2013.

Management's Discussion and Analysis For the Year Ended December 31, 2013 Unaudited

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. Collections increased in 2013 due to the City being committed to collecting all taxes due to it and during 2013 working in conjunction with the Regional Income Tax Agency to identify and assess individuals who were delinquent in filing their income tax returns. Property tax revenues decreased in 2013 as a result of increased delinquencies but remained the City's third largest source of revenues. Revenues from grants and entitlements represented approximately five 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 \$333,000 devoted to ongoing sewer maintenance and \$2,000,000 designated for Flood Control projects.

The City continued its commitment to providing quality roads and sidewalks to our residents. The expiring 3-mill property tax levy was reduced to 2.5-mills and approved by the voters in May 2010. Using the proceeds from that 2.5-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 16. These funds are accounted for using the modified accrual basis of accounting. Overall, governmental funds had an increase in total revenues and decreases in expenditures from 2012. Revenues increased due to more intergovernmental revenues from the State. Expenditures decreased due to fewer capital expenditures being made during 2013. The general fund experienced a decrease in revenues from 2012 in property taxes, income taxes and intergovernmental revenues. The City maintained general fund expenditures with the 2012 levels. General fund revenues exceeded expenditures, resulting in the general fund balance increase over 2012.

During 2013, the flood control capital projects fund balance decreased as a result of the City spending more on flood control capital projects during the year. During 2013, the land acquisition capital projects fund balance decreased due to the City paying down debt during the year.

Management's Discussion and Analysis For the Year Ended December 31, 2013 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 2013, the City amended its general fund budget numerous times. The actual revenue amount was less than the final budget. This variance is made up of lower than expected charges for services. Final appropriations exceeded actual expenditures. This variance was due primarily to the conservative budgeting techniques of the City and a concerted effort to reduce spending at the end of the year.

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

Capital Assets and Long-Term Obligations

Capital Assets

Table 3 shows 2013 balances of capital assets as compared to 2012.

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

	Governmental Activities	
	2013	2012
Land	\$586,907	\$586,907
Buildings and Improvements	3,145,720	3,600,569
Equipment	587,959	576,085
Vehicles	1,536,952	1,671,083
Infrastructure		
Streets	17,893,816	14,986,600
Bridges, Sewers and Culverts	23,655,929	23,986,691
Traffic Signals	40,309	41,264
Total Capital Assets	\$47,447,592	\$45,449,199

The increase in capital assets was primarily due to the construction and renovation of various infrastructure assets within the City, including the Eastway Road project, Sheridan Road project, Professor Road project and the City Hall front parking lot projects as well the purchase of additional vehicles.

Management's Discussion and Analysis For the Year Ended December 31, 2013 Unaudited

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

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

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

Long-Term Obligations

Table 4 summarizes the long-term obligations outstanding.

 Table 4

 Outstanding Long-Term Obligations at Year End

	Governmental Activities	
	2013	2012
General Obligation Bonds	\$19,248,831	\$19,975,712
Special Assessment Bonds	0	100,000
OPWC Loans	3,174,806	3,289,882
OWDA Loans	1,449,909	1,544,518
OAQDA Loans	705,606	749,236
Police and Fire Pension Liability	273,410	281,095
Capital Lease	233,606	351,238
Compensated Absences	787,882	749,228
Total	\$25,874,050	\$27,040,909

The real estate acquisition and urban redevelopment general obligation bonds with the original issuance amount of \$14,130,000 were issued for construction projects throughout the City and will be repaid with revenues from the land acquisition capital projects fund.

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

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

Management's Discussion and Analysis For the Year Ended December 31, 2013 Unaudited

The OPWC loan's represent eight, twenty-year zero-interest loans. The OPWC loan's repayment source is service assessments being collected in the flood control fund. In fiscal year 2008, the City began the Nine Mile Creek Rehabilitation OPWC project; in fiscal year 2010, the City began the Cedar Center OPWC project; in fiscal year 2011, the City began the Rainbow Creek and Green Road OPWC projects; and in fiscal year 2012, the City began the Argonne Road OPWC project. As of December 31, 2013 all of the projects were finalized.

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.

The City of South Euclid's overall legal debt margin is \$34,582,723 with an unvoted debt margin of \$19,968,687 on December 31, 2013. For more information about the City's long-term obligations, see Note 14 to the basic financial statements.

Current Financial Related Activities

The City of South Euclid has remained strong despite the challenging environment of the state and national economy. The Administration has provided consistent fiscal management during this time, holding general operating expenses in check while maintaining City services at a high level in 2013. With decreasing revenues from Federal and State sources and increasing expenses, the City will continue to make the necessary adjustments in its day to day operations to meet and overcome any future challenges. The City expects to see an increase in income tax collections in 2014 as a result of the City's strong emphasis on Economic and Community Development and neighborhood revitalization effort. Expenses can only be reduced 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 James Smith, Finance Director, at the City of South Euclid, 1349 South Green Road, South Euclid, Ohio 44121-3985, (216) 381-0400, or e-mail to Finance@seuclid.com.

Statement of Net Position December 31, 2013

	Governmental
	Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$7,644,762
Cash and Cash Equivalents In Segregated Accounts	136,384
Accounts Receivable	52,022
Accrued Interest Receivable	4,234
Intergovernmental Receivable	1,102,320
Prepaid Items	104,160
Materials and Supplies Inventory	120,006
Income Taxes Receivable	5,526,634
Property Taxes Receivable	5,526,734
Special Assessments Receivable	3,483,844
Assets Held for Resale	2,182,357
Nondepreciable Capital Assets	586,907
Depreciable Capital Assets	46,860,685
Total Assets	73,331,049
Deferred Outflows of Resources	
Deferred Charge on Refunding	56,768
Deferred Charge on Kerunding	
Liabilities	
Accounts Payable	147,128
Accrued Wages	244,997
Contracts Payable	196,501
Intergovernmental Payable	401,549
Retainage Payable	107,154
Accrued Interest Payable	73,500
Vacation Benefits Payable	584,837
Notes Payable	3,912,757
Long-Term Liabilities:	, ,
Due Within One Year	1,047,861
Due In More Than One Year	24,826,189
Total Liabilities	31,542,473
Defermed Leftermer & December 1	
Deferred Inflows of Resources Property Taxes	4,946,226
and the second s	
Net Position	
Net Investment in Capital Assets	21,844,110
Restricted for:	
Capital Projects	6,392,259
Law Enforcement	246,533
Street Maintenance	409,352
Street Lighting	494,395
Sewer Maintenance	400,631
Community Development	545,288
Other Purposes	329,432
Unrestricted	6,237,118
Total Net Position	\$36,899,118

City of South Euclid, Ohio Statement of Activities For the Year Ended December 31, 2013

			Program Revenues		Net (Expense) Revenue and Changes in Net Position
<u>.</u>	Expenses	Charges for Services and Operating Assessments	Operating Grants	Capital Grants	Governmental Activities
Governmental Activities: General Government:					
Legislative and Executive	\$2,463,689	\$241,789	\$1,277	\$0	(\$2,220,623)
Judicial System	667,517	115,718	245,005	0	(306,794)
Security of Persons and Property:	007,817	110,710	2.0,000	v	(500,751)
Police	5,561,405	765,543	72,602	0	(4,723,260)
Fire	4,088,680	520,779	44,938	0	(3,522,963)
Public Health Services	134,290	18,048	78	0	(116,164)
Leisure Time Activities	284,408	62,941	273	0	(221,194)
Community Development	263,078	35,356	153	0	(227,569)
Building Department	725,237	96,283	418	0	(628,536)
Transportation	3,291,914	217,647	844,727	217,745	(2,011,795)
Basic Utility Services	3,594,613	2,987,268	652	1,789,831	1,183,138
Swimming Pools	336,650	25,826 0	0	0	(310,824)
Interest and Fiscal Charges	941,832				(941,832)
Total Governmental Activities	\$22,353,313	\$5,087,198	\$1,210,123	\$2,007,576	(14,048,416)
		General Revenues Property Taxes Lev			
		General Purposes	3		3,251,808
		Capital Projects			737,484
		Other Purposes			306,745
			ed for General Purpose		9,988,116
			ents not Restricted to	Specific Programs	1,311,137
		Investment Earning			20,375
		Gain on Sale of Cap	oital Assets		188,672
		Miscellaneous			244,154
		Total General Reve	nues		16,048,491
		Change in Net Posi	tion		2,000,075
		Net Position Beginning of Year			34,899,043
		Net Position End of	Year		\$36,899,118

Balance Sheet Governmental Funds December 31, 2013

				Other	Total
		Flood	Land	Governmental	Governmental
	General	Control	Acquisition	Funds	Funds
Assets	General	Control	requisition	Tunus	Tunas
Equity in Pooled Cash and					
Cash Equivalents	\$4,213,464	\$649,583	\$786,443	\$1,995,272	\$7,644,762
Cash and Cash Equivalents	ψ1,213,101	ψ012,303	Ψ700,113	Ψ1,773,272	Ψ7,011,702
In Segregated Accounts	136,384	0	0	0	136,384
Materials and Supplies Inventory	57,328	0	0	62,678	120,006
Accrued Interest Receivable	4,234	0	0	02,078	4,234
Accounts Receivable	45,942	0	0	6,080	52,022
Interfund Receivable	860,897	0	0	0,000	860,897
Intergovernmental Receivable	558,853	0	0	543,467	1,102,320
Prepaid Items	104,160	0	0	343,407	1,102,320
Income Taxes Receivable		0	0	0	
Property Taxes Receivable	5,526,634 3,280,645	0	0	2,246,089	5,526,634 5,526,734
Assets Held for Resale		0	1,932,100		
	0			250,257	2,182,357
Special Assessments Receivable	61,685	2,593,182	0	828,977	3,483,844
Total Assets	¢14.950.226	\$2 242 765	¢2 719 542	¢5 022 820	\$26.744.254
Total Assets	\$14,850,226	\$3,242,765	\$2,718,543	\$5,932,820	\$26,744,354
Liabilities					
Accounts Payable	\$93,477	\$0	\$0	\$53,651	\$147,128
-	· · · · · · · · · · · · · · · · · · ·	0	0	21,546	
Accrued Wages	223,451			·	244,997
Contracts Payable	9,049	114,280	0	73,172	196,501
Retainage Payable	0	75,923	0	31,231	107,154
Intergovernmental Payable	250,831	0	0	150,718	401,549
Interfund Payable	0	0	700,000	160,897	860,897
Accrued Interest Payable	0	0	9,202	0	9,202
Notes Payable	0	0	3,912,757	0	3,912,757
Total Liabilities	576,808	190,203	4,621,959	491,215	5,880,185
Total Liabitites	370,808	190,203	4,021,939	491,213	3,860,163
Deferred Inflows of Resources					
Property Taxes	2,936,058	0	0	2,010,168	4,946,226
Unavailable Revenue	5,844,525	2,593,182	0	1,535,741	9,973,448
Total Deferred Inflows of Resources	8,780,583	2,593,182	0	3,545,909	14,919,674
Fund Balances					
Nonspendable	161,488	0	0	62,678	224,166
Restricted	0	459,380	0	2,009,615	2,468,995
Assigned	504,699	0	0	0	504,699
Unassigned (Deficit)	4,826,648	0	(1,903,416)	(176,597)	2,746,635
Total Fund Balances (Deficit)	5,492,835	459,380	(1,903,416)	1,895,696	5,944,495
(• • • • • • • • • • • • • • • • • • •					
Total Liabilities, Deferred Inflows of					
Resources and Fund Balances	\$14,850,226	\$3,242,765	\$2,718,543	\$5,932,820	\$26,744,354
	. , , -	. , , ,	. , -,-		. , , ,

Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities December 31, 2013

Total Governmental Fund Balances		\$5,944,495
Amounts reported for governmental activities in the statement of net position are different because		
Capital assets used in governmental activities are not financial		
resources and therefore are not reported in the funds.		47,447,592
Other long-term assets are not available to pay for current- period expenditures and therefore are reported as		
unavailable revenue in the funds.		
Delinquent Property Taxes	580,508	
Income Taxes	5,017,662	
Special Assessments	3,483,250	
Intergovernmental	892,028	
Total		9,973,448
In the statement of activities, interest is accrued on outstanding		
bonds, whereas in governmental funds, an interest		
expenditure is reported when due.		(64,298)
Vacation benefits payable is not expected to be paid with expendal	ole available	
financial resources and therefore are not reported in the funds.		(584,837)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
General Obligation Bonds	(19,248,831)	
OPWC Loans Payable	(3,174,806)	
OWDA Loans Payable	(1,449,909)	
OAQDA Loans Payable	(705,606)	
Police and Fire Pension Loan	(273,410)	
Capital Leases Payable	(233,606)	
Compensated Absences	(787,882)	
Deferred Charge on Refunding	56,768	
Total		(25,817,282)
Net Position of Governmental Activities		\$36,899,118

Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Year Ended December 31, 2013

Property Property						
Property Taxes					Other	Total
Pernents Pernents						
Property Taxes	n.	General	Control	Acquisition	Funds	Funds
		\$2 221 014	0.2	0.2	\$020,692	\$4.270.606
Special Assessments	* *					
Interest						
Interest 15,793 0 0 4,582 20,375 Fees, License and Permits 715,724 0 0 4,956 720,679 Fines and Forfeitures 707,781 0 0 49,967 757,748 Rentals 49,659 0 0 0 8,687 58,346 Charges for Services 635,752 0 0 11,553 751,389 Contributions and Donations 9,072 0 0 0 0 9,072 Other 168,472 0 41 75,641 244,154 Total Revenues 15,894,014 2,188,185 41 5,008,242 23,090,482 Expenditures Expenditures Expenditures Expenditures Expenditures Expenditure Euglistiture and Executive 2,188,604 0 0 250,538 2,439,142 Judicial System 649,973 0 0 0 0 649,973 Security of Persons and Property: Police 3,884,466 0 0 0 256,414 5,407,956 Fire 3,884,466 0 0 0 256,414 5,407,956 Fire 3,884,466 0 0 0 0 250,438 4,018,442 Fire 4,000,455 0 0 0 0 263,078 Building Department 263,078 0 0 0 263,078 Building Department 706,915 0 0 0 90,779 2,203,209 Debi Services 1,122,030 0 0 96,750 1,834,012 Baisci Utility Services 1,122,030 0 0 96,750 2,203,520 Debi Services 1,122,030 0 0 96,750 2,203,520 Debi Services 1,122,030 0 0 96,750 2,203,520 Debi Services 1,1865 130,472 785,143 104,759 1,032,239 Debi Services 1,846	•					
Pees, Licenses and Permits	2		*			
Fines and Forfeitures 707,781 0 0 49,967 737,748 Rentals 49,659 0 0 8,687 53,346 Charges for Services 635,752 0 0 115,637 751,389 Contributions and Donations 9,072 0 0 0 9,072 Other 168,472 0 41 756,44 244,154 Total Revenues 15,894,014 2,188,185 41 5,008,242 23,090,482 Expenditures Expenditures 2,185,604 0 0 25,61,45 5,40,75					,	· · · · · · · · · · · · · · · · · · ·
Rentals 49,659 0 0 8,687 58,346 Charges for Services 635,752 0 0 0 9,072 Other 168,472 0 41 75,641 244,154 Total Revenues 15,894,014 2,188,185 41 5,008,242 23,090,482 Expenditures Current: Current:	•					
Charges for Services	Rentals	49,659	0	0		
Contributions and Donations Other 9,072 168,472 0 0 0 9,072 244,154 Other 168,472 0 41 75,641 244,154 Total Revenues 15,894,014 2,188,185 41 5,008,242 23,090,482 Expenditures Concret Government: General Government: 2,188,604 0 0 250,538 2,439,142 Judicial System 649,973 0 0 250,538 2,439,142 Judicial System 649,973 0 0 256,414 5,467,956 Fire 5,211,542 0 0 256,414 5,467,956 Fire 3,884,466 0 0 256,414 5,467,956 Fire 134,290 0 0 0 260,455 Community Development 263,078 0 0 0 260,475 Community Development 263,078 0 0 96,776 1,834,012 Baic Utility Services 1,122,030	Charges for Services	635,752	0	0	115,637	
Total Revenues 15,894,014 2,188,185 41 5,008,242 23,090,482	_	9,072	0	0	0	9,072
Expenditures Current Central Government: Legislative and Executive 2,188,604 0 0 0 250,538 2,439,142 10dicial System 649,973 0 0 0 0 649,973 Secutity of Persons and Property: Police 5,211,542 0 0 256,414 5,467,956 Fire 3,884,466 0 0 133,976 4,018,442 Public Health Services 134,290 0 0 0 260,045 260,04	Other	168,472	0	41	75,641	244,154
Current: General Government: Legislative and Executive 2,188,604 0 0 250,538 2,439,142 1,040	Total Revenues	15,894,014	2,188,185	41	5,008,242	23,090,482
Current: General Government: Legislative and Executive 2,188,604 0 0 250,538 2,439,142 1,040	Evnanditures					
Ceneral Government: Legislative and Executive 2.188,604 0 0 0 250,538 2,439,142 Judicial System 649,973 0 0 0 0 649,973 Security of Persons and Property: Police 5.211,542 0 0 0 256,414 5,467,956 Fire 3.884,466 0 0 0 133,976 4,018,442 Public Health Services 134,290 0 0 0 0 260,045 Community Development 263,078 0 0 0 0 260,045 Community Development 263,078 0 0 0 0 265,078 Building Department 706,915 0 0 0 0 265,078 Building Department 706,915 0 0 0 0 0 263,078 Easier Utility Services 1,122,030 0 0 0 0 0 242,945 Easier Utility Services 1,122,030 0 0 0 985,689 2,107,719 Swimming Pools 242,945 0 0 0 0 242,945 Easier Utility Services 1,122,030 0 0 0 535,509 5,220,829 Debt Service: Frincipal Retirement 7,685 620,574 0 535,509 1,63,268 Tinterest and Fiscal Charges 11,865 130,472 785,143 104,759 1,032,239 Interest and Fiscal Charges 11,865 130,472 785,143 104,759 1,032,239 Interest and Fiscal Charges 1,861,674 3,319,643 823,571 5,809,768 25,563,656 Excess of Revenues Over (Under) Expenditures 283,340 (1,131,458) (823,530) (801,526) (2,473,174) Other Financing Sources (Uses) 283,340 (1,131,458) (823,530) (801,526) (2,473,174) Other Financing Sources (Uses) 36,000 0 0 399,020 799,020 Transfers Out (308,950) 0 (90,070) (400,000) (799,020) Transfers Out (308,950) 0 (90,070) (187,092 233,865 Net Change in Fund Balances 379,847 (1,091,122) (913,600) (614,434) (2,239,309) Fund Balances (Deficit) Beginning of Year - Restated (See Note 3) 5,112,988 1,550,502 (989,816) 2,510,130 8,183,804 See See See See See See See See See S	-					
Legislative and Executive Judicial System 2,188,604 0 0 250,538 2,439,142 (49,973) Security of Persons and Property: Police 5,211,542 0 0 256,414 5,467,956 Fire 3,884,466 0 0 133,976 4,018,442 Public Health Services 134,290 0 0 0 134,290 Leisure Time Activities 260,045 0 0 0 260,045 Community Development 263,078 0 0 0 706,915 Transportation 927,236 0 0 906,776 1,834,012 Basic Utility Services 1,122,030 0 0 985,689 2,107,719 Swimming Pools 242,945 0 0 0 242,945 Capital Outlay 0 2,568,597 16,325 2,635,907 5,220,829 Debt Services 11,865 130,472 785,143 104,759 1,032,239 Isuance Costs 0 0 22,103						
Sudicial System 649,973 0 0 0 649,973 Security of Persons and Property: Police 5,211,542 0 0 256,414 5,467,956 Fire 3,884,466 0 0 133,976 4,018,442 Public Health Services 134,290 0 0 0 0 134,290 Community Development 263,078 0 0 0 0 260,045 Community Development 263,078 0 0 0 0 706,915 Community Development 706,915 0 0 0 0 706,915 Transportation 927,236 0 0 0 985,689 2,107,719 Swimning Pools 242,945 0 0 0 985,689 2,107,719 Swimning Pools 242,945 0 0 0 0 242,945 Capital Outlay 0 2,568,597 16,325 2,635,907 5,220,829 Debt Service: Principal Retirement 7,685 620,574 0 535,709 1,163,968 Interest and Fiscal Charges 11,865 130,472 785,143 104,759 1,032,239 Issuance Costs 0 0 0 22,103 Total Expenditures 15,610,674 3,319,643 823,571 5,809,768 25,563,656 Excess of Revenues Over (Under) Expenditures 283,340 (1,131,458) (823,530) (801,526) (2,473,174) Other Financing Sources (Uses) Sale of Capital Assets 5,457 0 0 188,072 193,529 CopwC Loan Issued 0 40,336 0 0 40,336 Capital Assets 5,457 0 0 399,020 799,020 Transfers Out (308,950) 0 (90,070) (400,000) (799,020) Transfers Out (308,950) 0 (90,070) (400,000) (799,020) Transfers Out (308,950) 0 (90,070) (400,000) (799,020) Transfers fund Balances (Deficit) Beginning of Year - Restated (See Note 3) 5,112,988 1,550,502 (989,816) 2,510,130 8,183,804 1,500,000 1,50		2 188 604	0	0	250 538	2 439 142
Security of Persons and Property: Police					*	
Police 5,211,542 0 0 256,414 5,467,956 Fire 3,884,466 0 0 0 133,976 4,018,442 Public Health Services 134,290 0 0 0 0 260,045 Leisure Time Activities 260,045 0 0 0 260,045 Community Development 263,078 0 0 0 0 706,915 Transportation 927,236 0 0 0 706,915 0 0 906,776 1,834,012 Basic Utility Services 1,122,030 0 0 985,689 2,107,719 Swimming Pools 242,945 0 0 985,689 2,107,719 Swimming Pools 242,945 0 0 0 22,588,590 5,220,829 Debt Service: Principal Retirement 7,685 620,574 0 535,709 5,220,829 Debt Service: Principal Retirement 7,685 620,574 0 535,7	•	015,573	Ŭ	Ü	· ·	017,773
Fire 3,884,466 0 0 133,976 4,018,442 Public Health Services 134,290 0 0 0 134,290 Leisure Time Activities 260,045 0 0 0 260,045 Community Development 263,078 0 0 0 263,078 Building Department 706,915 0 0 0 706,915 Transportation 927,236 0 0 905,776 1,834,012 Basic Utility Services 1,122,030 0 0 985,689 2,107,719 Swimming Pools 242,945 0 0 985,689 2,107,719 Swimming Pools 242,945 0 0 0 242,945 Capital Outlay 0 2,568,597 16,325 2,635,907 5,220,829 Debt Service: Principal Retirement 7,685 620,574 0 535,709 1,163,968 Interest and Fiscal Charges 11,865 130,472 785,143 104,759	* *	5.211.542	0	0	256.414	5,467,956
Public Health Services	Fire	* *				
Leisure Time Activities 260,045 0 0 260,045 Community Development 263,078 0 0 0 263,078 Building Department 706,915 0 0 0 706,915 Transportation 927,236 0 0 905,776 1.834,012 Basic Utility Services 1,122,030 0 0 985,689 2,107,719 Swimming Pools 242,945 0 0 0 242,945 Capital Outlay 0 2,568,597 16,325 2,635,907 5,220,829 Debt Service: Principal Retirement 7,685 620,574 0 535,709 1,163,968 Interest and Fiscal Charges 11,865 130,472 785,143 104,759 1,032,239 Issuance Costs 0 0 22,103 0 22,103 Total Expenditures 15,610,674 3,319,643 823,571 5,809,768 25,563,656 Excess of Revenues Over (Under) Expenditures 283,340 (1,131,458) (· · · · · · · · · · · · · · · · · · ·	, ,
Community Development 263,078 0 0 263,078 Building Department 706,915 0 0 706,915 Transportation 927,236 0 0 906,776 1,834,012 Basic Uility Services 1,122,030 0 0 985,689 2,107,719 Swimming Pools 242,945 0 0 0 242,945 Capital Outlay 0 2,568,597 16,325 2,635,907 5,220,829 Debt Service: 2,568,597 16,325 2,635,907 5,220,829 Debt Service: 0 0 535,709 1,163,968 Interest and Fiscal Charges 11,865 130,472 785,143 104,759 1,032,239 Issuance Costs 0 0 22,103 0 22,103 0.0 0 22,103 0 25,563,656 2.0 0 </td <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>						
Building Department 706,915 0 0 706,915 Transportation 927,236 0 0 906,776 1,834,012 Basic Utility Services 1,122,030 0 0 985,689 2,107,719 Swimming Pools 242,945 0 0 0 242,945 Capital Outlay 0 2,568,597 16,325 2,635,907 5,220,829 Debt Service: 0 2,568,597 16,325 2,635,907 5,220,829 Debt Service: 3,319,643 823,571 3,319,643 1,163,968						
Transportation 927,236 0 0 906,776 1,834,012 Basic Utility Services 1,122,030 0 0 985,689 2,107,719 Swimming Pools 242,945 0 0 0 242,945 Capital Outlay 0 2,568,597 16,325 2,635,907 5,220,829 Debt Service: Principal Retirement 7,685 620,574 0 535,709 1,163,968 Interest and Fiscal Charges 11,865 130,472 785,143 104,759 1,032,239 Issuance Costs 0 0 0 22,103 0 22,103 Total Expenditures 15,610,674 3,319,643 823,571 5,809,768 25,563,656 Excess of Revenues Over (Under) Expenditures 283,340 (1,131,458) (823,530) (801,526) (2,473,174) Other Financing Sources (Uses) Sale of Capital Assets 5,457 0 0 188,072 193,529 OPWC Loan Issued 0 40,336 0 0			0	0	0	
Basic Utility Services 1,122,030 0 0 985,689 2,107,719 Swimming Pools 242,945 0 0 0 242,945 Capital Outlay 0 2,568,597 16,325 2,635,907 5,220,829 Debt Service: Principal Retirement 7,685 620,574 0 535,709 1,163,968 Interest and Fiscal Charges 11,865 130,472 785,143 104,759 1,032,239 Issuance Costs 0 0 0 22,103 0 22,103 Total Expenditures 15,610,674 3,319,643 823,571 5,809,768 25,563,656 Excess of Revenues Over (Under) Expenditures 283,340 (1,131,458) (823,530) (801,526) (2,473,174) Other Financing Sources (Uses) Sale of Capital Assets 5,457 0 0 188,072 193,529 OPWC Loan Issued 0 40,336 0 0 40,336 Transfers In 400,000 0 90,070 (400,000)		927,236	0	0	906,776	1,834,012
Swimming Pools 242,945 0 0 0 242,945 Capital Outlay 0 2,568,597 16,325 2,635,907 5,220,829 Debt Service: Principal Retirement 7,685 620,574 0 535,709 1,163,968 Interest and Fiscal Charges 11,865 130,472 785,143 104,759 1,032,239 Issuance Costs 0 0 22,103 0 22,103 Total Expenditures 15,610,674 3,319,643 823,571 5,809,768 25,563,656 Excess of Revenues Over (Under) Expenditures 283,340 (1,131,458) (823,530) (801,526) (2,473,174) Other Financing Sources (Uses) Sale of Capital Assets 5,457 0 0 188,072 193,529 OPWC Loan Issued 0 40,336 0 0 40,336 Transfers In 400,000 0 0 399,020 799,020 Transfers Out (308,950) 0 (90,070) (400,000) (799,020)	Basic Utility Services	1,122,030	0	0	985,689	
Debt Service: Principal Retirement 7,685 620,574 0 535,709 1,163,968 Interest and Fiscal Charges 11,865 130,472 785,143 104,759 1,032,239 Issuance Costs 0 0 0 22,103 0 22,103 Total Expenditures 15,610,674 3,319,643 823,571 5,809,768 25,563,656 Excess of Revenues Over (Under) Expenditures 283,340 (1,131,458) (823,530) (801,526) (2,473,174) Other Financing Sources (Uses) 5,457 0 0 188,072 193,529 OPWC Loan Issued 0 40,336 0 0 40,336 Transfers In 400,000 0 0 399,020 799,020 Transfers Out (308,950) 0 (90,070) (400,000) (799,020) Total Other Financing Sources (Uses) 96,507 40,336 (90,070) 187,092 233,865 Net Change in Fund Balances 379,847 (1,091,122) (913,600) (614,434) (2,239,309)		242,945	0	0	0	242,945
Principal Retirement 7,685 620,574 0 535,709 1,163,968 Interest and Fiscal Charges 11,865 130,472 785,143 104,759 1,032,239 Issuance Costs 0 0 0 22,103 0 22,103 Total Expenditures 15,610,674 3,319,643 823,571 5,809,768 25,563,656 Excess of Revenues Over (Under) Expenditures 283,340 (1,131,458) (823,530) (801,526) (2,473,174) Other Financing Sources (Uses) 5,457 0 0 188,072 193,529 OPWC Loan Issued 0 40,336 0 0 40,336 Transfers In 400,000 0 399,020 799,020 Transfers Out (308,950) 0 (90,070) (400,000) (799,020) Total Other Financing Sources (Uses) 96,507 40,336 (90,070) 187,092 233,865 Net Change in Fund Balances 379,847 (1,091,122) (913,600) (614,434) (2,239,309)	Capital Outlay	0	2,568,597	16,325	2,635,907	5,220,829
Interest and Fiscal Charges 11,865 130,472 785,143 104,759 1,032,239 Issuance Costs 0 0 0 22,103 0 22,103 Total Expenditures 15,610,674 3,319,643 823,571 5,809,768 25,563,656 Excess of Revenues Over (Under) Expenditures 283,340 (1,131,458) (823,530) (801,526) (2,473,174) Other Financing Sources (Uses) 5,457 0 0 188,072 193,529 OPWC Loan Issued 0 40,336 0 0 40,336 Transfers In 400,000 0 0 399,020 799,020 Transfers Out (308,950) 0 (90,070) (400,000) (799,020) Total Other Financing Sources (Uses) 96,507 40,336 (90,070) 187,092 233,865 Net Change in Fund Balances 379,847 (1,091,122) (913,600) (614,434) (2,239,309) Fund Balances (Deficit) Beginning of Year - Restated (See Note 3) 5,112,988 1,550,502 (989,816) 2,510,130	Debt Service:					
Issuance Costs 0 0 22,103 0 22,103 Total Expenditures 15,610,674 3,319,643 823,571 5,809,768 25,563,656 Excess of Revenues Over (Under) Expenditures 283,340 (1,131,458) (823,530) (801,526) (2,473,174) Other Financing Sources (Uses) 5,457 0 0 188,072 193,529 OPWC Loan Issued 0 40,336 0 0 40,336 Transfers In 400,000 0 399,020 799,020 Transfers Out (308,950) 0 (90,070) (400,000) (799,020) Total Other Financing Sources (Uses) 96,507 40,336 (90,070) 187,092 233,865 Net Change in Fund Balances 379,847 (1,091,122) (913,600) (614,434) (2,239,309) Fund Balances (Deficit) Beginning of Year - Restated (See Note 3) 5,112,988 1,550,502 (989,816) 2,510,130 8,183,804	Principal Retirement	7,685	620,574	0	535,709	1,163,968
Total Expenditures 15,610,674 3,319,643 823,571 5,809,768 25,563,656 Excess of Revenues Over (Under) Expenditures 283,340 (1,131,458) (823,530) (801,526) (2,473,174) Other Financing Sources (Uses) Sale of Capital Assets 5,457 0 0 188,072 193,529 OPWC Loan Issued 0 40,336 0 0 40,336 Transfers In 400,000 0 0 399,020 799,020 Transfers Out (308,950) 0 (90,070) (400,000) (799,020) Total Other Financing Sources (Uses) 96,507 40,336 (90,070) 187,092 233,865 Net Change in Fund Balances 379,847 (1,091,122) (913,600) (614,434) (2,239,309) Fund Balances (Deficit) Beginning of Year - Restated (See Note 3) 5,112,988 1,550,502 (989,816) 2,510,130 8,183,804	Interest and Fiscal Charges	11,865	130,472	785,143	104,759	1,032,239
Excess of Revenues Over (Under) Expenditures 283,340 (1,131,458) (823,530) (801,526) (2,473,174) Other Financing Sources (Uses) Sale of Capital Assets 5,457 0 0 188,072 193,529 OPWC Loan Issued 0 40,336 0 0 40,336 Transfers In 400,000 0 0 399,020 799,020 Transfers Out (308,950) 0 (90,070) (400,000) (799,020) Total Other Financing Sources (Uses) 96,507 40,336 (90,070) 187,092 233,865 Net Change in Fund Balances 379,847 (1,091,122) (913,600) (614,434) (2,239,309) Fund Balances (Deficit) Beginning of Year - Restated (See Note 3) 5,112,988 1,550,502 (989,816) 2,510,130 8,183,804	Issuance Costs	0	0	22,103	0	22,103
Other Financing Sources (Uses) 5,457 0 0 188,072 193,529 OPWC Loan Issued 0 40,336 0 0 399,020 799,020 Transfers In 400,000 0 (90,070) (400,000) (799,020) Transfers Out (308,950) 0 (90,070) 187,092 233,865 Net Change in Fund Balances 379,847 (1,091,122) (913,600) (614,434) (2,239,309) Fund Balances (Deficit) Beginning of Year - Restated (See Note 3) 5,112,988 1,550,502 (989,816) 2,510,130 8,183,804	Total Expenditures	15,610,674	3,319,643	823,571	5,809,768	25,563,656
Other Financing Sources (Uses) 5,457 0 0 188,072 193,529 OPWC Loan Issued 0 40,336 0 0 399,020 799,020 Transfers In 400,000 0 (90,070) (400,000) (799,020) Transfers Out (308,950) 0 (90,070) 187,092 233,865 Net Change in Fund Balances 379,847 (1,091,122) (913,600) (614,434) (2,239,309) Fund Balances (Deficit) Beginning of Year - Restated (See Note 3) 5,112,988 1,550,502 (989,816) 2,510,130 8,183,804	Excess of Revenues Over					
Sale of Capital Assets 5,457 0 0 188,072 193,529 OPWC Loan Issued 0 40,336 0 0 40,336 Transfers In 400,000 0 0 399,020 799,020 Transfers Out (308,950) 0 (90,070) (400,000) (799,020) Total Other Financing Sources (Uses) 96,507 40,336 (90,070) 187,092 233,865 Net Change in Fund Balances 379,847 (1,091,122) (913,600) (614,434) (2,239,309) Fund Balances (Deficit) Beginning of Year - Restated (See Note 3) 5,112,988 1,550,502 (989,816) 2,510,130 8,183,804	*	283,340	(1,131,458)	(823,530)	(801,526)	(2,473,174)
Sale of Capital Assets 5,457 0 0 188,072 193,529 OPWC Loan Issued 0 40,336 0 0 40,336 Transfers In 400,000 0 0 399,020 799,020 Transfers Out (308,950) 0 (90,070) (400,000) (799,020) Total Other Financing Sources (Uses) 96,507 40,336 (90,070) 187,092 233,865 Net Change in Fund Balances 379,847 (1,091,122) (913,600) (614,434) (2,239,309) Fund Balances (Deficit) Beginning of Year - Restated (See Note 3) 5,112,988 1,550,502 (989,816) 2,510,130 8,183,804	Other Financing Sources (Uses)					
OPWC Loan Issued 0 40,336 0 0 40,336 Transfers In 400,000 0 0 399,020 799,020 Transfers Out (308,950) 0 (90,070) (400,000) (799,020) Total Other Financing Sources (Uses) 96,507 40,336 (90,070) 187,092 233,865 Net Change in Fund Balances 379,847 (1,091,122) (913,600) (614,434) (2,239,309) Fund Balances (Deficit) Beginning of Year - Restated (See Note 3) 5,112,988 1,550,502 (989,816) 2,510,130 8,183,804	_	5,457	0	0	188,072	193,529
Transfers In 400,000 0 399,020 799,020 Transfers Out (308,950) 0 (90,070) (400,000) (799,020) Total Other Financing Sources (Uses) 96,507 40,336 (90,070) 187,092 233,865 Net Change in Fund Balances 379,847 (1,091,122) (913,600) (614,434) (2,239,309) Fund Balances (Deficit) Beginning of Year - Restated (See Note 3) 5,112,988 1,550,502 (989,816) 2,510,130 8,183,804	*					
Total Other Financing Sources (Uses) 96,507 40,336 (90,070) 187,092 233,865 Net Change in Fund Balances 379,847 (1,091,122) (913,600) (614,434) (2,239,309) Fund Balances (Deficit) Beginning of Year - Restated (See Note 3) 5,112,988 1,550,502 (989,816) 2,510,130 8,183,804	Transfers In	400,000		0	399,020	799,020
Net Change in Fund Balances 379,847 (1,091,122) (913,600) (614,434) (2,239,309) Fund Balances (Deficit) Beginning of Year - Restated (See Note 3) 5,112,988 1,550,502 (989,816) 2,510,130 8,183,804	Transfers Out	(308,950)	0	(90,070)	(400,000)	(799,020)
Fund Balances (Deficit) Beginning of Year - Restated (See Note 3) 5,112,988 1,550,502 (989,816) 2,510,130 8,183,804	Total Other Financing Sources (Uses)	96,507	40,336	(90,070)	187,092	233,865
of Year - Restated (See Note 3) 5,112,988 1,550,502 (989,816) 2,510,130 8,183,804	Net Change in Fund Balances	379,847	(1,091,122)	(913,600)	(614,434)	(2,239,309)
of Year - Restated (See Note 3) 5,112,988 1,550,502 (989,816) 2,510,130 8,183,804	Fund Balances (Deficit) Reginning					
Fund Balances (Deficit) End of Year \$5,492,835 \$459,380 (\$1,903,416) \$1,895,696 \$5,944,495		5,112,988	1,550,502	(989,816)	2,510,130	8,183,804
	Fund Balances (Deficit) End of Year	\$5,492,835	\$459,380	(\$1,903,416)	\$1,895,696	\$5,944,495

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, 2013

Net Change in Fund Balances - Total Governmental Funds	(\$2,239,309)
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 4,291,794 Depreciation (2,277,651)	
Total	2,014,143
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.	(15,750)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. Delinquent Property Taxes 25,341 Income Taxes 1,285,285 Intergovernmental (162,376) Special Assessments (74,016)	
Total	1,074,234
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Some expenses reported in the statement of activities do not require the	1,163,968
use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Accrued Interest 20,072 Amortization of Premium 81,881 Amortization of Deferred Charge on Refunding (11,546)	
Total	90,407
Some expenses reported in the statement of activities do not require the use of curent financial and therefore are not reported as expenditures in governmental funds. Compensated Absences (38,654) Vacation Benefits (8,628)	al resources
Total	(47,282)
Other financing sources in the governmental funds, such as OWPC loan issues, increase long in the statement of net position are not reported as revenues in the statement of activities.	y-term liabilities (40,336)
Change in Net Position of Governmental Activities	\$2,000,075
= *	

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, 2013

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues	¢2 104 141	¢2 221 1 <i>C4</i>	¢2 221 014	(6150)
Property Taxes Income Taxes	\$3,184,141	\$3,331,164 8,797,449	\$3,331,014	(\$150) (398)
Special Assessments	8,409,168 46,992	49,162	8,797,051 49,160	, ,
Intergovernmental	1,578,553	1,656,746	1,657,079	(2) 333
Interest	1,378,333	16,973	1,037,079	(1)
Fees, Licenses and Permits	688,408	720,194	720,161	(33)
Fines and Forfeitures	608,733	636,840	636,811	(29)
Rentals	58,988	61,712	61,709	(3)
Charges for Services	576,067	622,531	571,255	(51,276)
Contributions and Donations	8,672	9,072	9,072	0
Other	158,588	165,443	166,169	726
Total Revenues	15,334,534	16,067,286	16,016,453	(50,833)
Expenditures				
Current:				
General Government:				
Legislative and Executive	2,639,961	2,672,721	2,358,675	314,046
Judicial System	615,657	644,926	626,334	18,592
Security of Persons and Property:				
Police	5,455,632	5,549,992	5,356,306	193,686
Fire	3,922,325	4,145,512	4,013,080	132,432
Public Health Services	141,096	151,095	142,457	8,638
Leisure Time Activities	272,601	281,881	261,862	20,019
Community Development	414,765	454,767	426,836	27,931
Building Department	761,080	761,080	719,519	41,561
Transportation	1,010,262	1,010,262	952,234	58,028
Basic Utility Services	1,323,736	1,329,391	1,292,069	37,322
Total Expenditures	16,557,115	17,001,627	16,149,372	852,255
Excess of Revenues Under Expenditures	(1,222,581)	(934,341)	(132,919)	801,422
Other Financing Sources (Uses)				
Sale of Capital Assets	3,094	3,237	3,237	0
Transfers In	403,763	400,018	450,000	49,982
Transfers Out	(491,450)	(518,950)	(518,950)	0
Total Other Financing Sources (Uses)	(84,593)	(115,695)	(65,713)	49,982
Net Change in Fund Balance	(1,307,174)	(1,050,036)	(198,632)	851,404
Fund Balance Beginning of Year	3,500,941	3,500,941	3,500,941	0
Prior Year Encumbrances Appropriated	452,602	452,602	452,602	0
Fund Balance End of Year	\$2,646,369	\$2,903,507	\$3,754,911	\$851,404

Statement of Fiduciary Assets and Liabilities Agency Fund December 31, 2013

Assets Equity in Pooled Cash and Cash Equivalents	\$1,451,592
Liabilities Deposits Held and Due to Others	\$1,451,592

Notes to the Basic Financial Statements For The Year Ended December 31, 2013

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 the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organizations. 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 and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. The City has no component units.

The City is associated with six organizations: one shared risk pool, one joint venture and four defined as jointly governed organizations. The Northern Ohio Risk Management Association is a shared risk pool. The joint venture is the Community Partnership on Aging. The Northeast Ohio Public Energy Council, the First Suburbs Consortium of Northeast Ohio Council of Governments, the Heights Area Special Rescue Team and the Eastside Departments Group Enforcement are jointly governed organizations. These organizations are presented in Notes 10, 20 and 21 to the basic financial statements.

Note 2 – Summary of Significant Accounting Policies

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

Notes to the Basic Financial Statements For The Year Ended December 31, 2013

Basis of Presentation

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

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

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

Fund Accounting

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

Governmental Funds

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

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

Notes to the Basic Financial Statements For The Year Ended December 31, 2013

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

Land Acquisition Fund – The land acquisition fund accounts for and reports restricted debt proceeds that are to be used on capital projects for future economic growth and development.

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

Fiduciary Funds Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. 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, donations, court accounts, employee payroll contributions, fire damage deposits, EDGE accounts and Partnership on Aging accounts.

Measurement Focus

Government-wide Financial Statements

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

Fund Financial Statements

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

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

Basis of Accounting

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

Notes to the Basic Financial Statements For The Year Ended December 31, 2013

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

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

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

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

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2013, but which were levied to finance year 2014 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City unavailable revenue includes delinquent property taxes, income taxes, special assessments and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

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

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

Notes to the Basic Financial Statements For The Year Ended December 31, 2013

Cash and Cash Equivalents

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

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

During the year, the City invested in negotiable certificates of deposit, money market accounts and repurchase agreements. Investments are reported at fair value which is based on quoted market prices, with the exception of nonparticipating repurchase agreements, which are reported at cost.

Following the Charter and Codified Ordinances of the City as well as Ohio statutes, the City has, by resolution, specified the funds to receive an allocation of interest earnings. Interest is distributed to the general fund and safety forces vehicle capital projects fund. Interest revenue credited to the general fund during 2013 amounted to \$15,793, which includes \$8,352 assigned from other City funds.

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2013, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of purchase and reflecting the expenditure/expense in the year in which the services are consumed.

Inventory

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

Assets Held for Resale

Assets held for resale represent land purchased by the City which will be sold for development purposes and homes purchased and repaired to be resold under the Community Development in-fill housing project. As of December 31, 2013, the City has nine lots on Greenvale and one home which are being held for resale.

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 position.

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 position but are not reported in the fund financial statements.

Notes to the Basic Financial Statements For The Year Ended December 31, 2013

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

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

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

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

Compensated Absences

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

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

The entire compensated absence liability is reported on the government-wide financial statements.

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, compensated absences that will be paid from governmental funds are reported as a liability in the fund

Notes to the Basic Financial Statements For The Year Ended December 31, 2013

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

Fund Balance

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

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

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

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

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

Assigned Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by council. In the general fund, assigned amounts represent intended uses established by policies of the City Council or a City official delegated that authority by City Charter or ordinance, or by State statute. State statute authorizes the finance director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

Notes to the Basic Financial Statements For The Year Ended December 31, 2013

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

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets 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 position is 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 position restricted for other purposes include resources restricted for police range and police and fire pensions.

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

Internal Activity

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

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

Deferred Charge on Refunding

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

Bond/Note Premiums

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

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.

Notes to the Basic Financial Statements For The Year Ended December 31, 2013

Budgetary Process

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

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

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

Note 3 - Change in Accounting Principles and Restatement of Fund Balance

Change in Accounting Principles

For 2013, the City has implemented Governmental Accounting Standard Board (GASB) Statement No. 61, "The Financial Reporting Entity: Omnibus an amendment of GASB 14 and 34." This Statement modifies existing requirements for the assessment of potential component units in determining what should be included in the financial reporting entity, and financial reporting entity display and disclosure requirements. The implementation of this statement did not result in any change in the City's financial statements.

Restatement of Fund Balance

For 2013, the City determined that capitalized land was to be reclassified as assets held for resale. This had the following effect on fund balances as previously reported. There was no effect on net position.

		Other	Total
Flood	Land	Governmental	Governmental
Control	Acquisition	Funds	Funds
\$1,550,502	(\$1,321,916)	\$2,510,130	\$7,851,704
0	332,100	0	332,100
\$1,550,502	(\$989,816)	\$2,510,130	\$8,183,804
	Control 61,550,502 0	Control Acquisition 61,550,502 (\$1,321,916) 0 332,100	Flood Control Land Acquisition Governmental Funds 61,550,502 (\$1,321,916) \$2,510,130 0 332,100 0

Notes to the Basic Financial Statements For The Year Ended December 31, 2013

Note 4 - Budgetary Basis of Accounting

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

- 1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
- 2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
- 3. Encumbrances are treated as expenditures (budget) rather than restricted, committed, or assigned fund balance (GAAP).
- 4. Unreported cash represents amounts received but not included as revenue on the budgetary statements, but which are reported on the operating statements prepared using GAAP.
- 5. Budgetary revenues and expenditures of the parking lots and meters and swimming pools funds are classified to the general fund for GAAP reporting.

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

Net Change in Fund Balance

	General
GAAP Basis	\$379,847
Net Adjustment for Revenue Accruals	169,419
Beginning Unrecorded Cash	20
Ending Unrecorded Cash	(830)
Excess of revenues under expenditures:	
Parking Lots and Meters	(4,939)
Swimming Pools	(22,684)
Net Adjustment for Expenditure Accruals	(239,593)
Encumbrances	(479,872)
Budget Basis	(\$198,632)

Note 5 – Accountability

Fund balances at December 31, 2013 included the following individual fund deficits:

	Deficit Fund Balances
Special Revenue Funds:	
COPS Grant	\$12,621
HUD Grant	61,144
Safety Forces Levy	102,832
Capital Projects Fund:	
Land Acquisition	1,903,416

Notes to the Basic Financial Statements For The Year Ended December 31, 2013

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

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

Note 6 - Fund Balances

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

				Other	
		Flood	Land	Governmental	
Fund Balances	General	Control	Acquisition	Funds	Total
Nonspendable					
Prepaids	\$104,160	\$0	\$0	\$0	\$104,160
Inventory	57,328	0	0	62,678	120,006
Total Nonspendable	161,488	0	0	62,678	224,166
Restricted for					
Sewer Rental	0	0	0	42,831	42,831
Home Improvement	0	0	0	545,288	545,288
Public Safety	0	0	0	309,831	309,831
Street Maintenance	0	0	0	268,704	268,704
Debt Service Payments	0	0	0	25,685	25,685
Street Lighting	0	0	0	62,707	62,707
Capital Improvements	0	459,380	0	754,569	1,213,949
Total Restricted	0	459,380	0	2,009,615	2,468,995
Assigned to					
Purchases on Order	444,178	0	0	0	444,178
Swimming Pools	32,945	0	0	0	32,945
Basic Utility Services	27,576	0	0	0	27,576
Total Assigned	504,699	0	0	0	504,699
Unassigned (Deficit)	4,826,648	0	(1,903,416)	(176,597)	2,746,635
Total Fund Balances (Deficit)	\$5,492,835	\$459,380	(\$1,903,416)	\$1,895,696	\$5,944,495

Note 7 - Deposits and Investments

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

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

Notes to the Basic Financial Statements For The Year Ended December 31, 2013

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

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

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

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

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

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

Deposits

Custodial Credit Risk Custodial credit risk for deposits is the risk that, in the event of the failure of the counterparty, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$4,720,414 of the City's bank balance of \$5,783,440 was uninsured and

Notes to the Basic Financial Statements For The Year Ended December 31, 2013

uncollateralized. Although the securities were held by the pledging financial institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

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

Investments

As of December 31, 2013, the City had the following investments:

	Fair Value	Maturity	Standard & Poor's	Percent of Total Investments
Certificates of Deposit	\$2,999,655	Less than three years	AA+	81.65 %
Money Market Accounts	564,414	Less than one year	AA+	15.36
Repurchase Agreements	109,668	Less than one year	AA+	2.99
Total Portfolio	\$3,673,737			

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

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

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

Note 8 - Receivables

Receivables at December 31, 2013, consisted primarily of municipal income taxes, property and other taxes, intergovernmental receivables arising from entitlements and shared revenues, special assessments, and accounts (billings for utility service).

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

Notes to the Basic Financial Statements For The Year Ended December 31, 2013

At December 31, 2013 the total amount of delinquent special assessments was \$536,943. These delinquencies will be collected in the flood control, sewer rental and street lighting special revenue funds.

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

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2013 for real and public utility property taxes represents collections of 2012 taxes.

2013 real property taxes were levied after October 1, 2013, on the assessed value as of January 1, 2013, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2013 real property taxes are collected in and intended to finance 2014.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2013 public utility property taxes which became a lien December 31, 2012, are levied after October 1, 2013, and are collected in 2014 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2013, was \$16.35 per \$1,000 of assessed value The assessed values of real property and public utility tangible property upon which 2013 property tax receipts were based are as follows:

Category	Assessed Value
Real Estate	
Residential/Agricultural	\$299,075,230
Other Real Estate	55,401,940
Tangible Personal Property	
Public Utility	8,589,860
Total Assessed Values	\$363,067,030

The County Fiscal Officer collects property taxes on behalf of all taxing districts in the county, including the City. The County Fiscal Officer periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies which were measurable as of December 31, 2013, and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2013 operations is offset to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

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 0.75 percent for income tax paid to another municipality. Employers within the City are required to

Notes to the Basic Financial Statements For The Year Ended December 31, 2013

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

Intergovernmental Receivables

A summary of intergovernmental receivables follows:

Governmental Activities	Amount
Homestead and Rollback	\$325,504
Gasoline and Excise Tax	198,878
Local Government	190,344
Estate Tax	117,430
State and Local Highway Tax	97,610
Permissive Motor Vehicle License Tax	63,002
State of Ohio	52,134
Motor Vehicle License Fees	51,300
Commercial Activity Tax	3,514
City of University Heights	1,524
Cuyahoga County Fiscal Officer	1,080
Total	\$1,102,320

Note 9 - Risk Management

Property and Liability

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

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

Worker's Compensation

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

Notes to the Basic Financial Statements For The Year Ended December 31, 2013

Note 10 - Shared Risk Pool

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

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

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

In 2013, the City of South Euclid paid \$134,443 in premiums from the general fund, which represents 10.11 percent of total NORMA premiums. Financial information can be obtained by contacting the fiscal agent, the Finance Director at the City of Bedford Heights, 5661 Perkins Road, Bedford Heights, Ohio, 44146.

Note 11 - Assets Held for Resale

The City of South Euclid carries assets, such as land and houses, which are held for resale.

Just over 2.6 of the ten plus acres of land on Cedar Road, that was previously purchased by the City, remains for sale. This land will be sold for development purposes and is currently being marketed by a Real Estate Broker.

As of December 31, 2013 the City has nine lots on Greenvale remaining which are being held for resale.

The City also has an asset held for resale in the form of a home purchased and repaired to be resold under the Community Development in-fill housing project.

Notes to the Basic Financial Statements For The Year Ended December 31, 2013

Note 12 - Capital Assets

Capital asset activity for the year ended December 31, 2013, was as follows:

	Restated			
	Balance			Balance
Governmental Activities	12/31/2012	Additions	Deductions	12/31/2013
Capital Assets not being Depreciated:				
Land	\$586,907	\$0	\$0	\$586,907
Capital Assets being Depreciated:				
Buildings and Improvements	12,968,045	11,732	0	12,979,777
Equipment	2,659,009	120,278	0	2,779,287
Vehicles	4,744,223	194,953	(96,326)	4,842,850
Infrastructure:				
Streets	25,174,583	3,823,420	0	28,998,003
Bridges, Sewers and Culverts	27,472,728	141,411	0	27,614,139
Traffic Signals	47,732	0	0	47,732
Total Capital Assets being Depreciated	73,066,320	4,291,794	(96,326)	77,261,788
Less Accumulated Depreciation:				
Buildings and Improvements	(9,367,476)	(466,581)	0	(9,834,057)
Equipment	(2,082,924)	(108,404)	0	(2,191,328)
Vehicles	(3,073,140)	(313,334)	80,576	(3,305,898)
Infrastructure:				
Streets	(10,187,983)	(916,204)	0	(11,104,187)
Bridges, Sewers and Culverts	(3,486,037)	(472,173)	0	(3,958,210)
Traffic Signals	(6,468)	(955)	0	(7,423)
Total Accumulated Depreciation	(28,204,028)	(2,277,651) *	80,576	(30,401,103)
Total Capital Assets being Depreciated, Net	44,862,292	2,014,143	(15,750)	46,860,685
Governmental Activities Capital Assets, Net	\$45,449,199	\$2,014,143	(\$15,750)	\$47,447,592

^{*}Depreciation expense was charged to governmental activities as follows:

General Government:	
Legislative and Executive	\$2,045
Judicial System	6,424
Security of Persons and Property:	
Police	42,563
Fire	33,373
Leisure Time Activities	13,776
Building Department	7,382
Transportation	1,395,637
Basic Utility Services	682,746
Swimming Pools	93,705
Total Depreciation Expense	\$2,277,651

Notes to the Basic Financial Statements For The Year Ended December 31, 2013

Note 13 - Note Debt

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

	Balance				
	12/31/2012	Additions	Reductions	12/31/2013	
2012 Housing Development Bond Anticipation Note	1,800,000	\$0	\$1,800,000	\$0	
2012 GO Bond Anticipation Note	2,100,000	0	2,100,000	0	
2012 GO Bond Anticipation Note Premium	11,718	0	11,718	0	
2013 Housing Development Special Obligation Note	0	1,800,000	0	1,800,000	
2013 GO Bond Anticipation Note	0	2,100,000	0	2,100,000	
2013 GO Bond Anticipation Note Premium	0	17,010	4,253	12,757	
Total	\$3,911,718	\$3,917,010	\$3,915,971	\$3,912,757	

In 2013, 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 July 31, 2014. The Housing Development bond anticipation notes that were issued in 2012 for \$1,800,000 matured on December 14, 2013. The notes were paid from the land acquisition capital projects fund.

In 2013, the City issued \$2,100,000 in general obligation bond anticipation notes. These notes mature on September 18, 2014. The general obligation bond anticipation notes that were issued in 2012 for \$2,100,000 matured on December 14, 2013. The notes were paid from the land acquisition capital projects fund.

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

Note 14 - Long-Term Obligations

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

Debt Issue	Interest Rate	Original Issue	Year of Maturity
2012 Real Estate Acquisition and Urban Redevelopment Bonds	2.0% to 5.0%	\$14,130,000	2042
2010 Various Purpose Refunding Bonds	2.0% to 4.0%	5,430,000	2018
2002 Parking Lot Improvement Special Assessment Bond	4.0% to 6.7%	630,000	1994 to 2014
OPWC Loans			
Liberty Road Bridge Replacement	0%	755,891	2002 to 2022
Whitehall Road Bridge Replacement	0%	188,822	2006 to 2025
Bexley Infrastructure	0%	1,247,424	2005 to 2024
Cedar Center	0%	260,039	2013 to 2033
Nine Mile Creek Rehabiliation	0%	341,315	2013 to 2033
Rainbow Creek	0%	132,399	2013 to 2033
Green Road	0%	543,801	2013 to 2033
Argonne Road	0%	692,186	2013 to 2043
OWDA Stormwater Improvement	N/A	2,052,371	N/A
OAQDA Series A	3.15%	386,146	2020
OAQDA Series B	5.45%	386,145	2026
Police and Fire Pension	4.25%	391,010	1973 to 2035

Notes to the Basic Financial Statements For The Year Ended December 31, 2013

A schedule of changes in bonds and other long-term obligations of the City during 2013 follows:

	Amount Outstanding 12/31/2012	Additions	Deletions	Amount Outstanding 12/31/2013	Amounts Due In One Year
Governmental Activities	12/31/2012	Additions	Defetions	12/31/2013	One Tear
General Obligation Bonds					
2012 Real Estate Acquisition and					
Urban Redevelopment Bonds					
Current Interest Serial Bonds	\$3,245,000	\$0	\$0	\$3,245,000	\$0
Term Bonds	10,885,000	0	0	10,885,000	0
Premium on 2012 Real Estate Acquisition					
and Urban Redevelopment Bonds	1,437,051	0	(48,304)	1,388,747	0
Total 2012 Real Estate Acquisition and					
Urban redevelopment Bonds	15,567,051	0	(48,304)	15,518,747	0
2010 Various Purpose					
General Obligation Refunding Bonds	4,210,000	0	(645,000)	3,565,000	665,000
Premium on Various Purpose Bonds	198,661	0	(33,577)	165,084	0
Total 2010 Various Purpose General				,	
Obligation Refunding Bonds	4,408,661	0	(678,577)	3,730,084	665,000
Total General Obligation Bonds	19,975,712	0	(726,881)	19,248,831	665,000
Special Assessment Bonds					
with Governmental Commitment					
2002 Parking Lot Improvement	100,000	0	(100,000)	0	0
OPWC Loans:					
Liberty Road Bridge Replacement	377,946	0	(37,795)	340,151	37,795
Whitehall Road Bridge Replacement	127,455	0	(9,441)	118,014	9,441
Bexley Infrastructure	748,454	0	(62,371)	686,083	62,371
Cedar Center	264,384	0	(6,610)	257,774	13,219
Nine Mile Creek Rehabiliation	263,935	0	(6,599)	257,336	13,197
Rainbow Creek	110,440	0	(2,760)	107,680	5,522
Green Road	705,082	0	(17,627)	687,455	35,254
Argone Road	692,186	40,336	(12,209)	720,313	24,417
Total OPWC Loans	3,289,882	40,336	(155,412)	3,174,806	201,216
OWDA Stormwater Improvement	1,544,518	0	(94,609)	1,449,909	0
OAQDA Loans:					
OAQDA 2011 Series A	360,316	0	(43,630)	316,686	45,005
OAQDA 2011 Series B	388,920	0	0	388,920	0
Total OAQDA Loans	749,236	0	(43,630)	705,606	45,005
Police and Fire Pension	281,095	0	(7,685)	273,410	8,015
Capital Lease	351,238	0	(117,632)	233,606	82,439
Compensated Absences	749,228	172,494	(133,840)	787,882	46,186
Total Governmental Activities	\$27,040,909	\$212,830	(\$1,379,689)	\$25,874,050	\$1,047,861

During 2012, the City issued \$14,130,000 in Real Estate Acquisition and Urban Redevelopment General Obligation Bonds for construction projects throughout the City. The bonds were sold at a premium of \$1,449,127. These Real Estate Acquisition and Urban Redevelopment General Obligation bonds will be paid with revenues from the land acquisition capital projects fund.

Notes to the Basic Financial Statements For The Year Ended December 31, 2013

The Real Estate Acquisition and Urban Redevelopment General Obligation Bonds maturing on December 1, 2027, 2032 and 2042 are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the years and in the respective principal amounts as follows:

	Issue				
Year	\$1,205,000	\$2,460,000	\$7,220,000		
2025	\$380,000	\$0	\$0		
2026	400,000	0	0		
2028	0	445,000	0		
2029	0	465,000	0		
2030	0	490,000	0		
2031	0	515,000	0		
2033	0	0	570,000		
2034	0	0	600,000		
2035	0	0	630,000		
2036	0	0	665,000		
2037	0	0	695,000		
2038	0	0	735,000		
2039	0	0	770,000		
2040	0	0	810,000		
2041	0	0	850,000		
Total mandatory sinking fund payments	780,000	1,915,000	6,325,000		
Amount due at stated maturity	425,000	545,000	895,000		
Total	\$1,205,000	\$2,460,000	\$7,220,000		
Stated Maturity	12/1/2027	12/1/2032	12/1/2042		

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

The bonds were sold at a premium of \$265,815. Proceeds of \$5,687,729 were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded portion of the various bonds. These Various Purpose General Obligation bonds will be paid with revenues from the road improvement and flood control capital projects funds. On December 31, 2013, \$4,095,888 of the refunded bonds remained outstanding.

The Special Assessment Parking Lot Improvement bonds were paid with special assessment revenue from the special assessment bond retirement fund.

The Liberty Road Bridge Replacement, Whitehall Road Bridge Replacement, Bexley Infrastructure, Cedar Center, Nine Mile Creek Rehabilitation, Rainbow Creek, Green Road and Argonne Road 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.

The City has entered into a contractual agreement for construction loans from the Ohio Public Works Commission (OPWC). Under the terms of this agreement, OPWC will reimburse, advance or directly pay the construction costs of the approved projects. OPWC will capitalize administrative costs and construction interest and then add them to the total amounts of the final loans.

Notes to the Basic Financial Statements For The Year Ended December 31, 2013

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

A line of credit has been established with the Ohio Air Quality Development Authority in the amount of \$388,921 in Series A and \$388,920 in Series B Ohio Air Quality Development Authority loans, (OAQDA); however, since this loan is not finalized, the repayment schedule is not included in the schedule of debt service payments. The loans will be paid from the general capital improvements 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, 2013, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$34,582,723 and the unvoted legal debt margin was \$19,968,687. Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2013 are as follows:

	General Obligation		Police a	Police and Fire		
	Во	nds	Pension		Loans	
	Principal	Interest	Principal	Interest	Principal	
2014	\$665,000	\$749,503	\$8,015	\$11,535	\$201,216	
2015	970,000	726,703	8,359	11,191	201,216	
2016	995,000	700,353	8,718	10,833	201,216	
2017	1,045,000	666,403	9,093	10,458	201,216	
2018	1,080,000	640,068	9,483	10,067	201,216	
2019-2023	1,690,000	2,898,239	53,835	43,917	968,284	
2024-2028	2,015,000	2,569,050	66,498	31,254	544,018	
2029-2033	2,585,000	1,998,875	82,058	15,693	424,453	
2034-2038	3,325,000	1,263,625	27,351	1,102	122,090	
2039-2043	3,325,000	342,875	0	0	109,881	
Total	\$17,695,000	\$12,555,694	\$273,410	\$146,050	\$3,174,806	

Note 15 - Compensated Absences

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

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

Employees earn sick leave at a rate of 4.6 hours per 80 hours of service. Sick leave accumulation is generally limited to 1,200 hours for all employees except for firefighters who can accumulate up to 2,000 hours. Upon retirement or death and at least ten years of service, non-union employees can be paid one third

Notes to the Basic Financial Statements For The Year Ended December 31, 2013

and union employees can be paid one half of the accrued sick leave accumulated, up to the maximum hours allowed.

Note 16 – Capital Lease

In prior years, the City had entered into a capitalized lease obligation for two leaf box collection vehicles and two stainless steel dump bodies and vbox spreaders classified as equipment, sixteen new Ford vehicles, a master leaf collection unit and copiers. The leases meet the criteria for a capital lease and has been recorded on the government-wide statements. The original amounts capitalized for the capital leases and the book values as of December 31, 2013 are as follows:

	Amounts
Vehicles	\$358,040
Equipment	229,607
Total Capitalized	587,647
Less: Accumulated Depreciation	(239,633)
Current Book Value	\$348,014

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, 2013.

	Amounts
2014	\$90,699
2015	90,699
2016	68,961
Total Minimum Lease Payments	250,359
Less: Amount representing interest	(16,753)
Present Value of Minimum Lease Payments	\$233,606

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

Note 17 - Contingencies

Litigation

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

Grants

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

Notes to the Basic Financial Statements For The Year Ended December 31, 2013

conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2013.

Note 18 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

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

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of covered payroll for members in State and local divisions. For the year ended December 31, 2013, members in state and local divisions contributed 10 percent of covered payroll. Members in the state and local divisions may participate in all three plans. For 2013, member and employer contribution rates were consistent across all three plans.

The City's 2013 contribution rate was 14.0 percent. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. For 2013, the portion of employer contribution allocated to health care was 1.00 percent for members in the Traditional Plan and the Combined Plan. Effective January 1, 2014, the portion of employer contributions allocated to health care increased to 2 percent. Employer contribution rates are actuarially determined.

The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2013, 2012, and 2011 were \$459,031, \$353,368 and \$336,634, respectively. For 2013, 90.08 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2012 and 2011. Contributions to the Member-Directed Plan for 2013 were \$2,416 made by the City and \$1,726 made by plan members.

Notes to the Basic Financial Statements For The Year Ended December 31, 2013

Ohio Police and Fire Pension Fund

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

Funding Policy – Employer and employee contribution rates are set by the Ohio Revised Code. From January 1, 2013 thru July 1, 2013, plan members were required to contribute 10 percent of their annual covered salary. From July 2, 2013 thru December 31, 2013, plan members were required to contribute 10.75 percent of their annual covered salary. Throughout 2013, employers were required to contribute 19.5 percent and 24 percent respectively for police officers and firefighters.

The OP&F Pension Fund is authorized by the Ohio Revised Code to allocate a portion of the employer contributions to retiree health care benefits. For January 1, 2013, thru May 31, 2013, the portion of employer contributions used to fund pension benefits was 14.81 percent of covered payroll for police officers and 19.31 percent of covered payroll for firefighters. For June 1, 2013, thru December 31, 2013, the portion of employer contributions used to fund pension benefits was 16.65 percent of covered payroll for police officers and 21.15 percent of covered payroll for firefighters. The City's contributions to OP&F for police and firefighters pension were \$473,218 and \$516,719 for the year ended December 31, 2013, \$390,132 and \$437,916 for the year ended December 31, 2012, and \$371,355 and \$418,957 for the year ended December 31, 2011, respectively. For 2013, 88.85 percent for police and 89.59 percent for firefighters has been contributed with the balance for both police and firefighters being report as an intergovernmental payable. The full amount has been contributed for 2012 and 2011.

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, 2013, the unfunded liability of the City was \$273,410 payable in semi-annual payments through the year of 2035. This is an accounting liability of the City which will not vary.

Note 19 - Postemployment Benefits

Ohio Public Employees Retirement System

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

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

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

Notes to the Basic Financial Statements For The Year Ended December 31, 2013

coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not mandate, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by visiting https://www.opers.org/investments/cafr.shtml, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

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

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2013, state and local employers contributed at a rate of 14.0 percent of covered payroll. These are the maximum employer contribution rates permitted by the Ohio Revised Code.

Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. For 2013, the portion of employer contributions allocated to health care for members in the Traditional Plan and the Combined Plan was 1.0 percent. Effective January 1, 2014, the portion of employer contributions allocated to healthcare was raised to 2 percent for both plans, as recommended by the OPERS Actuary.

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

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2013, 2012 and 2011 were \$35,310, \$141,347 and \$134,653, respectively. For 2013, 90.08 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2012 and 2011.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

Ohio Police and Fire Pension Fund

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

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

Notes to the Basic Financial Statements For The Year Ended December 31, 2013

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

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

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For January 1, 2013, thru May 31, 2013, the employer contribution allocated to the health care plan was 4.69 percent of covered payroll. For June 1, 2013, thru December 31, 2013, the employer contribution allocated to the health care plan was 2.85 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were \$107,753 and \$91,683 for the year ended December 31, 2013, \$206,540 and \$171,358 for the year ended December 31, 2012, and \$196,600 and \$163,940 for the year ended December 31, 2011. For 2013, 88.85 percent has been contributed for police and 89.59 percent has been contributed for firefighters with the balance for both police and firefighters being reported as an intergovernmental payable. The full amount has been contributed for 2012 and 2011.

Note 20 - Joint Venture

Community Partnership on Aging

The Community Partnership on Aging (Partnership) is a joint venture among the Cities of South Euclid, Lyndhurst Mayfield Heights and Highland Heights, formed for the purpose of coordinating among the cities all matters related to assistance and programs for the aged. Partnership revenues consist of contributions from the member cities and federal grants. The Partnership is controlled by the Council composed of the Mayors of the Cities of South Euclid, Lyndhurst, Mayfield Heights and Highland Heights, with the advice of a nine member commission. Continued existence of the Partnership is dependent on the City's continued

Notes to the Basic Financial Statements For The Year Ended December 31, 2013

participation; however the City of South Euclid has no explicit and measurable equity interest in the Partnership. The Partnership is not accumulating financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the City. In 2013, the City contributed \$245,968, paid from the general fund, which represented 33.14 percent of Partnership revenues. To obtain a copy of the Partnership's financial statements, write to the Community Partnership on Aging, 1370 Victory Drive, South Euclid, Ohio, 44121.

Note 21 - Jointly Governed Organizations

Northeast Ohio Public Energy Council

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

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each community then elect one person to serve on the eight-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program including budgeting, appropriating, contracting and designating management. 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 2013. Financial information can be obtained by contacting Joseph Migliorini, Board Chairman, at 175 South Main Street, Akron, Ohio 44308 or at their website at www.nopecinfo.org.

First Suburbs Consortium of Northeast Ohio Council of Governments

The City is a member of the First Suburbs Consortium of Northeast Ohio Council of Governments (Council). The Council is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. The Council is currently comprised of 19 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 including budgeting, appropriating, contracting and designating management. The degree of control exercised by any participating government is limited to its representation in the Assembly and on the Board. During 2013, the City of South Euclid contributed \$3,000 for membership to the Council. Financial information can be obtained by contacting First Suburbs Consortium of Northeast Ohio Council of Governments, 40 Severance Circle, Cleveland Heights, Ohio 44118.

Notes to the Basic Financial Statements For The Year Ended December 31, 2013

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. The governing body exercises total control over the operations of the HASRT including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the governing body. 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 2013, the City of South Euclid contributed \$4,965 to HASRT. Financial information can be obtained by contacting Heights Area Special Rescue Team, 3400 Lee Road, Shaker Heights, Ohio, 44120.

Eastside Departments Group Enforcement

The City is a member of the Eastside Departments Group Enforcement (EDGE). EDGE is a council of governments formed under Ohio Revised Code Chapter 167. The governing body of EDGE is comprised of the five Fire Chiefs of the member cities. The governing body exercises total control over the operations of the EDGE including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the governing body. EDGE was established to provide mutual aid for the provision of law enforcement and investigation services. Annual member receipts are based on an agreed formula based on the member cities population. During 2013, the City of South Euclid contributed \$15,163 to EDGE. Financial information can be obtained by contacting Heights Area Special Rescue Team, 3400 Lee Road, Shaker Heights, Ohio, 44120.

Note 22 - Interfund Transactions

Interfund Balances

Interfund balances at December 31, 2013, consist of the following:

	Interfund Receivable
Interfund Payable	General
Major Fund:	
Land Acquisition	\$700,000
Special Revenue Funds:	
COPS Grant	16,750
Street, Construction, Maintenance and Repair	100,000
HUD Grant	44,147
Total Other Governmental Funds	160,897
Total	\$860,897

The interfund payables in the COPS Grant, Street, Construction, Maintenance and Repair and HUD Grant special revenue funds are advances for grant monies that the fund will receive at a later date. The interfund payable in the land acquisition fund is for the payment of debt. They are expected to be paid within one year.

Interfund Transfers

Interfund transfers for the year ended December 31, 2013, consisted of the following:

Notes to the Basic Financial Statements For The Year Ended December 31, 2013

		Transfers From				
			Other			
		Land	Governmental			
Transfers To	General	Acquisition	Funds	Total		
General Fund	\$0	\$0	\$400,000	\$400,000		
Other Governmental Funds:						
General Obligation Bond Retirement	29,400	0	0	29,400		
Special Assessment Bond Retirement	0	90,070	0	90,070		
General Capital Improvements	279,550	0	0	279,550		
Total	\$308,950	\$90,070	\$400,000	\$799,020		

The general obligation bond retirement fund received a transfer from the general fund to help pay for debt. The special assessment bond retirement fund received a transfer from the land acquisition capital projects fund to help pay for debt. The general capital improvement capital projects fund received transfers from the general fund to fund capital purchases. The general fund received transfers from the safety forces vehicle capital projects fund to fund capital purchases.

Note 23 – Significant Commitments

Encumbrances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

General Fund	\$479,872
Flood Control	361,822
Nonmajor Funds	379,515
Total	\$1,221,209

Contracts

As of December 31, 2013, the City had the following contractual construction commitments outstanding:

		Amount Paid	Remaining
Vendor Name	Contract Amount	To Date	Contract
Longo Sewer Construction	\$1,058,746	\$936,362	\$122,384
Digioia Suburban Excavating	1,896,575	1,633,382	263,193
Total	\$2,955,321	\$2,569,744	\$385,577

Combining and Individual
Fund Statements and Schedules
- 51 -

Combining Statements – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

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

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

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

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

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

HUD Grant Fund The HUD Grant Fund accounts for and reports restricted grant monies from the State and Federal governments to be used for housing programs.

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

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

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

FEMA Firefighters Grant Fund The FEMA Fire Grant Fund accounts for and reports restricted grant monies from the State and Federal governments to be used for FEMA programs.

Safety Forces Levy Fund The Safety Forces Levy Fund accounts for and reports property tax collections restricted for expenditures that are used to enhance the police and fire departments. This is a new levy for 2013. Actual collections will begin in 2014. Therefore, no budgetary is necessary.

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

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

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

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

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

Nonmajor Debt Service Funds

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

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

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

Nonmajor Capital Projects Funds

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

General Capital Improvements Fund The General Capital Improvements Fund accounts for and reports restricted grant and loan monies to be used for expenditures restricted for capital construction and the acquisition of capital assets.

Safety Forces Vehicle Fund The Safety Forces Vehicle Fund accounts for and reports a portion of general fund emergency medical transport fees which are restricted, by City ordinance, for the acquisition of police and fire vehicles.

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

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

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

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

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

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

Combining Balance Sheet Nonmajor Governmental Funds December 31, 2013

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and	Φ1 1 04 7 01	#25 (05	Φ0.4.4.00 <i>C</i>	Ø1 00 <i>5</i> 272
Cash Equivalents	\$1,124,701	\$25,685	\$844,886	\$1,995,272
Materials and Supplies Inventory Accounts Receivable	62,678	0	0 4,955	62,678
	1,125 478,494	-	,	6,080
Intergovernmental Receivable Property Taxes Receivable		$0 \\ 0$	64,973	543,467
Assets Held for Resale	1,430,901	0	815,188 0	2,246,089
Special Assessments Receivable	250,257 828,977	0	0	250,257 828,977
Special Assessments Receivable	828,977	0		828,977
Total Assets	\$4,177,133	\$25,685	\$1,730,002	\$5,932,820
Liabilities				
Accounts Payable	\$48,717	\$0	\$4,934	\$53,651
Accrued Wages	21,546	0	0	21,546
Contracts Payable	16,881	0	56,291	73,172
Retainage Payable	0	0	31,231	31,231
Intergovernmental Payable	147,902	0	2,816	150,718
Interfund Payable	160,897	0	0	160,897
Total Liabilities	395,943	0	95,272	491,215
Deferred Inflows of Resources				
Property Taxes	1,280,604	0	729,564	2,010,168
Unavailable Revenue	1,385,144	0	150,597	1,535,741
Total Deferred Inflows of Resources	2,665,748	0	880,161	3,545,909
Fund Balances				
Nonspendable	62,678	0	0	62,678
Restricted	1,229,361	25,685	754,569	2,009,615
Unassigned (Deficit)	(176,597)	0	0	(176,597)
Total Fund Balances	1,115,442	25,685	754,569	1,895,696
Total Liabilities, Deferred Inflows of				
Resources and Fund Balances	\$4,177,133	\$25,685	\$1,730,002	\$5,932,820

City of South Euclid, Ohio

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended December 31, 2013

Danasas	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues Property Taxes	\$181,874	\$0	\$757,808	\$939,682
Special Assessments	801,591	0	0	801,591
Intergovernmental	1,158,336	ő	1,849,164	3,007,500
Interest	0	0	4,582	4,582
Fees, Licenses and Permits	0	0	4,955	4,955
Fines and Forfeitures	49,967	0	0	49,967
Rentals	8,687	0	0	8,687
Charges for Services	115,637	0	0	115,637
Other	43,869	14,853	16,919	75,641
Total Revenues	2,359,961	14,853	2,633,428	5,008,242
Expenditures				
Current:				
General Government:	250.257	201	0	250 520
Legislative and Executive	250,257	281	0	250,538
Security of Persons and Property: Police	256 414	0	0	256 414
Fire	256,414 133,976	0	0	256,414 133,976
Transportation	906,776	0	0	906,776
Basic Utility Services	985,689	0	0	985,689
Capital Outlay	0	0	2,635,907	2,635,907
Debt Service:	v	v	2,030,707	2,033,707
Principal Retirement	0	143,630	392,079	535,709
Interest and Fiscal Charges	0	34,411	70,348	104,759
Total Expenditures	2,533,112	178,322	3,098,334	5,809,768
Excess of Revenues Under Expenditures	(173,151)	(163,469)	(464,906)	(801,526)
Other Financing Sources (Uses)				
Sale of Capital Assets	188,072	0	0	188,072
Transfers In	0	119,470	279,550	399,020
Transfers Out	0	0	(400,000)	(400,000)
Total Other Financing Sources (Uses)	188,072	119,470	(120,450)	187,092
Net Change in Fund Balances	14,921	(43,999)	(585,356)	(614,434)
Fund Balances Beginning of Year	1,100,521	69,684	1,339,925	2,510,130
Fund Balances End of Year	\$1,115,442	\$25,685	\$754,569	\$1,895,696

City of South Euclid, Ohio Combining Balance Sheet Nonmajor Special Revenue Funds December 31, 2013

	Operation Home Improvement	COPS Grant	Street Construction, Maintenance and Repair	State Highway
Assets				
Equity in Pooled Cash and Cash Equivalents	\$298,505	\$4,129	\$219,176	\$19,566
Materials and Supplies Inventory	0	0	62,678	\$1 <i>7</i> ,500
Accounts Receivable	0	0	02,070	0
Intergovernmental Receivable	0	0	321,704	26,084
Property Taxes Receivable	0	0	0	0
Assets Held for Resale	250,257	0	0	0
Special Assessments Receivable	0	0	0	0
Total Assets	\$548,762	\$4,129	\$603,558	\$45,650
Liabilities				
Accounts Payable	\$3,474	\$0	\$7,879	\$0
Accrued Wages	0	0	13,086	0
Contracts Payable	0	0	0	0
Intergovernmental Payable	0	0	14,747	0
Interfund Payable	0	16,750	100,000	0
Total Liabilities	3,474	16,750	135,712	0
Deferred Inflows of Resources				
Property Taxes	0	0	0	0
Unavailable Revenue	0	0	265,188	21,502
Total Deferred Inflows of Resources	0	0	265,188	21,502
Fund Balances				
Nonspendable	0	0	62,678	0
Restricted	545,288	0	139,980	24,148
Unassigned (Deficit)	0	(12,621)	0	0
Total Fund Balances (Deficit)	545,288	(12,621)	202,658	24,148
Total Liabilities, Deferred Inflows of				
Resources and Fund Balances	\$548,762	\$4,129	\$603,558	\$45,650

Permissive Motor Vehicle License	HUD Grant	Police Range	Law Enforcement	Street Lighting	FEMA Firefighters Grant
\$94,447	\$0	\$26,538	\$245,261	\$99,837	\$28,681
0	0	0	0	0	0
0	0	0	25	0	0
63,002	50,887	0	1,247	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	150	0	431,688	0
\$157,449	\$50,887	\$26,688	\$246,533	\$531,525	\$28,681
\$0	\$116	\$0	\$0	\$37,130	\$0
0	0	0	0	0	0
0	16,881	0	0	0	0
0	0	0	0	0	0
0	44,147	0	0	0	0
0	61,144	0	0	37,130	0
0		0	0	0	0
52,873	50,887	0	0	431,688	0
52,873	50,887	0	0	431,688	0
0	0	0	0	0	0
104,576	0	26,688	246,533	62,707	28,681
0	(61,144)	0	0	0	0
104,576	(61,144)	26,688	246,533	62,707	28,681
\$157,449	\$50,887	\$26,688	\$246,533	\$531,525	\$28,681

(continued)

City of South Euclid, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
December 31, 2013

	Safety Forces Levy	Sewer Rental	Police Pension	Fire Pension	Total Nonmajor Special Revenue Funds
Assets					
Equity in Pooled Cash and	Φ0	Ф.CO. (22	ф12.0 <i>65</i>	#12.064	Ø1 104 701
Cash Equivalents	\$0	\$60,632	\$13,965	\$13,964	\$1,124,701
Materials and Supplies Inventory	0	0	0	0	62,678
Accounts Receivable	0	1,100	0	0	1,125
Intergovernmental Receivable	*	0	7,785	7,785	478,494
Property Taxes Receivable	1,234,059	0	98,421	98,421	1,430,901
Assets Held for Resale	0	0 397.139	0	0	250,257
Special Assessments Receivable		397,139	0	0	828,977
Total Assets	\$1,234,059	\$458,871	\$120,171	\$120,170	\$4,177,133
Liabilities					
Accounts Payable	\$0	\$118	\$0	\$0	\$48,717
Accrued Wages	0	8,460	0	0	21,546
Contracts Payable	0	0	0	0	16,881
Intergovernmental Payable	102,832	10,323	10,000	10,000	147,902
Interfund Payable	0	0	0	0	160,897
•					
Total Liabilities	102,832	18,901	10,000	10,000	395,943
Deferred Inflows of Resources					
Property Taxes	1,104,438	0	88,083	88,083	1,280,604
Unavailable Revenue	129,621	397,139	18,123	18,123	1,385,144
Total Deferred Inflows of Resources	1,234,059	397,139	106,206	106,206	2,665,748
Fund Balances					
Nonspendable	0	0	0	0	62,678
Restricted	0	42,831	3,965	3,964	1,229,361
Unassigned (Deficit)	(102,832)	0	0	0	(176,597)
Total Fund Balances (Deficit)	(102,832)	42,831	3,965	3,964	1,115,442
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$1,234,059	\$458,871	\$120,171	\$120,170	\$4,177,133

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2013

	Operation Home Improvement	COPS Grant	Street Construction, Maintenance and Repair	State Highway
Revenues				
Property Taxes	\$0	\$0	\$0	\$0
Special Assessments	20,640	0	0	0
Intergovernmental	0	41,680	672,781	54,550
Fines and Forfeitures	0	0	0	0
Rentals	0	0	0	0
Charges for Services	0	0	87,372	0
Other	0	0	18,000	0
Total Revenues	20,640	41,680	778,153	54,550
Expenditures				
Current:				
General Government:	0	•	0	0
Legislative and Executive	0	0	0	0
Security of Persons and Property:	0	20.064	0	0
Police Fire	0	38,064	0	0
	0	0	0 739,291	0 52,097
Transportation Basic Utility Services	149,101	0	739,291	32,097
Basic Ounity Services	149,101			
Total Expenditures	149,101	38,064	739,291	52,097
Excess of Revenues Over				
(Under) Expenditures	(128,461)	3,616	38,862	2,453
Other Financing Sources				
Sale of Capital Assets	188,072	0	0	0
Net Change in Fund Balances	59,611	3,616	38,862	2,453
Fund Balances (Deficit)				
Beginning of Year	485,677	(16,237)	163,796	21,695
Fund Balances (Deficit) End of Year	\$545,288	(\$12,621)	\$202,658	\$24,148

(continued)

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Year Ended December 31, 2013

D. C.	Permissive Motor Vehicle License	HUD Grant	Police Range	Law Enforcement	Street Lighting
Revenues Property Taxes	\$0	\$0	\$0	\$0	\$0
Special Assessments	0	0	0	0	447,451
Intergovernmental	127,843	189,113	0	13,872	0
Fines and Forfeitures	0	0	12,435	37,532	0
Rentals	0	0	8,687	0	0
Charges for Services	0	0	0	0	0
Other	0	0	1,518	22,294	0
Total Revenues	127,843	189,113	22,640	73,698	447,451
Expenditures Current: General Government:					
Legislative and Executive Security of Persons and Property:	0	250,257	0	0	0
Police	0	0	22,414	61,230	0
Fire	0	0	0	0	0
Transportation	115,388	0	0	0	0
Basic Utility Services	0	0	0	0	441,101
Total Expenditures	115,388	250,257	22,414	61,230	441,101
Excess of Revenues Over					
(Under) Expenditures	12,455	(61,144)	226	12,468	6,350
Other Financing Sources Sale of Capital Assets	0	0	0	0	0
Net Change in Fund Balances	12,455	(61,144)	226	12,468	6,350
Fund Balances (Deficit) Beginning of Year	92,121	0	26,462	234,065	56,357
Fund Balances (Deficit) End of Year	\$104,576	(\$61,144)	\$26,688	\$246,533	\$62,707

FEMA Firefighters Grant	Safety Forces Levy	Sewer Rental	Police Pension	Fire Pension	Total Nonmajor Special Revenue Funds
ФО	ΦO	Φ0	фоо 02 7	#00.02 7	Φ101 0 7 4
\$0 0	\$0 0	\$0 333,500	\$90,937 0	\$90,937 0	\$181,874 801,591
28,681	0	333,300	14,908	14,908	1,158,336
20,001	0	0	14,908	14,908	49,967
0	0	0	0	0	8,687
0	0	28,265	0	0	115,637
0	0	2,057	0	0	43,869
28,681	0	363,822	105,845	105,845	2,359,961
0	0	0	0	0	250,257
0	51,781	0	82,925	0	256,414
0	51,051	0	0	82,925	133,976
0	0	0	0	0	906,776
0	0	395,487	0	0	985,689
0	102,832	395,487	82,925	82,925	2,533,112
28,681	(102,832)	(31,665)	22,920	22,920	(173,151)
0	0	0	0	0	188,072
28,681	(102,832)	(31,665)	22,920	22,920	14,921
0	0	74,496	(18,955)	(18,956)	1,100,521
\$28,681	(\$102,832)	\$42,831	\$3,965	\$3,964	\$1,115,442

(This Page Intentionally Left Blank)

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2013

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
Revenues Other	\$14,853	\$0	\$14,853
Other	\$14,633	Φ0	<u> </u>
Expenditures General Government: Legislative and Executive	281	0	281
Debt Service: Principal Retirement Interest and Fiscal Charges	43,630 31,620	100,000 2,791	143,630 34,411
Total Expenditures	75,531	102,791	178,322
Excess of Revenues Under Expenditures	(60,678)	(102,791)	(163,469)
Other Financing Sources Transfers In	29,400	90,070	119,470
Net Change in Fund Balances	(31,278)	(12,721)	(43,999)
Fund Balances Beginning of Year	56,963	12,721	69,684
Fund Balances End of Year	\$25,685	\$0	\$25,685

City of South Euclid, Ohio Combining Balance Sheet Nonmajor Capital Projects Funds December 31, 2013

	General	Safety	Water	
	Capital	Forces	Distribution	Road
	Improvements	Vehicle	Infrastructure	Improvement
Assets				
Equity in Pooled Cash and	Φ25.214	#0 7.0 0.4	D 4 4 6 2 0 5	ф одо (О1
Cash Equivalents	\$35,314	\$87,284	\$446,295	\$272,681
Accounts Receivable	0	0	0	4,955
Intergovernmental Receivable	0	0	0	64,973
Property Taxes Receivable	0	0	0	815,188
Total Assets	\$35,314	\$87,284	\$446,295	\$1,157,797
Liabilities				
Accounts Payable	\$0	\$4,934	\$0	\$0
Contracts Payable	0	0	56,291	0
Retainage Payable	0	0	0	31,231
Intergovernmental Payable	0	0	0	2,816
Total Liabilities	0	4,934	56,291	34,047
Deferred Inflows of Resources				
Property Taxes	0	0	0	729,564
Unavailable Revenue	0	0	0	150,597
Total Deferred Inflows of Resources	0	0	0	880,161
Fund Balances				
Restricted	35,314	82,350	390,004	243,589
Total Liabilities, Deferred Inflows of	¢25 214	¢07.304	\$446.205	¢1 157 707
Resources and Fund Balances	\$35,314	\$87,284	\$446,295	\$1,157,797

Sidewalk Improvement	Stanhope Parking Lot	Police Vehicles	Sewer Rehabilitation	Total Nonmajor Capital Projects Funds
\$7	\$2,853	\$51	\$401	\$844,886
0	0	0	0	4,955
0	0	0	0	64,973
0	0	0	0	815,188
\$7	\$2,853	\$51	\$401	\$1,730,002
\$0	\$0	\$0	\$0	\$4,934
0	0	0	0	56,291
0	0	0	0	31,231
0	0	0	0	2,816
	<u>-</u>			
0	0	0	0	95,272
0	0	0	0	729,564
0	0	0	0	150,597
0	0_	0	0	880,161
7	2,853	51	401	754,569
	2,000			701,009
\$7	\$2,853	\$51	\$401	\$1,730,002

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, 2013

Revenues	General Capital Improvements	Safety Forces Vehicle	Water Distribution Infrastructure	Road Improvement
Property Taxes	\$0	\$0	\$0	\$757,808
Intergovernmental	0	0	1,623,816	225,348
Interest	0	4,582	0	0
Fees, Licenses and Permits	0	0	0	4,955
Other	9,349	0	0	7,570
Total Revenues	9,349	4,582	1,623,816	995,681
Expenditures				
Capital Outlay	191,800	186,544	1,639,024	615,612
Debt Service:				
Principal Retirement	117,632	0	0	274,447
Interest and Fiscal Charges	12,265	0	0	58,083
Total Expenditures	321,697	186,544	1,639,024	948,142
Excess of Revenues Over (Under) Expenditures	(312,348)	(181,962)	(15,208)	47,539
Other Financing Sources (Uses)				
Transfers In	279,550	0	0	0
Transfers Out	0	(400,000)	0	0
Total Other Financing Sources (Uses)	279,550	(400,000)	0	0
Net Change in Fund Balances	(32,798)	(581,962)	(15,208)	47,539
Fund Balances Beginning of Year	68,112	664,312	405,212	196,050
Fund Balances End of Year	\$35,314	\$82,350	\$390,004	\$243,589

Sidewalk Improvement	Stanhope Parking Lot	Police Vehicles	Sewer Rehabilitation	Total Nonmajor Capital Projects Funds
\$0	\$0	\$0	\$0	\$757,808
0	0	0	0	1,849,164
0	0	0	0	4,582
0	0	0	0	4,955
0	0	0	0	16,919
0	0	0	0	2,633,428
0	0	2,077	850	2,635,907
0	0	0	0	202.070
0	0	0	0	392,079 70,348
				/0,346
0	0	2,077	850	3,098,334
0	0	(2,077)	(850)	(464,906)
0	0	0	0	279,550
0	0	0	0	(400,000)
				(100,000)
0	0	0	0	(120,450)
0	0	(2,077)	(850)	(585,356)
7	2,853	2,128	1,251	1,339,925
\$7	\$2,853	\$51	\$401	\$754,569

Combining Statement - Agency Fund

Agency Fund

To account for assets	held	by th	e City	as	an	agent	for	individuals,	private	organizations,	other	governmental
units, and/or other fund	ds.											

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, 2013

	Beginning Balance 12/31/12	Additions	Deductions	Ending Balance 12/31/13
Deposits Fund Assets Equity in Pooled Cash and Cash Equivalents	\$1,786,740	\$760,351	\$1,095,499	\$1,451,592
Liabilities Deposits Held and Due to Others	\$1,786,740	\$760,351	\$1,095,499	\$1,451,592

Individual Fund Schedules of Revenues, Expenditures
and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual
- 70 -

	Budgeted A	Amounts		Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
Revenues Property Taxes	\$3,184,141	\$3,331,164	\$3,331,014	(\$150)
Income Taxes	8,409,168	8,797,449	8,797,051	(398)
Special Assessments	46,992	49,162	49,160	(2)
Intergovernmental	1,578,553	1,656,746	1,657,079	333
Interest	16,224	16,973	16,972	(1)
Fees, Licenses and Permits	688,408	720,194	720,161	(33
Fines and Forfeitures	608,733	636,840	636,811	(29
Rentals	58,988	61,712	61,709	(3
Charges for Services	576,067	622,531	571,255	(51,276
Contributions and Donations	8,672	9,072	9,072	0
Other	158,588	165,443	166,169	726
Total Revenues	15,334,534	16,067,286	16,016,453	(50,833
Expenditures				
Current:				
General Government: Legislative and Executive:				
Council	100.250	100.250	20.062	1.100
Personal Services	100,258	100,258	99,069	1,189
Contractual Services	598	638	495	143
Materials and Supplies	4,045	4,005	3,166	839
Total Council	104,901	104,901	102,730	2,171
Mayor	104.005	104.225	150.206	4.020
Personal Services	184,225	184,225	179,386	4,839
Contractual Services	3,379	3,041	2,975	66 0
Materials and Supplies Other	1,115 9,238	1,453 9,238	1,453 9,168	70
Ottlei	9,238	9,238	9,108	
Total Mayor	197,957	197,957	192,982	4,975
Finance Department				
Personal Services	250,660	250,660	245,192	5,468
Contractual Services	31,385	31,385	28,989	2,396
Materials and Supplies	6,979	6,979	6,135	844
Other	1,271	1,271	1,171	100
Total Finance Department	290,295	290,295	281,487	8,808
Law Director				
Personal Services	147,075	161,835	156,770	5,065
Contractual Services	215,074	213,296	141,863	71,433
Materials and Supplies	15,603	15,468	12,018	3,450
Other	9,822	9,734	7,596	2,138
Total Law Director	387,574	400,333	318,247	82,086
Civil Service				
Personal Services	7,785	7,785	7,750	35
Contractual Services	14,150	34,150	6,390	27,760
Total Civil Service	\$21,935	\$41,935	\$14,140	\$27,795
				(continued

	Budgeted A	Amounts		Variance with Final Budget Positive	
	Original	Final	Actual	(Negative)	
Municipal Complex Contractual Services	£425.222	¢425,222	#2.C4.442	\$C0.990	
Materials and Supplies	\$425,332 52,753	\$425,332 52,753	\$364,443 30,285	\$60,889 22,468	
Other	17,569	17,569	13,045	4,524	
Total Municipal Complex	495,654	495,654	407,773	87,881	
Engineer					
Personal Services	19,002	19,002	18,858	144	
Contractual Services	4,500	4,500	3,800	700	
Total Engineer	23,502	23,502	22,658	844	
Mandated					
Contractual Services	620,100	620,100	567,132	52,968	
General Services					
Personal Services	67,789	71,637	67,693	3,944	
Contractual Services	406,837	403,077	360,503	42,574	
Other	23,417	23,330	23,330	0	
Total General Services	498,043	498,044	451,526	46,518	
Total Legislative and Executive	2,639,961	2,672,721	2,358,675	314,046	
Judicial System:					
Municipal Court					
Personal Services	561,176	566,176	555,654	10,522	
Contractual Services	1,315	1,937	1,509	428	
Materials and Supplies Other	21,624	32,859 43,954	32,859	7.642	
Other	31,542	43,934	36,312	7,642	
Total Judicial System	615,657	644,926	626,334	18,592	
Total General Government	3,255,618	3,317,647	2,985,009	332,638	
Security of Persons and Property:					
Police:					
Police Department Personal Services	4,678,943	4 772 202	4 625 050	148,253	
Contractual Services	80,050	4,773,303 80,134	4,625,050 78,725	1,409	
Materials and Supplies	133,008	132,853	114,770	18,083	
Other	77,697	77,768	58,363	19,405	
Total Police Department	4,969,698	5,064,058	4,876,908	187,150	
Dispatchers					
Personal Services	456,271	456,271	450,125	6,146	
Contractual Services	20,882	23,058	23,058	0	
Other	8,781	6,605	6,215	390	
Total Dispatchers	485,934	485,934	479,398	6,536	
Total Police	\$5,455,632	\$5,549,992	\$5,356,306	\$193,686	
				(continued)	

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
Fire:	Original	1 11141	1 Ictual	(1 togative)
Fire Department				
Personal Services	\$3,753,800	\$3,900,036	\$3,786,645	\$113,391
Contractual Services	60,516	87,989	72,968	15,021
Materials and Supplies	71,676	117,214	116,453	761
Other	5,833	9,773	9,774	(1)
Total Fire Department	3,891,825	4,115,012	3,985,840	129,172
Fire Hydrants				
Contractual Services	30,500	30,500	27,240	3,260
Total Fire	3,922,325	4,145,512	4,013,080	132,432
Total Security of Persons and Property	9,377,957	9,695,504	9,369,386	326,118
Public Health Services:				
Health and Human Services				
Contractual Services	141,096	151,095	142,457	8,638
Leisure Time Activities:				
Recreation Department				
Personal Services	63,247	72,527	68,593	3,934
Contractual Services	6,946	6,946	4,347	2,599
Other	5,915	5,915	3,328	2,587
Total Recreation Department	76,108	85,388	76,268	9,120
Community Center				
Personal Services	151,839	151,839	145,464	6,375
Contractual Services	31,971	31,469	28,197	3,272
Materials and Supplies	4,061	4,563	4,563	0
Other	8,622	8,622	7,370	1,252
Total Community Center	196,493	196,493	185,594	10,899
Total Leisure Time Activities	272,601	281,881	261,862	20,019
Community Development:				
Boards and Commissions				
Personal Services	34,429	34,029	33,518	511
Contractual Services	943	1,341	1,275	66
Materials and Supplies	7_	9	9	0
Total Boards and Commissions	35,379	35,379	34,802	577
Community Relations				
Personal Services	72,099	73,478	72,697	781
Contractual Services	3,777	2,300	1,953	347
Materials and Supplies	257	284	125	159
Other	72,820	77,891	77,891	0
Total Community Relations	\$148,953	\$153,953	\$152,666	\$1,287

(continued)

	Budgeted A	Amounts		Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Economic Development Department			11014441	(Freguerye)
Personal Services	\$71,539	\$72,739	\$71,421	\$1,318
Contractual Services	104,047	125,088	121,755	3,333
Materials and Supplies	253	372	217	155
Other	19,358	27,000	21,075	5,925
Total Economic Development Department	195,197	225,199	214,468	10,731
Youth Initiative				
Personal Services	17,693	17,693	11,419	6,274
Contractual Services	1,636	756	600	156
Materials and Supplies	2,769	5,016	5,016	0
Other	13,138	16,771	7,865	8,906
Total Youth Initiative	35,236	40,236	24,900	15,336
Total Community Development	414,765	454,767	426,836	27,931
Building Department:				
Building Department				
Personal Services	713,952	713,952	680,327	33,625
Contractual Services	17,961	17,961	15,185	2,776
Materials and Supplies	20,524	20,524	16,499	4,025
Other	8,643	8,643	7,508	1,135
Total Building Department	761,080	761,080	719,519	41,561
Transportation:				
Service Department				
Personal Services	485,206	485,206	463,898	21,308
Contractual Services	80,477	80,477	75,992	4,485
Materials and Supplies	37,044	37,044	34,705	2,339
Other	9,417	9,417	8,111	1,306
Total Service Department	612,144	612,144	582,706	29,438
Service Garage				
Personal Services	188,141	188,141	177,867	10,274
Contractual Services	39,858	39,591	34,972	4,619
Materials and Supplies	163,454	163,454	149,757	13,697
Other	6,665	6,932	6,932	0
Total Service Garage	398,118	398,118	369,528	28,590
Total Transportation	\$1,010,262	\$1,010,262	\$952,234	\$58,028

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Basic Utility Services:				
Refuse Collection and Disposal	Φ1 242 CC4	Φ1 242 CC4	#1 200 7 <i>(</i> 1	#22.002
Contractual Services	\$1,243,664	\$1,243,664	\$1,209,761	\$33,903
Curbside Recycling				
Personal Services	71,861	77,516	74,108	3,408
Contractual Services	7,500	7,500	7,500	0
Materials and Supplies	711	711	700	11
Total Curbside Recycling	80,072	85,727	82,308	3,419
Total Basic Utility Services	1,323,736	1,329,391	1,292,069	37,322
Total Expenditures	16,557,115	17,001,627	16,149,372	852,255
Excess of Revenues Under Expenditures	(1,222,581)	(934,341)	(132,919)	801,422
Other Financing Sources (Uses)				
Sale of Capital Assets	3,094	3,237	3,237	0
Transfers In	403,763	400,018	450,000	49,982
Transfers Out	(491,450)	(518,950)	(518,950)	0
Total Other Financing Sources (Uses)	(84,593)	(115,695)	(65,713)	49,982
Net Change in Fund Balance	(1,307,174)	(1,050,036)	(198,632)	851,404
Fund Balance Beginning of Year	3,500,941	3,500,941	3,500,941	0
Prior Year Encumbrances Appropriated	452,602	452,602	452,602	0
Fund Balance End of Year	\$2,646,369	\$2,903,507	\$3,754,911	\$851,404

	Budgeted A	Amounts		Variance with Final Budget Positive	
	Original	Final	Actual	(Negative)	
Revenues Special Assessments Intergovernmental	\$1,944,926 151,738	\$2,022,649 166,015	\$2,022,170 166,015	(\$479) 0	
Total Revenues	2,096,664	2,188,664	2,188,185	(479)	
Expenditures Capital Outlay: Contractual Services Other	3,222,210 6,886	3,199,113 9,502	3,170,484 9,502	28,629 0	
Total Capital Outlay	3,229,096	3,208,615	3,179,986	28,629	
Debt Service: Principal Retirement Interest and Fiscal Charges	449,748 94,557	620,574 130,472	620,574 130,472	0	
Total Debt Service	544,305	751,046	751,046	0	
Total Expenditures	3,773,401	3,959,661	3,931,032	28,629	
Excess of Revenues Under Expenditures	(1,676,737)	(1,770,997)	(1,742,847)	28,150	
Other Financing Sources OPWC Loan Issued	40,336	40,336	40,336	0	
Net Change in Fund Balance	(1,636,401)	(1,730,661)	(1,702,511)	28,150	
Fund Balance Beginning of Year	803,583	803,583	803,583	0	
Prior Year Encumbrances Appropriated	1,186,689	1,186,689	1,186,689	0	
Fund Balance End of Year	\$353,871	\$259,611	\$287,761	\$28,150	

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual Land Acquisition Fund For the Year Ended December 31, 2013

	Budgeted A	amounts		Variance with Final Budget	
	Original	Final	Actual	Positive (Negative)	
Revenues					
Other	\$50	\$50	\$41	(\$9)	
Expenditures Capital Outlay:					
Contractual Services	21,413	21,413	8,482	12,931	
Other	7,924	7,924	7,843	81	
Total Capital Outlay	29,337	29,337	16,325	13,012	
Debt Service:					
Principal Retirement	3,940,182	3,940,182	3,900,000	40,182	
Interest and Fiscal Charges	808,756	808,756	800,508	8,248	
Note Issuance Costs	22,331	22,331	22,103	228	
Total Debt Service	4,771,269	4,771,269	4,722,611	48,658	
Total Expenditures	4,800,606	4,800,606	4,738,936	61,670	
Excess of Revenues Under Expenditures	(4,800,556)	(4,800,556)	(4,738,895)	61,661	
Other Financing Sources (Uses)					
Bond Anticipation Notes Issued	3,882,900	3,900,000	3,900,000	0	
Premium on Bond Anticipation Notes	17,050	17,050	17,010	(40)	
Transfers Out	(928)	(90,998)	(90,070)	928	
Total Other Financing Sources (Uses)	3,899,022	3,826,052	3,826,940	888	
Net Change in Fund Balance	(901,534)	(974,504)	(911,955)	62,549	
Fund Balance Beginning of Year	1,685,554	1,685,554	1,685,554	0	
Prior Year Encumbrances Appropriated	12,844	12,844	12,844	0	
Fund Balance End of Year	\$796,864	\$723,894	\$786,443	\$62,549	

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, 2013

	Budgeted A	Amounts		Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Special Assessments	\$7,543	\$21,021	\$20,992	(\$29)
Intergovernmental	27,524	76,701	76,595	(106)
Other	6	18	18	0
Total Revenues	35,073	97,740	97,605	(135)
Expenditures				
Current:				
Basic Utility Services:				
Refuse Collection and Disposal				
Contractual Services	138,357	138,357	63,904	74,453
Other	14,737	14,737	11,921	2,816
Total Expenditures	153,094	153,094	75,825	77,269
Excess of Revenues				
Over (Under) Expenditures	(118,021)	(55,354)	21,780	77,134
Other Financing Sources				
Sale of Capital Assets	39,926	111,260	111,107	(153)
Net Change in Fund Balance	(78,095)	55,906	132,887	76,981
Fund Balance Beginning of Year	110,218	110,218	110,218	0
Prior Year Encumbrances Appropriated	14,977	14,977	14,977	0
Fund Balance End of Year	\$47,100	\$181,101	\$258,082	\$76,981

	Budgeted A	Budgeted Amounts		Variance with Final Budget	
	Original	Final	Actual	Positive (Negative)	
Revenues					
Intergovernmental	\$57,000	\$57,000	\$41,680	(\$15,320)	
Expenditures Current: Security of Persons and Property: Police Department: Contractual Services	56,261	56,261	38,575	17,686	
Net Change in Fund Balance	739	739	3,105	2,366	
Fund Balance Beginning of Year	2	2	2	0	
Prior Year Encumbrances Appropriated	511	511	511	0	
Fund Balance End of Year	\$1,252	\$1,252	\$3,618	\$2,366	

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, 2013

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
Revenues				
Intergovernmental	\$605,041	\$671,509	\$671,388	(\$121)
Charges for Services	78,738	87,388	87,372	(16)
Other	16,221	18,003	18,000	(3)
Total Revenues	700,000	776,900	776,760	(140)
Expenditures				
Current:				
Transportation:				
Street Maintenance				
Personal Services	582,741	582,741	545,613	37,128
Contractual Services	19,047	19,047	13,713	5,334
Materials and Supplies	205,708	205,708	145,333	60,375
Total Expenditures	807,496	807,496	704,659	102,837
Net Change in Fund Balance	(107,496)	(30,596)	72,101	102,697
Fund Balance Beginning of Year	125,899	125,899	125,899	0
Prior Year Encumbrances Appropriated	10,700	10,700	10,700	0
Fund Balance End of Year	\$29,103	\$106,003	\$208,700	\$102,697

	Budgeted A	Budgeted Amounts		Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
Revenues Intergovernmental	\$50,000	\$50,000	\$54,437	\$4,437
Expenditures Current: Transportation: Street Maintenance				
Materials and Supplies	55,000	55,000	52,273	2,727
Net Change in Fund Balance	(5,000)	(5,000)	2,164	7,164
Fund Balance Beginning of Year	17,226	17,226	17,226	0
Fund Balance End of Year	\$12,226	\$12,226	\$19,390	\$7,164

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, 2013

	Budgeted A	Budgeted Amounts		Variance with Final Budget
n.	Original	Final	Actual	Positive (Negative)
Revenues Intergovernmental	\$120,000	\$127,400	\$127,331	(\$69)
Expenditures Current: Transportation: Street Maintenance				
Materials and Supplies	131,147	131,147	118,839	12,308
Net Change in Fund Balance	(11,147)	(3,747)	8,492	12,239
Fund Balance Beginning of Year	81,357	81,357	81,357	0
Prior Year Encumbrances Appropriated	1,147	1,147	1,147	0
Fund Balance End of Year	\$71,357	\$78,757	\$90,996	\$12,239

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
Revenues				
Intergovernmental	\$200,000	\$240,000	\$189,113	(\$50,887)
Expenditures Current: General Government: Legislative and Executive: Contractual Services	200,000	240,000	233,377	6,623
Net Change in Fund Balance	0	0	(44,264)	(44,264)
Fund Balance Beginning of Year	0	0	0	0
Fund Balance (Deficit) End of Year	\$0	\$0	(\$44,264)	(\$44,264)

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
Revenues				
Fines and Forfeitures	\$6,544	\$12,488	\$12,435	(\$53)
Rentals	4,572	8,724	8,687	(37)
Other	884	1,688	1,680	(8)
Total Revenues	12,000	22,900	22,802	(98)
Expenditures Current: Security of Persons and Property: Police Department: Contractual Services	100	100	66	34
Materials and Supplies	36,000	36,000	25,334	10,666
Total Expenditures	36,100	36,100	25,400	10,700
Net Change in Fund Balance	(24,100)	(13,200)	(2,598)	10,602
Fund Balance Beginning of Year	21,530	21,530	21,530	0
Prior Year Encumbrances Appropriated	6,100	6,100	6,100	0
Fund Balance End of Year	\$3,530	\$14,430	\$25,032	\$10,602

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, 2013

	Budgeted Amounts			Variance with Final Budget	
	Original	Final	Actual	Positive (Negative)	
Revenues					
Intergovernmental	\$1,743	\$12,725	\$12,625	(\$100)	
Fines and Forfeitures	5,179	37,804	37,507	(297)	
Other	3,078	22,471	22,294	(177)	
Total Revenues	10,000	73,000	72,426	(574)	
Expenditures					
Current:					
Security of Persons and Property:					
Police Department:	40.5400				
Other	105,180	105,180	61,410	43,770	
Net Change in Fund Balance	(95,180)	(32,180)	11,016	43,196	
Fund Balance Beginning of Year	233,885	233,885	233,885	0	
Prior Year Encumbrances Appropriated	180	180	180	0	
Fund Balance End of Year	\$138,885	\$201,885	\$245,081	\$43,196	

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, 2013

	Budgeted	Budgeted Amounts		Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
Revenues Special Assessments	\$430,000	\$447,500	\$447,451	(\$49)
Expenditures Current: Basic Utility Services: Street Maintenance Contractual Services	455,500	455.500	439,655	15,845
Net Change in Fund Balance	(25,500)	(8,000)	7,796	15,796
Fund Balance Beginning of Year	92,041	92,041	92,041	0
Fund Balance End of Year	\$66,541	\$84,041	\$99,837	\$15,796

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, 2013

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
Revenues Intergovernmental	\$29,000	\$29,000	\$28,681	(\$319)
Expenditures	0	0	0	0
Net Change in Fund Balance	29,000	29,000	28,681	(319)
Fund Balance Beginning of Year	0	0	0	0
Fund Balance End of Year	\$29,000	\$29,000	\$28,681	(\$319)

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, 2013

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
Revenues				
Special Assessments	\$298,241	\$333,572	\$333,500	(\$72)
Charges for Services	24,919	27,871	27,865	(6)
Other	1,840	2,057	2,057	0
Total Revenues	325,000	363,500	363,422	(78)
Expenditures				
Current:				
Basic Utility Services:				
Sewer Maintenance				
Personal Services	378,114	378,114	368,075	10,039
Contractual Services	15,038	15,038	14,372	666
Materials and Supplies	15,328	15,328	12,996	2,332
Total Expenditures	408,480	408,480	395,443	13,037
Net Change in Fund Balance	(83,480)	(44,980)	(32,021)	12,959
Fund Balance Beginning of Year	89,073	89,073	89,073	0
Prior Year Encumbrances Appropriated	1,026	1,026	1,026	0
Fund Balance End of Year	\$6,619	\$45,119	\$58,078	\$12,959

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, 2013

	Budgeted A	Budgeted Amounts		Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
Revenues				
Property Taxes	\$87,004	\$87,004	\$90,937	\$3,933
Intergovernmental	14,263	14,263	14,908	645
Total Revenues	101,267	101,267	105,845	4,578
Expenditures Current:				
Security of Persons and Property:				
Police: Contractual Services	108,000	108,000	102,925	5,075
Net Change in Fund Balance	(6,733)	(6,733)	2,920	9,653
Fund Balance Beginning of Year	11,045	11,045	11,045	0
Fund Balance End of Year	\$4,312	\$4,312	\$13,965	\$9,653

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, 2013

	Budgeted A	Budgeted Amounts		Variance with Final Budget	
	Original	Final	Actual	Positive (Negative)	
Revenues					
Property Taxes	\$87,004	\$87,004	\$90,937	\$3,933	
Intergovernmental	14,263	14,263	14,908	645	
Total Revenues	101,267	101,267	105,845	4,578	
Expenditures Current:					
Security of Persons and Property: Fire:					
Contractual Services	108,000	108,000	102,925	5,075	
Net Change in Fund Balance	(6,733)	(6,733)	2,920	9,653	
Fund Balance Beginning of Year	11,044	11,044	11,044	0	
Fund Balance End of Year	\$4,311	\$4,311	\$13,964	\$9,653	

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, 2013

	Budgeted	Budgeted Amounts		Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
Revenues	\$0	\$0	\$0	\$0
Expenditures Current: Basic Utility Services: Parking Lots and Meters Contractual Services	13,599	13,599	4,939	8,660
Net Change in Fund Balance	(13,599)	(13,599)	(4,939)	8,660
Fund Balance Beginning of Year	13,599	13,599	13,599	0
Fund Balance End of Year	\$0	\$0	\$8,660	\$8,660

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, 2013

	Budgeted A	mounts		Variance with Final Budget Positive	
	Original	Final	Actual	(Negative)	
Revenues	060.560	0.00.7.00	065 107	(02.441)	
Charges for Services Other	\$68,568 1,977	\$68,568 1,977	\$65,127 1,878	(\$3,441) (99)	
one	1,777	1,777	1,076	(77)	
Total Revenues	70,545	70,545	67,005	(3,540)	
Expenditures Current: Swimming Pools:					
Personal Services	173,387	173,387	161,519	11,868	
Contractual Services	83,407	80,181	66,982	13,199	
Materials and Supplies	10,879	14,105	14,105	0	
Other	8,677	8,677	7,083	1,594	
Total Expenditures	276,350	276,350	249,689	26,661	
Excess of Revenues Under Expenditures	(205,805)	(205,805)	(182,684)	23,121	
Other Financing Sources					
Transfers In	168,455	168,455	160,000	(8,455)	
Net Change in Fund Balance	(37,350)	(37,350)	(22,684)	14,666	
Fund Balance Beginning of Year	34,764	34,764	34,764	0	
Prior Year Encumbrances Appropriated	2,918	2,918	2,918	0	
Fund Balance End of Year	\$332	\$332	\$14,998	\$14,666	

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, 2013

	Budgeted A	mounts		Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
Revenues				
Other	\$5,000	\$10,000	\$14,853	\$4,853
Expenditures Current: General Government: Legislative and Executive:				
Other	295	295	281	14
Debt Service: Principal Retirement Interest and Fiscal Charges	45,861 33,237	45,861 33,237	43,630 31,620	2,231 1,617
Total Debt Service	79,098	79,098	75,250	3,848
Total Expenditures	79,393	79,393	75,531	3,862
Excess of Revenues Under Expenditures	(74,393)	(69,393)	(60,678)	8,715
Other Financing Sources Transfers In	22,318	32,229	29,400	(2,829)
Net Change in Fund Balance	(52,075)	(37,164)	(31,278)	5,886
Fund Balance Beginning of Year	56,963	56,963	56,963	0
Fund Balance End of Year	\$4,888	\$19,799	\$25,685	\$5,886

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, 2013

	Budgeted Amounts Original Final Actual			Variance with Final Budget Positive (Negative)	
Revenues	Original		rictuur	(Tregutive)	
Special Assessments	\$0	\$0	\$0	\$0	
Expenditures Debt Service:					
Principal Retirement	12,722	100,000	100,000	0	
Interest and Fiscal Charges	0	2,791	2,791	0	
Total Expenditures	12,722	102,791	102,791	0	
Excess of Revenues Under Expenditures	(12,722)	(102,791)	(102,791)	0	
Other Financing Sources Transfers In	90,070	90,070	90,070	0	
Net Change in Fund Balance	77,348	(12,721)	(12,721)	0	
Fund Balance Beginning of Year	12,721	12,721	12,721	0	
Fund Balance End of Year	\$90,069	\$0	\$0	\$0	

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, 2013

	Budgeted A	mounts		Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues Other	\$10,000	\$9,450	\$9,349	(\$101)
Expenditures				
Capital Outlay: Capital Outlay	319,573	347,073	340,968	6,105
Excess of Revenues Under Expenditures	(309,573)	(337,623)	(331,619)	6,004
Other Financing Sources Transfers In	242,050	279,550	279,550	0
Net Change in Fund Balance	(67,523)	(58,073)	(52,069)	6,004
Fund Balance Beginning of Year	2,435	2,435	2,435	0
Prior Year Encumbrances Appropriated	67,523	67,523	67,523	0
Fund Balance End of Year	\$2,435	\$11,885	\$17,889	\$6,004

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, 2013

	Budgeted A	mounts		Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues Interest	\$1,000	\$4,600	\$4,582	(\$18)
Expenditures				
Capital Outlay: Capital Outlay	239,398	239,398	208,065	31,333
Excess of Revenues Under Expenditures	(238,398)	(234,798)	(203,483)	31,315
Other Financing Uses Transfers Out	(400,000)	(400,000)	(400,000)	0
Net Change in Fund Balance	(638,398)	(634,798)	(603,483)	31,315
Fund Balance Beginning of Year	648,758	648,758	648,758	0
Prior Year Encumbrances Appropriated	17,398	17,398	17,398	0
Fund Balance End of Year	\$27,758	\$31,358	\$62,673	\$31,315

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual Water Distribution Infrastructure Fund For the Year Ended December 31, 2013

	Budgeted .	Amounts		Variance with Final Budget	
	Original	Final	Actual	Positive (Negative)	
Revenues Intergovernmental	\$1,607,622	\$1,624,000	\$1,623,816	(\$184)	
Expenditures					
Capital Outlay: Contractual Services	1,858,017	1,858,017	1,796,028	61,989	
Net Change in Fund Balance	(250,395)	(234,017)	(172,212)	61,805	
Fund Balance Beginning of Year	157,187	157,187	157,187	0	
Prior Year Encumbrances Appropriated	249,461	249,461	249,461	0	
Fund Balance End of Year	\$156,253	\$172,631	\$234,436	\$61,805	

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, 2013

	Budgeted A	mounts		Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
Revenues	* * * * * * * * * * * * * * * * * * *			(0.1.5.7)
Property Taxes	\$645,494	\$757,935	\$757,808	(\$127)
Intergovernmental	191,950	225,386	225,348	(38)
Other	6,448	7,571	7,570	(1)
Total Revenues	843,892	990,892	990,726	(166)
Expenditures				
Capital Outlay:				
Contractual Services	780,112	780,112	710,618	69,494
Debt Service:				
Principal Retirement	283,390	283,390	274,447	8,943
Interest and Fiscal Charges	59,976	59,976	58,083	1,893
interest and I isom Charges			20,002	
Total Debt Service	343,366	343,366	332,530	10,836
Total Expenditures	1,123,478	1,123,478	1,043,148	80,330
Net Change in Fund Balance	(279,586)	(132,586)	(52,422)	80,164
Fund Balance Beginning of Year	266,254	266,254	266,254	0
Prior Year Encumbrances Appropriated	52,693	52,693	52,693	0
Fund Balance End of Year	\$39,361	\$186,361	\$266,525	\$80,164

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, 2013

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

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, 2013

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

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual Police Vehicles Fund For the Year Ended December 31, 2013

	Budgeted A	amounts		Variance with Final Budget	
	Original	Final	Actual	Positive (Negative)	
Revenues	\$0	\$0	\$0	\$0	
Expenditures Capital Outlay: Other	2,128	2,128	2,128	0	
Net Change in Fund Balance	(2,128)	(2,128)	(2,128)	0	
Fund Balance Beginning of Year	2,077	2,077	2,077	0	
Prior Year Encumbrances Appropriated	51	51_	51_	0	
Fund Balance End of Year	\$0	\$0	\$0	\$0	

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual Sewer Rehabilitation Fund For the Year Ended December 31, 2013

	Budgeted A	mounts		Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
Revenues	\$0	\$0	\$0	\$0
Expenditures Capital Outlay: Contractual Services	1,251	1,251	850	401
Net Change in Fund Balance	(1,251)	(1,251)	(850)	401
Fund Balance Beginning of Year	1,251	1,251	1,251	0
Fund Balance End of Year	\$0	\$0	\$401	\$401

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	ges(s)
Financial Trends	? – S9
Revenue Capacity	- S12
Debt Capacity	– S19
Economic and Demographic Information	- S23
Operating Information	- S29

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

Net Position By Component Last Ten Years (Accrual Basis of Accounting)

	2013 2012		2011	2010
	2013	2012	2011	2010
Governmental Activities				
Net Investment in Capital Assets	\$21,844,110	\$18,625,891	\$33,707,532	\$33,940,171
Restricted:				
Capital Projects	6,392,259	8,580,926	8,417,154	8,191,218
Debt Service	0	0	0	674,337
Law Enforcement	246,533	234,065	184,728	165,435
Street Maintenance	409,352	572,744	495,804	456,029
Street Lighting	494,395	482,838	443,882	428,838
Sewer Maintenance	400,631	428,476	473,661	390,003
Community Development	545,288	528,710	835,629	799,141
Other Purposes	329,432	31,371	35,863	55,442
Unrestricted (Deficit)	6,237,118	5,414,022	(8,367,742)	3,663,962
Total Governmental Activities Net Position	\$36,899,118	\$34,899,043	\$36,226,511	\$48,764,576

2009	2008	2007	2006	2005	2004
	_	_	_	_	
\$32,938,396	\$30,383,626	\$28,853,662	\$22,453,546	\$20,848,365	\$18,556,099
6,012,190	6,357,363	5,732,147	10,817,930	12,072,013	13,586,656
817,326	840,410	1,205,795	1,228,773	1,230,674	1,209,362
0	0	0	0	0	0
238,023	437,529	618,196	868,767	767,151	745,178
437,834	514,248	551,299	564,263	581,334	616,735
435,148	384,037	398,264	361,298	398,185	374,740
0	0	0	0	0	0
851,859	646,835	304,415	338,842	295,348	404,799
4,164,412	5,754,886	7,541,936	6,233,264	5,772,223	5,689,409
\$45,895,188	\$45,318,934	\$45,205,714	\$42,866,683	\$41,965,293	\$41,182,978

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

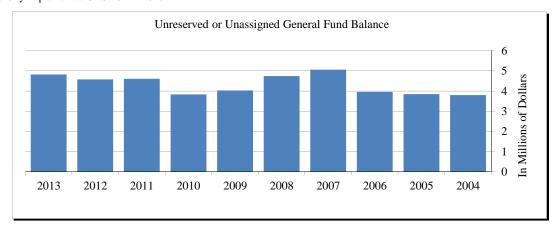
	2013	2012	2011	2010	2009
Program Revenues					
Governmental Activities:					
Charges for Services and Operating Assessmen	ts:				
General Government:	6244.700	#200 to2	0050 150	*******	0077 (00
Legislative and Executive	\$241,789	\$309,492	\$279,170	\$266,024	\$276,698
Judicial System	115,718	108,830	67,123	58,507	59,178
Security of Persons and Property: Police	765,543	803,316	634,724	594,913	607,784
Fire	520,779	505,995	434,764	468,368	436,945
Public Health Services	18,048	17,827	14,895	14,323	18,024
Leisure Time Activities	62,941	33,149	31,994	40,072	35,970
Community Development	35,356	26,810	28,728	24,134	25,565
Building Department	96,283	93,991	75,433	72,724	77,024
Transportation	217,647	138,707	214,687	150,034	140,916
Basic Utility Services	2,987,268	3,114,804	3,123,642	2,865,154	2,776,764
Swimming Pools	25,826	59,475	61,732	77,065	86,512
Operating Grants, Contributions and Interest	1,210,123	930,169	1,269,232	1,354,082	1,262,066
Capital Grants, Contributions					
and Capital Assessments	2,007,576	894,761	1,992,124	1,987,926	95,906
Total Governmental Activities					
Program Revenues	8,304,897	7,037,326	8,228,248	7,973,326	5,899,352
Expenses					
Governmental Activities:					
General Government:					
Legislative and Executive	2,463,689	2,805,130	2,622,344	2,388,528	2,653,976
Judicial System	667,517	756,170	567,380	528,283	571,587
Security of Persons and Property:	001,011	,	,	,	-,-,-,-
Police	5,561,405	5,608,603	6,251,799	5,341,130	5,566,689
Fire	4,088,680	4,547,123	4,817,587	4,354,968	4,389,709
Public Health Services	134,290	131,696	125,129	127,799	129,249
Leisure Time Activities	284,408	277,716	450,164	368,780	356,693
Community Development	263,078	198,062	241,334	215,342	244,319
Building Department	725,237	701,612	640,481	654,922	743,044
Transportation	3,291,914	3,499,610	3,625,163	2,848,221	3,318,990
Basic Utility Services	3,594,613	4,500,720	5,612,047	3,173,606	2,464,808
Swimming Pools	336,650	344,435	331,283	339,938	406,544
Interest and Fiscal Charges	941,832	500,435	575,742	920,508	1,185,865
Total Governmental Activities Expenses	22,353,313	23,871,312	25,860,453	21,262,025	22,031,473
Total Primary Government Net Expense	(14,048,416)	(16,833,986)	(17,632,205)	(13,288,699)	(16,132,121)
General Revenues and Other Changes					
in Net Position					
Governmental Activities					
Taxes:					
Property Taxes Levied For:	2.251.000	2 722 (00	2.504.565	2 = (0 00 (1205060
General Purposes	3,251,808	3,732,699	3,504,567	3,768,986	4,295,069
Debt Service	727.494	0	0	407,046	520,995
Capital Projects	737,484	855,273	874,193 210,272	530,252	517,143
Other Purposes Municipal Income Taxes	306,745 9,988,116	205,262 8,633,358	8,914,416	209,102 8,151,305	242,234 8,332,487
Grants and Entitlements not Restricted to	9,900,110	0,055,550	0,914,410	6,131,303	0,332,407
Specific Programs	1,311,137	1,487,408	2,520,328	2,344,675	2,143,984
Increase in Investment in Joint Venture	0	0	0	0	0
Investment Earnings	20,375	35,813	50,287	71,301	155,891
Gain on Sale of Capital Assets	188,672	81,862	260,082	6,447	0
Miscellaneous	244,154	474,843	603,868	668,973	500,572
Total Governmental Activities General Revenues	16,048,491	15,506,518	16,938,013	16,158,087	16,708,375
Special Item - Loss on Capital Assets	0	0	(11,843,873)	0	0
Total Governmental Activities	16,048,491	15,506,518	5,094,140	16,158,087	16,708,375
Total Primary Government Change in Net Position	\$2,000,075	(\$1,327,468)	(\$12,538,065)	\$2,869,388	\$576,254

2008	2007	2006	2005	2004
\$345,357	\$317,840	\$235,896	\$214,236	\$212,514
57,596	62,730	44,503	42,818	42,712
693,554	663,424	475,520	444,970	438,192
495,777	495,329	328,461	326,040	327,875
16,474	18,029	12,693	12,796	100,210
49,565	53,397	35,031	74,440	13,590
36,442	31,376	19,959	22,012	107,106
93,325	94,543	62,304	57,307	140,534
188,751	98,837	96,845	89,006	55,040
2,953,380	3,200,213	2,952,317	2,934,578	2,951,856
119,300 1,107,332	114,041 910,810	121,333 1,032,575	142,634 928,712	132,144 968,392
245,873	693,176	86,335	24,468	262,868
6,402,726	6,753,745	5,503,772	5,314,017	5,753,033
0,102,720	0,755,715	3,303,172	3,311,017	3,733,033
2,819,870	2,402,438	2,423,252	2,149,780	2,142,448
467,629	490,694	463,068	439,808	453,624
5,477,289	5,282,303	5,202,341	4,600,120	4,501,705
4,228,508	3,934,595	3,583,897	3,552,050	3,314,684
133,196	135,702	130,178	127,609	136,516
585,200	1,065,090	377,023	385,161	525,902
294,638	236,405	204,704	219,507	182,993
770,710	737,700	646,628	587,553	619,424
3,579,503	3,322,800	3,138,160	2,732,270	2,587,269
3,928,628	3,028,247	3,322,453	2,590,425	2,656,146
420,665 1,418,744	379,311 1,497,241	371,225 496,930	442,493 491,110	702,414 495,871
24,124,580	22,512,526	20,359,859	18,317,886	18,318,996
(17,721,854)	(15,758,781)	(14,856,087)	(13,003,869)	(12,565,963)
4,256,560	4,318,695	4,005,660	3,945,778	3,935,438
442,310	456,913	487,938	491,236	525,600
511,338	546,189	549,010	558,422	559,713
239,886	250,978	229,592	228,914	228,606
9,085,439	8,997,144	7,309,426	5,889,209	5,258,353
2,351,687	2,292,053	2,186,857	2,132,798	2,032,457
426 402	1.014.024	27,217	450.005	162.416
426,403	1,014,924	766,878	459,995	163,416
521,451	220,916	42,525 152,374	79,832	31,795
17,835,074	18,097,812	15,757,477	13,786,184	12,735,378
0	0	0	0	0
17,835,074	18,097,812	15,757,477	13,786,184	12,735,378
,	,			3.2.3.
\$113,220	\$2,339,031	\$901,390	\$782,315	\$169,415

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

	2013	2012	2011	2010	2009
General Fund					
Nonspendable	\$161,488	\$156,529	\$146,928	\$131,894	\$136,237
Committed	0	0	2,544	3,095	0
Assigned	504,699	377,704	112,574	165,513	373,928
Unassigned	4,826,648	4,578,755	4,610,122	3,829,304	4,028,322
Reserved	0	0	0	0	0
Unreserved	0	0	0	0	0
Total General Fund	5,492,835	5,112,988	4,872,168	4,129,806	4,538,487
All Other Governmental Funds					
Nonspendable	62,678	95,668	142,470	100,231	58,558
Restricted	2,468,995	4,019,112	6,707,464	7,316,884	21,333,187
Unassigned (Deficit)	(2,080,013)	(1,376,064)	(16,800,530)	(3,259,718)	(3,478)
Reserved	0	0	0	0	0
Unreserved, Undesignated, Reported in:					
Special Revenue funds	0	0	0	0	0
Debt Service funds	0	0	0	0	0
Capital Projects funds	0	0	0	0	0
Total All Other Governmental Funds	451,660	2,738,716	(9,950,596)	4,157,397	21,388,267
Total Governmental Funds	\$5,944,495	\$7,851,704	(\$5,078,428)	\$8,287,203	\$25,926,754

Note: The City implemented GASB 54 in 2010.



2008	2007	2006	2005	2004
\$0	\$0	\$0	\$0	\$0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
208,058	246,721	98,956	99,302	151,359
4,739,743	5,060,371	3,957,818	3,848,239	3,801,648
4.047.901	5 207 002	4.056.774	2.047.541	2 052 007
4,947,801	5,307,092	4,056,774	3,947,541	3,953,007
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
19,172,102	19,430,616	1,772,610	1,868,745	932,454
659,747	718,116	946,986	851,780	943,201
736,311	776,932	772,589	735,471	678,299
1,119,988	1,901,173	6,952,753	7,962,465	10,286,763
21,688,148	22,826,837	10,444,938	11,418,461	12,840,717
\$26,635,949	\$28,133,929	\$14,501,712	\$15,366,002	\$16,793,724

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

-	2013	2012	2011	2010	2009
Revenues					
Property Taxes	\$4,270,696	\$4,799,487	\$4,461,493	\$4,900,091	\$5,534,076
Income Taxes	8,702,831	8,662,240	8,722,342	8,290,533	8,311,273
Special Assessments	2,873,052	2,991,230	2,878,565	2,721,858	2,863,451
Intergovernmental	4,682,140	3,572,188	5,729,726	5,687,247	3,745,257
Interest	20,375	35,813	50,287	71,301	155,891
Fees, Licenses and Permits	720,679	726,128	515,075	27,587	474,395
Fines and Forfeitures	757,748	683,651	679,711	1,151,835	686,194
Rentals	58,346	123,579	123,152	126,271	130,790
Charges for Services	751,389	685,149	617,720	608,561	640,340
Contributions and Donations	9,072	10,378	0	0	0
Other	244,154	474,843	863,950	668,973	500,572
Total Revenues	23,090,482	22,764,686	24,642,021	24,254,257	23,042,239
Expenditures					
Current:					
General Government:					
Legislative and Executive	2,439,142	2,352,189	2,350,923	2,364,218	2,631,006
Judicial System	649,973	770,977	566,728	520,867	541,010
Security of Persons and Property:					
Police	5,467,956	5,418,874	5,219,329	5,236,295	5,482,855
Fire	4,018,442	3,937,662	3,874,490	4,326,610	4,298,797
Public Health Services	134,290	131,696	125,129	127,799	129,249
Leisure Time Activities	260,045	239,857	269,728	356,328	351,427
Community Development	263,078	198,062	241,334	215,342	244,319
Building Department	706,915	687,476	642,827	639,842	716,900
Transportation	1,834,012	1,685,118	1,779,430	2,830,847	2,089,754
Basic Utility Services	2,107,719	2,463,543	2,948,728	3,342,089	2,282,521
Swimming Pools	242,945	252,428	244,910	263,621	318,555
Capital Outlay Debt Service:	5,220,829	6,779,249	7,402,479	2,738,593	2,654,497
Principal Retirement	1,163,968	1,015,974	933,446	19,506,156	19,466,247
Interest and Fiscal Charges	1,032,239	365,171	431,511	1,200,981	1,252,209
Capital Appreciation Bonds Accretion	0	0	543,592	541,414	0
Issuance Costs	22,103	317,786	131,641	222,738	0
Total Expenditures	25,563,656	26,616,062	27,706,225	44,433,740	42,459,346
Excess of Revenues Under Expenditures	(2,473,174)	(3,851,376)	(3,064,204)	(20,179,483)	(19,417,107)
Other Financing Sources (Uses)					
Sale of Capital Assets	193,529	90,140	4,115	6,447	0
Inception of Capital Lease	0	0	304,060	108,685	0
Premium on Bond Anticipation Notes Issued	0	0	0	3,479	103,670
Bond Anticipation Notes Issued	0	0	0	2,000,000	18,550,000
OWDA Loan Proceeds	0	0	0	2,000,000	0
General Obligation Bonds Issued	0	14,130,000	0	0	0
Premium on General Obligation Bonds Issued	0	1,449,127	0	0	0
OPWC Loans Issued	40,336	737,800	680,545	421,321	43,535
OAQDA Loan Issued	40,550	374,441	403,400	0	45,555
Compensation for Loss of Asset	0	0	150,326	0	10,707
Transfers In	799,020	799,651		673,478	
Transfers Out	(799,020)	(799,651)	233,666 (233,666)	(673,478)	1,110,000 (1,110,000)
Loss on Land Held for Resale	0	0	(11,843,873)	0	(1,110,000)
-					
Total Other Financing Sources (Uses)	233,865	16,781,508	(10,301,427)	2,539,932	18,707,912
Net Change in Fund Balances	(\$2,239,309)	\$12,930,132	(\$13,365,631)	(\$17,639,551)	(\$709,195)
Debt Service as a Percentage of Noncapital					
Expenditures (a)	10.3%	6.1%	6.3%	49.4%	52.7%

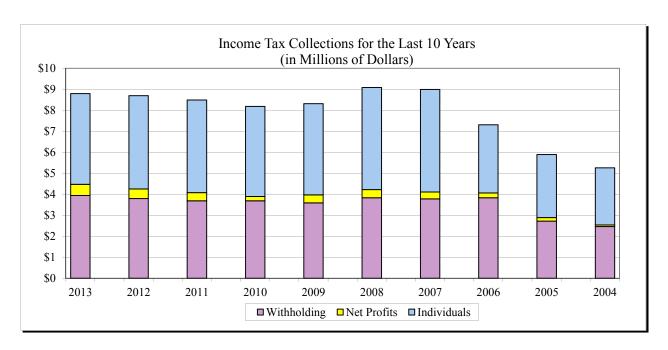
⁽a) The fluctuations in debt service as a percentage of noncapital expenditures is the result of the City paying off bond anticipation notes until bonds can be issued.

2008	2007	2006	2005	2004
\$5,453,873	\$5,501,086	\$5,268,129	\$5,279,878	\$5,265,227
8,463,897	8,674,233	6,741,479	5,594,529	5,349,183
2,725,157	3,019,836	2,841,329	2,891,889	2,879,471
3,444,675	3,965,660	3,311,300	3,205,613	3,026,880
426,403	1,014,924	766,878	459,995	163,416
451,096	416,655	606,335	638,644	534,101
643,670	547,248	578,346	472,986	521,519
122,628	620,707	158,687	184,116	166,792
996,316	587,344	306,598	257,754	346,546
0	0	0	0	0
521,451	220,916	152,374	79,832	31,795
23,249,166	24,568,609	20,731,455	19,065,236	18,284,930
2,793,959	2,383,974	2,424,399	2,140,190	2,171,553
490,556	472,870	453,396	426,959	437,166
5,393,378	5,116,404	4,842,681	4,522,458	4,376,502
4,130,488	3,867,768	3,484,989	3,400,649	3,279,987
133,196	135,702	130,178	127,609	136,516
403,482	400,970	370,605	341,400	393,217
294,638	236,405	204,704	219,507	185,669
773,098	714,860	643,659	569,766	572,410
2,247,498	2,237,033	1,748,928	1,940,539	1,779,840
2,480,311	2,280,720	2,135,250	1,840,926	1,930,402
330,541	298,761	274,413	266,658	351,821
4,004,012	10,014,436	3,821,801	3,208,757	2,583,885
18,361,773	1,315,524	1,175,441	1,070,655	1,019,245
1,398,321	520,804	415,518	427,297	460,865
0	0	0	0	0
0	0	0	0	0
3,235,251	29,996,231	22,125,962	20,503,370	19,679,078
19,986,085)	(5,427,622)	(1,394,507)	(1,438,134)	(1,394,148)
5 422	7.460	172 252	10.412	6.022
5,423	7,468	173,253	10,412	6,023
174,902	0	356,964	0	0
0 8,010,000	17,000,000	0	0	0
0	2,052,371	0	0	0
0	2,052,371	0	0	0
0			0	
	0	0	0	255,000
297,780		0		355,909
0	0	0	0	0
0	0	0	722.017	407.500
1,257,232	1,650,547	945,000	732,917	407,500
1,257,232) 0	(1,650,547) 0	(945,000) 0	(732,917) 0	(407,500) 0
		·		
18,488,105	19,059,839	530,217	10,412	361,932
(\$1,497,980)	\$13,632,217	(\$864,290)	(\$1,427,722)	(\$1,032,216)
48.5%	8.8%	9.5%	9.5%	9.5%

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

Tax Year	Tax Rate (1)	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes From Individuals	Percentage of Taxes from Individuals
2013	2.00 %	\$8,797,051	\$3,943,335	44.83%	\$529,571	6.02%	\$4,324,145	49.15%
2012	2.00	8,693,897	3,797,691	43.68	458,209	5.27	4,437,998	51.05
2011	2.00	8,492,924	3,690,332	43.45	388,020	4.57	4,414,572	51.98
2010	2.00	8,187,494	3,686,517	45.03	209,063	2.55	4,291,914	52.42
2009	2.00	8,318,200	3,589,439	43.15	378,199	4.55	4,350,562	52.30
2008	2.00	9,085,439	3,835,277	42.21	387,804	4.27	4,862,358	53.52
2007	2.00	8,997,144	3,777,901	41.99	327,496	3.64	4,891,747	54.37
2006	2.00	7,309,426	3,830,126	52.40	229,265	3.14	3,250,035	44.46
2005	1.50	5,889,209	2,720,121	46.19	164,850	2.80	3,004,238	51.01
2004	1.50	5,258,353	2,458,664	46.76	80,510	1.53	2,719,179	51.71

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



City of South Euclid, Ohio Income Tax Statistics

2012 and 2005

20	12	11	1

Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
\$0 - \$24,999	2,130	32.39%	\$23,101,569	6.71%
525,000 - \$49,999	1,703	25.90	62,772,086	18.22
\$50,000 - \$74,999	1,150	17.50	70,831,879	20.56
\$75,000 - \$99,999	726	11.04	62,212,663	18.06
Over \$100,000	867	13.17	125,619,898	36.46
Total	6,576	100.00%	\$344,538,095	100.00%

2005 (2)

Income Range	Number of Filers	- 1,000000		Percent of Taxable Income	
\$0 - \$24,999	2,463	34.90%	\$23,905,119	7.38%	
\$25,000 - \$49,999	1,896	26.87	71,111,583	21.97	
\$50,000 - \$74,999	1,401	19.84	85,856,492	26.52	
\$75,000 - \$99,999	700	9.92	60,268,878	18.62	
Over \$100,000	597	8.46	82,581,499	25.51	
Total	7,057	100.00%	\$323,723,571	100.00%	

⁽¹⁾ Information for 2012 is the most current available.(2) Information prior to 2005 is not available.

Principal Income Taxpayers Current Year and Seven Years Ago (Cash Basis)

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

2013 Taxpayers	Ranking
South Euclid-Lyndhurst City School District	1
AeroControlex Group Inc.	2
University Hospitals Health System	3
Notre Dame College	4
City of South Euclid	5
Transdigm Inc.	6
Rochling Glastic Composites, LP	7
University Suburban Health Center	8
Riser Foods	9
Allergy Immunology Association Inc.	10

2006 Taxpayers	Ranking
South Euclid-Lyndhurst City School District	1
City of South Euclid	2
Glastic Corporation	3
University Suburban Health Center	4
Cuyahoga County Auditor	5
Notre Dame College	6
Transdigm Inc.	7
Riser Foods	8
Cleveland Physicians	9
University Hospitals Health System	10

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

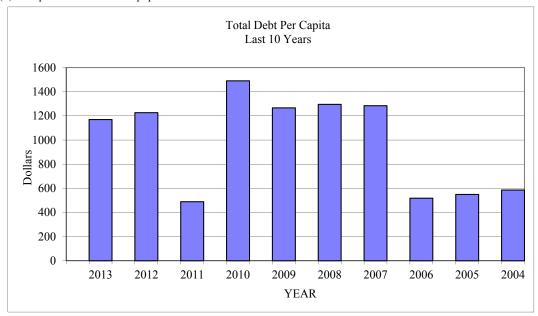
(1) Information prior to 2006 is not available.

(This Page Intentionally Left Blank)

Ratio of Outstanding Debt to Total Personal Income and Debt Per Capita Last Ten Years

Year	General Obligation Bonds	Special Assessment Bonds	OPWC Loans	OWDA Loans	OAQDA Loans	Capital Leases
2013	\$19,248,831	\$0	\$3,174,806	\$1,449,909	\$705,606	\$233,606
2012	19,975,712	100,000	3,289,882	1,544,518	749,236	351,238
2011	5,062,238	145,000	2,661,689	1,636,125	403,400	465,025
2010	6,092,315	190,000	2,235,704	1,724,826	0	217,631
2009	7,078,990	230,000	1,869,186	1,810,714	0	254,052
2008	7,973,354	270,000	1,935,257	1,893,877	0	406,035
2007	8,842,976	305,000	1,747,086	1,974,401	0	356,546
2006	9,711,038	340,000	1,856,693	0	0	291,856
2005	10,586,506	375,000	1,966,300	0	0	0
2004	11,174,994	405,000	2,216,053	0	0	0

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



•	General Obligation Bond Anticipation Notes	Total Debt	Percentage of Personal Income (1)	Per Capita (1)
	\$0	\$24,812,758	4.28%	\$1,170
	0	26,010,586	4.44	1,226
	0	10,373,477	5.41	489
	21,143,738	31,604,214	2.35	1,490
	18,558,639	29,801,581	6.06	1,266
	18,010,000	30,488,523	6.19	1,295
	17,000,000	30,226,009	6.14	1,284
	0	12,199,587	2.32	518
	0	12,927,806	2.45	549
	0	13,796,047	2.62	586

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

Year	Population	1(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
2013	21,209	b	\$1,150,229,674	\$19,248,831	1.67 %	\$907.58
2012	21,209	b	1,123,544,297	19,975,712	1.78	941.85
2011	21,209	b	1,255,900,840	5,062,238	0.40	238.68
2010	21,209	b	1,258,638,251	6,092,315	0.48	287.25
2009	23,537	a	1,250,127,423	7,078,990	0.57	300.76
2008	23,537	a	1,411,689,760	7,973,354	0.56	338.76
2007	23,537	a	1,313,072,481	8,842,976	0.67	375.71
2006	23,537	a	1,336,234,226	9,711,038	0.73	412.59
2005	23,537	a	1,224,421,930	10,586,506	0.86	449.78
2004	23,537	a	1,221,430,277	11,174,994	0.91	474.78

Sources:

- (1) U. S. Bureau of Census, Census of Population
 - (a) 2000 Federal Census
 - (b) 2010 Federal Census
- (2) Cuyahoga County Fiscal Officer
- (3) Includes all general obligation bonded debt

Computation of Direct and Overlapping Governmental Activities Debt December 31, 2013

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	\$19,248,831	100.00%	\$19,248,831
OPWC Loans	3,174,806	100.00%	3,174,806
OWDA Loans	1,449,909	100.00%	1,449,909
OAQDA Loans	705,606	100.00%	705,606
Capital Leases	233,606	100.00%	233,606
T			
Total Direct	24,812,758		24,812,758
Overlapping			
South Euclid-Lyndhurst City School District			
General Obligation Bonds	5,232,772	42.98%	2,249,045
Cleveland Heights School District			
General Obligation Bonds	6,825,000	1.95%	133,088
Energy Conservation Bonds	660,000	1.95%	12,870
QZAB Bonds	5,500,000	1.95%	107,250
Capital Lease Obligations	241,804	1.95%	4,715
Cuyahoga County (2)			
General Obligation Bonds	336,267,828	1.37%	4,606,869
Revenue Bonds	418,374,586	1.37%	5,731,732
Notes Payable	5,100,000	1.37%	69,870
Loans Payable	6,089,862	1.37%	83,431
Cleveland Heights University			
Heights Public Library			
Capital Lease Obligations	328,949	6.51%	21,415
Greater Cleveland Regional			
Transit Authority			
General Obligation Bonds	146,628,054	1.37%	2,008,804
Capital Lease Obligations	16,149,572	1.37%	221,249
Total Overlapping Debt	947,398,427		15,250,339
Total	\$972,211,185		\$40,063,097

- (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 Fiscal Officer

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

	2013	2012	2011	2010
Population	21,209	21,209	21,209	21,209
Total Assessed Property Value	\$363,067,030	\$357,391,830	\$406,474,780	\$408,512,770
General Bonded Debt Outstanding:				
General Obligation Bonds	\$17,695,000	\$18,340,000	\$4,830,000	\$5,456,408
Special Assessment Bonds	0	100,000	145,000	190,000
Bond Anticipation Notes	3,900,000	3,900,000	19,070,000	21,070,000
OPWC Loans	3,174,806	3,289,882	2,806,643	2,235,704
OWDA Loans	1,449,909	1,544,518	1,636,125	1,724,826
OAQDA Loans	705,606	749,236	403,400	0
Total Gross Indebtedness	26,925,321	27,923,636	28,891,168	30,676,938
Less:				
General Obligation Bonds	(14,130,000)	0	0	0
Bond Anticipation Notes	(3,900,000)	0	0	(100,000)
Special Assessment Bonds	0	(100,000)	(145,000)	(190,000)
OPWC Loans	(3,174,806)	(3,289,882)	(2,806,643)	(2,235,704)
OWDA Loans	(1,449,909)	(1,544,518)	(1,636,125)	(1,724,826)
OAQDA Loans	(705,606)	(749,236)	(403,400)	((42.271)
General Obligation Bond Retirement Fund Balance	(25,685)	0	(62,494)	(642,371)
Total Net Debt Applicable to Debt Limit	3,539,315	22,240,000	23,837,506	25,884,037
Overall Legal Debt Limit				
(10 ½ % of Assessed Valuation)	38,122,038	37,526,142	42,679,852	42,893,841
Legal Debt Margin Within 10 ½ % Limitations	\$34,582,723	\$15,286,142	\$18,842,346	\$17,009,804
Legal Debt Margin as a Percentage of the Debt Limit	90.72%	40.73%	44.15%	39.66%
Unvoted Debt Limitation				
5 ½ % of Assessed Valuation	\$19,968,687	\$19,656,551	\$22,356,113	\$22,468,202
Total Gross Indebtedness	26,925,321	27,923,636	28,891,168	30,676,938
Less:	20,923,321	27,923,030	20,091,100	30,070,938
General Obligation Bonds	(14,130,000)	0	0	0
Bond Anticipation Notes	(3,900,000)	0	0	0
Special Assessment Bonds	0	(100,000)	(145,000)	(190,000)
OPWC Loans	(3,174,806)	(3,289,882)	(2,806,643)	(2,235,704)
OWDA Loans	(1,449,909)	(1,544,518)	(1,636,125)	(1,724,826)
OAQDA Loans	(705,606)	(749,236)	(403,400)	0
Voted General Obligation Bonds	(3,565,000)	(4,210,000)	(4,830,000)	(5,456,408)
General Obligation Bond Retirement Fund Balance	(25,685)	0	(62,494)	(642,371)
Net Debt Within 5 1/2 % Limitations	0	18,030,000	19,007,506	20,427,629
Unvoted Legal Debt Margin Within 5 ½ % Limitations	\$19,968,687	\$1,626,551	\$3,348,607	\$2,040,573
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	100.00%	8.27%	14.98%	9.08%

Source: City Financial Records

2009	2008	2007	2006	2005	2004
23,537	23,537	23,537	23,537	23,537	23,537
\$407,015,640	\$458,340,285	\$459,486,360	\$465,051,645	\$428,196,500	\$428,020,457
\$6,234,994 230,000	\$7,299,994 270,000	\$8,304,994 305,000	\$9,279,994 340,000	\$10,239,994 375,000	\$11,174,994 405,000
20,350,000 1,869,186	19,810,000 1,935,257	18,800,000 1,747,086	1,800,000	0 1,966,300	2 216 052
1,810,714	1,893,877	1,974,401	1,856,693 0	1,900,300	2,216,053 0
0	0	0	0	0	0
30,494,894	31,209,128	31,131,481	13,276,687	12,581,294	13,796,047
0	0	0	0	0	0
(220,000)	0	(205.000)	(2.40.000)	(275,000)	0
(230,000) (1,869,186)	(270,000) (1,935,257)	(305,000) (1,747,086)	(340,000) (1,856,693)	(375,000) (1,966,300)	(405,000) (2,216,053)
(1,810,714)	(1,893,877)	(1,974,401)	(1,030,073)	(1,500,500)	0
0	0	0	0	0	0
(708,103)	(640,146)	(631,492)	(624,400)	(586,697)	(528,218)
25,876,891	26,469,848	26,473,502	10,455,594	9,653,297	10,646,776
42,736,642	48,125,730	48,246,068	48,830,423	44,960,633	44,942,148
\$16,859,751	\$21,655,882	\$21,772,566	\$38,374,829	\$35,307,336	\$34,295,372
39.45%	45.00%	45.13%	78.59%	78.53%	76.31%
\$22,385,860	\$25,208,716	\$25,271,750	\$25,577,840	\$23,550,808	\$23,541,125
30,494,894	31,209,128	31,131,481	13,276,687	12,581,294	13,796,047
0	0	0	0	0	0
0	0	0	0	0	0
(230,000) (1,869,186)	(270,000) (1,935,257)	(305,000)	(340,000) (1,856,693)	(375,000)	(405,000)
(1,810,714)	(1,893,877)	(1,747,086) (1,974,401)	(1,830,093)	(1,966,300) 0	(2,216,053)
0	0	0	0	0	0
(6,234,994)	(7,299,994)	(8,304,994)	(9,279,994)	(10,239,994)	(11,174,994)
(708,103)	(640,146)	(631,492)	(624,400)	(586,697)	(528,218)
19,641,897	19,169,854	18,168,508	1,175,600	0	0
\$2,743,963	\$6,038,862	\$7,103,242	\$24,402,240	\$23,550,808	\$23,541,125
12.26%	23.96%	28.11%	95.40%	100.00%	100.00%

City of South Euclid

Principal Employers Current Year and Seven Years Ago (1)

2	0	1	3
			_

2013	
Employer	Number of Employees
Notre Dame College South Euclid-Lyndhurst City School District Riser Foods City of South Euclid University Suburban Health Center AeroControlex Group Inc.	1,495 399 270 263 146 128
Rochling Glastic Composites, LP University Hospitals Health System Transdigm Inc. Allergy Immunology Associates Inc.	120 N/A N/A N/A
Total	2,821
Total Employment within the City	n/a
2006	
Employer	Number of Employees
Notre Dame College South Euclid-Lyndhurst City School District Marc Glassman Inc. Cuyahoga County City of South Euclid University Suburban Health Center Glastic Corporation Riser Foods Walgreen Company Transdigm Inc.	566 440 337 267 199 192 175 156 135 74
Total	2,541

Source: Regional Income Tax Agency

Total Employment within the City

(1) Information prior to 2006 not available.

n/a - Information not available

n/a

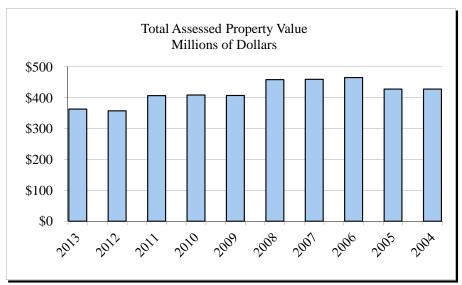
(This Page Intentionally Left Blank)

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)
2013	21,209	b	\$579,917,687	\$27,343	\$59,423	38
2012	21,209	b	592,770,341	27,949	56,536	38
2011	21,209	b	552,367,196	26,044	56,673	39
2010	21,209	b	541,402,143	25,527	67,358	35
2009	23,537	a	526,828,671	22,383	48,346	38
2008	23,537	a	526,828,671	22,383	48,346	38
2007	23,537	a	526,828,671	22,383	48,346	38
2006	23,537	a	526,828,671	22,383	48,346	38
2005	23,537	a	526,828,671	22,383	48,346	38
2004	23,537	a	526,828,671	22,383	48,346	38

- (1) Source: U. S. Census
 - (a) Years 2004 through 2009 2000 Federal Census
 - (b) Year 2010 through 2012 2010 Federal Census
- (2) Source: Ohio Department of Education Website: "http://www.ode.state.oh.us/data/"
- (3) Cuyahoga County Planning Commission
- (4) Source: Cuyahoga County Fiscal Officer
- (5) Computation of per capita personal income multiplied by population



Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Cuyahoga County Unemployment Rate (3)	Total Assessed Property Value (4)
37.9%	3,897	8.8%	\$363,067,030
36.8	4,182	8.3	357,391,830
67.0	4,296	8.0	406,474,780
67.0	4,296	8.6	408,512,770
67.0	4,269	9.0	407,015,640
67.0	4,336	7.1	458,340,285
67.0	4,307	6.1	459,486,360
67.0	4,462	5.5	465,051,645
65.5	4,613	5.9	428,196,500
65.6	4,669	6.3	428,020,457

City of South Euclid, Ohio

City Government Employees by Function/Program
Last Ten Years

Function/Program	2013	2012	2011	2010	2009
General Government:					
Legislative and Executive					
City Council	4.00	4.00	4.00	4.00	4.00
Mayors Office	2.00	2.00	2.00	2.00	2.00
Finance	4.00	4.00	4.00	4.00	4.00
Law	1.50	2.50	2.50	2.50	2.50
Civil Service	1.50	2.00	2.00	2.00	2.00
Municipal Complex	1.00	1.00	1.00	1.00	1.00
Engineering	1.00	1.00	1.00	1.00	1.00
Judicial System					
Municipal Court	13.00	11.50	12.00	12.00	12.00
Security of Persons and Property					
Police	50.50	58.00	58.00	58.00	58.00
Fire	30.00	33.00	33.00	38.00	38.00
Leisure Time Activities					
Recreation	1.00	1.00	1.00	1.00	1.00
Community Center	5.50	5.50	6.00	6.00	6.00
Community Development					
Boards and Commissions	11.50	9.00	9.00	9.00	9.00
Community Relations	1.00	1.50	1.50	1.50	1.50
Economic Development	1.00	1.00	1.00	1.00	0.50
Building Department	10.00	10.00	10.00	10.00	10.00
Transportation					
Service Department	19.50	18.50	21.00	21.00	21.00
Service Garage	2.00	2.00	2.00	2.00	2.00
Basic Utility Services					
Curbside Recycling	1.00	2.00	2.00	2.00	2.00
Swimming Pools	28.50	37.50	30.00	30.00	30.00
Totals:	189.50	207.00	203.00	208.00	207.50

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.

2008	2007	2006	2005	2004
_				
4.00	4.00	4.00	4.00	4.00
2.00	2.00	2.00	2.00	2.00
4.00	5.00	5.00	5.00	5.00
2.50	3.00	3.00	2.00	2.00
2.00	2.00	2.00	2.00	2.00
2.00	3.00	3.00	2.00	3.00
1.00	1.00	1.00	1.00	1.00
12.00	10.00	10.00	10.00	11.00
58.00	59.00	58.00	64.00	64.00
38.00	37.00	36.00	34.00	34.00
2.00	3.00	3.00	3.00	3.00
6.00	6.00	6.00	4.00	4.00
9.00	10.00	10.00	10.00	10.00
1.50	1.00	2.00	2.00	1.00
1.00	1.00	0.00	0.00	0.00
12.00	11.00	11.00	11.00	11.00
22.00	23.00	23.00	21.00	21.00
2.00	2.00	2.00	2.00	2.00
2.00	2.00	2.00	2.00	2.00
30.00	30.00	35.00	52.00	52.00
213.00	215.00	218.00	233.00	234.00

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

Function/Program	2013	2012	2011	2010
General Government				
City Council				
Ordinances Introduced	24	40	40	64
Resolutions Introduced	80	70	70	9(
Municipal Court	**	, ,	, ,	
Revenues Distributed to City General Fund	\$557,877	\$597,077	N/A	\$619,69
Operating Expenses Paid from General Fund	\$615,488	\$688,503	N/A	\$540,07
Traffic Charges Filed	4,197	5,634	N/A	5,28
Parking Tickets Processed	0	1,275	N/A	3,66
Criminal Charges Filed	991	1,111	N/A	1,18
Housing Code Charges Filed	244	124	N/A	47
Civil Cases Filed	1,164	921	N/A	1,01
Marriages Performed	16	10	N/A	1:
Security of Persons & Property				
Police Number of Stations	1	1	1	
Number of Stations	1 38	1 39	1 39	
Policemen and Officers				3
Bike Patrol Fleet	4	4	4	
S.W.A.T. Members	6	6	0	
K-9 Units	3	2	2	
School Guards	0	0	0	2.07
Hours of Training	2,161	1,509	2,656	2,97
Number of Persons Arrested	909	1,031	1,036	96
Number of Traffic Citations Issued	4,443	4,388	4,453	5,53
Number of Parking Violations/Arrests	4,086	1,771	4,492	3,65
Police Responses	15,551	14,190	17,438	17,75
9-1-1 Emergency Calls Received	6,460	6,415	N/A	N/A
Fire				
Number of Stations	1	1	1	_
Firemen and Officers	30	32	34	3
Paramedics	27	28	28	2
Hours of Training	4,456	4,463	4,002	5,13
Number of Incidents	3,441	3,293	3,091	3,06
EMS Responses	2,216	2,269	2,120	1,98
Total Fire Loss	\$419,950	\$179,100	\$311,350	\$534,032
Building Department	• • • • •	1.500	1.015	1.05
Residential Building Permits Issued	2,006	1,768	1,845	1,85
Estimated Value of Residential Construction	\$7,265,721	\$5,927,582	\$6,639,510	\$6,274,66
Commercial Building Permits Issued	211	337	186	1
Estimated Value of Commercial Construction	\$7,121,719	\$19,287,636	\$12,658,963	\$481,50
Fransportation	7.5	104	104	
Number of Trees Planted	75	104	124	110
Tons of Salt Purchased	3,400	3,200	4,309	3,622
Basic Utility Services Tons of Penyading Picked Up	1 050	1 220	NT/A	N T/ /
Tons of Recycling Picked Up Tons Paper Recycling Picked Up	1,859 N/A	1,329 N/A	N/A	N/2 38
Tons of Plastic Recycling Picked Up	N/A N/A	N/A N/A	331 343	31
Swimming Pools				
Number of Pools	2	2	2	
Swimming Pool Receipts	\$67,005	\$80,820	\$71,279	\$82,22
Swimming Pool Receipts Swimming Pool Expenditures	\$245,939	\$252,924	\$249,792	\$264,40
Swittining 1 ooi Experiatures	\$243,739	φ434,74 4	94 4 7,174	φ∠0 4 ,40

Source: City of South Euclid

2007 2006 2005 200	.007	2008	2009
72 88 78 75 44 66		59 62	56 71
\$515,782 \$520,000 \$454,176 \$46		\$592,391	\$622,913
\$473,410 \$447,133 \$422,141 \$42		\$592,549 \$502,549	\$622,913
5,302 4,602 4,304		5,300	5,380
4,318 6,036 N/A		4,648	4,038
2,098 1,613 1,294	,	2,023	1,681
1,134 886 480		1,112	807
1,042 1,028 943	1,042	1,179	1,320
9 9		10	6
1 1 1		1	1
42 41 41		41	40
4 N/A N/A		4	4
8 N/A N/A 2 2 1		7 2	$0 \\ 2$
2 2 1 13 13 16		13	13
2,792 1,967 1,655		3,336	1,695
1,063 947 997		1,092	1,050
5,376 4,787 4,467		5,757	5,163
4,316 5,709 4,756		4,641	4,034
18,541 16,874 17,984 1		19,558	17,380
5,807 5,545 5,576	5,807	7,303	N/A
1 1 1		1	1
37 35 34		37	37
27 23 22		26	25
5,641 5,703 3,485		6,290	7,520
2,929 2,926 2,938		3,139	3,200
1,955 2,022 2,065 2 \$231,000 \$335,450 \$225,200 \$36		2,052 \$291,600	2,093 \$317,000
\$250,100 \$350,100 \$220,200 \$350	Ψ231,000	\$251,000	ψ317,000
976 983		784	889
55,288,766 \$5,725,155 \$7,032,396 \$5,60		\$5,444,223	\$4,203,729
63 36 39		63	45
4,281,819 \$2,807,093 \$995,007 \$1,10	4,281,819	\$16,068,205	\$1,575,011
311 74 3	311	170	15
9,500 7,743 4,196	9,500	7,417	3,300
N/A N/A N/A	N/A	N/A	N/A
580 507 563		521	480
330 459 314	330	316	317
2 2 2	2	2	2
2 2 2 \$114,041 \$121,334 \$142,635 \$13 \$304,882 \$273,248 \$270,526 \$35		\$119,300	2 \$86,512

City of South Euclid, Ohio

Capital Assets Statistics by Function/Program
Last Ten Years

Function/Program	2013	2012	2011	2010
General Government				
Total Square Footage (1)	54,002	54,002	54,002	54,002
Vehicles	1	1	1	1
Security of Persons and Property				
Police				
Number of Stations	1	1	1	1
Vehicles	30	24	24	24
Fire				
Number of Stations	1	1	1	1
Vehicles	10	10	10	10
Leisure Time Activities				
Number of Parks	3	3	3	3
Number of Playgrounds	2	2	2	2
Number of Swimming Pools	2	2	2	2
Number of Tennis Courts	4	4	4	4
Number of Community Centers	1	1	1	1
Square Footage of Community Center	10,582	10,582	10,582	10,582
Building Department				
Vehicles	7	9	9	9
Transportation				
Street Miles	67	67	67	67
Storm Sewer Miles	60	60	60	60
Sanitary Sewer Miles	64	64	64	64
Water Line Miles*	0	0	0	70
Square Footage of Service Garage	13,897	13,897	13,897	13,897
Square Footage of Parking Garage	17,542	17,542	17,542	17,542
Vehicles	28	28	28	28
Basic Utility Services				
Vehicles	16	16	16	16

Source: City of South Euclid

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

* In 2011, the City of South Euclid turned all the water lines over to the City of Cleveland.

2009	2008	2007	2006	2005	2004
54,002	54,002	54,002	54,002	54,002	54,002
1	1	1	1	1	1
1	1	1	1	1	1
24	25	35	30	28	28
1	1	1	1	1	1
10	10	11	10	10	9
10	10	11	10	10	
•	2	2	2	2	2
3	3	3	3	3	3
2	2	2	2	2	2
2 4	2 4	2 4	2 4	2 4	3 4
	1	1		1	
10.592			10.592		10.592
10,582	10,582	10,582	10,582	10,582	10,582
9	9	10	8	8	8
67	67	67	67	61	61
60	60	60	60	N/A	N/A
64	64	64	64	N/A	N/A
70	70	70	70	N/A	N/A
13,897	13,897	13,897	13,897	13,897	13,897
17,542	17,542	17,542	17,542	17,542	17,542
28	32	32	32	29	29
16	21	19	19	19	19

(This Page Intentionally Left Blank)



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.

CLERK OF THE BUREAU

Susan Babbitt

CERTIFIED JULY 1, 2014