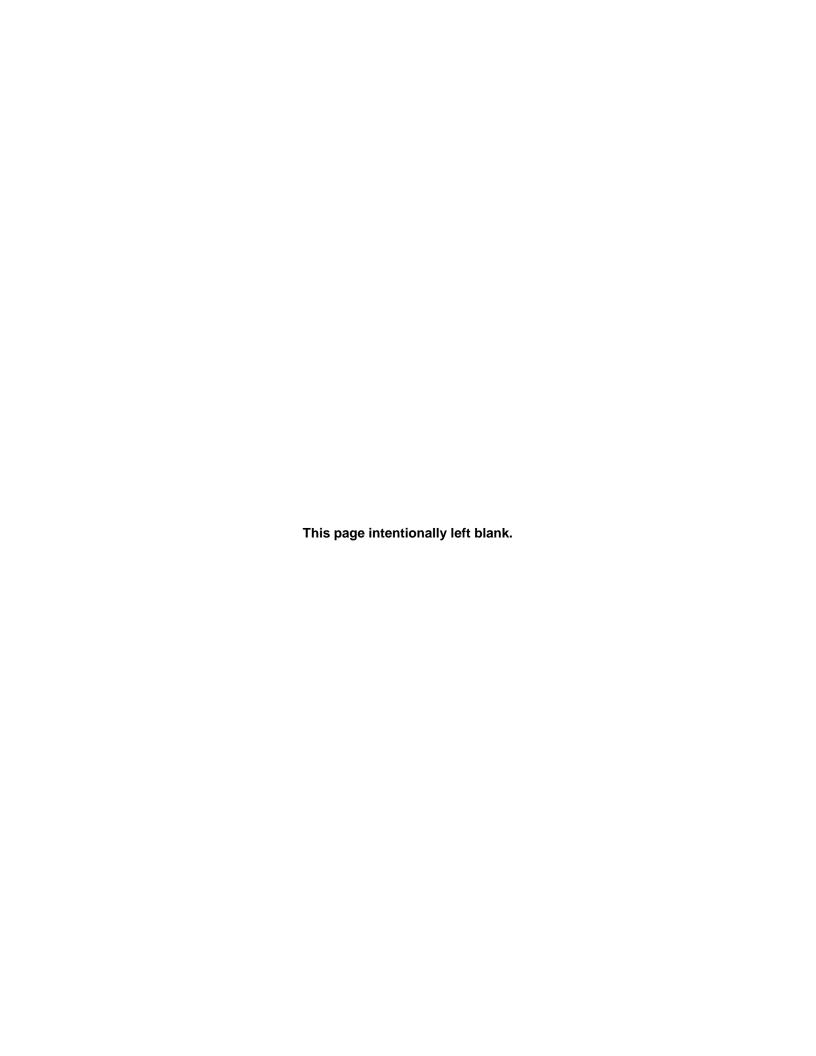




# CITY OF SOLON CUYAHOGA COUNTY

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# CITY OF SOLON CUYAHOGA COUNTY

# SCHEDULE OF FEDERAL AWARDS EXPENDITURES FOR THE YEAR ENDED DECEMBER 31, 2014

FEDERAL GRANTOR  Pass Through Grantor  Program / Cluster Title	Pass Through Entity Number	Federal CFDA Number	<u>E</u> x	openditures
U.S. DEPARTMENT OF TRANSPORTATION  Passed Through Ohio Department of Transportation  Highway Planning and Construction	87681	20.205	\$	2,346,357
Total Federal Awards Expenditures			\$	2,346,357

The accompanying notes are an integral part of this schedule.

# CITY OF SOLON CUYAHOGA COUNTY

# NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES FISCAL YEAR ENDED DECEMBER 31, 2014

# **NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Federal Awards Expenditures (the Schedule) reports the City of Solon's (the City's) federal award programs' disbursements. The schedule has been prepared on the cash basis of accounting.

# **NOTE B - MATCHING REQUIREMENTS**

Certain Federal programs require the City to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The City has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

# INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

City of Solon Cuyahoga County 34200 Bainbridge Road Solon, Ohio 44139

To the City Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Solon, Cuyahoga County, (the City) as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 30, 2015.

## Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the City's internal control. Accordingly, we have not opined on it.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A material weakness is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the City's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

City of Solon
Cuyahoga County
Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by Government Auditing Standards
Page 2

# **Compliance and Other Matters**

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

# Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Dave Yost Auditor of State

Columbus, Ohio

June 30, 2015

# INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES

City of Solon Cuyahoga County 34200 Bainbridge Road Solon, Ohio 44139

To the City Council:

## Report on Compliance for the Major Federal Program

We have audited the City of Solon's (the City) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the City of Solon's major federal program for the year ended December 31, 2014. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the City's major federal program.

#### Management's Responsibility

The City's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal program.

## Auditor's Responsibility

Our responsibility is to opine on the City's compliance for the City's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

City of Solon
Cuyahoga County
Independent Auditor's Report on Compliance with Requirements
Applicable to the Major Federal Program and on Internal Control
Over Compliance Required by OMB Circular A-133 and the
Schedule of Federal Awards Expenditures
Page 2

# Opinion on the Major Federal Program

In our opinion, the City complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2014.

# Report on Internal Control Over Compliance

The City's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the City's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the City's internal control over compliance.

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

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

This report only describes the scope of our internal control over compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.

City of Solon
Cuyahoga County
Independent Auditor's Report on Compliance with Requirements
Applicable to The Major Federal Program and on Internal Control
Over Compliance Required by OMB Circular A-133 and the
Schedule of Federal Awards Expenditures
Page 3

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

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Solon (the City) as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our unmodified report thereon dated June 30, 2015. We conducted our audit to opine on the City's' basic financial statements. The accompanying schedule of federal awards expenditures presents additional analysis required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures. including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Dave Yost

Auditor of State Columbus, Ohio

June 30, 2015

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# CITY OF SOLON CUYAHOGA COUNTY

# SCHEDULE OF FINDINGS OMB CIRCULAR A -133 § .505 DECEMBER 31, 2014

# 1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Program's Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under § .510(a)?	No
(d)(1)(vii)	Major Program:	Highway Planning and Construction, CFDA #20.205
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

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

None

3	FINDINGS FOR	FFDFRAL	AWARDS	

None





# COMPREHENSIVE ANNUAL FINANCIAL REPORT



DECEMBER 31, 2014



# INTRODUCTORY SECTION



COMPREHENSIVE ANNUAL FINANCIAL REPORT

# City of Solon, Ohio

Comprehensive Annual Financial Report

For the Year Ended December 31, 2014

Prepared by the Department of Finance

Dennis G. Kennedy, CPA Director of Finance

City of Solon, Ohio Comprehensive Annual Financial Report For the Year Ended December 31, 2014 Table of Contents

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# The City of Solon



34200 Bainbridge Road Solon, OH 44139-2955 Phone: (440) 248-1155 Fax: (440) 349-6322

June 30, 2015

Residents of the City of Solon Honorable Mayor Susan A. Drucker and Members of Solon City Council:

It is my distinct honor and privilege to present to you the City of Solon'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 Generally Accepted Accounting Principle (GAAP) basis, and Ohio Revised Code Section 117.38 which requires the cities reporting on a GAAP basis to file an annual unaudited report with the Auditor of State within 150 days of year end.

The management function of the City of Solon 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 accounting firm.

For the year 2014, the City of Solon was audited by the Auditor of State's Office. 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 complement this letter of transmittal and should be read in conjunction with it.

#### REPORTING ENTITY

The City of Solon is located in the southeast corner of Cuyahoga County about 15 miles southeast of downtown Cleveland. It was originally organized as a township around 1825, and became a village in 1938. On November 2, 1954, the voters of Solon approved a charter. Then, in 1960, Solon became a city.

The form of government established by the Charter is the Mayor/Council type. There are seven City Council members; each is elected from a ward, for a term of four years. The Mayor's term is also four years beginning on December 1 of the appropriate election year. The Mayor appoints all department directors, some with the required confirmation of City Council pursuant to applicable language in the City Charter.

The current population of the City stands in excess of 23,000 and the City's geographical location enables residents to participate in employment opportunities in proximity of the greater Akron and Cleveland areas. Solon benefits from the proximity to Route 422 which promotes immediate access to various interstate highways leading in all directions.

Pursuant to Governmental Accounting Standards Board Statement No.14 and Statement No.61, the City of Solon has included in this report all funds, agencies, boards and commissions for which the City is financially accountable.

# CITY SERVICES

The City of Solon provides a full range of services to its citizens. The police protection services include patrol, investigations, jail facilities, drug resistance programs and safety schools. The fire protection service includes regular safety inspections, emergency medical (paramedic) services and fire safety education. Additionally, the City has a very active service department that provides free refuse collection, leaf and brush pickup, recycling, road maintenance and repair, storm sewer maintenance and repair, two cemeteries, snow plowing services and various other service department activities.

The Recreation Department sponsors a full range of activities from its headquarters in the City's Community Center. The Senior Services Department operates from the Senior Center wing of the Community Center and provides a multitude of programs ranging from physical fitness activities to weekly trips and guest speakers. Also, the City is fortunate to operate its own Solon Center for the Arts which has served to culturally enrich the community, its residents and has served as an important educational tool for the children participating in theater, art and music events.

The City presently has two enterprise operations: (1) Grantwood Recreation Park/Golf Course and (2) the Water Reclamation (formerly wastewater) funds. The operating expenses of the Water Reclamation fund have been, and continue to be, covered by user fees. Part of the financial management efforts of the City are directed to monitoring and analyzing programs for these two operational areas to ensure both short and long term viability.

For the past three years, the City has assumed responsibility for billing and collection of fees associated with maintenance of the storm and sanitary systems for residents and businesses. This function was previously performed by the City of Cleveland Division of Water, but the City wanted to increase its level of customer service support to its citizens and began its in-house billing service. This activity is accounted for in the Water Reclamation Fund. Revenue associated with sewer billing operations have increased since the City initiated the transition from Cleveland Water to management of its own billing/collection program.

The administrative functions of the City include planning and zoning, economic development, building (permits and inspection), engineering, human resources, finance and information technology. During 2014, the City conducted all operations related to income tax collection through a separate department. Beginning in January 2015, the City began using the Regional Income Tax Agency (RITA) to administer and collect income taxes.

Solon City Council is required to adopt an annual budget by no later than the close of the fiscal year. The annual budget serves as the foundation for the City of Solon's financial planning and control. The budget is prepared by fund, function and department (personal services and other). Department heads may transfer resources within their area of responsibility if necessary. Appropriation or fund transfers between departments, however, need special approval from the governing council.

#### **ECONOMIC CONDITION AND OUTLOOK**

The proof of the viability and success of the City of Solon is evident in the numerous accreditations the City has been noted for in the recent years. In 2011, MONEY magazine ranked Solon as the third best place to live in the United States, describing the City as a small, diverse community with a large tax base, one of the highest achieving school districts, great medical care and our own orchestra.

In 2014, Cleveland Magazine rated Solon as Northeast Ohio's number two suburb, giving mention to our impeccable school system, diverse population, and strong housing market. The City was also named in 2013 as the best place to raise kids in the State of Ohio by Businessweek.com making reference to all the superb services and living benefits that were similarly detailed in the other publications.

The City is currently home to more than 2,800 businesses which positively impacts the daytime population of the community. In 2014, Solon welcomed 38 new businesses to the City and assisted an additional 19 businesses with relocations within the City. The City is able to attract new businesses because of its very proactive program with consideration to economic development. For job creation grants administered by staff in 2014, the City invested almost \$890,000 and realized a net gain of \$1,840,000 in new payroll tax receipts, along with 1,880 new jobs. Under this program, the company receives a grant predicated and computed on part of the municipal withholding tax paid to the City on newly created jobs. The City also has one active Enterprise Zone agreement and one Community Reinvestment Area agreement.

The success of our economic development program and the attractiveness of our City and services to members of the business community may be measured by the level of municipal income tax collections posted by the City.

Steady income tax collections coupled with a record level occupancy rate for commercial business and a stable housing market are strong indicators of the financial strength of our community and their resilience of the impact of the most recent recession and the strong presence Solon maintains in Northeast Ohio as a leader in retail and industry.

Unlike the majority of municipal governments in Northeast Ohio, Solon has been able to function and continue to prosper during a time when aid from the State of Ohio has been dramatically and consistently reduced. Changes in the State budget have generated decreases in local government funds that many cities have had difficulty in absorbing. Solon is fortunate to be in a strong financial position that does not require or contemplate increases in income or property tax rates at any point in the future.

# LONG-TERM FINANCIAL PLANNING

The City's Administration and Council have long established a policy of maintaining a five year plan for personnel and capital expenditures. It is updated by the administration and reviewed every year by the Council Finance Committee during annual budget hearings.

Included in the five year plan is a schedule of infrastructure projects to be paid from the Infrastructure Capital Improvement Fund. This fund receives one half of one percent of City income tax each year as a result of a voter approved levy.

Capital expenditures for new buildings, vehicles and equipment are also included in the five year plan. This enables a discussion on financing these items two or three years before they are needed and allows the City to accommodate scheduled capital replacements as well as emergency expenditures without unduly burdening or restructuring the current year budget.

# **RELEVANT FINANCIAL POLICIES**

The City has maintained a policy of matching annual expenditures in the budget with estimated current revenues. This policy, implemented several years ago, has enabled the City to build-up its cash reserves in the past for situations like the shortfall in income tax receipts experienced in 2009. In 2007, the City adopted a "General Fund Cash Reserve Policy" listing the uses of cash reserves and formally establishing a standard for the size of the annual unencumbered balance of the General Fund.

In early 2013, the City took an additional step towards promoting long-term financial stability by establishing a Budget Stabilization ("rainy day") Fund that will be used to segregate resources that will only be employed should pre-determined economic stress levels be reached. In 2013, an initial transfer was executed to the Budget Stabilization Fund in the amount of \$1.65 million. In 2014, the City transferred an additional \$1.8 million to the Budget Stabilization Fund and will continue to support expansion of the fund in future years. The combination of accumulating unencumbered cash reserves and a separate rainy day fund demonstrates the City's resolve with respect to prudent fiscal management and planning.

The City has been able to maintain and follow a plan to minimize its debt. During the past ten years, \$6 million in cash reserves were used to pay for the Service Garage expansion and \$6 million for part of the Community Center. In 2007, \$3 million in cash reserves were used to redeem or call the outstanding bonds on the 1993 City Hall Bond issue eight years ahead of schedule. In 2009, \$1.3 million in cash reserves were used to redeem or call 2/3rds of the City's outstanding library construction bonds 6 years ahead of schedule. The bonds were extinguished at par value and there was no gain or loss to be calculated. In 2010, the City redeemed \$4.7 million in Bond Anticipation Notes issued for the construction of Fire Station No. 3 and the reconstruction of Fire Station No. 2. The City took additional steps in 2012 to reduce its debt by authorizing a release of cash reserves to pay off an outstanding bond issue in the amount of \$3.8 million.

Total debt for the City has been dramatically reduced as a result of concerted efforts to limit the unnecessary expansion of general operating expense and directing available funds to debt retirement. Total outstanding debt of the City has been decreased by roughly 60 percent since 2007. The City presently has no publicly issued debt subsequent to the payoff of an outstanding bond issue in 2012.

# **MAJOR INITIATIVES**

The City was awarded a \$6 million grant from the Northeast Ohio Areawide Coordinating Agency (NOACA) to upgrade or replace all 46 traffic signals throughout Solon. Funds for this project were provided from the NOACA congestion mitigation and air improvement program. In 2013, the initial phase of the project began and the City has budgeted over \$4 million of funds to support this project. In early 2014, as part of the traffic signal improvement project, City Council approved the purchase of additional fiber optic for future use by the City's information technology department. This fiber optic will be used to provide internet services to all City buildings at a substantial decrease to the current contracted price.

The City continued its annual focus on capital improvements to provide for the upgrade, maintenance and improvement of street and sewer infrastructure in an effort to provide Solon residents and business partners the highest level of services possible.

The primary focus of the Administration and Council is to conduct operations as any successful chief executive officer or board of directors runs their business. It is imperative that the approach of Solon employees and elected officials remains centered on structured leadership and management principles that are designed to increase the City's efficiency as an entity and improve the stewardship and accountability to the community.

In 2014, Cosmax USA, a South Korean cosmetics contract manufacturer, purchased the 338,000 square foot former L'Oréal USA facility on Carter Street. Cosmax produces powder and skin care products, sold under various international brand names. The company will create 135 full-time equivalent jobs.

Various other businesses purchased buildings within the City for operations. AMG Marketing Resources, Inc. purchased a 10,500 square foot office building at 30670 Bainbridge Road that will bring 30 new jobs to Solon. Tarkett USA purchased and renovated the former First National Bank building at 30000 Aurora Road for its North American headquarters. Tarkett will create 140 jobs. Wrap-Tite, Inc. purchased its second facility at 6075 Cochran Road. Chagrin Valley Soap & Salve purchased and expanded into a 30,000 square foot building at 29425 Aurora Road.

Several businesses have chosen to lease space for operations. Champs Sports leased 12,300 square feet at Solon Square Shopping Center. Dress Barn leased 12,000 square feet at Uptown Solon Shopping Center. Transmaxx, LLC will lease 35,000 square feet at 30305 Solon Road and will create 25 new jobs.

Partners Home Supply will occupy 111,000 square feet in two buildings at 30700 Aurora Road and 31100 Solon Road, bringing 160 jobs to Solon. FMI Medical Systems will occupy 41,000 square feet at 29001 Solon Road and will create 40 jobs.

Two new business facilities are under construction in Solon. Nestle Global Product Technology Center (PTC) is under construction on 18 acres on Cannon Road adjacent to Nestle's frozen food manufacturing plant. The 144,000 square foot facility will be one of twelve global product technology centers and will be dedicated to frozen and chilled foods research for Nestle's businesses worldwide. The PTC is expected to be completed in in the summer of 2015. The completion of the facility will create 41 new jobs and allow 75 jobs to be retained. Christopher Tool is constructing a 20,000 square foot addition at 30500 Carter Street.

With the help of a GRIP grant, Solon Real Estate Holdings LLC purchased 6521 Davis Industrial Parkway and is renovating the building. The building will house Multi Radiance Medical and other businesses under common ownership that are currently located in Solon. A GRIP grant was also awarded to Ezov Development Group for the purchase and \$1,400,000 renovation of 5821 Harper Road, a multi-tenant flex building. Paul Moss Insurance Agency will be a major tenant in the building and will bring 150 jobs to Solon.

New jobs have also been created through the relocation of various businesses to Solon. The Nestle Pizza Division relocated from Illinois bringing 250 management level jobs to Solon. Marriott Global Reservation Center relocated to 31225 Bainbridge Road. OfficeMax relocated to 17,000 square feet of newly constructed space at Solon Village Shopping Center.

All of the above projects and programs serve to strengthen the City in terms of long term financial goals and continue our reputation as a wonderful place to live and raise a family.

# Awards and Acknowledgements

## <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 Solon for its comprehensive annual financial report for the fiscal year ending December 31, 2013. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

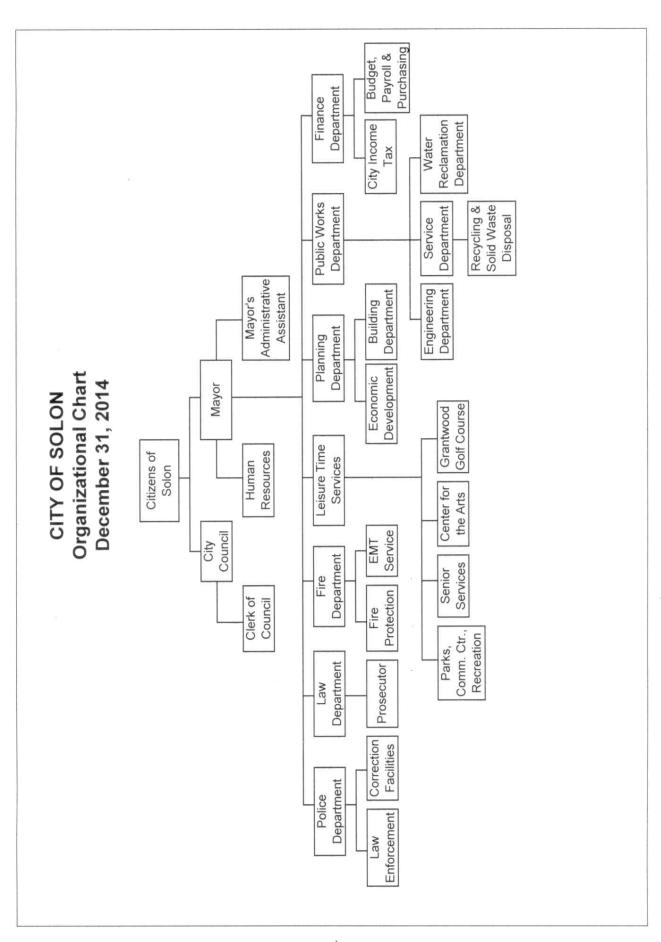
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

#### Acknowledgements

The preparation of this report would not be possible without the diligent extra work by dedicated members of our Finance Department and various other staff within the Administration. Their efforts are greatly appreciated. In addition, my gratitude and compliments extend to the Auditor of State's Section of Local Government Services who assisted greatly in the production of this report. Finally, I would extend a thank you to Mayor Susan A. Drucker and current and past members of City Council for their continued support of the Finance Department and our recommendations for improvements to financial operations and for recognizing the benefit of compiling a Comprehensive Annual Financial Report.

Respectfully submitted,

Dennis G. Kennedy, CPA Director of Finance



# City of Solon, Ohio Principal Officials

Principal Officials
December 31, 2014

# **Elected Officials**

Susan A. Drucker	Mayor
City Council	
Richard A. Bell	
Appointed Officials	3
Thomas G. Lobe  Dennis G. Kennedy* Christopher P. Viland William J. Shaw Robert S. Frankland Donald W. Holub Jill K. Frankel John J. Busch Thomas G. Bandiera Charles E. Boshane Paul J. Solanics Patricia A. Dawson	Director of Finance Chief of Police Chief of Fire and Rescue Director of Planning Director of Recreation Director of Senior Services Director of Engineering Director of Service Building Commissioner Director of Water Reclamation

<sup>\*</sup> Carol-Ann Schindel took office on March 23, 2015.



Government Finance Officers Association

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

# City of Solon Ohio

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO

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# FINANCIAL SECTION



FINANCIAL REPORT

#### INDEPENDENT AUDITOR'S REPORT

City of Solon Cuyahoga County 34200 Bainbridge Road Solon, Ohio 44139

To the City Council:

# Report on the Financial Statements

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

# Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the City's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

City of Solon Cuyahoga County Independent Auditor's Report Page 2

# Opinion

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

#### Other Matters

## Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

## Supplementary and Other Information

Our audit was conducted to opine on the City's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

City of Solon Cuyahoga County Independent Auditor's Report Page 3

# Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2015 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine 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's internal control over financial reporting and compliance.

**Dave Yost** Auditor of State

Columbus, Ohio

June 30, 2015

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Management's Discussion and Analysis For the Year Ended December 31, 2014 Unaudited

The discussion and analysis of the City of Solon's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2014. The intent of this discussion and analysis is to look at the City's financial performance as a whole. To obtain a more detailed understanding, readers should also review the basic financial statements and the notes to the basic financial statements.

# **Financial Highlights**

Key Financial Highlights for 2014 are as follows:

- The City's net position increased by \$10.5 million during 2014 due mainly to increases in cash and cash equivalents, special assessments receivable and net capital assets. These increases were largely a result of a rise in capital grants, special assessment revenues and net income taxes (gross collection less refunds). New special assessments were levied in 2014 for the Briar Hill Dam project. The increase in net position also resulted from a decrease in long-term liabilities due to the continued pay-down of OWDA loans and OPWC loans.
- The City's net capital assets increased by over \$2.2 million. Most of the increase can be attributed to infrastructure related projects such as construction work on City-wide traffic signals and major road, storm sewer and sanitary sewer improvements to Linden Drive and Hunters Ridge. The increase in capital assets was partially offset by annual depreciation.
- Long-term debt decreased in 2014 due to annual debt service payments.

# **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City of Solon's basic financial statements. The City of Solon's basic financial statements are comprised of these parts:

- 1. Management's Discussion and Analysis
- 2. Government-Wide Financial Statements
- 3. Fund Financial Statements
- 4. Notes to the Basic Financial Statements

In addition, this report also contains other supplementary information:

- 1. Transmittal Letter
- 2. Combining Statements
- 3. Individual Fund Schedules
- 4. Statistical and Demographic Data

# Government-Wide Financial Statements

The Government-Wide Financial Statements are designed to provide readers with a broad overview of the City of Solon's finances in a manner similar to private sector businesses. The Statement of Net Position and Statement of Activities provide information about the activities of the whole City, presenting both an aggregate view of the City's finances and a longer-term view of those assets. Major fund financial statements provide the next level of detail. For governmental

Management's Discussion and Analysis For the Year Ended December 31, 2014 Unaudited

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 non-major funds presented in total in one column.

The Statement of Net Position presents information on all of the City of Solon's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference 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 of Solon is improving or deteriorating.

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

Both of the government-wide financial statements distinguish programs of the City of Solon that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Solon include security of persons and property, public health and welfare, leisure time activities, community environment, basic utility services, transportation and general government. The business-type activities include water reclamation and Grantwood recreation.

The government-wide financial statements can be found starting on page 17.

# Fund Financial Statements

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Management's Discussion and Analysis For the Year Ended December 31, 2014 Unaudited

The City of Solon maintains 18 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the government funds statement of revenue, expenditures, and changes in fund balances for the general fund, general obligation bond retirement fund and the infrastructure capital projects fund, all of which are considered to be major funds. Data from the other governmental funds are combined into single, aggregate presentation. Individual fund data for each of these non-major government funds is provided in the form of combining statements elsewhere in this report.

The City of Solon adopts an annual appropriated budget for each of its funds. A budget comparison statement (non-GAAP basis) has been provided for each governmental and proprietary fund to demonstrate budgetary compliance.

PROPRIETARY FUNDS – use the same basis of accounting as business-type activities. The City of Solon has two enterprise operations and one internal service fund under the proprietary fund classification. They are the water reclamation (wastewater) operation and Grantwood (golf course) recreation and the internal service fund accounting for self-insured workers' compensation claims.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found on pages 25 to 28.

FIDUCIARY FUNDS – are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of Solon's own programs.

# Notes to the Basic Financial Statements

The Notes to the Basic Financial Statements provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 30 to 61.

# Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain other information that the City believes readers will find useful. After the notes to the basic financial statements, the combining statements referred to earlier in connection with non-major funds are presented, as well as individual detailed budgetary comparisons for all non-major funds. This information can be found starting on page 62.

# **Government-Wide Financial Analysis**

The Statement of Net Position and the Statement of Activities provide an overall view of the City of Solon. These statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources 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.

Management's Discussion and Analysis For the Year Ended December 31, 2014 Unaudited

These two statements report the City's net position and the changes in net position. The change in net position is important because it indicates if the financial position of the City has improved or diminished. However, in evaluating the overall position of the City, non-financial information such as changes in the City's tax base and the condition of City capital assets will also need to be evaluated.

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

- Assets
- Liabilities
- Deferred Inflows of Resources
- Net Position
- Program Expenses and Revenues
- General Revenues
- Net Position Beginning and End of Year

# The City of Solon as a Whole

The following provides a summary of the City's net position for the City as a whole for 2014 compared to 2013:

(Table 1)
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Assets Current and Other Assets Capital Assets, Net	\$64,480,771 133,178,413	\$59,597,950 130,037,949	\$10,989,933 62,386,855	\$10,060,121 63,291,845	\$75,470,704 195,565,268	\$69,658,071 193,329,794
Total Assets	197,659,184	189,635,899	73,376,788	73,351,966	271,035,972	262,987,865
Liabilities Current Liabilities Long-term Liabilities Due within one Year Due in More	3,870,736 2,065,226	4,376,733 1,953,653	622,817 1,830,530	315,274 1,760,820	4,493,553 3,895,756	4,692,007 3,714,473
than one Year	9,007,976	9,809,723	6,863,747	8,529,999	15,871,723	18,339,722
Total Liabilities	14,943,938	16,140,109	9,317,094	10,606,093	24,261,032	26,746,202
Deferred Inflows of Resources	3,546,466	3,541,146	0	0	3,546,466	3,541,146
Net Position Net Investment in Capital Assets Restricted for: Capital Projects Debt Service	132,982,006 15,842,874 5,218,753	129,835,381 14,110,621 5,029,412	53,710,234 0 0	53,266,832 0 0	186,692,240 15,842,874 5,218,753	183,102,213 14,110,621 5,029,412
Other Purposes	5,248,270	3,498,835	0	0 470 044	5,248,270	3,498,835
Unrestricted	19,876,877	17,480,395	10,349,460	9,479,041	30,226,337	26,959,436
Total Net Position	\$179,168,780	\$169,954,644	\$64,059,694	\$62,745,873	\$243,228,474	\$232,700,517

Management's Discussion and Analysis For the Year Ended December 31, 2014 Unaudited

Total current and other assets for governmental activities increased due to an increase in cash and cash equivalents resulting from revenues continuing to exceed expenditures and from an increase in special assessments receivable resulting from new special assessments being levied in 2014 for the Briar Hill Dam project. Net capital assets for governmental capital assets increased due to additions of land, construction in progress, land improvements, buildings, furniture and equipment, vehicles and infrastructure. This increase was partially offset by current year depreciation. The decrease in current liabilities resulted from a drop in accounts payable due to the City paying off a \$1 million income tax refund owed to a local business. The decrease in long-term liabilities was due to the continued pay-down of OWDA loans and OPWC loans.

Total current and other assets for business-type activities increased due to an increase in cash and cash equivalents as a result of charges for services revenue continuing to exceed program expenditures. Capital assets for business-type activities decreased as a result of annual depreciation. This decrease was partially offset by sanitary sewer improvements, equipment purchases and construction work for the water reclamation roof replacement project. Total liabilities for business-type activities decreased due to the annual pay-down on debt for the City's water reclamation facility.

Further details of the changes in net position between 2014 and 2013 can be observed in Table 2.

(Table 2)
Changes in Net Position

	Governmental Activities		Business -Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Program Revenues						_
Charges for Services	\$5,112,679	\$5,036,523	\$7,133,889	\$7,717,671	\$12,246,568	\$12,754,194
Operating Grants and Contributions	1,397,904	1,342,871	0	0	1,397,904	1,342,871
Capital Grants, Contributions						
and Assessments	4,424,025	612,187	0	52,843	4,424,025	665,030
Total Program Revenues	10,934,608	6,991,581	7,133,889	7,770,514	18,068,497	14,762,095
General Revenues						
Property Taxes	3,959,712	3,977,523	0	0	3,959,712	3,977,523
Municipal Income Taxes	41,172,564	39,942,088	0	0	41,172,564	39,942,088
Grants and Entitlements	797,599	1,452,480	0	0	797,599	1,452,480
Investment Income	366,629	(55,709)	59,949	(3,627)	426,578	(59,336)
Gain on Sale of Capital Assets	66,285	32,754	1,270	0	67,555	32,754
Miscellaneous	1,064,259	570,247	38,532	65,289	1,102,791	635,536
Total General Revenues	47,427,048	45,919,383	99,751	61,662	47,526,799	45,981,045
Total Revenues	\$58,361,656	\$52,910,964	\$7,233,640	\$7,832,176	\$65,595,296	\$60,743,140

Management's Discussion and Analysis For the Year Ended December 31, 2014 Unaudited

(Table 2)
Changes in Net Position (continued)

	Governmental Activities		Business -Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Program Expenses						
Security of Persons and Property						
Police	\$8,237,667	\$8,007,356	\$0	\$0	\$8,237,667	\$8,007,356
Fire	7,615,180	7,334,283	0	0	7,615,180	7,334,283
Prosecutor	0	251,821	0	0	0	251,821
Public Health and Welfare	93,873	96,589	0	0	93,873	96,589
Leisure Time Activities	5,301,362	5,676,149	0	0	5,301,362	5,676,149
Community Environment	2,508,436	2,349,548	0	0	2,508,436	2,349,548
Basic Utility Services	2,998,985	2,963,992	0	0	2,998,985	2,963,992
Transportation	11,674,750	10,795,448	0	0	11,674,750	10,795,448
General Government	9,881,256	9,642,905	0	0	9,881,256	9,642,905
Interest and Fiscal Charges	198,713	217,759	0	0	198,713	217,759
Water Reclamation	0	0	5,502,840	5,439,254	5,502,840	5,439,254
Grantwood Recreation	0	0	1,054,277	1,074,235	1,054,277	1,074,235
Total Program Expenses	48,510,222	47,335,850	6,557,117	6,513,489	55,067,339	53,849,339
Excess before Transfers	9,851,434	5,575,114	676,523	1,318,687	10,527,957	6,893,801
Transfers	(637,298)	0	637,298	0	0	0
Change in Net Position	9,214,136	5,575,114	1,313,821	1,318,687	10,527,957	6,893,801
Net Position Beginning of Year	169,954,644	164,379,530	62,745,873	61,427,186	232,700,517	225,806,716
Net Position End of Year	\$179,168,780	\$169,954,644	\$64,059,694	\$62,745,873	\$243,228,474	\$232,700,517

# **Governmental Activities**

The funding for governmental activities comes from several different sources, the most significant being municipal income tax. In addition, property tax, grants and entitlements and charges for services provide revenue for governmental activities. Governmental revenues exceeded governmental expenses mainly due to the resurgence of City income tax receipts as well as to a significant increase in capital grants. Capital grants increased as a result of the City receiving a \$2.3 million grant from the Ohio Department of Transportation for City-wide traffic signals and new special assessments being levied for the Briar Hill Dam project.

On the expense side, the largest program or function is security of persons and property. It is composed of two parts; Police and Fire. Beginning in 2014, Prosecutor was no longer reported under security of persons and property but was instead combined with the Legal Department and reported under general government. The increase in Police and Fire was due to a 2.25 percent employee wage increase.

The next largest program or function is transportation. It includes the construction and maintenance of streets, storm sewers and other related infrastructure. There was a significant increase from 2013 due to a greater amount of infrastructure costs being expensed rather than capitalized in 2014.

Leisure time activities decreased between 2014 and 2013 due to a drop in community center and youth recreation program contractual service expenditures. This decrease was partially offset by an employee wage increase.

Management's Discussion and Analysis For the Year Ended December 31, 2014 Unaudited

General government increased between 2014 and 2013 due to a 2.25 percent employee wage increase and a roughly 10 percent increase in health insurance premiums. This increase in general government was partially offset by lower personal service costs paid from the City's sick leave reserve.

# **Business-type Activities**

The City has two business-type operations. They are the Water Reclamation Plant (wastewater) and Grantwood (golf course) Recreation. The largest sources of revenue for both Water Reclamation and Grantwood Recreation in 2014 were charges for services. On the expense side, the largest expenses are for payroll and employee benefits for both operations.

# Financial Analysis of the City's Funds

Governmental Funds – provide near term inflows, outflows and balances of spendable resources. This information is useful in evaluating the City's financing requirements. In particular, unassigned fund balances may serve as a useful measure of a government's net resources available for spending at the end of the year. Information about the City's governmental funds begins on page 20. These funds are accounted for by using the modified accrual basis of accounting.

As of the end of 2014, the City of Solon's governmental funds reported a positive combined ending fund balance. The majority of the ending fund balance is unassigned. The remainder of the fund balance is non-spendable, restricted, committed or assigned to indicate that it is not available for new spending because it has been specifically marked for expenditures as designated by grant agreements, City ordinances or intent of use.

The general fund is the main governmental and operating fund of the City. There was an overall increase in the general fund's fund balance between 2014 and 2013 as revenues and other financing sources continued to outpace expenditures and other financing uses. The largest increase in general fund revenues in 2014 came from higher income tax collections.

The general obligation bond retirement fund mainly receives property taxes and special assessments which are restricted for the payment of debt service. There was an overall increase in the general obligation bond retirement fund balance between 2014 and 2013 due to a decrease in debt service expenditures.

The infrastructure fund is the largest capital improvement governmental fund of the City. It receives one half of one percent of the City income tax (levy) to pay for new construction and repair of the City's infrastructure. There was an overall increase in the infrastructure fund balance between 2014 and 2013 as revenues continued to outpace expenditures.

Business-type Funds – report the City's Water Reclamation (wastewater) operation and Grantwood (golf course) Recreation on a full accrual basis. In 2014, the net position for the Water Reclamation facility increased as a result of operating revenue continuing to outpace operating expenditures. The net position for the Grantwood golf course increased during 2014 as a result of capital contributions.

Management's Discussion and Analysis For the Year Ended December 31, 2014 Unaudited

# **General Fund Budgeting Highlights**

Solon's largest budgeted fund is the general fund. Its expenditure budget (appropriations), along with all other funds, is prepared according to the laws of the State of Ohio and is based on accounting for certain transactions on a cash basis for receipts, expenditures and encumbrances. Ohio Law limits appropriations for each fund to the estimated receipts plus the unencumbered cash reserve (or carryover) from the prior year for that particular fund.

In 2014, the general fund's final revenue estimate exceeded the original estimate due largely to an increase in intergovernmental revenues resulting from higher local government monies than originally expected. The general fund's actual revenue plus other financing sources exceeded the final estimate mainly as a result of higher than estimated property taxes and income taxes. The general fund's final budget was lower than the original budget due to a decrease in estimated employee costs. Actual expenditures plus other financing uses were well under the final budget due to lower than previously estimated employee salaries and benefits as well as lower contingencies, producing an overall positive variance.

# **Capital Assets**

Governmental capital assets, net of depreciation, increased due to additions of land, construction in progress, land improvements, buildings, furniture and equipment, vehicles and infrastructure. This increase was partially offset by current year depreciation. Business-type capital assets, net of depreciation, decreased as the result of annual depreciation. This decrease was partially offset by sanitary sewer improvements, equipment purchases and construction work for the water reclamation roof replacement project. For additional information on capital assets, please see note 8 to the basic financial statements.

A five year capital plan, involving all assets and capital projects is maintained by the administration. It is updated and reviewed by City Council every year.

(Table 3)

Capital Assets at December 31

(Net of Accumulated Depreciation)

	Governmental Activities		Business-Type Activities			
					Total	
-	2014	2013	2014	2013	2014	2013
Land	\$10,790,343	\$10,583,243	\$3,120,877	\$3,120,877	\$13,911,220	\$13,704,120
Construction in Progress	4,854,106	1,359,520	497,783	0	5,351,889	1,359,520
Land Improvements	1,011,209	1,044,398	6,379	7,176	1,017,588	1,051,574
Buildings	36,421,325	37,762,989	18,762,602	19,619,152	55,183,927	57,382,141
Furniture and Equipment	1,499,020	1,838,330	1,035,137	1,011,283	2,534,157	2,849,613
Vehicles	3,984,045	4,314,131	48,613	101,599	4,032,658	4,415,730
Infrastructure	74,618,365	73,135,338	38,915,464	39,431,758	113,533,829	112,567,096
Total Capital Assets	\$133,178,413	\$130,037,949	\$62,386,855	\$63,291,845	\$195,565,268	\$193,329,794

Management's Discussion and Analysis For the Year Ended December 31, 2014 Unaudited

# **Outstanding Long-Term Obligations**

(Table 4)
Outstanding Long-Term Obligations at Year End

	Governmental Activities		Business -Type Activities		Total	
	2014	2013	2014	2013	2014	2013
OWDA Loans	\$7,458,349	\$8,119,077	\$8,416,870	\$10,025,013	\$15,875,219	\$18,144,090
OPWC Loans	23,807	77,939	0	0	23,807	77,939
Compensated Absences	3,539,737	3,513,378	277,407	265,806	3,817,144	3,779,184
Claims Payable	51,309	52,982	0	0	51,309	52,982
Total	\$11,073,202	\$11,763,376	\$8,694,277	\$10,290,819	\$19,767,479	\$22,054,195

Ohio Water Development Authority Loans and Ohio Public Works Commission Loans comprise most of the outstanding obligations. In addition, outstanding obligations include compensated absences (sick leave, etc.), and claims payable for 2014.

Governmental activities debt is serviced by property taxes and special assessments that are credited to the bond retirement fund. Most of this debt was issued for the construction of new infrastructure. Most of the business-type debt is for the water reclamation utility and improvements made to the wastewater plant. User fees are used to service that debt.

The compensated absence category represents the dollar value of accumulated but unused sick leave at year end. The liability represents amounts that will either be taken as leave or paid out upon termination or retirement. For additional information, please see note 16 to the basic financial statements.

# **Economic Factors and Current Financial Issues**

The City presently has in place a municipal income tax at the rate of 2 percent applicable to income earned in the City (withholding) or by residents and/or businesses (individual/net profit). The tax rate has been in place since 1989 and the general financial condition of the City does not require any immediate or future action with respect to increasing the rate or decreasing any existing credit for reciprocity. Municipal income tax collections routinely represent more than 70 percent of the City's total governmental revenue.

Net income tax collections (gross collection less refunds) on a cash basis were lower in 2014 as a result of the City paying off a \$1 million income tax refund owed to a local business. The total cash collections in 2014 for all sources of municipal income tax were \$39.9 million on a cash basis. On an accrual basis, as presented on the government-wide financial statements, income tax revenues appear higher in 2014 as a result of the liability for the \$1 million income tax refund being reflected in the 2013 financial statements. The recording of this liability resulted in a \$1 million reduction to income tax revenue on an accrual basis in 2013. The City's steady income tax base is a fairly strong indicator of the health and success of the City's industrial and commercial bases and will provide the City with a strong foundation for general fund and capital project needs.

Management's Discussion and Analysis For the Year Ended December 31, 2014 Unaudited

Controlled spending and the strong municipal income tax collections have allowed the City to avoid pursuing alternative revenue streams (tax increases, new or increased fees and charges, etc.) while concurrently not having to engage in drastic expense reductions. The loss of local government funds distributed to political subdivisions from the State of Ohio have forced many entities to search for new revenue and/or implement spending cuts that significantly and negatively impact services. Effective management has placed the City of Solon in position to successfully maintain its high level of services to its residential and commercial inhabitants.

Another indicator of the conservative fiscal management is the low rate of property tax assessed to residents and businesses in the City. Many northeast Ohio municipalities carry real property rates more than double the level that is assessed by Solon currently. The City does not foresee the need to adjust upward the rate of tax applied to property in the City. Further, due to calculated efforts to reduce debt, more of the property tax collected may be employed to offset losses in local government funding and to help mitigate additional expense related to salaries and pensions.

Due to a strong commitment to consistently fund infrastructure improvements, the City is in a good position with respect to avoiding major repairs or renovations to any of its facilities, streets, sewers and other assets. The City does not contemplate the necessity for any debt issuance relative to infrastructure in the immediate future. Rather, the calculated dedication of a sizable portion of our annual revenue will be used to maintain, upgrade and otherwise improve items which other municipalities have deferred due to budget constraints.

The general fund finished 2014 with an unassigned fund balance of \$24,455,155. Beginning in 2013, the City implemented a policy whereby 25 percent of its unencumbered general fund balance will be maintained in reserve as well as having created a budget stabilization fund that will allow for a segregation of additional reserves that will be accumulated to use in emergency situations in times of revenue fluctuations.

The City's credit rating remains at an enviable level of AAA based on a 2008 upgrade by Standard & Poors. In 2010, Moody's recalibrated the City's rating to Aaa. More evidence of the City's commitment to effective financial management is the performance of the 2014 budget versus actual. In 2014, revenue exceeded final budget estimates by more than \$417,000 and expenses were restricted to a level \$7.6 million under the final budgeted amounts. The resultant favorable variance of \$8 million demonstrates that the City is watchful of accuracy in revenue projections as well as evidence of the need to avoid unnecessary expense levels and controlling departmental costs.

The economic development efforts of the Administration and Council have kept Solon a primary destination for new business relocation in northeast Ohio. Additionally, the level of City services and the various retention programs employed by the economic development staff have been very effective in keeping existing businesses in the City.

City property values remain stable, both for commercial and residential properties. The Cleveland area property values were hard hit by the recession beginning in 2007. While some communities have been devastated by the reduction in taxable values, Solon properties have generally retained their value. A reduction in property values impacts not only municipal operations but local school systems as well. The retention of property values in Solon has contributed to the strong state of the City itself as well as the highly rated school system.

Management's Discussion and Analysis For the Year Ended December 31, 2014 Unaudited

# **Requests for Information and Data**

This financial report is designed to provide a general overview of the City of Solon's finances for everyone with an interest. Questions concerning any of the information and data presented in this report, or requests for additional financial information, should be addressed to the Finance Department, City of Solon, 34200 Bainbridge Road, Solon, Ohio 44139.

# Basic Financial Statements

Statement of Net Position December 31, 2014

	0	5	
	Governmental Activities	Business-Type Activities	Total
	Activities	Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$46,933,426	\$8,817,906	\$55,751,332
Accounts Receivable	123,889	1,982,775	2,106,664
Intergovernmental Receivable	1,070,148	0	1,070,148
Municipal Income Taxes Receivable	6,995,409	0	6,995,409
Materials and Supplies Inventory	726,654	189,252	915,906
Prepaid Items	213,465	0	213,465
Property Taxes Receivable	3,664,368	0	3,664,368
Special Assessments Receivable	4,753,412	0	4,753,412
Nondepreciable Capital Assets	15,644,449	3,618,660	19,263,109
Depreciable Capital Assets, Net	117,533,964	58,768,195	176,302,159
Total Assets	197,659,184	73,376,788	271,035,972
Liabilities			
Accounts Payable	416,857	58,419	475,276
Accrued Wages	629,086	42,310	671,396
Contracts Payable	690,379	259,751	950,130
Intergovernmental Payable	445,297	20,429	465,726
Retainage Payable	907,181	54,176	961,357
Matured Compensated Absences Payable	23,197	, 0	23,197
Accrued Interest Payable	97,182	135,162	232,344
Claims Payable	272,600	0	272,600
Vacation Benefits Payable	388,957	52,570	441,527
Long-Term Liabilities:			
Due Within One Year	2,065,226	1,830,530	3,895,756
Due In More Than One Year	9,007,976	6,863,747	15,871,723
Total Liabilities	14,943,938	9,317,094	24,261,032
Deferred Inflows of Resources			
Property Taxes	3,546,466	0	3,546,466
Net Position			
Net Investment in Capital Assets	132,982,006	53,710,234	186,692,240
Restricted for:	45.040.07.	•	45.040.07.
Capital Projects	15,842,874	0	15,842,874
Debt Service	5,218,753	0	5,218,753
Street, Construction, Maintenance and Repair	758,805	0	758,805
Other Purposes	4,489,465	0	4,489,465
Unrestricted	19,876,877	10,349,460	30,226,337
Total Net Position	\$179,168,780	\$64,059,694	\$243,228,474

Statement of Activities

For the Year Ended December 31, 2014

		Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants, Contributions and Assessments	
Governmental Activities:					
Security of Persons and Property					
Police	\$8,237,667	\$378,418	\$145,090	\$0	
Fire	7,615,180	792,556	118,391	58,085	
Public Health and Welfare	93,873	4,795	0	0	
Leisure Time Activities	5,301,362	3,095,565	28,453	0	
Community Environment	2,508,436	74,866	0	0	
Basic Utility Services	2,998,985	107,745	0	0	
Transportation	11,674,750	179,665	1,105,970	4,340,340	
General Government	9,881,256	479,069	0	25,600	
Interest and Fiscal Charges	198,713	0	0	0	
Total Governmental Activities	48,510,222	5,112,679	1,397,904	4,424,025	
Business-Type Activities:					
Water Reclamation	5,502,840	6,128,207	0	0	
Grantwood Recreation	1,054,277	1,005,682	0	0	
Total Business-Type Activities	6,557,117	7,133,889	0	0	
Total	\$55,067,339	\$12,246,568	\$1,397,904	\$4,424,025	

# **General Revenues**

Property Taxes Levied for:

General Purposes

**Debt Service** 

Police Pension

Fire Pension

Service and Safety Equipment Municipal Income Taxes Levied for:

General Purposes

Infrastructure

General Capital Improvements

Grants and Entitlements not Restricted to Specific Programs

Investment Income

Gain on Sale of Capital Assets

Miscellaneous

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

# Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
(\$7,714,159) (6,646,148)	\$0 0	(\$7,714,159) (6,646,148)
(89,078)	0	(89,078)
(2,177,344)	0	(2,177,344)
(2,433,570)	0	(2,433,570)
(2,891,240)	0	(2,891,240)
(6,048,775)	0	(6,048,775)
(9,376,587)	0	(9,376,587)
(198,713)		(198,713)
(37,575,614)	0	(37,575,614)
0	625,367	625,367
0	(48,595)	(48,595)
0	576,772	576,772
(37,575,614)	576,772	(36,998,842)
1,800,977	0	1,800,977
386,528	0	386,528
779,430	0	779,430
603,692	0	603,692
389,085	0	389,085
30,826,373	0	30,826,373
10,262,562	0	10,262,562
83,629	0	83,629
797,599	0	797,599
366,629	59,949	426,578
66,285	1,270	67,555
1,064,259	38,532	1,102,791
47,427,048	99,751	47,526,799
(637,298)	637,298	0
46,789,750	737,049	47,526,799
9,214,136	1,313,821	10,527,957
169,954,644	62,745,873	232,700,517
\$179,168,780	\$64,059,694	\$243,228,474

Balance Sheet Governmental Funds December 31, 2014

		General Obligation		Other Governmental
	General	Bond Retirement	Infrastructure	Funds
Assets	Contrai	Bona Rothomoni	mindoti dotaro	1 drido
Equity in Pooled Cash and				
Cash Equivalents	\$24,706,760	\$1,380,223	\$12,725,132	\$4,214,300
Restricted Assets:	Ψ24,700,700	Ψ1,000,220	Ψ12,720,102	Ψ4,214,000
Equity in Pooled Cash and				
Cash Equivalents	3,554,895	0	0	0
Accounts Receivable	68,567	0	0	55,322
Intergovernmental Receivable	323,182	36,652	1,575	708,739
Municipal Income Taxes Receivable	5,233,787	0	1,744,596	17,026
Materials and Supplies Inventory	726,654	0	0	0
Prepaid Items	213,465	0	0	0
Property Taxes Receivable	989,629	296,888	0	2,377,851
Special Assessments Receivable	0	3,889,501	863,911	0
oposiai / isocosimonia / toscivasio		0,000,001	000,011	
Total Assets	\$35,816,939	\$5,603,264	\$15,335,214	\$7,373,238
Liabilities	<b>#050.000</b>	00	Φ0	<b>#</b> 00.000
Accounts Payable	\$352,023	\$0	\$0	\$63,868
Accrued Wages	582,983	0	0	46,103
Contracts Payable	7,960	0	682,419	0
Intergovernmental Payable	202,891	0	0	242,406
Retainage Payable	0	0	907,181	0
Matured Compensated Absences Payable	23,197	0	0	0
Claims Payable	272,600	0	0	0
Total Liabilities	1,441,654	0	1,589,600	352,377
Deferred Inflows of Resources		_		
Property Taxes	957,765	287,329	0	2,301,372
Unavailable Revenue	2,781,142	3,935,712	1,701,386	686,752
Oriavaliable Nevertue	2,701,142	3,933,712	1,701,300	000,732
Total Deferred Inflows of Resources	3,738,907	4,223,041	1,701,386	2,988,124
E - I Balance				
Fund Balances			_	
Nonspendable	1,045,014	0	0	0
Restricted	3,450,000	1,380,223	12,044,228	2,931,283
Committed	208,801	0	0	1,101,454
Assigned	1,477,408	0	0	0
Unassigned	24,455,155	0	0	0
Total Fund Balances	30,636,378	1,380,223	12,044,228	4,032,737
Total Liabilities, Deferred Inflows of				
Resources and Fund Balances	\$35,816,939	\$5,603,264	\$15,335,214	\$7,373,238

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

Total	Total Governmental Funds Bal	ances	\$48,093,566
Governmental			
Funds	Amounts reported for governn		
	statement of net position are	different because	
•			
\$43,026,415	Capital assets used in governme		400 470 440
	resources and therefore are no	t reported in the funds.	133,178,413
3,554,895	Other long-term assets are not a	vailable to pay for current-	
123,889	period expenditures and therefore		
1,070,148	unavailable revenue in the fund	· · · · · · · · · · · · · · · · · · ·	
6,995,409	Delinquent Property Taxes	117,902	
726,654	Municipal Income Taxes	3,354,615	
213,465	Intergovernmental	849,063	
3,664,368	Special Assessments	4,753,412	
4,753,412	Miscellaneous	30,000	
		<del></del> -	
\$64,128,655	Total		9,104,992
	An internal service fund is used by	by management to charge the	
	costs of workers' compensation	to individual funds. The assets	
\$415,891	and liabilities of the internal ser	vice fund are included in	
629,086	governmental activities in the s	tatement of net position.	
690,379	Net Position	299,841	
445,297	Claims Payable	51,309	
907,181			
23,197	Total		351,150
272,600			
0.000.004	In the statement of activities, inte	=	
3,383,631	bonds, whereas in government		(07.400)
	expenditure is reported when d	ue.	(97,182)
3,546,466	Vacation benefits payable is not	expected to be paid with	
9,104,992	expendable available financial		
3,104,332	not reported in the funds.	resources and increiore	(388,957)
12,651,458	not reported in the fands.		(000,001)
	Long-term liabilities are not due a	and payable in the	
	current period and therefore are		
1,045,014	OWDA Loan Payable	(7,458,349)	
19,805,734	OPWC Loan Payable	(23,807)	
1,310,255	Compensated Absences	(3,539,737)	
1,477,408	Claims Payable	(51,309)	
24,455,155			
	Total		(11,073,202)
48,093,566			•
	Net Position of Governmental	Activities	\$179,168,780
004/55-55-5			
\$64,128,655			

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

		General		Other
		Obligation		Governmental
	General	Bond Retirement	Infrastructure	Funds
Revenues				
Property Taxes	\$1,823,510	\$391,475	\$0	\$1,760,926
Municipal Income Taxes	30,866,371	0	10,275,894	82,817
Special Assessments	0	581,339	25,974	0
Intergovernmental	788,373	87,649	2,852,160	1,347,186
Investment Income	360,954	0	0	5,675
Fees, Licenses and Permits	802,792	0	0	192,232
Fines and Forfeitures	317,370	0	0	24,324
Rentals	6,087	0	0	23,518
Charges for Services	941,777	0	0	2,804,579
Contributions and Donations	0	0	0	91,552
Miscellaneous	245,819	0	741,235	74,689
Total Revenues	36,153,053	1,060,463	13,895,263	6,407,498
Expenditures				
Current:				
Security of Persons and Property	0.000.007	•	•	050.045
Police	6,886,287	0	0	852,315
Fire	5,812,014	0	0	1,224,667
Public Health and Welfare	93,873	0	0	4 224 749
Leisure Time Activities	560,242			4,224,748
Community Environment	2,503,308	0	0	567
Basic Utility Services	1,987,411	0	0	136,146
Transportation General Government	3,582,506		0	1,304,000
Capital Outlay	8,895,229 0	7,196 0	12,644,079	23,985 1,399,933
Debt Service:	U	U	12,044,079	1,099,900
Principal Retirement	0	660,728	54,132	0
Interest and Fiscal Charges	0	207,341	0	0
morest and rissal sharges		201,011		
Total Expenditures	30,320,870	875,265	12,698,211	9,166,361
p			, ,	
Excess of Revenues Over				
(Under) Expenditures	5,832,183	185,198	1,197,052	(2,758,863)
Other Financing Sources (Uses)				
Sale of Capital Assets	66,285	0	0	0
Transfers In	0	0	0	2,105,000
Transfers Out	(2,105,000)	0	0	0
Total Other Financing Sources (Uses)	(2,038,715)	0	0	2,105,000
Net Change in Fund Balances	3,793,468	185,198	1,197,052	(653,863)
-				, ,
Fund Balances Beginning of Year	26,842,910	1,195,025	10,847,176	4,686,600
Fund Balances End of Year	\$30,636,378	\$1,380,223	\$12,044,228	\$4,032,737

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

Total	Net Change in Fund Balances - Total Governmental Funds	\$4,521,855
Governmental Funds	Amounts reported for governmental activities in the	
00.075.044	statement of activities are different because	
\$3,975,911 41,225,082	Governmental funds report capital outlays as expenditures.	
607,313	However, in the statement of activities, the cost of those	
5,075,368	assets is allocated over their estimated useful lives as	
366,629	depreciation expense. This is the amount by which	
995,024	capital outlay exceeded depreciation in the current period.	
341,694	Capital Asset Additions 9,807,851	
29,605	Depreciation (6,639,006)	
3,746,356		0.400.045
91,552 1,061,743	Total	3,168,845
1,001,743	Governmental funds only report the disposal of capital assets to	
57,516,277	the extent proceeds are received from the sale. In the	
	statement of activities, a gain or loss is reported for each	
	disposal.	(28,381)
	Revenues in the statement of activities that do not provide	
7,738,602	current financial resources are not reported as revenues	
7,036,681	in the funds.	
93,873	Delinquent Property Taxes (16,199)	
4,784,990	Municipal Income Taxes (52,518)	
2,503,875	Intergovernmental (35,572)	
2,123,557	Special Assessments 880,867	
4,886,506	Miscellaneous (10,000)	
8,926,410 14,044,012	Total	766,578
14,044,012	Total	700,378
714,860	Repayment of long-term debt is an expenditure in the	
207,341	governmental funds, but the repayment reduces long-term	
52 060 707	liabilities in the statement of net position.	714,860
53,060,707	Some expenses reported in the statement of activities, such as	
	accrued interest do not require the use of current financial	
4,455,570	resources and therefore are not reported as expenditures	
	in governmental funds.	8,628
CC 205	Company and a series of the second of activities do not	
66,285 2,105,000	Some expenses reported in the statement of activities do not require the use of current financial resources and therefore	
(2,105,000)	are not reported as expenditures in governmental funds.	
(2):00,000/	Compensated Absences (26,359)	
66,285	Vacation Benefits Payable 15,104	
	Claims Payable1,673	
4,521,855		()
40 574 744	Total	(9,582)
43,571,711	The internal service funds used by management are not reported	
\$48,093,566	in the City-wide statement of activities. Governmental fund	
<del>- + + + + + + + + + + + + + + + + + + +</del>	expenditures and related internal service fund revenues are	
	eliminated. The net revenue (expense) of the internal service	
	fund is allocated among the governmental activities.	
	Change in Net Position 73,006	
	Claims Payable(1,673)	
	Total	71,333
	Change in Net Position of Governmental Activities	\$9,214,136
	Change in Not Fosition of Governmental Activities	ψυ,∠14,100
	H	

Statement of Revenues, Expenditures and Changes In Fund Balance - Budget (Non-GAAP Basis) and Actual General Fund For the Year Ended December 31, 2014

	Budgeted Amounts Original Final		Actual	Variance with Final Budget Positive (Negative)
Revenues Property Taxes Municipal Income Taxes Intergovernmental Investment Income Fees, Licenses and Permits Fines and Forfeitures Charges for Services Miscellaneous	\$1,784,874 30,200,765 548,626 141,500 471,400 330,350 864,000 227,415	\$1,784,874 29,825,765 835,426 223,500 789,400 330,350 860,300 209,215	\$1,836,649 29,963,689 849,390 231,940 800,188 314,779 824,585 251,309	\$51,775 137,924 13,964 8,440 10,788 (15,571) (35,715) 42,094
Total Revenues	34,568,930	34,858,830	35,072,529	213,699
Expenditures Current: Security of Persons and Property				
Police Fire Public Health and Welfare Leisure Time Activities Community Environment Basic Utility Services Transportation General Government	7,225,512 5,762,336 99,000 32,609 1,863,832 2,095,237 4,783,446 10,691,721	7,220,512 5,917,336 99,000 32,609 1,763,032 2,095,237 4,783,446 10,539,721	6,955,926 5,814,405 93,873 32,609 1,500,593 2,036,562 4,093,957 9,073,885	264,586 102,931 5,127 0 262,439 58,675 689,489 1,465,836
Total Expenditures	32,553,693	32,450,893	29,601,810	2,849,083
Excess of Revenues Over (Under) Expenditures	2,015,237	2,407,937	5,470,719	3,062,782
Other Financing Sources (Uses) Sale of Capital Assets Transfers Out	66,285 (3,645,000)	66,285 (3,750,000)	66,285 (3,750,000)	0 0
Total Other Financing Sources (Uses)	(3,578,715)	(3,683,715)	(3,683,715)	0
Net Change in Fund Balance	(1,563,478)	(1,275,778)	1,787,004	3,062,782
Fund Balance Beginning of Year	23,545,727	23,545,727	23,545,727	0
Prior Year Encumbrances Appropriated	1,452,390	1,452,390	1,452,390	0
Fund Balance End of Year	\$23,434,639	\$23,722,339	\$26,785,121	\$3,062,782

Statement of Fund Net Position Proprietary Funds December 31, 2014

		Enterprise		
		•		
	Water	Grantwood		Internal
Acceto	Reclamation	Recreation	Total	Service
Assets Current Assets:				
Equity in Pooled Cash and Cash Equivalents	\$8,578,425	\$239,481	\$8,817,906	\$352,116
Materials and Supplies Inventory	128,927	60,325	189,252	0
Accounts Receivable	1,979,070	3,705	1,982,775	0
Total Current Assets	10,686,422	303,511	10,989,933	352,116
Noncurrent Assets:				
Nondepreciable Capital Assets	1,236,496	2,382,164	3,618,660	0
Depreciable Capital Assets, Net	58,202,973	565,222	58,768,195	0
Total Noncurrent Assets	59,439,469	2,947,386	62,386,855	0
Total Assets	70,125,891	3,250,897	73,376,788	352,116
Liabilities				
Current Liabilities:				
Accounts Payable	57,296	1,123	58,419	966
Accrued Wages	32,406	9,904	42,310	0
Contracts Payable	259,751	0	259,751	0
Intergovernmental Payable	15,546 54,176	4,883 0	20,429 54,176	0 0
Retainage Payable Accrued Interest Payable	135,162	0	135,162	0
Vacation Benefits Payable	40,406	12,164	52,570	0
Compensated Absences Payable	92,537	79,764	172,301	0
OWDA Loans Payable	1,658,229	0	1,658,229	0
Claims Payable	0	0	0	38,482
Total Current Liabilities	2,345,509	107,838	2,453,347	39,448
Long-Term Liabilities:				
Compensated Absences Payable	81,413	23,693	105,106	0
OWDA Loans Payable	6,758,641	0	6,758,641	0
Claims Payable	0	0	0	12,827
Total Long-Term Liabilities	6,840,054	23,693	6,863,747	12,827
Total Liabilities	9,185,563	131,531	9,317,094	52,275
Net Position				
Net Investment in Capital Assets	50,762,848	2,947,386	53,710,234	0
Unrestricted	10,177,480	171,980	10,349,460	299,841
Total Net Position	\$60,940,328	\$3,119,366	\$64,059,694	\$299,841

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

	Enterprise			
	Water Reclamation	Grantwood Recreation	Total	Internal Service
Operating Revenues				
Charges for Services	\$6,031,356	\$823,498	\$6,854,854	\$250,000
Tap-In Fees	96,851	0	96,851	0
Rentals	0	182,184	182,184	0
Miscellaneous	32,651	5,881	38,532	12,516
Total Operating Revenues	6,160,858	1,011,563	7,172,421	262,516
Operating Expenses				
Personal Services	1,478,216	592,264	2,070,480	0
Materials and Supplies	402,841	185,675	588,516	0
Contractual Services	1,394,218	108,461	1,502,679	121,516
Depreciation	1,930,347	55,174	1,985,521	. 0
Claims	0	0	0	45,256
Change in Workers' Compensation Estimate	0	0	0	22,738
Other	14,441	112,703	127,144	0_
Total Operating Expenses	5,220,063	1,054,277	6,274,340	189,510
Operating Income (Loss)	940,795	(42,714)	898,081	73,006
Non-Operating Revenues (Expenses)				
Interest	58,050	1,899	59,949	0
Gain on Sale of Capital Assets	694	576	1,270	0
Interest and Fiscal Charges	(282,777)	0	(282,777)	0
Total Non-Operating Revenues (Expenses)	(224,033)	2,475	(221,558)	0_
Income (Loss) before				
Capital Contributions	716,762	(40,239)	676,523	73,006
Capital Contributions	534,089	103,209	637,298	0
Change in Net Position	1,250,851	62,970	1,313,821	73,006
Net Position Beginning of Year	59,689,477	3,056,396	62,745,873	226,835
Net Position End of Year	\$60,940,328	\$3,119,366	\$64,059,694	\$299,841

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

		Enterprise		
	Water Reclamation	Grantwood Recreation	Total	Internal Service
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows from Operating Activities				
Cash Received from Customers	\$5,892,451	\$820,190	\$6,712,641	\$0
Cash Received from Tap-In Fees	96,851	0	96,851	0
Cash Received from Rentals	0	182,184	182,184	0
Cash Received from Interfund Services Provided	0	0	0	250,000
Cash Received from Other Sources	58,202	6,273	64,475	12,516
Cash Payments to Employees for Services and Benefits	(1,466,212)	(588,529)	(2,054,741)	0
Cash Payments for Goods and Services	(1,439,740)	(305,078)	(1,744,818)	(121,278)
Cash Payments for Claims	0	) O	O O	(69,667)
Cash Payments for Other Operating Expenses	(14,441)	(112,656)	(127,097)	0
Net Cash Provided by (Used for) Operating Activities	3,127,111	2,384	3,129,495	71,571
Cash Flows from Capital and				
Related Financing Activities				
Proceeds from Sale of Capital Assets	74,535	2,500	77,035	0
Acquisition of Capital Assets	(518,998)	0	(518,998)	0
Principal Paid on OWDA Loans	(1,608,143)	0	(1,608,143)	0
Interest Paid on OWDA Loans	(307,494)	0	(307,494)	0
Net Cash Provided by (Used for) Capital and				
Related Financing Activities	(2,360,100)	2,500	(2,357,600)	0
Cash Flows from Investing Activities				
Interest on Investments	58,050	1,899	59,949	0
Net Increase (Decrease) in Cash				
and Cash Equivalents	825,061	6,783	831,844	71,571
Cash and Cash Equivalents Beginning of Year	7,753,364	232,698	7,986,062	280,545
Cash and Cash Equivalents End of Year	\$8,578,425	\$239,481	\$8,817,906	\$352,116
				(continued)

Statement of Cash Flows Proprietary Funds (continued) For the Year Ended December 31, 2014

	Business-type Activities			
	Water Reclamation	Grantwood Recreation	Total	Internal Service
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities				
Operating Income (Loss)	\$940,795	(\$42,714)	\$898,081	\$73,006
Adjustments:				
Depreciation	1,930,347	55,174	1,985,521	0
(Increase) Decrease in Assets:				
Accounts Receivable	(113,354)	(2,916)	(116,270)	0
Materials and Supplies Inventory	21,256	(2,954)	18,302	0
Increase (Decrease) in Liabilities:				
Accounts Payable	27,673	(7,941)	19,732	238
Accrued Wages	4,748	1,223	5,971	0
Contracts Payable	259,751	0	259,751	0
Retainage Payable	54,176	0	54,176	0
Claims Payable	0	0	0	(1,673)
Compensated Absences Payable	8,077	3,524	11,601	0
Vacation Benefits Payable	782	(1,189)	(407)	0
Intergovernmental Payable	(7,140)	177	(6,963)	0
Net Cash Provided by (Used for) Operating Activities	\$3,127,111	\$2,384	\$3,129,495	\$71,571

# **Noncash Capital Financing Activities**

During 2014, the infrastructure capital projects fund paid \$534,089 to contractors directly on behalf of the water reclamation enterprise fund. These amounts are included in capital contributions.

During 2014, the general capital improvements capital projects fund paid \$103,209 to contractors directly on behalf of the grantwood recreation enterprise fund. These amounts are included in capital contributions.

# Statement of Fiduciary Assets and Liabilities Agency Funds December 31, 2014

Assets Equity in Pooled Cash and Cash Equivalents Cash and Cash Equivalents in Segregated Accounts  Total Assets	\$1,133,502 30,801 \$1,164,303
Liabilities Intergovernmental Payable Deposits Held and Due to Others	\$30,801 1,133,502
Total Liabilities	\$1,164,303

Notes to the Basic Financial Statements For the Year Ended December 31, 2014

# Note 1 - Reporting Entity

The City of Solon (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 2, 1954. The mayor is elected for a four-year term and seven Council members are elected at large for four year staggered terms.

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 Solon consists of all funds, departments, boards and agencies that are not legally separate from the City. For the City of Solon this includes the agencies and departments that provide the following services: police and fire protection, emergency medical, parks and recreation, planning, zoning, street maintenance and repair, a public golf course, sanitation system and general administrative services.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance deficits of or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations which 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 participates in a shared risk pool and a jointly governed organization. These organizations are the Northern Ohio Risk Management Association and the Northeast Ohio Public Energy Council. These organizations are presented in Notes 13 and 14 to the basic financial statements.

# **Note 2 - Summary of Significant Accounting Policies**

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

# 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.

Notes to the Basic Financial Statements For the Year Ended December 31, 2014

**Government-wide Financial Statements** The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the City that are governmental and those that are considered business-type.

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

**Fund Financial Statements** During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund statements. 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. There are three categories of funds: governmental, proprietary and 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 fund 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 not 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 Solon and/or the general laws of Ohio.

Notes to the Basic Financial Statements For the Year Ended December 31, 2014

**General Obligation Bond Retirement Fund** The general obligation bond retirement fund accounts for and reports property taxes, special assessments and other resources restricted for the payment of principal and interest on general long-term debt, including related costs.

**Infrastructure Fund** The infrastructure fund is used to account for and report one-fourth of the City income tax revenues approved by the voters and special assessments restricted for paying the costs to construct, reconstruct and maintain City-owned infrastructure.

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

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

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

**Water Reclamation Fund** The water reclamation fund accounts for the revenues and expenses of the City owned wastewater system.

**Grantwood Recreation Fund** The grantwood recreation fund accounts for the revenues and expenses of the City owned golf course.

**Internal Service Funds** Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's internal service fund is a workers' compensation fund that accounts for workers' compensation claims of the City employees.

**Fiduciary Funds** Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City only utilizes the agency fund type. The agency funds are used to hold inspection deposits, distribute traffic violation monies to other municipalities, provide scholarships for students in the DARE program, and to maintain the financial activity of the Bainbridge Township-City of Solon Joint Economic Development District.

## 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 (e.g. revenues) and decreases (e.g. expenses) in total net position.

Notes to the Basic Financial Statements For the Year Ended December 31, 2014

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.

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of fund net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

# 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 statements presented for the proprietary and 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 inflows of resources, and in the presentation of expenses versus expenditures.

**Revenues - Exchange and Nonexchange Transactions** Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the City, available means expected to be received within 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 and grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the year in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 6). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Notes to the Basic Financial Statements For the Year Ended December 31, 2014

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), fees, fines and forfeitures and grants and entitlements.

**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. The City does not have any deferred outflows of resources.

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, 2014, but which were levied to finance year 2015 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, homestead and rollback, income taxes, estate taxes, special assessments and intergovernmental local and state monies. 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.

# Cash and Cash Equivalents

To improve cash management, cash received by the City is pooled. 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 interest bearing depository accounts are reported as "cash and cash equivalents in segregated accounts" since they are not required to be deposited into the City Treasury.

During 2014, investments were limited to STAR Ohio, municipal bonds, federal national mortgage association notes, federal home loan bank bonds and federal farm credit bank bonds.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements and nonnegotiable certificates of deposit are reported at cost.

Notes to the Basic Financial Statements For the Year Ended December 31, 2014

The City of Solon has invested in the State Treasury Asset Reserve of Ohio (STAR Ohio) during 2014. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's net asset value per share which is the price the investment could be sold at December 31, 2014.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2014 amounted to \$360,954, which includes \$144,712 assigned from other City funds.

Investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the City are presented on the financial statements as cash equivalents.

# Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2014, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount 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.

# Restricted Assets

Assets are reported as restricted when limitations on their use change in nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments or imposed by law through constitutional provisions or enabling legislation. Restricted assets in the general fund represent money set aside for budget stabilization and unclaimed monies.

# Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The City was able to estimate the historical cost for the initial reporting of infrastructure by backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of \$5,000 with the exception of land as land was included regardless of cost. Improvements are capitalized; the costs of normal

Notes to the Basic Financial Statements For the Year Ended December 31, 2014

maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of proprietary fund capital assets is also capitalized.

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

Description	Governmental Activities Estimated Lives	Business Type Activities Estimated Lives
Land Improvements	20 years	20 years
Buildings	40 years	40 years
Furniture and Equipment	5-30 years	5-65 years
Vehicles	3-20 years	7-20 years
Infrastructure	20 years	20 years

The City reports infrastructure consisting of roadways, sanitary and storm sewers, bridges and culverts, waterlines, traffic signals and sidewalks and includes infrastructure acquired prior to December 31, 1980.

# Interfund Balances

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as "interfund receivables/payables". Interfund balance amounts are eliminated in the statement of net position.

# Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. The City records a liability for all accumulated unused vacation time when earned for all employees with more than one year of service. Since the City's policy limits the accrual of vacation time to the amount accrued in one year, 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 is based on the sick leave accumulated at December 31 by those employees who are currently eligible to receive termination payments and those employees for whom it is probable they will become eligible to receive termination benefits in the future. The City records a liability for accumulated unused sick leave for employees after ten years of service with the City.

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

On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the fund(s) from which the employees who have resigned or retired will be paid.

Notes to the Basic Financial Statements For the Year Ended December 31, 2014

# Accrued Liabilities and Long-Term Obligations

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

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

# **Net Position**

Net Position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for state highway maintenance and law enforcement.

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

# **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.

**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.

Notes to the Basic Financial Statements For the Year Ended December 31, 2014

<u>Committed:</u> The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance or resolution, as both are equally binding) of City Council. Those committed amounts cannot be used for any other purpose unless 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, the 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.

<u>Unassigned:</u> 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.

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.

# Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for water reclamation, the Grantwood golf course and workers' compensation program. Operating expenses are necessary costs that have been incurred in order to provide the good or service that is the primary activity of the fund. Any revenues and expenses not meeting the definitions of operating are reported as nonoperating.

# Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Transfers between governmental activities are eliminated on the government-wide financial statements. Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the statement of activities. Interfund payments for services provided and used are not eliminated.

Notes to the Basic Financial Statements For the Year Ended December 31, 2014

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

#### **Estimates**

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

#### **Budgetary Process**

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the City Council may appropriate. The appropriations resolution is the City Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the City Council. The legal level of control has been established by the Council at the personal services and other object level within each department for all funds. For the personal service object level the Finance Director has been authorized to allocate and maintain appropriations within each department. For the other object level the Finance Director has been authorized to allocate appropriations within each department and any object level which he maintains on his books, other than personal services. Budgetary statements are presented beyond that legal level of control for informational purposes only.

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 the Council during the year.

Notes to the Basic Financial Statements For the Year Ended December 31, 2014

#### Note 3 – 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:

		General Obligation		Other Governmental	Total Governmental
Fund Balances	General	Bond Retirement	Infrastructure	Funds	Funds
Nonspendable:					
Prepaids	\$213,465	\$0	\$0	\$0	\$213,465
Inventory	726,654	0	0	0	726,654
Unclaimed Monies	104,895	0	0	0	104,895
Total Nonspendable	1,045,014	0	0	0	1,045,014
Restricted for:					
Street and Highway Construction,					
Maintenance and Repair	0	0	0	416,798	416,798
Police Pension	0	0	0	335,048	335,048
Fire Pension	0	0	0	42,180	42,180
Police Department	0	0	0	258,194	258,194
Debt Service	0	1,380,223	0	0	1,380,223
Capital Improvements	0	0	12,044,228	1,879,063	13,923,291
Budget Stabilization	3,450,000	0	0	0	3,450,000
Total Restricted	3,450,000	1,380,223	12,044,228	2,931,283	19,805,734
Committed to:					
Emergency Medical Service	118,061	0	0	0	118,061
Cable TV	0	0	0	165,036	165,036
Tree Planting	0	0	0	195,937	195,937
Recreation	0	0	0	680,282	680,282
Police and Fire Departments	0	0	0	21,080	21,080
Senior Services	0	0	0	28,106	28,106
Community Development	0	0	0	5,512	5,512
Cemetery	0	0	0	5,501	5,501
Contract Services	90,740	0	0	0	90,740
Total Committed	208,801	0	0	1,101,454	1,310,255
Assigned to:					
Senior Services	75,961	0	0	0	75,961
Economic Incentive	697,542	0	0	0	697,542
Compensated Absences Purchases on Order:	215,579	0	0	0	215,579
Personal Services	15,764	0	0	0	15,764
Purchased/Contractual Services	175,162	0	0	0	175,162
Materials and Supplies	287,588	0	0	0	287,588
Capital Outlay	9,812	0	0	0	9,812
Total Assigned	1,477,408	0	0	0	1,477,408
Unassigned	24,455,155	0	0	0	24,455,155
Total Fund Balances	\$30,636,378	\$1,380,223	\$12,044,228	\$4,032,737	\$48,093,566

Notes to the Basic Financial Statements For the Year Ended December 31, 2014

## 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 basis), the budgetary basis as provided by law and described above 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 - is presented for the general fund 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 (generally accepted accounting principles) are:

- a) Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
- b) Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
- c) Encumbrances are treated as expenditures (budget) rather than restricted, committed or assigned fund balance (GAAP).
- d) Investments are reported at cost (budget) rather than fair value (GAAP).
- e) Budgetary revenues and expenditures of the senior services, economic incentive and police training funds are classified to the general fund for GAAP reporting.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund.

#### Net Change in Fund Balance

GAAP Basis	\$3,793,468
Net Adjustment for Revenue Accruals	806,617
Beginning Fair Value Adjustment for Investments	(195,492)
Ending Fair Value Adjustment for Investments	66,478
Net Adjustment for Expenditure Accruals	(1,721,667)
Perspective Difference:	
Senior Services	15,263
Economic Incentive	(237,261)
Police Training	(1,808)
Encumbrances	(738,594)
Budget Basis	\$1,787,004

Notes to the Basic Financial Statements For the Year Ended December 31, 2014

#### Note 5 - Deposits and Investments

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

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

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

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

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

- 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. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations provided that investments in securities described in this division are made only through eligible institutions:
- 4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
- 5. Bonds and other obligations of the State of Ohio;
- 6. The State Treasurer's investment pool (STAR Ohio);
- 7. Certain commercial paper notes and bankers' acceptances for a period not to exceed one hundred eighty days in an amount not to exceed 25 percent of the interim monies available for investment at any one time if training requirements have been met; and

Notes to the Basic Financial Statements For the Year Ended December 31, 2014

8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

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. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The City has passed an ordinance allowing the City to invest monies not required to be used for a period of six months or more in the following:

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

#### Investments

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

			Standard & Poor's	Percentage of Total
	Fair Value	Maturity	Rating	Investments
STAR Ohio	\$5,012,196	Average 50.1 Days	AAAm	N/A
Municipal Bonds	1,550,580	Less than one year	AAA	4.90%
Federal National Mortgage				
Association Notes	19,628,200	Less than five years	AAA	62.08%
Federal Home Loan Bank Bonds	7,473,257	Less than five years	AAA	23.64%
Federal Farm Credit Bank Bonds	2,964,700	Less than five years	AAA	9.38%
Total	\$36,628,933	•		

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

Notes to the Basic Financial Statements For the Year Ended December 31, 2014

**Credit Risk** Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The City has no investment policy that addresses credit risk.

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

#### Note 6 - Receivables

Receivables at December 31, 2014, consisted of municipal income taxes, property taxes, accounts (billings for user charged services), special assessments and intergovernmental receivables arising from grants, entitlements and shared revenues.

No allowance for doubtful accounts has been recorded because uncollectible amounts are expected to be insignificant. All receivables except property taxes and special assessments are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

Special assessments expected to be collected in more than one year amount to \$3,526,662 in the general obligation bond retirement fund and \$842,313 in the infrastructure capital projects fund. At December 31, 2014, the amount of delinquent special assessments was \$71,812.

## **Property Taxes**

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2014 for real and public utility property taxes represents collections of 2013 taxes.

2014 real property taxes were levied after October 1, 2014, on the assessed value as of January 1, 2014, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2014 real property taxes are collected in and intended to finance 2015.

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. 2014 public utility property taxes which became a lien December 31, 2013, are levied after October 1, 2014, and are collected in 2015 with real property taxes.

Notes to the Basic Financial Statements For the Year Ended December 31, 2014

The full tax rate for all City operations for the year ended December 31, 2014, was \$3.80 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2014 property tax receipts were based are as follows:

 Real Estate
 \$770,665,890

 Other Real Estate
 314,842,580

 Tangible Personal Property
 21,320,130

 Public Utility
 \$1,106,828,600

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, 2014, and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2014 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 Tax

The City levies and collects an income tax of 2.0 percent on all income earned within the City as well as on income of residents earned outside the City. In the latter case, the City allows a credit of 100 percent of the tax paid to another municipality, not to exceed the amount owed. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the City at least monthly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually. In 2014, the general fund received seventy-five percent of the proceeds and the infrastructure fund received twenty-five percent of the proceeds.

In 2006, the City entered into a contract with neighboring Bainbridge Township to form the Bainbridge-Solon Joint Economic Development District (JEDD). The JEDD Board levied a municipal income tax of two percent in the JEDD effective January 1, 2007, proceeds of which are received by the general capital improvement fund. See Note 18 for additional information on the JEDD.

Notes to the Basic Financial Statements For the Year Ended December 31, 2014

### Intergovernmental Receivable

A summary of the principal items of intergovernmental receivables follows:

Governmental Activities	Amount
Gasoline Tax	\$283,157
Local Government	190,171
Homestead and Rollback	184,006
Cents per Gallon	147,153
Auto Regulation	126,871
Personal Property Tax Reimbursement	53,453
City of Bedford	26,920
Prisoner Housing	26,573
Bedford Municipal Court	21,314
Violations Bureau	4,230
State of Ohio	2,254
Solon City Schools	1,767
City of Cleveland	1,575
Cuyahoga County	704
Total Intergovernmental Receivables	\$1,070,148

## Note 7 - Contingencies

#### **Grants**

The City receives financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or any 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, 2014.

#### Litigation

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

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

# Note 8 - Capital Assets

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

	Balance 12/31/13	Additions	Reductions	Balance 12/31/14
Governmental Activities:	12/31/13	Additions	Reductions	12/31/14
Capital Assets Not Being Depreciated				
Land	\$10,583,243	\$207,100	\$0	\$10,790,343
Construction in progress	1,359,520	3,935,413	(440,827)	4,854,106
, •	1,333,320	3,933,413	(440,021)	4,054,100
Total Capital Assets			/ · · · · · · · · · · · · · · · · · · ·	
Not Being Depreciated	11,942,763	4,142,513	(440,827)	15,644,449
Capital Assets Being Depreciated				
Land improvements	2,046,340	52,926	0	2,099,266
Buildings	57,456,212	174,005	0	57,630,217
Furniture and Equipment	6,709,256	118,448	(25,594)	6,802,110
Vehicles	12,825,923	577,570	(519,816)	12,883,677
Infrastructure	136,847,784	5,183,216	(1,003,434)	141,027,566
Total Capital Assets Being Depreciated	215,885,515	6,106,165	(1,548,844)	220,442,836
Less Accumulated Depreciation				
Land improvements	(1,001,942)	(86,115)	0	(1,088,057)
Buildings	(19,693,223)	(1,515,669)	0	(21,208,892)
Furniture and Equipment	(4,870,926)	(457,758)	25,594	(5,303,090)
Vehicles	(8,511,792)	(907,656)	519,816	(8,899,632)
Infrastructure	(63,712,446)	(3,671,808)	975,053	(66,409,201)
Total Accumulated Depreciation	(97,790,329)	(6,639,006) *	1,520,463	(102,908,872)
Capital Assets Being Depreciated, net	118,095,186	(532,841)	(28,381)	117,533,964
Governmental Activities				
Capital Assets, net	\$130,037,949	\$3,609,672	(\$469,208)	\$133,178,413

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

	5.			5.
	Balance	A 1 1141	5 <i>.:</i>	Balance
	12/31/13	Additions	Reductions	12/31/14
Business Type Activities:				
Capital Assets Not Being Depreciated	<b>#</b> 0.400.077		Φ0	<b>0</b> 0 100 077
Land	\$3,120,877	\$0	\$0	\$3,120,877
Construction in progress	0	497,783	0	497,783
Total Capital Assets				
Not Being Depreciated	3,120,877	497,783	0	3,618,660
Capital Assets Being Depreciated				
Land Improvements	256,107	0	0	256,107
Buildings	33,307,283	0	0	33,307,283
Furniture and Equipment	5,947,685	124,424	(101,792)	5,970,317
Vehicles	464,070	0	(143,124)	320,946
Infrastructure	59,722,391	534,089	(91,544)	60,164,936
Total Capital Assets Being Depreciated	99,697,536	658,513	(336,460)	100,019,589
Less Accumulated Depreciation				
Land Improvements	(248,931)	(797)	0	(249,728)
Buildings	(13,688,131)	(856,550)	0	(14,544,681)
Furniture and Equipment	(4,936,402)	(97,956)	99,178	(4,935,180)
Vehicles	(362,471)	(5,582)	95,720	(272,333)
Infrastructure	(20,290,633)	(1,024,636)	65,797	(21,249,472)
Total Accumulated Depreciation	(39,526,568)	(1,985,521)	260,695	(41,251,394)
Capital Assets Being Depreciated, net	60,170,968	(1,327,008)	(75,765)	58,768,195
Business Type Activities				
Capital Assets, net	\$63,291,845	(\$829,225)	(\$75,765)	\$62,386,855

<sup>\*</sup> Depreciation expense was charged to governmental activities as follows:

Security of Persons and Property	
Police	\$469,319
Fire	505,403
Leisure Time Activities	644,802
Community Environment	16,748
Transportation	3,671,808
Basic Utility Service	896,066
General Government	434,860
Total Depreciation Expense	\$6,639,006

Notes to the Basic Financial Statements For the Year Ended December 31, 2014

## Note 9 - Risk Management

#### Property and Liability

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. In October 1989, 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. NORMA is a separate and independent entity governed by its own set of by-laws and constitution. All assets and liabilities are the responsibility of NORMA. The program is operated as a full indemnity program with no financial liability (other than monthly premiums) or risk to the City. The City is not liable nor will it receive a cash balance of past claims upon departure from the pool.

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.

#### Workers' Compensation

On July 3, 2007, the City was approved for self-insured status by the Bureau of Workers' Compensation and began to administer its own workers' compensation program (the program). The City has established a workers' compensation internal service fund to account for assets set aside for claim settlements and related liabilities associated with the program. Liabilities of the fund are reported when an employee injury has occurred, it is probable that a claim will be filed under the program, and the amount of the claim can be reasonably estimated. The City utilizes the services of CareWorks Consultants Inc., the third party administrator, to review, process, and pay employee claims. The City also maintains excess insurance coverage which would pay the portion of claims that exceed \$500,000 per occurrence for all employees.

The claims liability of \$51,309 reported in the fund at December 31, 2014, is based on an estimate provided by the third party administrator and the requirements of GASB statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in the fund's claims liability amount for 2013 and 2014 were:

				Change in Workers'	
	Balance at Beginning of Year	Current Year Claims	Claim Payments	Compensation Estimate	Balance at End of Year
2013	\$93,953	\$47,578	\$35,621	(\$52,928)	\$52,982
2014	52,982	45,256	69,667	22,738	51,309

Notes to the Basic Financial Statements For the Year Ended December 31, 2014

### **Employee Health Benefits**

The City provides employee medical, prescription drug and dental benefits through a partially self insured program. The third party administrator, Medical Mutual of Ohio, reviews the claims which are then paid by the City. The premiums are paid by the fund that pays the salary for the employee and the costs are distributed on a pro rata basis based on the number of family and single plans in each fund.

Medical claims within the network are subject to \$250 single and \$500 family deductible, and then are covered 100 percent. Medical claims out of network are subject to \$500 single and \$1,000 family deductible followed by 80/20 percent coinsurance for the next \$1,000 single and \$2,000 family, then 100 percent. Prescriptions are subject to a co-pay of \$10 generic, \$25 formulary, and \$65 non-formulary. The City has stop loss coverage at \$75,000 per family, per year, and a calculated aggregate maximum for the 2014 plan year of \$4,145,260.

The claims liability of \$272,600 reported in the general fund at December 31, 2014 was estimated by the third party administrator and is based on the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in the fund's claims liability amount for 2013 and 2014 were:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2013	\$227,262	\$3,342,405	\$3,327,718	\$241,949
2014	241,949	3,493,273	3,462,622	272,600

#### Note 10 - 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 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 plan benefit. Member contributions, the investment of which is self-directed by the member, accumulate retirement assets in a manner similar to the member-directed plan.

Notes to the Basic Financial Statements For the Year Ended December 31, 2014

OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to members of the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <a href="https://www.opers.org/investments/cafr.shtml">https://www.opers.org/investments/cafr.shtml</a>, 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. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of covered payroll. For the year ended December 31, 2014, members in state and local divisions contributed 10 percent of covered payroll. For 2014, member and employer contribution rates were consistent across all three plans.

The City's 2014 contribution rate was 14 percent. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. The portion of the City's contribution allocated to health care for members in both the traditional and combined plans was 2 percent for 2014. Effective January 1, 2015, the portion of employer contributions allocated to health care remained at 2 percent. Employer contribution rates are actuarially determined.

The City's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2014, 2013 and 2012 were \$1,557,470, \$1,668,715 and \$1,268,113, respectively. For 2014, 93.55 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2013 and 2012. Contributions to the member-directed plan for 2014 were \$65,690 made by the City and \$46,922 made by plan members.

#### Ohio Police and Fire Pension Fund

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OPF), a cost-sharing multiple-employer defined benefit pension plan. OPF 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. OPF issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by visiting the OPF website at <a href="https://www.op-f.org">www.op-f.org</a> or by writing to the Ohio Police and Fire Fund, 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, 2014, through July 1, 2014, plan members were required to contribute 10.75 percent of their annual covered salary. From July 2, 2014, through December 31, 2014, plan members were required to contribute 11.5 percent of their annual covered salary. Throughout 2014, employers were required to contribute 19.5 percent for police officers and 24 percent for firefighters.

Notes to the Basic Financial Statements For the Year Ended December 31, 2014

The OPF pension fund is authorized by the Ohio Revised Code to allocate a portion of the employer contributions to retiree health care benefits. For 2014, the portion of the City's contributions used to fund pension benefits was 19 percent of covered payroll for police officers and 23.5 percent of covered payroll for firefighters. The City's contribution to OPF for police and firefighters pension was \$766,795 and \$1,193,673 for the year ended December 31, 2014, \$629,098 and \$1,002,881 for the year ended December 31, 2013, and \$483,396 and \$823,479 for the year ended December 31, 2012, respectively. For 2014, 92.35 percent for police and 92.32 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 2013 and 2012.

#### **Note 11 - Postemployment Benefits**

#### Ohio Public Employees Retirement System

Plan Description – Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing multiple-employer defined benefit postemployment health care plan for qualifying members of both the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits, including postemployment 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 and combined plans must have ten or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not 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 <a href="https://www.opers.org/investments/cafr.shtml">https://www.opers.org/investments/cafr.shtml</a>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy – The postemployment 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 postretirement health care through contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of postretirement health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2014, state and local employers contributed at a rate of 14 percent of covered payroll. These are the maximum employer contribution rates permitted by the Ohio Revised Code.

Notes to the Basic Financial Statements For the Year Ended December 31, 2014

Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of postemployment health care benefits. The portion of employer contribution allocated to health care for members in both the traditional and combined plans was 2 percent for 2014. Effective January 1, 2015, the portion of the employer contribution allocated to health care remained at 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 the retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the postemployment health care plan.

The City's contribution allocated to fund postemployment health care benefits for the years ended December 31, 2014, 2013 and 2012 was \$259,578, \$128,363 and \$507,245, respectively. For 2014, 93.55 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2013 and 2012.

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

#### Ohio Police and Firemen Pension Fund

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OPF) sponsored health care program, a cost-sharing multiple-employer defined postemployment health care plan administered by OPF. OPF 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.

OPF provides access to postretirement 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 OPF meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45.

The Ohio Revised Code allows, but does not mandate OPF to provide OPEB benefits. Authority for the OPF 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.

OPF issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by visiting the OPF website at <a href="https://www.op-f.org">www.op-f.org</a> or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OPF 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 percent of covered payroll for police and fire employers, respectively. Active members do not make contributions to the OPEB Plan.

Notes to the Basic Financial Statements For the Year Ended December 31, 2014

OPF 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 OPF 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 2014, the employer contribution allocated to the health care plan was 0.5 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 OPF 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 contribution to OPF which was allocated to fund postemployment health care benefits for police and firefighters was \$20,179 and \$25,397 for the year ended December 31, 2014, \$143,247 and \$177,944 for the year ended December 31, 2013, and \$255,915 and \$322,231 for the year ended December 31, 2012. For 2014, 92.35 percent has been contributed for police and 92.32 percent has been contributed for firefighters with the balance for both police and firefighters being report as an intergovernmental payable. The full amount has been contributed for 2013 and 2012.

#### Note 12 - Compensated Absences

Vacation leave is earned at rates which vary depending upon length of service and standard work week. Accumulated vacation leave must be taken within twelve months after credited or be forfeited unless approved by the Mayor.

Sick leave is earned at the rate of 4.6 hours per eighty hours worked by each employee to a maximum of 15 days or 120 hours per year. Each employee with the City hired prior to December 31, 1988, is paid for up to 120 days or a maximum of 960 hours in full and one day for every three days of accumulated sick leave in excess of 120 days. Each employee with the City hired after December 31, 1988, is paid for up to 45 days or a maximum of 360 hours in full and one day for every four days of accumulated sick leave in excess of 45 days. This benefit is paid to an employee upon retirement under a pension plan resulting from his public employment, or his estate upon death.

Various departments allow compensation time to be earned on the same basis as overtime in lieu of overtime. Compensation time is subject to the regulations of the Fair Labor Standards Act.

Notes to the Basic Financial Statements For the Year Ended December 31, 2014

#### Note 13 – Shared Risk Pool

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

Each entity must remain a member for at least three years from the commencement date of October 1, 1987, with the exception of the Cities of Eastlake and Solon whose commencement date is October 1, 1989, the City of Maple Heights, whose commencement date is October 1, 1993, and the City of University Heights, whose commencement date is October 1, 2008. After the initial three years, each City may extend its term in three-year increments.

Each member provides operating resources to NORMA based on actuarially determined rates. In the event of losses, the first \$2,500 of any valid claim will be paid by the member. The next payment, a maximum of \$100,000 per occurrence, will come from the self-insurance pool with any excess paid from the specific stop-loss coverage carried by the pool. The self-insurance pool will pay up to \$750,000 per policy year before the aggregate stop-loss coverage takes over. 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 2014, the City of Solon paid \$281,473 in premiums from the general fund, which represents 19.0 percent of the total premiums paid by all members. Financial information can be obtained by contacting the board chairman, the Finance Director at the City of Mayfield Heights, 6154 Mayfield Road, Mayfield Heights, Ohio, 44124.

#### Note 14 – Jointly Governed Organization

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. NOPEC is currently comprised of over 112 communities who have been authorized by ballot to purchase electricity on behalf of their citizens. The intent of NOPEC is to provide electricity at the lowest possible rates while at the same time insuring stability in prices by entering into long-term contracts with suppliers to provide electricity to the citizens of its member communities.

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives on the governing board from each county then elect one person to serve on the eight-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. The City of Solon did not contribute to NOPEC during 2014. Financial information can be obtained by contacting Ronald McVoy, Board Chairman, 31360 Solon Road, Suite 33, Solon, Ohio 44139.

Notes to the Basic Financial Statements For the Year Ended December 31, 2014

## Note 15 – Municipal Solid Waste Landfill

GASB No. 18, "Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs" establishes standards of accounting and financial reporting for municipal solid waste landfill (MSWLF) closure and postclosure care costs that are required to be incurred by federal, state or local laws or regulations. The City of Solon is exempt from this standard since the operator of the landfill is solely responsible for all costs, expenses and fees which may arise in connection with the operation, closure and postclosure care and monitoring as required by the Ohio Environmental Protection Agency regulations and permits of the Solon Landfill as it currently exists.

## Note 16 - Long-Term Obligations

The changes in long-term obligations during the year were as follows:

	Balance	A dditions	Daduations	Balance	Amounts Due
Governmental Activities	12/31/13	Additions	Reductions	12/31/14	in One Year
OWDA Loans					
1997 \$1,249,104 - 4.16% Aurora/Liberty Sanitary Sewer 2004 \$5,861,485 - 1.45%	\$258,675	\$0	(\$82,700)	\$175,975	\$86,176
Aurora Road West Draw	3,287,589	0	(292,059)	2,995,530	296,310
2006 \$6,329,372 - 3.35% Aurora East Sewer Project	4,572,813	0	(285,969)	4,286,844	295,630
Total OWDA Loans	8,119,077	0	(660,728)	7,458,349	678,116
OPWC Loans					
1996 \$952,295 - 0% Solon Allotment 1999 \$195,500 - 0% Cochran Project	71,422 6,517	0	(47,615) (6,517)	23,807	23,807
Total OPWC Loans	77,939	0	(54,132)	23,807	23,807
Other Long-term Obligations					20,007
Compensated Absences Claims Payable	3,513,378 52,982	1,005,501 67,994	(979,142) (69,667)	3,539,737 51,309	1,324,821 38,482
Total Other Long-term Obligations	3,566,360	1,073,495	(1,048,809)	3,591,046	1,363,303
Total General Long-term Obligations	\$11,763,376	\$1,073,495	(\$1,763,669)	\$11,073,202	\$2,065,226

Notes to the Basic Financial Statements For the Year Ended December 31, 2014

	Balance 12/31/13	Additions	Reductions	Balance 12/31/14	Amounts Due in One Year
Business-type Activities					
OWDA Loans					
1996 \$18,991,344 - 3.04% Treatment Plant Upgrade and Expansion	\$2,454,860	\$0	(\$1,208,781)	\$1,246,079	\$1,246,079
1997 \$401,176 - 3.54%					
Treatment Plant Upgrade and Expansion 2006 \$3,935,828 - 3.15%	55,876	0	(27,448)	28,428	28,428
Trickling Filter Rehabilitation 2011 \$5,096,690 - 3.15%	3,001,003	0	(173,567)	2,827,436	179,078
Anaerobic Digester and Electrical Upgrade	4,513,274	0_	(198,347)	4,314,927	204,644
Total OWDA Loans	10,025,013	0	(1,608,143)	8,416,870	1,658,229
Other Long-term Liabilities					
Compensated Absences	265,806	63,019	(51,418)	277,407	172,301
Total Business-type Activities	\$10,290,819	\$63,019	(\$1,659,561)	\$8,694,277	\$1,830,530

In 1997, the City received a \$1,249,104 Ohio Water Development Authority loan for the installation of the Aurora/Liberty Sanitary Sewer Project. The loan was issued for a twenty year period with a final maturity in 2016.

In 2004, the City received a \$5,861,485 Ohio Water Development Authority loan for the installation of the Aurora Road West Draw Project. The loan was issued for a twenty year period with a final maturity in 2024.

In 2006, the City received a \$6,329,372 Ohio Water Development Authority loan for improvements to the Aurora East Sewer System. The loan was issued for a twenty year period with a final maturity in 2026.

In 1996, the City received a \$952,295 Ohio Public Works Commission loan for the installation of the Solon Boulevard, Baldwin/Huntington Sanitary Sewer Projects. The loan was issued for a twenty year period with a final maturity in 2015.

In 1999, the City received a \$195,500 Ohio Public Works Commission loan for the improvement of the pavement and street signals at the Solon and Cochran intersection. The loan was issued for a fifteen year period with a final maturity in 2014.

In 1996, the City received a \$18,991,344 Ohio Water Development Authority loan for the expansion of the Central Wastewater Treatment Plant. The loan was issued for a twenty year period with a final maturity in 2015.

In 1997, the City received a \$401,176 Ohio Water Development Authority loan for the expansion of the Central Wastewater Treatment Plant. The loan was issued for a nineteen year period with a final maturity in 2015.

Notes to the Basic Financial Statements For the Year Ended December 31, 2014

In 2006, the City received a \$3,935,828 Ohio Water Development Authority loan for the Trickling Filter Rehabilitation system. The loan was issued for a twenty year period with a final maturity in 2027.

A line of credit has been established with the Ohio Water Development Authority in the amount of \$5,096,690 for the Anaerobic Digester and Electrical Upgrade project; however, since this loan is not finalized, the repayment schedule is not included in the schedule of debt service payments. The City has received \$4,891,076 in proceeds. Until a final repayment schedule is available, the City is paying based on estimates.

The OWDA loans will be paid from the general bond retirement debt service fund with property taxes and special assessments. The OPWC loan will be paid from the infrastructure capital projects fund with income taxes.

The OWDA enterprise fund loans are being paid from the water reclamation enterprise fund user fees. In the event that the water reclamation enterprise fund would fail to pay the OWDA loans, payment would be made by any general tax revenues collected in the general, bond retirement or capital projects funds.

Compensated absences will be paid from the general fund, the recreation special revenue fund and the water reclamation and Grantwood recreation enterprise funds.

The City's overall legal debt margin was \$116,217,003 with an unvoted debt margin of \$60,875,573 at December 31, 2014. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2014 are as follows:

#### Governmental Activities

-	OWDA Principal	Loans Interest	OPWC Loans Principal
2015	\$678,116	\$189,953	\$23,807
2016	696,037	172,032	0
2017	620,937	154,522	0
2018	636,048	139,411	0
2019	651,584	123,874	0
2020 - 2024	3,337,450	370,505	0
2025 - 2026	838,177	35,390	0
Total	\$7,458,349	\$1,185,687	\$23,807

Notes to the Basic Financial Statements For the Year Ended December 31, 2014

#### Business-Type Activities

	OWDA Loans			
	Principal	Interest		
2015	\$1,453,585	\$116,634		
2016	184,763	81,980		
2017	190,629	76,114		
2018	196,682	70,061		
2019	202,925	63,817		
2020 - 2024	1,115,454	218,261		
2025 - 2027	757,905	42,323		
Total	\$4,101,943	\$669,190		

#### **Note 17 - Interfund Transfers**

The general fund transferred \$2,105,000 to the other governmental funds during 2014. The general fund transfer to the police and fire pensions special revenue funds were because the 1.0 mills of property tax received by those funds are not enough to meet the annual liability and payment to the police and fire pension systems. The general fund transfer to the recreation special revenue fund is an annual subsidy to help keep program fees affordable to participants. The general fund transfers to the safety and service equipment, building construction and general capital improvements capital projects funds were an occasional subsidy for capital purchases.

#### Note 18 – Joint Economic Development District

In 2006, the City entered into a contract with neighboring Bainbridge Township to form the Bainbridge-Solon Joint Economic Development District (JEDD). It is entirely located in Bainbridge Township, and its primary purpose was to promote regional growth and economic development. In December 2006, the JEDD Board levied a municipal income tax of two percent in the JEDD effective January 1, 2007. The JEDD Board also contracted with the City of Solon to administer this income tax.

The JEDD agreement requires the City of Solon and Bainbridge Township share the income tax receipts 50/50 after income tax administration costs and a five percent deduction for the JEDD's Maintenance and Improvement Fund for infrastructure related projects. Financial information for the JEDD can be obtained by contacting Michele Moretto, Tax Supervisor, 34200 Bainbridge Road, Solon, Ohio 44139.

## **Note 19 – Significant Commitments**

#### **Contractual Commitments**

The following table presents the City's remaining balances on construction contracts at December 31, 2014.

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

Vendor	Project Description	Amount Remaining on Contract
Carron Asphalt Paving, Inc.	2013 Annual Asphalt Repair	\$124,692
Geo-Sci Laboratory, Inc.	2013 Annual Materials Testing	32,739
Barbicas Construction Co., Inc.	2014 Annual Asphalt Repair	225,415
Trimor Corporation	2014 Annual Concrete Repair	218,628
Liberta Construction DBA	2014 Annual Emergency Road Repair	344,300
Geo-Sci Laboratory, Inc.	2014 Annual Materials Testing	63,876
Nerone & Sons, Inc.	2014 Annual Sewer Repairs	470,926
Asphalt Fabrics	Annual Crack Sealing Program	14,482
AAA Pipe Cleaning	Annual Sewer Grouting Program	66,293
Dura Mark Inc.	Annual Street Striping	13,757
GPD Associates	Aurora Road Corridor Study	17,122
Geo-Sci Laboratory, Inc.	Brainard Culvert	2,900
The Mannik & Smith Group, Inc.	Brainard Culvert	27,495
Mr. Excavator, Inc.	Briar Hill Lake Dam	3,450
URS Corporation	Briar Hill Lake Dam	14,559
Burgess & Niple Ltd	Bridle Trail Sanitary Force Main	6,026
Trax Construction Company	Bridle Trail Sanitary Force Main	93,510
ES Architecture & Development	City Buildings Roof Replacement Design	62,778
Illuminating Company	Citywide Traffic Signals	48,003
Perram Electric, Inc.	Citywide Traffic Signals	531,758
URS Corporation	Citywide Traffic Signals	4,573
Miller Cable Company	Cleveland Clinic Traffic Signal	9,972
Dominion East Ohio	Hunters Ridge Infrastructure Improvement	27,947
Fabrizi Trucking and Paving	Hunters Ridge Infrastructure Improvement	408,276
Illuminating Company	Hunters Ridge Infrastructure Improvement	11,888
DiGioia Suburban	Linden Professional Services	365,961
GPD Associates	Linden Professional Services	21,634
Baumann Enterprises	Pepperwood Storm	1,444
Platform Cement, Inc.	Pepperwood Storm	338,300
Wade Trim/Ohio, Inc.	Pepperwood Storm	30,159
DLZ Ohio, Inc.	Police Station HVAC	41,078
Wadsworth-Slawson Inc.	Police Station HVAC	538,665
Burgess & Niple Ltd	Preserve Sub Storm Water	15,000
DLZ Ohio, Inc.	SOM/Aurora Intersection	90,150
Euthenics Inc.	SOM/Aurora Intersection	64,072
O.R. Colan Associates, Inc.	SOM/Aurora Intersection	16,550
R.E. Warner & Associates	SOM/Cannon Roads Intersection	66,134
Chagrin River Watershed Partners	St. Mary's Stream Restoration	5,000
Enviroscience Inc.	St. Mary's Stream Restoration	2,041
Illuminating Company	Street Lighting Improvement Services	9,187
Burgess & Niple Ltd	Timberlane Storm Study	25,000
Industrial Energy Systems Inc	Water Reclamation Roof Replacement	364,315
Total		\$4,840,055

Notes to the Basic Financial Statements For the Year Ended December 31, 2014

#### **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:

	Proprietary Funds:	
\$738,594	Water Reclamation Fund	\$846,220
4,435,045	Grantwood Golf Fund	16,642
1,204,629	Internal Service Fund	1,688
\$6,378,268	Total Proprietary	\$864,550
	4,435,045 1,204,629	\$738,594 Water Reclamation Fund 4,435,045 Grantwood Golf Fund 1,204,629 Internal Service Fund

#### **Combining and Individual Fund Statements and Schedules**

#### **Combining Statements – Nonmajor Governmental Funds**

#### Nonmajor Special Revenue Funds

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

**Street Construction, Maintenance and Repair Fund** - to account for and report the portion of the State gasoline tax and motor vehicle license fees that are restricted for maintenance of streets within the City.

**State Highway Fund** - to account for and report that portion of the State gasoline tax and motor vehicle registration fees that are restricted for maintenance of State highways within the City.

**Police Pension Fund** – to account for and report restricted property taxes levied for the payment of the current liabilities for police disability and pension benefits.

**Fire Pension Fund** - to account for and report restricted property taxes levied for the payment of the current liabilities for fire disability and pension benefits.

**Cable TV Fund** - to account for and report cable franchise fees committed to the Cable TV Commission including a distribution of fifty percent to the Solon City Schools.

**Tree Planting Fund** – to account for and report deposits from developers committed to purchasing and planting trees in the City.

**Recreation Fund** – to account for and report recreation activity charges and transfers committed to operating the City park and recreation programs.

**Police Department Programs Fund** - to account for and report grants restricted to the Police Department's DARE Programs.

**Landfill Improvement Fund** – to account for and report fees restricted for reclamation of the City-owned landfill.

**Law Enforcement Trust Fund** – to account for and report confiscation of money from law enforcement activities restricted to expenditures to support the same law enforcement activities.

**Donations Trust Fund** – to account for and report donations made to various City departments committed to specific program expenditures.

**Senior Services Fund** – to account for and report the receipt of senior services activity fees and transfers from the general fund to pay the cost of operating the senior services center and related programs. This fund is included with the general fund for GAAP reporting because the ordinance establishing the fund does not include a revenue source.

**Economic Incentive Fund** – to account for and report the receipt of grant money and transfers from the general fund used to support economic incentive/job creation programs. This fund is included with the general fund for GAAP reporting because the ordinance establishing the fund does not include a revenue source.

(continued)

#### **Combining Statements – Nonmajor Governmental Funds (continued)**

#### Nonmajor Special Revenue Funds (continued)

**Police Training Fund** - to account for and report the receipt of training fees collected to pay the cost of providing police and corrections training. This fund is included with the general fund for GAAP reporting because there is no restriction on these monies.

**Community Improvement Corporation Fund** – to account for and report the revenues used for industrial revenue bond administration. This fund is currently inactive and is included with the general fund for GAAP reporting because there is no restriction on these monies.

#### 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 by proprietary funds or for assets that will be held in trust.

**Safety and Service Equipment Fund** – to account for and report the voter approved one half mill property tax levy restricted to the purchase of police, fire and service department vehicles and equipment.

**Building Construction Fund** – to account for and report debt proceeds restricted to the construction of various City buildings.

**Old City Hall Renovations Fund** – to account for and report grants restricted to renovating the old Solon City Hall.

**General Capital Improvements Fund** – to account for and report income taxes from the City's Joint Economic Development District (JEDD) and recycling charges restricted to the purchase of land, buildings, vehicles and equipment.

Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2014

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets			
Equity in Pooled Cash and	<b>CO 240 F40</b>	Φ4 OCZ ZE4	<b>#4 244 200</b>
Cash Equivalents Accounts Receivable	\$2,346,546 55,322	\$1,867,754 0	\$4,214,300 55,322
Intergovernmental Receivable	680,609	28,130	708,739
Municipal Income Taxes Receivable	0	17,026	17,026
Property Taxes Receivable	1,979,257	398,594	2,377,851
Total Assets	<u>\$5,061,734</u>	\$2,311,504	\$7,373,238
Liabilities			
Accounts Payable	\$62,866	\$1,002	\$63,868
Accrued Wages	46,103	0	46,103
Intergovernmental Payable	242,406	0	242,406
Total Liabilities	351,375	1,002	352,377
Deferred Inflows of Resources			
Property Taxes	1,915,530	385,842	2,301,372
Unavailable Revenue	641,155	45,597	686,752
		,	
Total Deferred Inflows of Resources	2,556,685	431,439	2,988,124
Fund Balances	4 052 220	4 070 000	2 024 202
Restricted Committed	1,052,220 1,101,454	1,879,063 0	2,931,283 1,101,454
Committed	1,101,434		1,101,454
Total Fund Balances	2,153,674	1,879,063	4,032,737
Total Liabilities, Deferred Inflows of			
Resources and Fund Balances	<u>\$5,061,734</u>	\$2,311,504	\$7,373,238

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

Pavanuas	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues	<b>\$4.070.405</b>	<b>#</b> 000 <b>7</b> 04	<b>#4 700 000</b>
Property Taxes	\$1,370,165	\$390,761	\$1,760,926
Municipal Income Taxes	0	82,817	82,817
Intergovernmental	1,288,590	58,596	1,347,186
Investment Income	5,675	0	5,675
Fees, Licenses and Permits Fines and Forfeitures	192,232	0	192,232
Rentals	24,324 23,518	0 0	24,324 23,518
Charges for Services	2,774,642	29,937	2,804,579
Contributions and Donations	65,952	25,600	91,552
Miscellaneous	74,441	23,000	74,689
Total Revenues	5,819,539	587,959	6,407,498
Expenditures Current: Security of Persons and Property			
Police	852,315	0	852,315
Fire	1,224,667	0	1,224,667
Leisure Time Activities	4,224,748	0	4,224,748
Community Environment	567	0	567
Basic Utility Services	136,146	0	136,146
Transportation	1,304,000	0	1,304,000
General Government	23,985	0	23,985
Capital Outlay	0	1,399,933	1,399,933
Total Expenditures	7,766,428	1,399,933	9,166,361
Excess of Revenues Over (Under) Expenditures	(1,946,889)	(811,974)	(2,758,863)
Other Financing Sources (Uses) Transfers In	1,655,000	450,000	2,105,000
Net Change in Fund Balances	(291,889)	(361,974)	(653,863)
Fund Balances Beginning of Year	2,445,563	2,241,037	4,686,600
Fund Balances End of Year	\$2,153,674	\$1,879,063	\$4,032,737

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

	Street				
	Construction,				
	Maintenance	State	Police	Fire	Cable
	and Repair	Highway	Pension	Pension	TV
Assets					
Equity in Pooled Cash and					
Cash Equivalents	\$243,413	\$71,027	\$422,273	\$172,389	\$125,191
Accounts Receivable	0	0	0	0	47,554
Intergovernmental Receivable	515,392	41,789	51,288	71,317	0
Property Taxes Receivable	0	0	791,703	1,187,554	0
Total Assets	\$758,805	\$112,816	\$1,265,264	\$1,431,260	\$172,745
Liabilities					
Accounts Payable	\$0	\$0	\$0	\$0	\$7,709
Accounts Fayable Accrued Wages	φ0 	φ0 0	φ <sub>0</sub>	0 20	φ7,709 0
Intergovernmental Payable	0	0	87,225	130,209	0
intergovernmentari ayable			07,225	130,209	
Total Liabilities	0	0	87,225	130,209	7,709
Deferred Inflows of Resources					
Property Taxes	0	0	766,212	1,149,318	0
Unavailable Revenue	420,711	34,112	76,779	109,553	0
Total Deferred Inflows of Resources	420,711	34,112	842,991	1,258,871	0
Fund Balances					
Restricted	338,094	78,704	335,048	42,180	0
Committed	0	0	0	0	165,036
Total Fund Polonosa	229.004	79 704	225 049	40 400	165.026
Total Fund Balances	338,094	78,704	335,048	42,180	165,036
Total Liabilities, Deferred Inflows of					
Resources and Fund Balances	\$758,805	\$112,816	\$1,265,264	\$1,431,260	\$172,745

Tree Planting	Recreation	Police Department Programs	Law Enforcement Trust	Donations Trust	Total Nonmajor Special Revenue Funds
\$195,937	\$797,187	\$29,083	\$227,491	\$62,555	\$2,346,546
0	6,768	0	1,000	0	55,322
0	0	0	823	0	680,609
0	0	0	0	0	1,979,257
\$195,937	\$803,955	\$29,083	\$229,314	\$62,555	\$5,061,734
\$0	\$52,801	\$0	\$0	\$2,356	\$62,866
0	45,900	0	203	0	46,103
0	24,972	0	0	0	242,406
0	123,673	0	203	2,356	351,375
0	0	0	0	0	1,915,530
0	0	0	0	0	641,155
		0	0	0	2 556 695
0	0			0	2,556,685
0	0	29,083	229,111	0	1,052,220
195,937	680,282	0	0	60,199	1,101,454
195,937	680,282	29,083	229,111	60,199	2,153,674
\$195,937	\$803,955	\$29,083	\$229,314	\$62,555	\$5,061,734

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

Street Construction, Maintenance and Repair	State Highway	Police Pension	Fire Pension	Cable TV
•			<b>A-0-01</b>	•
**	* -			\$0
	- ,		,	0
•		_	-	1,021
	-	_	_	186,138
	_	_		0
	-	_	-	0
	-	_	-	0
	-	_		0
0	0	0	0	0
1,015,188	82,751	890,642	674,069	187,159
0	0	790,958	0	0
0	0	0	1,223,942	0
0	0	0	0	198,287
0	0	0	0	0
0	0	0	0	0
1,200,000	104,000	0	0	0
0	0	0	0	0
1,200,000	104,000	790,958	1,223,942	198,287
(184,812)	(21,249)	99,684	(549,873)	(11,128)
0	0	100,000	570,000	0
(184,812)	(21,249)	199,684	20,127	(11,128)
522,906	99,953	135,364	22,053	176,164
\$338,094	\$78,704	\$335,048	\$42,180	\$165,036
	Construction, Maintenance and Repair  \$0 1,011,990 3,198 0 0 0 0 0 1,015,188   0 0 0 1,200,000 0 1,200,000 (184,812) 0 (184,812) 522,906	Construction, Maintenance and Repair         State Highway           \$0         \$0           1,011,990         82,054           3,198         697           0         0           0         0           0         0           0         0           0         0           0         0           0         0           0         0           0         0           0         0           0         0           0         0           0         0           1,200,000         104,000           0         0           1,200,000         104,000           0         0           1,200,000         104,000           0         0           1,200,000         104,000           0         0           1,200,000         104,000           0         0           1,200,000         104,000           0         0           1,200,000         104,000           0         0           1,200,000         104,000           0	Construction, Maintenance and Repair         State Highway         Police Pension           \$0         \$0         \$782,951           1,011,990         82,054         107,691           3,198         697         0           0         0         0           0         0         0           0         0         0           0         0         0           0         0         0           0         0         0           0         0         0           0         0         0           0         0         0           0         0         0           0         0         0           0         0         0           0         0         0           0         0         0           1,200,000         104,000         790,958           (184,812)         (21,249)         99,684           0         0         100,000           (184,812)         (21,249)         199,684           522,906         99,953         135,364	Construction, Maintenance and Repair         State Highway         Police Pension         Fire Pension           \$0         \$0         \$782,951         \$587,214           1,011,990         82,054         107,691         86,855           3,198         697         0         0           0         0         0         0           0         0         0         0           0         0         0         0           0         0         0         0           0         0         0         0           0         0         0         0           0         0         0         0           0         0         0         0           0         0         0         0           1,015,188         82,751         890,642         674,069              0         0         0         0           0         0         0         0           1,200,000         104,000         0         0           1,200,000         104,000         790,958         1,223,942           (184,812)         (21,249)         99,684         (549,873)

Tree Planting	Recreation	Police Department Programs	Landfill Improvement	Law Enforcement Trust	Donations Trust	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$0	\$0	¢4 270 465
	φυ 0		φυ 0	0 \$0	90	\$1,370,165
0	0	0 0	759	0	0	1,288,590 5,675
0	0	0	6,094	0	0	192,232
0	0	0	0,094	24,324	0	24,324
0	23,518	0	0	24,324	0	23,518
3,450	2,771,192	0	0	0	0	2,774,642
0, 100	19,408	31,957	0	0	14,587	65,952
0	70,291	0	3,150	1,000	0	74,441
	. 0,20.		0,.00	.,,,,,		
3,450	2,884,409	31,957	10,003	25,324	14,587	5,819,539
0	0	35,595	0	21,069	4,693	852,315
0	0	0	0	0	725	1,224,667
0	4,011,165	0	0	0	15,296	4,224,748
0	0	0	0	0	567	567
0	0	0	136,146	0	0	136,146
0	0	0	0	0	0	1,304,000
19,045	0	0	0	0	4,940	23,985
19,045	4,011,165	35,595	136,146	21,069	26,221	7,766,428
(15,595)	(1,126,756)	(3,638)	(126,143)	4,255	(11,634)	(1,946,889)
0	985,000	0	0	0	0	1,655,000
(15,595)	(141,756)	(3,638)	(126,143)	4,255	(11,634)	(291,889)
211,532	822,038	32,721	126,143	224,856	71,833	2,445,563
\$195,937	\$680,282	\$29,083	\$0	\$229,111	\$60,199	\$2,153,674

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

	Safety and Service Equipment	Building Construction	Old City Hall Renovations	General Capital Improvements	Total Nonmajor Capital Projects Funds
Assets					
Equity in Pooled Cash and					
Cash Equivalents	\$516,532	\$814,368	\$17,744	\$519,110	\$1,867,754
Intergovernmental Receivable	28,130	0	0	0	28,130
Municipal Income Taxes Receivable	0	0	0	17,026	17,026
Property Taxes Receivable	398,594	0	0	0	398,594
Total Assets	\$943,256	\$814,368	\$17,744	\$536,136	\$2,311,504
Liabilities Accounts Payable	\$0	\$0	\$0	\$1,002	\$1,002
,	•			· · ·	
Deferred Inflows of Resources					
Property Taxes	385,842	0	0	0	385,842
Unavailable Revenue	40,882	0	0	4,715	45,597
Total Deferred Inflows of Resources	426,724	0	0	4,715	431,439
Fund Balances					
Restricted	516,532	814,368	17,744	530,419	1,879,063
Total Liabilities, Deferred Inflows of	<b>#040.050</b>	<b>#044.000</b>	<b>04774</b>	<b>#</b> F00.400	<b>CO 044 FO</b> 4
Resources and Fund Balances	\$943,256	\$814,368	\$17,744	\$536,136	\$2,311,504

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

	Safety and Service Equipment	Building Construction	Old City Hall Renovations	General Capital Improvements	Total Nonmajor Capital Projects Funds
Revenues					
Property Taxes	\$390,761	\$0	\$0	\$0	\$390,761
Municipal Income Taxes	0	0	0	82,817	82,817
Intergovernmental	58,596	0	0	0	58,596
Charges for Services	0	0	0	29,937	29,937
Contributions and Donations	0	0	0	25,600	25,600
Miscellaneous	248	0	0	0	248
Total Revenues	449,605	0	0	138,354	587,959
Expenditures					
Capital Outlay	298,714	53,314	0	1,047,905	1,399,933
Excess of Revenues Over (Under) Expenditures	150,891	(53,314)	0	(909,551)	(811,974)
Other Financing Sources (Uses)					
Transfers In	100,000	100,000	0	250,000	450,000
Net Change in Fund Balances	250,891	46,686	0	(659,551)	(361,974)
Fund Balances Beginning of Year	265,641	767,682	17,744	1,189,970	2,241,037
Fund Balances End of Year	\$516,532	\$814,368	\$17,744	\$530,419	\$1,879,063

#### **Combining Statements – Fiduciary Funds**

#### Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. Agency Funds are purely custodial (assets equal liabilities) and thus do not involve the measurement of results of operations.

### Agency Funds

*Inspection Deposits Fund* – to account for money held by the City to ensure compliance with various City ordinances regarding development within the City.

**Traffic Violations Fund** – to account for traffic violation money collected by the City to be distributed to other municipalities.

**DARE Scholarship Fund** – to account for money held by the City to provide college scholarships for students in the DARE program.

**JEDD Income Tax Fund** – to account for income tax revenue collected by the City to be distributed to Bainbridge Township and the City of Solon.

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

	Beginning Balance 12/31/13	Additions	Deductions	Ending Balance 12/31/14
Inspection Deposits Fund				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,126,763	\$144,791	\$138,426	\$1,133,128
Liabilities				
Deposits Held and Due to Others	\$1,126,763	\$144,791	\$138,426	\$1,133,128
Traffic Violations Fund				
Assets				
Cash and Cash Equivalents in Segregated Accounts	<u>\$0</u>	\$108,528	\$108,528	\$0
Liabilities Intergovernmental Payable	<u>\$0</u>	\$108,528	\$108,528	\$0
DARE Scholarship Fund Assets				
Equity in Pooled Cash				
and Cash Equivalents	\$374	\$0	\$0	\$374
Liabilities				
Deposits Held and Due to Others	\$374	\$0	\$0	\$374
JEDD Income Tax Fund				
Assets				
Cash and Cash Equivalents in Segregated Accounts	\$40,422	\$173,464	\$183,085	\$30,801
in degregated Accounts	Ψ40,422	ψ173,404	<del>\$103,003</del>	ψ30,001
Liabilities	¢40,422	¢470.464	¢402.005	¢20.004
Intergovernmental Payable	\$40,422	\$173,464	\$183,085	\$30,801
Total - All Agency Funds				
Assets Equity in Pooled Cash				
and Cash Equivalents	\$1,127,137	\$144,791	\$138,426	\$1,133,502
Cash and Cash Equivalents in Segregated Accounts	40,422	281,992	291,613	30,801
Total Assets	<u>\$1,167,559</u>	\$426,783	\$430,039	\$1,164,303
Liabilities				
Intergovernmental Payable	\$40,422	\$281,992	\$291,613	\$30,801
Deposits Held and Due to Others	1,127,137	144,791	138,426	1,133,502
Total Liabilities	\$1,167,559	\$426,783	\$430,039	\$1,164,303

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

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

	Budgeted	Amounts		Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
Revenues				
Property Taxes	\$1,784,874	\$1,784,874	\$1,836,649	\$51,775
Municipal Income Taxes	30,200,765	29,825,765	29,963,689	137,924
Intergovernmental	548,626	835,426	849,390	13,964
Investment Income	141,500	223,500	231,940	8,440
Fees, Licenses and Permits	471,400	789,400	800,188	10,788
Fines and Forfeitures	330,350	330,350	314,779	(15,571)
Charges for Services	864,000	860,300	824,585	(35,715)
Miscellaneous	227,415	209,215	251,309	42,094
Total Revenues	34,568,930	34,858,830	35,072,529	213,699
Expenditures				
Current:				
Security of Persons and Property				
Police				
Personal Services	6,453,808	6,448,808	6,318,533	130,275
Materials and Supplies	437,416	437,416	359,990	77,426
Contractual Services	247,561	247,561	201,735	45,826
Capital Outlay	86,727	86,727	75,668	11,059
Total Police	7,225,512	7,220,512	6,955,926	264,586
Fire				
Personal Services	5,251,780	5,406,780	5,366,164	40,616
Materials and Supplies	257,085	257,085	215,467	41,618
Contractual Services	148,967	148,967	133,108	15,859
Capital Outlay	104,504	104,504	99,666	4,838
Total Fire	5,762,336	5,917,336	5,814,405	102,931
Total Security of Persons and Property	12,987,848	13,137,848	12,770,331	367,517
Public Health and Welfare				
Cemetery Other	7,000	7,000	2,349	4,651
	,	,	,	•
County Health District			04.504	4=0
Contractual Services	92,000	92,000	91,524	476
Total Public Health and Welfare	99,000	99,000	93,873	5,127
Leisure Time Activities				
Recreation				
Personal Services	32,609	32,609	32,609	0
Community Environment				
Planning and Zoning				
Personal Services	480,668	464,068	461,592	2,476
Materials and Supplies	7,222	7,822	6,023	1,799
Contractual Services	23,575	37,775	25,381	12,394
Capital Outlay	400	400	0	400
Total Planning and Zoning	\$511,865	\$510,065	\$492,996	\$17,069

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

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
Development Board				
Materials and Supplies	\$2,360	\$2,360	\$1,249	\$1,111
Contractual Services	38,850	38,850	24,306	14,544
Total Development Board	41,210	41,210	25,555	15,655
Building Department				
Personal Services	264,491	264,491	255,836	8,655
Materials and Supplies	13,382	13,382	9,761	3,621
Contractual Services	74,532	94,532	80,645	13,887
Capital Outlay	753	753	0 45 473	753
Other	10,000	16,000	15,172	828
Total Building Department	363,158	389,158	361,414	27,744
Engineering Department				
Personal Services	589,171	464,171	425,962	38,209
Materials and Supplies	48,792	48,792	33,715	15,077
Contractual Services	269,932	269,932	132,125	137,807
Capital Outlay	10,100	10,100	10,062	38
Total Engineering Department	917,995	792,995	601,864	191,131
Beautification Commission				
Materials and Supplies	28,854	28,854	18,764	10,090
Contractual Services	750	750	0	750
Total Beautification Commission	29,604	29,604	18,764	10,840
Total Community Environment	1,863,832	1,763,032	1,500,593	262,439
Basic Utility Services				
Storm Sewers Personal Services	F70 000	F70 000	FF0 47F	40.505
Materials and Supplies	572,060 61,465	572,060 61,465	559,475 59,578	12,585 1,887
Contractual Services	7,000	7,000	5,096	1,904
Total Storm Sewers	640,525	640,525	624,149	16,376
T		_		
Trees, Leaf and Brush Personal Services	60,000	60,000	57,656	2,344
Refuse Collection and Disposal				
Personal Services	861,275	861,275	845,149	16,126
Materials and Supplies	317,512	317,512	300,146	17,366
Contractual Services	215,925	215,925	209,462	6,463
Total Refuse Collection and Disposal	1,394,712	1,394,712	1,354,757	39,955
Total Basic Utility Services	\$2,095,237	\$2,095,237	\$2,036,562	\$58,675
				, .: D

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

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
Transportation				
Street Lighting Contractual Services	\$967,761	\$967,761	\$761,974	\$205,787
Street Department				
Personal Services Materials and Supplies	2,243,319	2,243,319	2,158,397	84,922
Contractual Services	1,417,805 94,164	1,417,805 94,164	1,076,347 58,398	341,458 35,766
Capital Outlay	60,397	60,397	38,841	21,556
Total Street Department	3,815,685	3,815,685	3,331,983	483,702
Total Transportation	4,783,446	4,783,446	4,093,957	689,489
General Government Council				
Personal Services	266,597	266,597	256,096	10,501
Materials and Supplies	22,713	22,713	19,005	3,708
Contractual Services	9,367	9,367	526	8,841
Total Council	298,677	298,677	275,627	23,050
Mayor				
Personal Services	243,601	243,601	238,127	5,474
Materials and Supplies	4,250	4,250	3,850	400
Contractual Services	521	521	308	213
Capital Outlay	100	100	0	100
Total Mayor	248,472	248,472	242,285	6,187
Finance				
Personal Services	638,474	608,474	581,333	27,141
Materials and Supplies	25,151	25,151	17,092	8,059
Contractual Services	90,100	90,100	85,150	4,950
Capital Outlay	2,000	2,000	879	1,121
Total Finance	755,725	725,725	684,454	41,271
Prosecutor/Legal Department				
Personal Services	178,811	178,811	164,402	14,409
Materials and Supplies	1,050	1,050	158	892
Contractual Services Other	411,951	411,951	376,736	35,215
Otrier	1,000	1,000	39	961
Total Prosecutor/Legal Department	592,812	592,812	541,335	51,477
Human Resources				
Personal Services	423,032	403,032	377,657	25,375
Materials and Supplies	10,325	10,325	7,604	2,721
Contractual Services Capital Outlay	193,911 12,973	193,911 12,973	108,219 9,730	85,692 3,243
Total Human Resources	\$640,241	\$620,241	\$503,210	\$117,031

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

Budgeted Amounts	Final Budget Positive
Original Final Actual	(Negative)
Civil Service	
Personal Services \$257 \$257 \$147	\$110
Materials and Supplies 1,000 1,000 210	790
Contractual Services <u>35,219</u> <u>35,219</u> <u>22,872</u>	12,347
Total Civil Service	13,247
City Hall	
Personal Services 163,291 163,291 137,405	25,886
Materials and Supplies 1,000 1,000 0	1,000
Contractual Services	210
Total City Hall 165,892 165,892 138,796	27,096
Income Tax Department	
Personal Services 394,331 394,331 352,034	42,297
Materials and Supplies 44,301 44,301 38,511	5,790
Contractual Services         46,560         46,560         46,150           Capital Outlay         7,500         7,500         879	410
Capital Outlay         7,500         7,500         879           Other         40,000         40,000         21,429	6,621 18,571
Total Income Tax Department 532,692 532,692 459,003	73,689
	70,000
Unclaimed Monies         20,000         20,000         308	19,692
City Administration	
Personal Services 4,399,762 4,345,162 4,001,186	343,976
Materials and Supplies 199,223 199,223 103,834	95,389
Contractual Services 2,496,549 2,449,149 1,909,030	540,119
Capital Outlay 5,000 5,000 0	5,000
Other <u>75,200</u> <u>75,200</u> <u>36,885</u>	38,315
Total City Administration 7,175,734 7,073,734 6,050,935	1,022,799
Sick Leave Reserve	
Personal Services <u>225,000</u> <u>225,000</u> <u>154,703</u>	70,297
Total General Government	1,465,836
Total Expenditures 32,553,693 32,450,893 29,601,810	2,849,083
Excess of Revenues Over	
(Under) Expenditures 2,015,237 2,407,937 5,470,719	3,062,782
Other Financing Sources (Uses)	
Sale of Capital Assets 66,285 66,285 66,285	0
Transfers Out (3,645,000) (3,750,000) (3,750,000)	0
Total Other Financing Sources (Uses) (3,578,715) (3,683,715) (3,683,715)	0
Net Change in Fund Balance (1,563,478) (1,275,778) 1,787,004	3,062,782
Fund Balance Beginning of Year         23,545,727         23,545,727         23,545,727	0
Prior Year Encumbrances Appropriated         1,452,390         1,452,390         1,452,390	0
Fund Balance End of Year \$23,434,639 \$23,722,339 \$26,785,121	\$3,062,782

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

	Budgeted	Amounts		Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
Revenues				
Property Taxes	\$342,351	\$342,351	\$391,475	\$49,124
Special Assessments	555,000	585,000	581,339	(3,661)
Intergovernmental	87,649	87,649	87,649	0
Fees, Licenses and Permits	4,000	0	0	0
Total Revenues	989,000	1,015,000	1,060,463	45,463
Expenditures				
Current:				
General Government				
Legislative and Executive				
Contractual Services	20,000	20,000	7,196	12,804
Debt Service:				
Principal Retirement	660,728	660,728	660,728	0
Interest and Fiscal Charges	207,341	207,341	207,341	0
Total Debt Service	868,069	868,069	868,069	0
Total Expenditures	888,069	888,069	875,265	12,804
Net Change in Fund Balance	100,931	126,931	185,198	58,267
Fund Balance Beginning of Year	1,195,025	1,195,025	1,195,025	0
Fund Balance End of Year	\$1,295,956	\$1,321,956	\$1,380,223	\$58,267

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

	Budgeted	Amounts		Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
Revenues				
Municipal Income Taxes	\$10,100,000	\$9,975,000	\$9,975,000	\$0
Intergovernmental	280,000	470,000	504,228	34,228
Special Assessments	0	26,000	25,974	(26)
Miscellaneous	70,000	534,000	746,318	212,318
Total Revenues	10,450,000	11,005,000	11,251,520	246,520
Expenditures				
Current:				
Transportation				
Engineering Department				
Personal Services	300,000	375,000	366,980	8,020
Capital Outlay	16,756,565	16,681,565	13,740,075	2,941,490
Debt Service:	54.400	54.400	54.400	
Principal Retirement	54,132	54,132	54,132	0
Total Expenditures	17,110,697	17,110,697	14,161,187	2,949,510
Net Change in Fund Balance	(6,660,697)	(6,105,697)	(2,909,667)	3,196,030
Fund Balance Beginning of Year	6,185,057	6,185,057	6,185,057	0
Prior Year Encumbrances Appropriated	5,014,697	5,014,697	5,014,697	0
Fund Balance End of Year	\$4,539,057	\$5,094,057	\$8,290,087	\$3,196,030

Schedule of Revenues, Expenses and Changes In Fund Equity - Budget (Non-GAAP Basis) and Actual Water Reclamation Fund For the Year Ended December 31, 2014

	Budgeted	Amounts		Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Charges for Services	\$6,150,000	\$6,041,000	\$5,892,451	(\$148,549)
Tap-In Fees	75,000	95,000	96,851	1,851
Investment Income	29,000	35,500	35,159	(341)
Sale of Capital Assets	0	74,535	74,535	Ů O
Miscellaneous	30,000	55,465	58,202	2,737
Total Davanua	6.284.000	0.204.500	C 457 400	(4.4.4.202)
Total Revenues	6,284,000	6,301,500	6,157,198	(144,302)
Expenses				
Personal Services	1,613,768	1,610,768	1,467,830	142,938
Materials and Supplies	553,579	553,579	467,086	86,493
Contractual Services	1,966,075	1,966,075	1,724,874	241,201
Other	22,000	22,000	14,441	7,559
Capital Outlay	754,446	754,446	611,380	143,066
Debt Service:				
Principal Retirement	1,608,143	1,608,143	1,608,143	0
Interest and Fiscal Charges	307,494	307,494	307,494	0
Total Expenses	6,825,505	6,822,505	6,201,248	621,257
Net Change in Fund Equity	(541,505)	(521,005)	(44,050)	476,955
Fund Equity Beginning of Year	7,343,514	7,343,514	7,343,514	0
Prior Year Encumbrances Appropriated	444,707	444,707	444,707	0
Fund Equity End of Year	\$7,246,716	\$7,267,216	\$7,744,171	\$476,955

Schedule of Revenues, Expenses and Changes In Fund Equity - Budget (Non-GAAP Basis) and Actual Grantwood Recreation Fund For the Year Ended December 31, 2014

	Budgeted A	Amounts		Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Charges for Services	\$869,000	\$824,100	\$820,190	(\$3,910)
Investment Income	500	1,200	1,187	(13)
Rentals	176,500	179,300	182,184	2,884
Sale of Capital Assets	2,500	2,500	2,500	0
Miscellaneous	6,500	6,200	6,273	73
Total Revenues	1,055,000	1,013,300	1,012,334	(966)
Expenses				
Personal Services	618,322	619,122	589,439	29,683
Materials and Supplies	249,080	249,080	197,374	51,706
Contractual Services	140,781	140,781	112,904	27,877
Other	142,498	142,498	123,188	19,310
Total Expenses	1,150,681	1,151,481	1,022,905	128,576
Net Change in Fund Equity	(95,681)	(138,181)	(10,571)	127,610
Fund Equity Beginning of Year	185,785	185,785	185,785	0
Prior Year Encumbrances Appropriated	47,959	47,959	47,959	0
Fund Equity End of Year	\$138,063	\$95,563	\$223,173	\$127,610

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, 2014

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Intergovernmental	\$986,000	\$986,700	\$999,538	\$12,838
Investment Income	2,300	1,600	1,556	(44)
Total Revenues	988,300	988,300	1,001,094	12,794
Expenditures Current: Transportation Street Maintenance and Repair				
Personal Services	888,000	888,000	888,000	0
Materials and Supplies	312,000	312,000	312,000	0
Total Expenditures	1,200,000	1,200,000	1,200,000	0
Net Change in Fund Balance	(211,700)	(211,700)	(198,906)	12,794
Fund Balance Beginning of Year	442,658	442,658	442,658	0
Fund Balance End of Year	\$230,958	\$230,958	\$243,752	\$12,794

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

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
Revenues				
Intergovernmental	\$79,000	\$79,000	\$81,044	\$2,044
Investment Income	500	500	377	(123)
Total Revenues	79,500	79,500	81,421	1,921
Expenditures Current: Transportation				
State Highway	4.45.000	4.45.000	404.000	44.000
Materials and Supplies	145,000	145,000	104,000	41,000
Net Change in Fund Balance	(65,500)	(65,500)	(22,579)	42,921
Fund Balance Beginning of Year	93,705	93,705	93,705	0
Fund Balance End of Year	\$28,205	\$28,205	\$71,126	\$42,921

Schedule of Revenues, Expenditures and Changes In Fund Balance - Budget (Non-GAAP Basis) and Actual Police Pension Fund For the Year Ended December 31, 2014

	Budgeted	Amounts		Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Property Taxes	\$747,309	\$747,309	\$782,951	\$35,642
Intergovernmental	107,691	107,691	107,691	0
Total Revenues	855,000	855,000	890,642	35,642
Expenditures Current: Security of Persons and Property Police				
Personal Services	805,000	805,000	786,431	18,569
Excess of Revenues Over (Under) Expenditures	50,000	50,000	104,211	54,211
Other Financing Sources (Uses) Transfers In	100,000	100,000	100,000	0
Net Change in Fund Balance	150,000	150,000	204,211	54,211
Fund Balance Beginning of Year	218,062	218,062	218,062	0
Fund Balance End of Year	\$368,062	\$368,062	\$422,273	\$54,211

City of Solon, 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, 2014

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Property Taxes	\$556,145	\$556,145	\$587,214	\$31,069
Intergovernmental	86,855	86,855	86,855	0
Total Revenues	643,000	643,000	674,069	31,069
Expenditures				
Current: Security of Persons and Property Fire				
Personal Services	1,253,000	1,253,000	1,213,694	39,306
Excess of Revenues Over (Under) Expenditures	(610,000)	(610,000)	(539,625)	70,375
Other Financing Sources (Uses) Transfers In	620,000	570,000	570,000	0
Net Change in Fund Balance	10,000	(40,000)	30,375	70,375
Fund Balance Beginning of Year	142,014	142,014	142,014	0
Fund Balance End of Year	\$152,014	\$102,014	\$172,389	\$70,375

Schedule of Revenues, Expenditures and Changes In Fund Balance - Budget (Non-GAAP Basis) and Actual Cable TV Fund For the Year Ended December 31, 2014

	Budgeted A	amounts		Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
Revenues				
Investment Income	\$1,000	\$500	\$583	\$83
Fees, Licenses and Permits	186,550	187,050	185,852	(1,198)
Total Revenues	187,550	187,550	186,435	(1,115)
Expenditures				
Current: Leisure Time Activities Cable TV				
Materials and Supplies	950	950	950	0
Contractual Services	213,373	213,373	197,916	15,457
Capital Outlay	4,275	4,275	0	4,275
Total Expenditures	218,598	218,598	198,866	19,732
Net Change in Fund Balance	(31,048)	(31,048)	(12,431)	18,617
Fund Balance Beginning of Year	118,281	118,281	118,281	0
Prior Year Encumbrances Appropriated	18,658	18,658	18,658	0
Fund Balance End of Year	\$105,891	\$105,891	\$124,508	\$18,617

Schedule of Revenues, Expenditures and Changes In Fund Balance - Budget (Non-GAAP Basis) and Actual Tree Planting Fund For the Year Ended December 31, 2014

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
Revenues				
Charges for Services	\$1,000	\$1,000	\$3,450	\$2,450
Expenditures Current: General Government Tree Planting				
Contractual Services Other	24,800 14,978	24,800 14,978	10,597	14,203
Other	14,976	14,976	13,248	1,730
Total Expenditures	39,778	39,778	23,845	15,933
Net Change in Fund Balance	(38,778)	(38,778)	(20,395)	18,383
Fund Balance Beginning of Year	210,554	210,554	210,554	0
Prior Year Encumbrances Appropriated	1,778	1,778	1,778	0
Fund Balance End of Year	\$173,554	\$173,554	\$191,937	\$18,383

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

	Budgeted	Amounts		Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Rentals	\$28,000	\$23,500	\$23,518	\$18
Charges for Services	2,769,000	2,779,400	2,765,071	(14,329)
Contributions and Donations	41,800	19,800	19,408	(392)
Miscellaneous	32,000	69,900	70,291	391
Total Revenues	2,870,800	2,892,600	2,878,288	(14,312)
Expenditures				
Current:				
Leisure Time Activities Administration				
Personal Services	363,101	339,701	333,852	5,849
Materials and Supplies	73,679	66,279	58,676	7,603
Contractual Services	33,500	32,200	31,296	904
Capital Outlay	10,000	10,000	4,486	5,514
Other	23,967	37,967	31,077	6,890
Total Administration	504,247	486,147	459,387	26,760
Recreation Programs				
Personal Services	274,000	284,700	283,161	1,539
Materials and Supplies	58,419	56,819	43,745	13,074
Contractual Services	71,456	104,656	100,568	4,088
Capital Outlay	12,500	7,500	5,305	2,195
Other	20,000	20,000	15,215	4,785
Total Recreation Programs	436,375	473,675	447,994	25,681
Swimming Pools				
Personal Services	52,000	66,000	65,048	952
Materials and Supplies	46,964	51,364	38,058	13,306
Contractual Services	42,316	55,316	45,827	9,489
Total Swimming Pools	141,280	172,680	148,933	23,747
Community Parks				
Personal Services	213,000	182,000	179,779	2,221
Materials and Supplies	82,803	82,803	71,628	11,175
Contractual Services	48,372	36,472	31,590	4,882
Total Community Parks	344,175	301,275	282,997	18,278
Concession Stand				
Personal Services	10,000	0	0	0
Materials and Supplies	47,194	22,194	8,448	13,746
Total Concession Stand	\$57,194	\$22,194	\$8,448	\$13,746

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

	Budgeted Amounts			Final Budget Positive
	Original	Final	Actual	(Negative)
Youth Recreation Programs				
Personal Services	\$871,275	\$821,875	\$768,172	\$53,703
Materials and Supplies	168,905	185,905	145,199	40,706
Contractual Services	293,415	326,415	283,457	42,958
Capital Outlay	1,000	3,500	3,493	7
Other	12,000	29,300	28,290	1,010
Total Youth Recreation Programs	1,346,595	1,366,995	1,228,611	138,384
Adult Recreation Programs				
Materials and Supplies	5,000	4,300	3,178	1,122
Contractual Services	1,500	6,800	6,686	114
Total Adult Recreation Programs	6,500	11,100	9,864	1,236
Holiday Programs	0.040	44.040	0.005	0.044
Materials and Supplies	9,246	11,646	8,805	2,841
Contractual Services	25,500	30,500	25,989	4,511
Total Holiday Programs	34,746	42,146	34,794	7,352
Community Center				
Personal Services	1,169,940	1,304,940	1,289,276	15,664
Materials and Supplies	176,011	197,111	159,069	38,042
Contractual Services	261,055	182,955	135,828	47,127
Capital Outlay	35,895	23,895	15,708	8,187
Other	13,000	16,500	16,347	153
Total Community Center	1,655,901	1,725,401	1,616,228	109,173
Total Expenditures	4,527,013	4,601,613	4,237,256	364,357
Excess of Revenues Over				
(Under) Expenditures	(1,656,213)	(1,709,013)	(1,358,968)	350,045
Other Financing Sources (Uses)				
Transfers In	985,000	985,000	985,000	0
Net Change in Fund Balance	(671,213)	(724,013)	(373,968)	350,045
Fund Balance Beginning of Year	820,966	820,966	820,966	0
Prior Year Encumbrances Appropriated	179,138	179,138	179,138	0
Fund Balance End of Year	\$328,891	\$276,091	\$626,136	\$350,045

Schedule of Revenues, Expenditures and Changes In Fund Balance - Budget (Non-GAAP Basis) and Actual Police Department Programs Fund For the Year Ended December 31, 2014

	Budgeted A	Budgeted Amounts		Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
Revenues				
Contributions and Donations	\$30,000	\$30,000	\$31,957	\$1,957
Expenditures Current: Security of Persons and Property Police DARE program Personal Services Materials and Supplies	30,000 5,000	30,000 10,000	28,198 7,397	1,802 2,603
Total Expenditures	35,000	40,000	35,595	4,405
Net Change in Fund Balance	(5,000)	(10,000)	(3,638)	6,362
Fund Balance Beginning of Year	32,721	32,721	32,721	0
Fund Balance End of Year	\$27,721	\$22,721	\$29,083	\$6,362

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

	Budgeted			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Investment Income	\$1,200	\$138	\$138	\$0
Fees, Licenses and Permits	12,000	7,161	7,161	0
Miscellaneous	4,200	3,150	3,150	0
Total Revenues	17,400	10,449	10,449	0
Expenditures Current: Basic Utility Services Landfill Improvement				
Other	155,053	149,101	149,101	0
Net Change in Fund Balance	(137,653)	(138,652)	(138,652)	0
Fund Balance Beginning of Year	121,599	121,599	121,599	0
Prior Year Encumbrances Appropriated	17,053	17,053	17,053	0
Fund Balance (Deficit) End of Year	\$999	\$0	\$0	\$0

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

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
Revenues Fines and Forfeitures	\$32,000	\$25,700	\$23,896	(\$1,804)
Expenditures Current: Security of Persons and Property Police OMVI				
Personal Services Materials and Supplies	20,000 500	20,000 500	11,890 0	8,110 500
Total OMVI	20,500	20,500	11,890	8,610
Drug Money Materials and Supplies	32,000	32,000	0	32,000
Immobilization  Materials and Supplies	5,000	5,000	0	5,000
Miscellaneous Materials and Supplies	49,000	49,000	9,231	39,769
Total Expenditures	106,500	106,500	21,121	85,379
Net Change in Fund Balance	(74,500)	(80,800)	2,775	83,575
Fund Balance Beginning of Year	224,716	224,716	224,716	0
Fund Balance End of Year	\$150,216	\$143,916	\$227,491	\$83,575

City of Solon, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Donations Trust Fund For the Year Ended December 31, 2014

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
Revenues Contributions and Donations	\$15,500	\$15,000	\$14,587	(\$413)
Expenditures Current: Security of Persons and Property Police				
Materials and Supplies	9,900	9,900	5,063	4,837
Fire Materials and Supplies	5,000	5,000	725	4,275
Total Security of Persons and Property	14,900	14,900	5,788	9,112
Leisure Time Activities Senior Services Donations Other	32,526	32,526	14,367	18,159
Community Park Donations Other	3,204	3,204	3,204	0
Total Leisure Time Activities	35,730	35,730	17,571	18,159
Community Environment Blue Herron Donations Other	1,320	1,320	0	1,320
Beautification Donations Other	567	567	567	0
Total Community Environment	1,887	1,887	567	1,320
General Government Special Donations Other	8,604	8,604	4,940	3,664
Cemetery Endowment Contractual Services	5,000	5,000	0	5,000
Total General Government	13,604	13,604	4,940	8,664
Total Expenditures	66,121	66,121	28,866	37,255
Net Change in Fund Balance	(50,621)	(51,121)	(14,279)	36,842
Fund Balance Beginning of Year	72,095	72,095	72,095	0
Prior Year Encumbrances Appropriated	2,092	2,092	2,092	0
Fund Balance End of Year	\$23,566	\$23,066	\$59,908	\$36,842

Schedule of Revenues, Expenditures and Changes In Fund Balance - Budget (Non-GAAP Basis) and Actual Senior Services Fund For the Year Ended December 31, 2014

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Charges for Services	\$123,100	\$109,900	\$97,725	(\$12,175)
Miscellaneous	4,000	5,200	6,087	887
Total Revenues	127,100	115,100	103,812	(11,288)
Expenditures				
Current:				
Leisure Time Activities Administration				
Personal Services	382,208	382,208	378,681	3,527
Materials and Supplies	31,023	31,023	28,564	2,459
Total Administration	413,231	413,231	407,245	5,986
Senior Programs				
Materials and Supplies	77,581	77,581	73,139	4,442
Contractual Services	51,865	51,865	50,664	1,201
Other	550	550	521	29
Total Senior Programs	129,996	129,996	124,324	5,672
Total Expenditures	543,227	543,227	531,569	11,658
Excess of Revenues Over				
(Under) Expenditures	(416,127)	(428,127)	(427,757)	370
Other Financing Sources (Uses)				
Transfers In	380,000	380,000	380,000	0
Net Change in Fund Balance	(36,127)	(48,127)	(47,757)	370
Fund Balance Beginning of Year	95,214	95,214	95,214	0
Prior Year Encumbrances Appropriated	13,304	13,304	13,304	0
Fund Balance End of Year	\$72,391	\$60,391	\$60,761	\$370

Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Economic Incentive Fund
For the Year Ended December 31, 2014

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
Revenues Intergovernmental	\$3,000	\$5,500	\$5,500	\$0
Expenditures Current: Community Environment Enterprise Zone Monitoring				
Other	1,377,063	1,377,063	1,173,239	203,824
Excess of Revenues Over (Under) Expenditures	(1,374,063)	(1,371,563)	(1,167,739)	203,824
Other Financing Sources (Uses) Transfers In	1,140,000	1,265,000	1,265,000	0
Net Change in Fund Balance	(234,063)	(106,563)	97,261	203,824
Fund Balance Beginning of Year	273,468	273,468	273,468	0
Prior Year Encumbrances Appropriated	186,813	186,813	186,813	0
Fund Balance End of Year	\$226,218	\$353,718	\$557,542	\$203,824

Schedule of Revenues, Expenditures and Changes In Fund Balance - Budget (Non-GAAP Basis) and Actual Police Training Fund For the Year Ended December 31, 2014

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
Revenues				
Charges for Services	\$3,800	\$3,800	\$3,760	(\$40)
Expenditures Current: Security of Persons and Property Police Police Training Materials and Supplies Contractual Services	6,373 2,000	6,373 2,000	152 1,800	6,221 200
Total Expenditures	8,373	8,373	1,952	6,421
Net Change in Fund Balance	(4,573)	(4,573)	1,808	6,381
Fund Balance Beginning of Year	19,415	19,415	19,415	0
Fund Balance End of Year	\$14,842	\$14,842	\$21,223	\$6,381

Schedule of Revenues, Expenditures and Changes In Fund Balance - Budget (Non-GAAP Basis) and Actual Community Improvement Corporation Fund For the Year Ended December 31, 2014

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
Revenues	\$0	\$0	\$0	\$0
Expenditures Current: Community Environment Development Board				
Contractual Services	4,000	4,000	0	4,000
Net Change in Fund Balance	(4,000)	(4,000)	0	4,000
Fund Balance Beginning of Year	4,000	4,000	4,000	0
Fund Balance End of Year	\$0	\$0	\$4,000	\$4,000

Schedule of Revenues, Expenditures and Changes In Fund Balance - Budget (Non-GAAP Basis) and Actual Safety and Service Equipment Fund For the Year Ended December 31, 2014

	Budgeted	Amounts		Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Property Taxes	\$368,404	\$368,404	\$390,761	\$22,357
Intergovernmental	58,596	58,596	58,596	0
Miscellaneous	0	0	248	248
Total Revenues	427,000	427,000	449,605	22,605
Expenditures				
Capital Outlay	606,367	606,367	583,165	23,202
Excess of Revenues Over (Under) Expenditures	(179,367)	(179,367)	(133,560)	45,807
Other Financing Sources (Uses)				
Transfers In	100,000	100,000	100,000	0
Net Change in Fund Balance	(79,367)	(79,367)	(33,560)	45,807
Fund Balance Beginning of Year	216,829	216,829	216,829	0
Prior Year Encumbrances Appropriated	122,030	122,030	122,030	0
Fund Balance End of Year	\$259,492	\$259,492	\$305,299	\$45,807

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

	Budgeted Amounts			Variance with Final Budget	
	Original	Final	Actual	Positive (Negative)	
Revenues	\$0	\$0	\$0	\$0	
Expenditures Capital Outlay	863,645	867,161	696,291	170,870	
Excess of Revenues Over (Under) Expenditures	(863,645)	(867,161)	(696,291)	170,870	
Other Financing Sources (Uses) Transfers In	100,000	100,000	100,000	0	
Net Change in Fund Balance	(763,645)	(767,161)	(596,291)	170,870	
Fund Balance Beginning of Year	664,112	664,112	664,112	0	
Prior Year Encumbrances Appropriated	104,027	104,027	104,027	0	
Fund Balance End of Year	\$4,494	\$978	\$171,848	\$170,870	

Schedule of Revenues, Expenditures and Changes In Fund Balance - Budget (Non-GAAP Basis) and Actual Old City Hall Renovations Fund For the Year Ended December 31, 2014

	Budgeted Original	Amounts Final	Actual	Variance with Final Budget Positive (Negative)
Revenues	\$0	\$0	\$0	\$0
Expenditures Capital Outlay	17,744	17,744	0	17,744
Net Change in Fund Balance	(17,744)	(17,744)	0	17,744
Fund Balance Beginning of Year	17,744	17,744	17,744	0
Fund Balance End of Year	\$0_	\$0	\$17,744	\$17,744

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, 2014

	Budgeted A	Amounts		Variance with Final Budget Positive	
	Original	Original Final F		(Negative)	
Revenues  Municipal Income Taxes  Charges for Services	\$84,000 48,000	\$84,000 30,000	\$83,651 29,937	(\$349) (63)	
Total Revenues	132,000	114,000	113,588	(412)	
Expenditures Capital Outlay	1,194,201	1,197,714	1,073,713	124,001	
Excess of Revenues Over (Under) Expenditures	(1,062,201)	(1,083,714)	(960,125)	123,589	
Other Financing Sources (Uses) Transfers In	250,000	250,000	250,000	0	
Net Change in Fund Balance	(812,201)	(833,714)	(710,125)	123,589	
Fund Balance Beginning of Year	1,164,106	1,164,106	1,164,106	0	
Prior Year Encumbrances Appropriated	53,701	53,701	53,701	0	
Fund Balance End of Year	\$405,606	\$384,093	\$507,682	\$123,589	

Schedule of Revenues, Expenses and Changes In Fund Equity - Budget (Non-GAAP Basis) and Actual Workers' Compensation Fund For the Year Ended December 31, 2014

	Budgeted A	Amounts		Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
Revenues				
Charges for Services	\$250,000	\$250,000	\$250,000	\$0
Miscellaneous	3,000	12,500	12,516	16
Total Revenues	253,000	262,500	262,516	16
Expenses				
Contractual Services	176,863	176,863	122,966	53,897
Claims	115,000	115,000	69,667	45,333
Total Expenses	291,863	291,863	192,633	99,230
Net Change in Fund Equity	(38,863)	(29,363)	69,883	99,246
Fund Equity Beginning of Year	278,682	278,682	278,682	0
Prior Year Encumbrances Appropriated	1,863	1,863	1,863	0
Fund Equity End of Year	\$241,682	\$251,182	\$350,428	\$99,246

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# STATISTICAL SECTION...



COMPREHENSIVE ANNUAL FINANCIAL REPORT

### **Statistical Section**

This part of the City of Solon, 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	Page(s)
Financial Trends  These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	S2 - S11
Revenue Capacity  These schedules contain information to help the reader assess the City's most significant local revenue source, the municipal income tax.	S12 - S13
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	S14 - S19
Economic and Demographic Information  These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	S20- S23
Operating Information  These schedules contain service data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	S24 - 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)

	2014 (1)	2013 (1)	2012 (1)	2011 (1)
Governmental Activities				
Net Investment in Capital Assets	\$132,982,006	\$129,835,381	\$131,699,509	\$116,112,789
Restricted:	Ψ102,002,000	ψ120,000,001	Ψ101,000,000	Ψ110,112,700
Capital Projects	15,842,874	14,110,621	9,310,451	6,925,143
Debt Service	5,218,753	5,029,412	5,437,648	7,219,254
Street Construction,				
Maintenance and Repair	758,805	932,586	1,012,409	1,070,267
Cable TV	0	0	0	0
Tree Planting	0	0	0	0
Landfill Improvement	0	126,143	405,313	641,520
Other Purposes	4,489,465	2,440,106	924,004	1,102,110
Unrestricted	19,876,877	17,480,395	15,590,196	13,281,133
Total Governmental Activities				
Net Position	\$179,168,780	\$169,954,644	\$164,379,530	\$146,352,216
Business Type - Activities				
Net Investment in Capital Assets	\$53,710,234	\$53,266,832	\$53,582,076	\$52,758,649
Unrestricted	10,349,460	9,479,041	7,845,110	6,906,080
Total Business-Type Activities				
Net Position	\$64,059,694	\$62,745,873	\$61,427,186	\$59,664,729
Primary Government				
Net Investment in Capital Assets	\$186,692,240	\$183,102,213	\$185,281,585	\$168,871,438
Restricted	26,309,897	22,638,868	17,089,825	16,958,294
Unrestricted	30,226,337	26,959,436	23,435,306	20,187,213
Total Primary Government				
Net Position	\$243,228,474	\$232,700,517	\$225,806,716	\$206,016,945

<sup>(1)</sup> The City implemented GASB 54 in 2010, causing the classification of net position to change.

2010 (1)	2009 (1)	2008	2007	2006	2005
\$117,330,135	\$104,060,699	\$92,250,325	\$87,878,235	\$82,030,598	\$78,760,236
5,006,205	9,236,362	19,795,982	21,802,881	19,874,834	17,130,291
7,642,496	7,866,320	8,824,240	4,245,100	5,043,568	5,832,940
1,108,641	1,081,065	1,084,825	971,182	933,208	787,747
0	0	553,060	488,084	505,445	478,171
0	0	249,116	243,136	240,376	232,556
922,799	1,178,514	1,400,493	1,394,909	1,399,637	1,352,933
988,518	981,745	1,507,140	792,373	549,219	208,927
10,607,262	12,398,272	12,324,836	14,084,752	13,134,426	13,348,140
\$143,606,056	\$136,802,977	\$137,990,017	\$131,900,652	\$123,711,311	\$118,131,941
<b>A-0-40400</b>	<b>A-0-44-40</b>	<b>A-</b> 4 400 <b></b> 0	<b>A</b>	<b>*</b> * * * * * * * * * * * * * * * * * *	<b>*</b> * * * * * * * * * * * * * * * * * *
\$52,548,182	\$52,711,512	\$51,496,779	\$50,615,585	\$49,301,117	\$44,682,581
4,735,569	4,519,543	5,470,918	4,291,875	3,265,336	5,723,344
\$57,283,751	\$57,231,055	\$56,967,697	\$54,907,460	\$52,566,453	\$50,405,925
\$169,878,317	\$156,772,211	\$143,747,104	\$138,493,820	\$131,331,715	\$123,442,817
15,668,659	20,344,006	33,414,856	29,937,665	28,546,287	26,023,565
15,342,831	16,917,815	17,795,754	18,376,627	16,399,762	19,071,484
\$200,889,807	\$194,034,032	\$194,957,714	\$186,808,112	\$176,277,764	\$168,537,866
Ψ200,000,007	Ψ107,007,002	Ψ104,001,114	Ψ100,000,112	Ψ170,277,704	Ψ100,001,000

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

	2014	2013	2012	2011
Brogram Boyonyoo				
Program Revenues Governmental Activities:				
Charges for Services:				
Security of Persons and Property				
Police	\$378,418	\$332,192	\$457,894	\$354,441
Fire	792,556	778,753	811,123	711,236
Prosecutor (1)	0	11,105	13,582	10,242
Public Health and Welfare	4,795	4,259	5,209	3,391
Leisure Time Activities	3,095,565	3,155,533	3,195,633	3,165,390
Community Environment	74,866	64,887	171,619	124,986
Basic Utility Services	107,745	89,937	117,275	73,489
Transportation	179,665	164,649	265,769	201,984
General Government	479,069	435,208	287,796	237,449
Operating Grants and Contributions	1,397,904	1,342,871	1,396,049	1,407,239
Capital Grants, Contributions and Assessments	4,424,025	612,187	1,587,921	149,004
Total Governmental Activities				
Program Revenues	10,934,608	6,991,581	8,309,870	6,438,851
Business-Type Activities:				
Charges for Services:				
Water Reclamation	6,128,207	6,676,379	6,419,239	7,797,724
Grantwood Recreation	1,005,682	1,041,292	1,093,922	951,371
Operating Grants and Contributions	0	0	0	158,528
Capital Grants	0	52,843	0	0
Total Business-Type Activities	<b>-</b> 400 000		==10.101	
Program Revenues	7,133,889	7,770,514	7,513,161	8,907,623
Total Primary Government				
Program Revenues	18,068,497	14,762,095	15,823,031	15,346,474
Expenses				
Governmental Activities:				
Security of Persons and Property				
Police	8,237,667	8,007,356	9,007,166	8,501,513
Fire	7,615,180	7,334,283	8,248,104	8,137,648
Prosecutor (1)	0	251,821	246,888	258,477
Public Health and Welfare	93,873	96,589	94,691	85,571
Leisure Time Activities	5,301,362	5,676,149	6,588,533	6,594,011
Community Environment	2,508,436	2,349,548	3,087,942	2,793,632
Basic Utility Services	2,998,985	2,963,992	2,921,098	2,668,113
Transportation	11,674,750	10,795,448	13,093,694	14,847,835
General Government	9,881,256	9,642,905	5,857,841	5,426,644
Interest and Fiscal Charges	198,713	217,759	440,111	533,090
Total Governmental Activities Expenses	48,510,222	47,335,850	49,586,068	49,846,534
Business-Type Activities				
Water Reclamation	5,502,840	5,439,254	5,302,029	5,265,324
Grantwood Recreation	1,054,277	1,074,235	1,191,495	1,048,003
Total Business-Type Activities Expenses	6,557,117	6,513,489	6,493,524	6,313,327
,,				
Total Primary Government	EE 007 000	E0.040.000	EC 070 500	E0 450 004
Program Expenses	55,067,339	53,849,339	56,079,592	56,159,861
Net (Expense)/Revenue				
Governmental Activities	(37,575,614)	(40,344,269)	(41,276,198)	(43,407,683)
Business-Type Activities	576,772	1,257,025	1,019,637	2,594,296
Total Primary Government				
Net Expense	(\$36,998,842)	(\$39,087,244)	(\$40,256,561)	(\$40,813,387)
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2010	2009	2008	2007	2006	2005
\$398,302	\$421,753	\$487,454	\$473,157	\$467,125	\$451,120
338,162	367,317	436,985	432,286	410,437	410,017
13,810	16,910	19,725	22,654	21,545	33,500
4,434	4,901	5,406	7,485	8,328	9,210
3,131,685	3,075,799	3,081,121	3,064,735	2,901,646	2,853,512
159,952	113,636	157,036	163,455	151,067	147,069
96,456	52,604	157,087	110,039	223,131	147,855
289,778	358,670	325,144	327,922	293,743	308,193
257,817	257,235	455,053	469,342	521,404	587,975
1,512,849	1,620,631	1,405,593	1,259,666	1,186,197	1,008,611
241,789	3,022,448	5,742,816	663,457	1,597,434	2,028,529
6,445,034	9,311,904	12,273,420	6,994,198	7,782,057	7,985,591
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5,659,317	5,421,385	5,842,685	5,783,498	5,245,086	5,034,157
978,466	1,079,991	1,329,215	1,378,801	1,358,772	1,458,833
0	0	585	0	0	0
0	0	0	0	0	0
6,637,783	6,501,376	7,172,485	7,162,299	6,603,858	6,492,990
0,037,703	0,301,370	7,172,403	7,102,299	0,003,030	0,432,330
13,082,817	15,813,280	19,445,905	14,156,497	14,385,915	14,478,581
10,002,011	10,010,200	10,110,000	11,100,101	11,000,010	11,110,001
8,673,149	8,534,822	8,558,640	7,893,398	7,454,568	7,085,001
8,075,434	8,054,144	8,312,572	7,052,821	7,187,188	6,945,834
255,132	293,094	299,401	299,085	296,403	449,351
81,915	84,955	82,050	98,755	114,569	123,533
6,347,442	6,463,393	6,607,556	6,385,083	5,959,263	5,786,057
2,994,824	2,831,678	3,343,663	3,289,985	2,907,697	2,659,078
2,758,637	2,331,673	2,159,306	2,694,417	1,840,017	1,543,094
10,227,176	16,375,233	15,653,183	13,287,441	10,519,856	11,193,451
4,592,923	5,364,048	6,037,327	6,591,856	7,003,004	6,700,104
641,829	857,669	1,232,429	1,374,360	1,354,604	1,285,874
44,648,461	51,190,709	52,286,127	48,967,201	44,637,169	43,771,377
5,910,432	6,472,968	6,005,663	4,446,862	5,768,265	4,948,864
927,306	1,142,923	1,395,175	1,336,801	1,262,934	1,405,262
0.00		- 40		- 00	0.0=
6,837,738	7,615,891	7,400,838	5,783,663	7,031,199	6,354,126
E4 400 400	E0 000 000	E0 000 005	E 4 750 004	E4 000 000	E0 405 500
51,486,199	58,806,600	59,686,965	54,750,864	51,668,368	50,125,503
(38,203,427)	(41,878,805)	(40,012,707)	(41,973,003)	(36,855,112)	(35,785,786)
(199,955)	(1,114,515)	(228,353)	1,378,636	(427,341)	138,864
(.55,555)	(.,,010)	(===,000)	.,0.0,000	( .=. ,0 )	
(\$38,403,382)	(\$42,993,320)	(\$40,241,060)	(\$40,594,367)	(\$37,282,453)	(\$35,646,922)
	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,				(,, , , )
					(continued)

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

	2014	2013	2012	2011
General Revenues and Other Changes				
in Net Position				
Governmental Activities				
Property Taxes Levied For:				
General Purposes	\$1,800,977	\$2,027,253	\$1,358,974	\$1,338,758
Debt Service	386,528	576,082	1,282,647	1,419,400
Police Pension	779,430	403,397	403,221	407,280
Fire Pension	603,692	583,335	604,834	610,920
Service and Safety Equipment	389,085	387,456	388,325	389,788
Community Center	0	0	0	0
Municipal Income Taxes levied for:				
General Purposes	30,826,373	29,856,263	30,796,894	29,071,231
Debt Service	0	0	0	0
Infrastructure	10,262,562	9,999,877	9,791,741	9,524,829
General Capital Improvements	83,629	85,948	76,524	78,167
Grants and Entitlements not Restricted to				
Specific Programs	797,599	1,452,480	1,896,700	1,846,601
Investment Income	366,629	(55,709)	171,550	607,074
Gain on Sale of Capital Assets	66,285	32,754	65,299	47,632
Miscellaneous	1,064,259	570,247	834,994	522,228
Total Governmental Activities				
General Revenues	47,427,048	45,919,383	47,671,703	45,863,908
Special Item - Bainbridge Road Improvements	0	0	12,223,401	0
Special Item - Gain on the Sale of Land	0	0	0	0
Transfers	(637,298)	0	(591,592)	289,935
Total Governmental Activities	46,789,750	45,919,383	59,303,512	46,153,843
Business-Type Activities				
Investment Income	59,949	(3,627)	52,757	0
Gain on Sale of Capital Assets	1,270	(3,027)	55,950	0
Miscellaneous	38,532	65,289	42,521	76,617
Wissellaneous	00,002	00,200	72,021	70,017
Total Business-Type Activities				
General Revenues	99,751	61,662	151,228	76,617
Transfers	637,298	0	591,592	(289,935)
Total Business-Type Activities	737,049	61,662	742,820	(213,318)
Total Primary Government General Revenues				
and Other Changes in Net Position	47,526,799	45,981,045	60,046,332	45,940,525
Change in Net Position				
Governmental Activities	9,214,136	5,575,114	18,027,314	2,746,160
Business-Type Activities	1,313,821	1,318,687	1,762,457	2,380,978
	1,010,021	1,010,001	1,7 02,407	2,000,010
Total Primary Government Change in Net Position	\$10,527,957	\$6,893,801	\$19,789,771	\$5,127,138

<sup>(1)</sup> In 2014, the Prosecutor Department was combined with the Legal Department and reported as a General Government expenditure.

2010	2009	2008	2007	2006	2005
\$847,731	\$830,331	\$931,232	\$951,950	\$1,012,667	\$745,476
1,928,116	2,227,871	1,933,192	2,535,666	2,291,480	2,237,086
411,492	425,385	474,758	486,686	440,914	410,539
616,532	637,371	711,430	729,324	654,279	615,809
393,218	392,947	457,470	471,740	452,365	420,530
0	0	305,922	0	0	0
28,336,758	25,569,132	26,663,509	30,601,737	27,042,160	22,840,197
0	0	3,607	41,358	0	0
9,120,696	8,360,524	9,179,725	9,682,464	8,136,936	7,127,506
69,329	76,178	74,141	0	0	0
1,772,443	1,813,161	2,389,085	1,941,816	2,229,329	2,572,766
895,577	998,629	2,807,067	3,242,148	2,426,337	893,329
13,894	27,013	0	0	31,726	0
814,795	650,783	582,432	397,834	260,020	87,494
45,220,581	42,009,325	46,513,570	51,082,723	44,978,213	37,950,732
0	0	0	0	0	0
0	0	1,799,567	0	0	0
(214,075)	(1,317,560)	(2,211,065)	(920,379)	(2,543,731)	(4,410,636)
45,006,506	40,691,765	46,102,072	50,162,344	42,434,482	33,540,096
0	0	0	0	0	0
0	0	0	1,498	2,518	0
38,576	60,313	77,525	40,494	41,620	52,534
		,020	.0,.0.	,020	02,00.
38,576	60,313	77,525	41,992	44,138	52,534
214,075	1,317,560	2,211,065	920,379	2,543,731	4,410,636
252,651	1,377,873	2,288,590	962,371	2,587,869	4,463,170
45,259,157	42,069,638	46,591,095	51,124,715	45,022,351	38,003,266
6,803,079	(1,187,040)	6,089,365	8,189,341	5,579,370	(2,245,690)
52,696	263,358	2,060,237	2,341,007	2,160,528	4,602,034
\$6,855,775	(\$923,682)	\$8,149,602	\$10,530,348	\$7,739,898	\$2,356,344

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

	0044	0040	0040	0044
	2014	2013	2012	2011
General Fund				
Nonspendable	\$1,045,014	\$892,677	\$912,423	\$732,687
Restricted	3,450,000	1,650,000	0	377
Committed	208,801	188,187	557,390	1,003,676
Assigned	1,477,408	1,971,534	911,372	909,960
Unassigned	24,455,155	22,140,512	22,232,615	20,646,611
Reserved	0	0	0	0
Unreserved	0	0	0	0
Total General Fund	30,636,378	26,842,910	24,613,800	23,293,311
All Other Governmental Funds				
Restricted	16,355,734	15,447,234	11,107,256	9,577,187
Committed	1,101,454	1,281,567	925,688	1,012,836
Unassigned (Deficit)	0	0	0	0
Reserved	0	0	0	0
Unreserved, Undesignated,				
Reported in:				
Special Revenue Funds	0	0	0	0
Debt Service Funds	0	0	0	0
Capital Projects Funds	0	0	0	0
Total All Other Governmental Funds	17,457,188	16,728,801	12,032,944	10,590,023
Total Governmental Funds	\$48,093,566	\$43,571,711	\$36,646,744	\$33,883,334

Note: The City implemented GASB 54 in 2010.

2009	2008	2007	2006	2005
\$623,912	\$0	\$0	\$0	\$0
	0	0	0	0
	0	0	0	0
459,812	0	0	0	0
22,636,438	0	0	0	0
0	406,585	2,625,689	2,746,771	2,780,421
0	26,104,831	25,889,682	25,898,002	23,818,231
24,905,404	26,511,416	28,515,371	28,644,773	26,598,652
	0		0	0
(3,790,560)	0	0	0	0
0	455,015	5,339,021	1,902,166	255,949
•	4 400 000	0.500.000	0.405.004	0.700.047
				2,762,247
	, ,			1,996,287
0	13,198,823	6,549,744	10,924,870	10,570,361
8,916,747	19,626,950	16,527,568	17,542,417	15,584,844
\$33,822,151	\$46,138,366	\$45,042,939	\$46,187,190	\$42,183,496
	\$623,912 83,358 1,101,884 459,812 22,636,438 0 0 24,905,404 11,473,009 1,234,298 (3,790,560) 0	\$623,912 \$0 83,358 0 1,101,884 0 459,812 0 22,636,438 0 406,585 0 26,104,831  24,905,404 26,511,416  11,473,009 1,234,298 0 (3,790,560) 0 455,015  0 4,488,030 0 1,485,082 0 13,198,823  8,916,747 19,626,950	\$623,912 \$0 \$0 83,358 0 0 1,101,884 0 0 459,812 0 0 22,636,438 0 0 0 406,585 2,625,689 0 26,104,831 25,889,682  24,905,404 26,511,416 28,515,371  11,473,009 1,234,298 0 0 (3,790,560) 0 0 455,015 5,339,021  0 4,488,030 3,563,983 0 1,485,082 1,074,820 0 13,198,823 6,549,744  8,916,747 19,626,950 16,527,568	\$623,912 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$1,101,884 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0

#### Changes in Fund Balances, Governmental Funds Last Ten Years

(Modified Accrual Basis of Accounting)

	2014	2013	2012	2011
Revenues				
Property Taxes	\$3,975,911	\$3,990,357	\$4,084,821	\$4,175,477
Municipal Income Taxes	41,225,082	39,837,052	40,209,345	38,635,456
Special Assessments	607,313	601,538	708,400	722,102
Intergovernmental	5,075,368	3,267,683	4,734,703	3,369,326
Investment Income	366,629	(55,709)	171,550	607,074
Fees, Licenses and Permits	995,024	712,763	1,079,485	722,408
Fines and Forfeitures	341,694	364,383	372,559	397,909
Rentals	29,605	31,187	25,319	31,134
Charges for Services	3,746,356	3,928,190	3,848,537	3,741,157
Contributions and Donations	91,552	137,481	156,356	98,588
Miscellaneous	1,061,743	574,959	844,994	522,228
Total Revenues	57,516,277	53,389,884	56,236,069	53,022,859
Expenditures				
Current:				
Security of Persons and Property				
Police	7,738,602	7,563,495	8,538,190	8,077,151
Fire	7,036,681	6,960,704	7,877,662	7,444,523
Prosecutor (1)	0	251,157	246,909	257,217
Public Health and Welfare	93,873	96,589	94,691	85,571
Leisure Time Activities	4,784,990	5,009,856	5,952,381	6,023,319
Community Environment	2,503,875	2,313,356	3,075,063	2,838,647
Basic Utility Services	2,123,557	2,064,763	2,002,298	1,894,005
Transportation	4,886,506	4,875,931	5,983,241	6,181,872
General Government	8,926,410	9,116,673	4,649,342	4,966,488
Capital Outlay	14,044,012	7,134,614	9,245,520	10,388,586
Debt Service:				
Principal Retirement	714,860	884,521	5,415,516	2,070,153
Interest and Fiscal Charges	207,341	230,001	469,946	546,106
Total Expenditures	53,060,707	46,501,660	53,550,759	50,773,638
Excess of Revenues Over				
(Under) Expenditures	4,455,570	6,888,224	2,685,310	2,249,221
Other Financing Sources (Uses)				
Sale of Capital Assets	66,285	36,743	78,100	66,462
OWDA Loans Issued	0	0	0	0
Transfers In	2,105,000	3,002,761	5,300,000	4,363,775
Transfers Out	(2,105,000)	(3,002,761)	(5,300,000)	(4,063,840)
Total Other Financing Sources (Uses)	66,285	36,743	78,100	366,397
Special Item				
Proceeds from Sale of Land	0	0	0	0
Net Change in Fund Balances	\$4,521,855	\$6,924,967	\$2,763,410	\$2,615,618
Debt Service as a Percentage of Noncapital Expenditures	2.1%	2.7%	12.4%	5.7%

<sup>(1)</sup> In 2014, the Prosecutor Department was combined with the Legal Department and reported as a General Government expenditure.

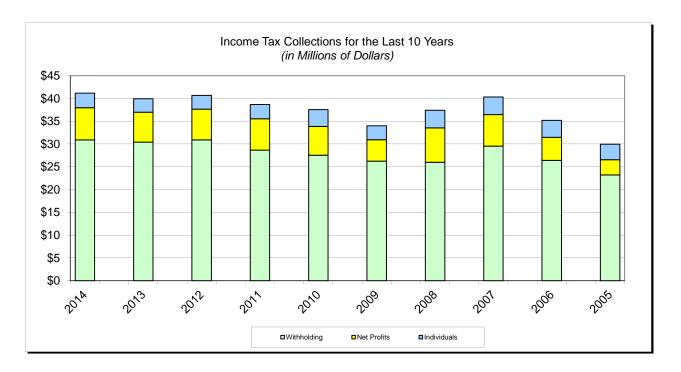
2010	2009	2008	2007	2006	2005
\$4,200,659	\$4,439,830	\$4,850,270	\$5,167,986	\$4,857,332	\$4,501,679
37,011,203	33,433,337	36,379,832	38,530,269	36,029,136	29,535,375
812,268	788,768	1,121,553	1,003,236	850,556	1,083,930
3,418,929	6,379,986	3,996,592	3,127,153	4,360,538	3,766,964
895,577	998,629	2,807,067	3,242,148	2,426,337	893,329
772,364	670,840	856,198	989,533	978,890	1,112,664
342,265	337,471	401,852	353,490	379,355	332,732
23,083	24,097	18,525	13,598	18,343	31,992
3,562,684	3,646,417	3,758,436	3,714,454	3,621,838	3,471,063
99,555	75,173	130,287	103,806	111,152	66,982
814,795	650,587	582,432	397,834	260,020	87,494
51,953,382	51,445,135	54,903,044	56,643,507	53,893,497	44,884,204
8,264,487	8,078,371	7,985,861	7,290,455	7,020,044	6,649,603
7,429,107	7,574,187	7,750,303	7,025,219	6,605,778	6,458,351
252,624	297,440	299,953	294,804	300,436	445,789
81,915	84,955	82,050	98,755	114,569	123,533
5,669,661	5,793,337	5,900,904	5,602,008	5,248,742	5,091,112
3,001,106	2,801,923	3,316,686	3,139,019	2,219,670	2,062,884
1,890,447	1,641,022	1,920,896	2,044,148	1,846,896	1,587,598
6,429,141	6,491,425	6,095,752	5,405,428	4,910,127	5,167,983
4,327,183	4,061,450	4,790,951	5,692,537	6,117,606	6,000,827
14,549,895	22,775,769	13,280,808	13,649,066	13,399,863	15,578,972
1,995,556	3,271,373	1,732,382	5,886,095	2,547,369	2,546,082
657,129	879,836	1,246,408	1,406,201	1,263,066	1,299,872
54,548,251	63,751,088	54,402,954	57,533,735	51,594,166	53,012,606
(2,594,869)	(12,305,953)	500,090	(890,228)	2,299,331	(8,128,402)
<u>, , , , , , , , , , , , , , , , , , , </u>					
112,607	83,882	14,175	54,216	72,236	169,563
0	0	0	612,140	1,789,236	3,811,825
7,529,125	5,553,280	8,344,130	10,425,148	6,994,821	4,462,788
(7,601,298)	(5,647,424)	(10,281,118)	(11,345,527)	(7,151,930)	(4,649,504)
40,434	(10,262)	(1,922,813)	(254,023)	1,704,363	3,794,672
0	0	2,518,150	0	0	0
\$2,554,435)	(\$12,316,215)	\$1,095,427	(\$1,144,251)	\$4,003,694	(\$4,333,730)
6.4%	8.2%	6.1%	14.8%	11.1%	11.5%

#### City of Solon, Ohio Income Tax Revenue Base and Collections Last Ten Years

Tax Year (1)	Tax Rate (2)	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes From Individuals	Percentage of Taxes from Individuals
2014	2.00 %	\$41,172,564	\$30,915,983	75.09%	\$7,065,014	17.16%	\$3,191,567	7.75%
2013	2.00	39,942,088	30,410,326	76.13	6,585,577	16.49	2,946,185	7.38
2012	2.00	40,665,159	30,887,176	75.96	6,758,924	16.62	3,019,059	7.42
2011	2.00	38,674,227	28,643,077	74.06	6,882,485	17.80	3,148,665	8.14
2010	2.00	37,526,783	27,519,770	73.33	6,341,666	16.90	3,665,347	9.77
2009	2.00	34,005,834	26,232,767	77.14	4,716,335	13.87	3,056,732	8.99
2008	2.00	37,416,449	25,989,242	69.46	7,547,808	20.17	3,879,399	10.37
2007	2.00	40,325,559	29,517,754	73.20	6,937,835	17.20	3,869,970	9.60
2006	2.00	35,179,096	26,402,804	75.05	5,075,164	14.43	3,701,128	10.52
2005	2.00	29,967,703	23,220,297	77.48	3,337,974	11.14	3,409,432	11.38

<sup>(1) 2005</sup> through 2014 are on an Accrual Basis.

(2) Rates may only be raised by obtaining the approval of a majority of the voters at a public election.



Principal Income Taxpayers Current Year and Nine Years Ago

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

2014 Taxpayers	Ranking
Swagelok Manufacturing Company	1
Nestle Food Company	2
Solon Board of Education	3
Erico Products Inc.	4
Caremark LLC	5
The Cleveland Clinic Foundation	6
City of Solon	7
National Enterprise Systems Inc.	8
MRI Software LLC	9
Fleetmatics USA Holdings	10

2005 Taxpayers	Ranking
Nestle Food Company	1
Swagelok Manufacturing Company	2
Solon Board of Education	3
Agilysys Incorporated	4
Keithley Instruments Inc.	5
Erico Products Inc.	6
National Enterprise Systems	7
L'Oreal USA Products, Inc.	8
City of Solon	9
Kennametal Inc.	10

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

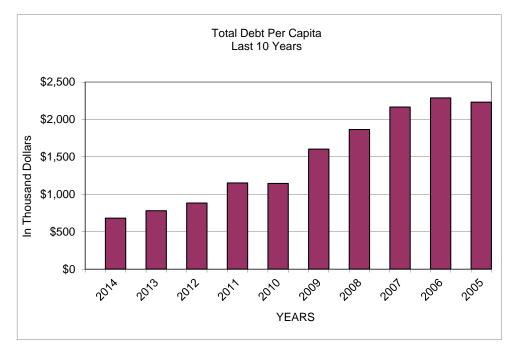
Source: Information provided by City's Finance Department.

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

Gov	ernm	nental	Activ	ities

Year	General Obligation Bonds	Special Assessment Bonds	OWDA Loans	OPWC Loans	General Obligation Bond Anticipation Notes
2014	\$0	\$0	\$7,458,349	\$23,807	\$0
2013	0	0	8,119,077	77,939	0
2012	0	0	8,942,950	138,587	0
2011	4,470,000	84,895	9,742,923	199,235	0
2010	5,620,000	167,497	10,519,826	259,883	0
2009	6,720,000	247,805	11,274,426	320,531	4,707,351
2008	9,150,000	325,818	12,007,462	350,855	5,739,897
2007	10,150,000	401,537	12,603,477	411,503	9,400,888
2006	15,210,000	474,961	12,683,360	472,151	7,112,751
2005	17,170,000	548,385	11,347,421	532,799	6,012,118

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



#### Business-Type Activities

OWDA Loans			Per Capita (1)
\$8,416,870	\$15,899,026	1.45%	\$681
10,025,013	18,222,029	1.67	780
11,541,487	20,623,024	1.89	883
12,381,524	26,878,577	2.46	1,151
10,171,586	26,738,792	2.44	1,145
11,688,947	34,959,060	4.53	1,603
13,110,071	40,684,103	5.27	1,866
14,275,277	47,242,682	6.12	2,167
13,942,003	49,895,226	6.47	2,289
13,041,769	48,652,492	6.30	2,232

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

Year	Population (1)	Estimated True Values of Taxable Property (2)	Bonded Debt (3)	Ratio of Bonded Debt to Estimated True Values of Taxable Property	Bonded Debt Per Capital
2014	23,348	\$3,125,680,192	\$0	0.00 %	\$0.00
2013	23,348	3,112,770,336	0	0.00	0.00
2012	23,348	3,223,292,544	0	0.00	0.00
2011	23,348	3,232,882,651	4,470,000	0.14	191.45
2010	23,348	3,238,635,274	5,620,000	0.17	240.71
2009	21,802	3,629,826,351	6,720,000	0.19	308.23
2008	21,802	3,970,061,706	9,150,000	0.23	419.69
2007	21,802	4,250,386,170	10,150,000	0.24	465.55
2006	21,802	3,741,137,847	15,210,000	0.41	697.64
2005	21,802	3,522,804,158	17,170,000	0.49	787.54

#### Sources:

- (1) U. S. Bureau of Census, Census of Population.
- (2) Cuyahoga County Fiscal Officer
- (3) Includes all general obligation bonded debt.
- (4) Although the general obligation bond retirement fund is restricted for debt service, it is not specifically restricted to the payment of principal. Therefore, these resources are not shown as a deduction from general obligation bonded debt.

## Computation of Direct and Overlapping Governmental Activities Debt December 31, 2014

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City of Solon
Direct - City of Solon			
OWDA Loans	\$7,458,349	100.00%	\$7,458,349
OPWC Loans	23,807	100.00%	23,807
Total Direct	7,482,156		7,482,156
Overlapping			
Solon City School District			
General Obligation Bonds	11,008,296	97.86%	10,772,718
Capital Lease Obligations	39,476	97.86%	38,631
Orange School District			
General Obligation Bonds	22,953,938	2.14%	491,214
Capital Lease Obligations	5,730	2.14%	123
Cuyahoga County (2)			
General Obligation Bonds	285,597,336	3.87%	11,052,617
Revenue Bonds	576,029,491	3.87%	22,292,341
Certificates of Participation	230,885,000	3.87%	8,935,250
Loans Payable	4,859,876	3.87%	188,077
Notes Payable	2,000,000	3.87%	77,400
Capital Lease Obligations	478,545,611	3.87%	18,519,715
Greater Cleveland Regional			
Transit Authority	150,265,112	3.87%	5,815,260
Total Overlapping Debt	1,762,189,866		78,183,346
Total	\$1,769,672,022		\$85,665,502

- (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

#### Ratios of Bonded Debt Outstanding and Legal Debt Margin Last Ten Years

	2014	2013	2012	2011
Population	23,348	23,348	23,348	23,348
Total Assessed Property Value	\$1,106,828,600	\$1,101,210,810	\$1,138,853,530	\$1,141,833,370
General Bonded Debt Outstanding: General Obligation Bonds	\$0	\$0	\$0	\$4,470,000
Special Assessment Bonds	0	0	0	84,895
Bond Anticipation Notes	0	0	0	0
OPWC Loans	23,807	77,939	138,587	199,235
OWDA Loans	15,875,219	18,144,090	20,484,437	22,124,447
Total Gross Indebtedness Less:	15,899,026	18,222,029	20,623,024	26,878,577
Special Assessment Bonds	0	0	0	(84,895)
OWDA Loans	(15,875,219)	(18,144,090)	(20,484,437)	(22,124,447)
General Obligation				
Bond Retirement Fund Balance (1)	(23,807)	(77,939)	(138,587)	(2,114,990)
Total Net Debt Applicable to Debt Limit	0	0	0	2,554,245
Overall Legal Debt Limit				
(10 ½ % of Assessed Valuation)	116,217,003	115,627,135	119,579,621	119,892,504
Legal Debt Margin Within 10 ½ % Limitations	\$116,217,003	\$115,627,135	\$119,579,621	\$117,338,259
Legal Debt Margin as a Percentage of the Debt Limit	100.00%	100.00%	100.00%	97.87%
Unvoted Debt Limitation				
5 ½ % of Assessed Valuation	\$60,875,573	\$60,566,595	\$62,636,944	\$62,800,835
Total Gross Indebtedness Less:	15,899,026	18,222,029	20,623,024	26,878,577
Voted General Obligation Bonds	0	0	0	0
Special Assessment Bonds	0	0	0	(84,895)
OWDA Loans	(15,875,219)	(18,144,090)	(20,484,437)	(22,124,447)
General Obligation Bond Retirement Fund Balance	(23,807)	(77,939)	(138,587)	(2,114,990)
Net Debt Within 5 ½ % Limitations	0	0	0	2,554,245
Unvoted Legal Debt Margin Within 5 ½ % Limitations	\$60,875,573	\$60,566,595	\$62,636,944	\$60,246,590
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	100.00%	100.00%	100.00%	95.93%

Source: City Financial Records

<sup>(1)</sup> In 2012, 2013 and 2014, the Bond Retirement Fund Balance was limited to the outstanding balance of OPWC debt.

2010	2009	2008	2007	2006	2005
23,348	21,802	21,802	21,802	21,802	21,802
\$1,138,422,059	\$1,179,483,022	\$1,189,301,755	\$1,268,462,154	\$1,185,343,677	\$1,178,760,526
\$5,620,000	\$6,720,000	\$9,150,000	\$10,150,000	\$15,210,000	\$17,170,000
167,497	247,805	325,818	401,537	474,961	548,385
0	4,700,000	5,700,000	9,390,000	7,100,000	6,000,000
259,883	320,531	350,855	411,503	472,151	532,799
20,691,412	22,963,373	25,117,533	26,878,754	26,625,363	24,389,190
26,738,792	34,951,709	40,644,206	47,231,794	49,882,475	48,640,374
(167,497)	(247,805)	(325,818)	(401,537)	(474,961)	(548,385)
(20,691,412)	(22,963,373)	(25,117,533)	(26,878,754)	(26,625,363)	(24,389,190)
(4.900.953)	(4.496.000)	(4.495.092)	(4.074.920)	(4 520 607)	(4 006 297)
(1,800,852)	(1,186,990)	(1,485,082)	(1,074,820)	(1,529,697)	(1,996,287)
4,079,031	10,553,541	13,715,773	18,876,683	21,252,454	21,706,512
119,534,316	123,845,717	124,876,684	133,188,526	124,461,086	123,769,855
\$115,455,285	\$113,292,176	\$111,160,911	\$114,311,843	\$103,208,632	\$102,063,343
96.59%	91.48%	89.02%	85.83%	82.92%	82.46%
\$62,613,213	\$64,871,566	\$65,411,597	\$69,765,418	\$65,193,902	\$64,831,829
26,738,792	34,951,709	40,644,206	47,231,794	49,882,475	48,640,374
(240,000)	(465,000)	(2,060,000)	(2,250,000)	(2,430,000)	(2,605,000)
(167,497)	(247,805)	(325,818)	(401,537)	(474,961)	(548,385)
(20,691,412)	(22,963,373)	(25,117,533)	(26,878,754)	(26,625,363)	(24,389,190)
(1,800,852)	(1,186,990)	(1,485,082)	(1,074,820)	(1,529,697)	(1,996,287)
3,839,031	10,088,541	11,655,773	16,626,683	18,822,454	19,101,512
\$58,774,182	\$54,783,025	\$53,755,824	\$53,138,735	\$46,371,448	\$45,730,317
93.87%	84.45%	82.18%	76.17%	71.13%	70.54%

#### City of Solon, Ohio Principal Employers 2013 and 2004 (1)

#### 2013 Percentage of **Total City** W-2's W-2's Employer Swagelok Company 3,238 6.43 % Nestle Food Company 2,283 4.53 Solon Board of Education 1,058 2.10 City of Solon 932 1.85 National Enterprise Systems 870 1.73 The Cleveland Clinic Foundation 843 1.67 Riser Foods Company 690 1.37 Pennsylvania Life 619 1.23 Erico Products Inc. 1.05 531 Marriott WW Reservation 1.02 515 Total 11,579 22.98 % Total W-2's Received 50,385 2004 Percentage of **Total City Employer** W-2's W-2's 3.90 % Nestle Food Company 1.870 Swagelok Company 1,744 3.64 Solon Board of Education 1,054 2.20 City of Solon 939 1.96 L'Oreal USA Products, Inc. 656 1.37 Agilysys Incorporated 597 1.24 National Enterprise Systems 552 1.15 Erico Products Inc. 532 1.11 Keithley Instruments Inc. 483 1.01 Kennametal Inc. 0.79 377 Total 8,804 18.37 %

Source: Information provided by City's Finance Department.

Total W-2's Received

47,913

<sup>(1)</sup> Current year data was not complete when this report was produced.

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#### Demographic and Economic Statistics Last Ten Years

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)
2014	23,348	\$1,093,853,800	\$46,850	\$95,881	43
2013	23,348	1,093,853,800	46,850	95,881	43
2012	23,348	1,093,853,800	46,850	95,881	43
2011	23,348	1,093,853,800	46,850	95,881	43
2010	23,348	1,093,853,800	46,850	95,881	43
2009	21,802	771,659,988	35,394	78,903	39
2008	21,802	771,659,988	35,394	78,903	39
2007	21,802	771,659,988	35,394	78,903	39
2006	21,802	771,659,988	35,394	78,903	39
2005	21,802	771,659,988	35,394	78,903	39

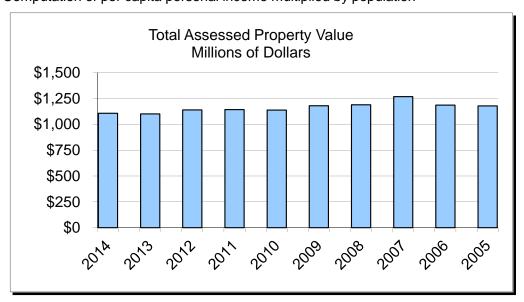
(1) Source: U. S. Census

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

(3) Ohio Labor Market Website: "http://www.lmi.state.oh.us"

(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)
57.0%	4,764	6.4%	\$1,106,828,600
57.0	4,871	7.2	1,101,210,810
57.0	4,909	7.3	1,138,853,530
57.0	5,043	7.1	1,141,833,370
57.0	5,171	8.6	1,138,422,059
50.4	5,214	9.0	1,179,483,022
50.4	5,292	7.1	1,189,301,755
50.4	5,357	6.1	1,268,462,154
50.4	5,366	5.5	1,185,343,677
50.4	5,314	5.9	1,178,760,526

City of Solon, Ohio
Full-Time City Government Employees by Function/Program
Last Ten Years

Function/Program	2014	2013	2012	2011
Security of Persons and Property				
Police	46.00	46.00	46.00	44.00
Dispatch and Clerks	18.00	17.00	17.00	18.00
Corrections	10.00	10.00	10.00	7.00
Fire	59.00	57.00	57.00	58.00
Leisure Time Activities				
Recreation	11.00	12.00	12.00	12.00
Senior Services	4.00	4.00	4.00	4.00
Arts Center	4.00	3.00	2.00	4.00
Grantwood Golf Course	5.00	5.00	5.00	5.00
Community Environment				
Planning	6.00	6.00	6.00	6.00
Building	3.00	3.00	3.00	3.00
Engineering	9.00	8.00	9.00	10.00
Public Works	0.00	0.00	0.00	0.00
Basic Utility Services				
Water Reclamation	17.00	17.00	18.00	17.00
Transportation				
Service	65.00	68.00	69.00	68.00
General Government				
City Council	2.00	2.00	2.00	2.00
Mayors Office	2.00	2.00	2.00	2.00
Finance	11.00	10.00	9.00	10.00
Income Tax	2.00	4.00	4.00	4.00
Prosecutor Clerk	0.00	1.00	1.00	1.00
Human Resources	2.00	1.00	2.00	2.00
Network Administrator	3.00	3.00	3.00	3.00
City Hall Custodial	2.00	2.00	2.00	2.00
Receptionist	1.00	1.00	1.00	1.00
Totals:	282.00	282.00	284.00	283.00

Source: City of Solon, Ohio Payroll Department W2 Audit Listing

**Method:** Using 1.0 for each full-time employee at December 31. No part-time or seasonal employees are included.

2010	2009	2008	2007	2006	2005
46.00	47.00	46.00	46.00	46.00	46.00
17.00	19.00	19.00	16.00	16.00	15.00
8.00	10.00	10.00	10.00	10.00	10.00
60.00	61.00	61.00	61.00	61.00	61.00
13.00	14.00	15.00	16.00	16.00	16.00
5.00	5.00	5.00	5.00	5.00	5.00
4.00	4.00	4.00	3.00	3.00	3.00
5.00	5.00	6.00	7.00	7.00	7.00
6.00	6.00	6.00	6.00	6.00	6.00
4.00	4.00	5.00	6.00	6.00	7.00
11.00	11.00	10.00	8.00	8.00	8.00
1.00	2.00	2.00	2.00	2.00	1.00
23.00	23.00	22.00	24.00	23.00	24.00
66.00	70.00	68.00	67.00	65.00	64.00
2.00	2.00	2.00	2.00	2.00	2.00
2.00	2.00	2.00	2.00	2.00	2.00
11.00	11.00	10.00	11.00	11.00	11.00
4.00	4.00	4.00	4.00	4.00	4.00
1.00	1.00	1.00	1.00	1.00	1.00
2.00	2.00	2.00	2.00	1.00	1.00
3.00	3.00	3.00	3.00	3.00	2.00
2.00	2.00	2.00	2.00	2.00	2.00
1.00	1.00	1.00	1.00	1.00	1.00
297.00	309.00	306.00	305.00	301.00	299.00

Operating Indicators by Function/Program
Last Ten Years

Function/Program	2014	2013	2012	2011
Security of Persons & Property				
Police				
Number of traffic citations issued	3,927	3,768	3,893	3,744
DUI Arrests	132	131	151	132
Prisoners Processed	1,905	1,927	1,819	1,732
Fire				
Fire Responses	772	715	671	746
EMS Calls	2,067	2,104	1,737	1,726
Safety Inspections	2,095	1,794	2,480	1,529
Plan Reviews	324	617	393	247
Leisure Time Activities				
Parks and Recreation				
Community Center Memberships (4)	6,876	7,417	7,811	8,341
Summer Camp Participants	1,138	1,186	1,129	1,201
Baseball/Softball Teams	55	56	64	81
Senior Services				
Program Attendance (1)	47,664	40,292	37,912	36,817
Arts Center				
Class Registrations	3,056	2,906	3,204	3,160
Percentage of Solon Residents	82%	81%	77%	79%
Grantwood Golf Course				
Rounds Played (18 holes)	12,497	9,918	10,256	14,025
Rounds Played (9 holes)	15,957	17,152	16,768	10,967
Range Balls (3)	45,340	45,704	44,795	34,082
Community Environment				
Building				
Building Permits Issued	1,241	988	927	793
Basic Utility Services				
Waste Water Treatment				
Average Daily Flow (millions of gallons)	3.567	3.526	3.452	4.131
Transportation				
Service				
Tons of Salt Purchased	12,785	9,996	9,318	10,119
Tons of Rubbish Collected	7,607	7,654	7,473	7,835
Yards of Leaves Collected (2)	14,625	12,293	13,653	n/a
Tons of Recycling Materials Collected	1,664	1,453	1,394	1,422
General Government				
City Council				
Ordinances or Resolutions Introduced	281	273	302	255
Finance			46	
Accounts Payable Checks Processed	8,545	9,216	10,052	9,333
Purchase Orders Issued	3,250	3,986	4,425	4,829
Network Administration	222	0.57	252	207
Computer Workstations	260	257	256	237

<sup>(1)</sup> Indicator changed from prior year reports and new indicator data not available prior to 2008.

Source: Information provided by various departments at the City of Solon

<sup>(2)</sup> Indicator changed from prior year reports and new indicator data not available prior to 2012.

<sup>(3)</sup> Indicator changed from prior year reports and new indicator data not available prior to 2009.

<sup>(4)</sup> Indicator does not include Silver Sneakers members. Silver Sneakers has increased each year and is pay as you go for seniors.

2010	2009	2008	2007	2006	2005
4,673	4,266	4,743	4,672	4,901	4,431
118	126	135	117	109	128
1,521	1,376	1,445	1,489	1,472	1,124
737	785	753	833	705	841
1,789	1,725	1,831	1,844	1,739	1,695
1,589	1,703	2,600	2,763	2,408	1,471
150	231	293	287	273	259
8,495	9,550	9,950	10,600	11,056	11,534
1,248	1,295	1,475	1,520	1,500	1,585
99	108	117	118	136	138
31,678	25,545	12,518	n/a	n/a	n/a
3,274	3,508	3,040	2,683	2,332	1,713
81%	83%	87%	88%	83%	77%
12,021	12,649	12,464	12,598	12,266	13,485
17,148	19,289	19,398	20,492	20,720	21,645
35,292	36,825	n/a	n/a	n/a	n/a
819	706	726	775	819	923
3.733	3.291	3.787	3.957	4.045	4.112
16,000	12,700	11,509	9,497	7,515	17,970
7,868	8,147	8,987	12,255	11,309	11,590
n/a	n/a	n/a	n/a	n/a	n/a
1,334	1,199	1,069	1,573	987	727
286	311	372	324	311	302
9,547	10,838	10,525	10,022	9,971	10,272
4,355	4,880	4,828	4,523	4,698	4,805
235	235	225	217	205	200

## Capital Assets Statistics by Function/Program Last Ten Years

Function/Program	2014	2013	2012	2011
Security of Persons and Property				
Police				
Square Footage of Station	37,168	37,168	37,168	37,168
Vehicles	29	26	29	28
Fire	23	20	23	20
Square Footage of Station #1	37,168	37,168	37,168	37,168
Square Footage of Station #2	16,200	16,200	16,200	16,200
Square Footage of Station #3	9,610	9,610	9,610	9,610
Vehicles	19	19	20	19
Leisure Time Activities				
Parks and Recreation				
Square Footage of Community Center	92,500	92,500	92,500	92,500
Vehicles	7	7	8	7
Senior Services	-	-	_	•
Vehicles	5	4	4	4
Arts Center				
Square Footage of Building	15,000	15,000	15,000	15,000
Grantwood Golf Course	,	•	,	,
Square Footage of Clubhouse	7,200	7,200	7,200	7,200
Square Footage of Maintenance Building	5,000	5,000	5,000	5,000
Vehicles	, 1	1	, 1	1
Community Environment				
Planning Department				
Vehicles	2	2	2	2
Building Department				
Vehicles	3	4	3	4
Engineering Department		-	_	
Vehicles	8	7	8	9
Pagia Háilián Camriaga				
Basic Utility Services				
Waste Water Treatment	FC 000	FC 000	FC 000	FC 000
Square Footage of Buildings	56,000	56,000	56,000	56,000
Vehicles	6	9	10	12
Transportation				
Service				
Square Footage of Building	70,461	70,461	70,461	70,461
Vehicles	73	73	73	71
General Government				
City Hall				
Square Footage of Building	55 050	55.050	55 050	55.050
Mayor's Vehicle	55,950 1	55,950 1	55,950 1	55,950 1
Tax/Finance's Vehicle				
	1	1	1	1
Network Adminstration's Vehicle	0 2	1 2	1 2	1
City Hall Vehicle	۷	2	2	1

Source: Information provided by various departments at the City of Solon

2010	2009	2008	2007	2006	2005
37,168	37,168	37,168	37,168	37,168	37,168
27	25	24	24	24	24
37,168	37,168	37,168	37,168	37,168	37,168
16,200	16,200	16,200	16,200	9,000	9,000
9,610	9,610	9,610	9,610	9,610	9,610
21	21	23	22	21	21
92,500	92,500	92,500	92,500	92,500	92,500
7	7	8	8	7	7
4	6	5	3	4	4
15,000	15,000	15,000	15,000	15,000	15,000
7,200	7,200	7,200	7,200	7,200	7,200
5,000	5,000	5,000	5,000	5,000	5,000
1	1	1	1	1	1
2	2	2	2	2	2
4	5	5	5	5	5
8	8	9	9	8	8
56,000	56,000	56,000	56,000	56,000	56,000
12	12	13	13	13	14
70,461	70,461	70,461	70,461	70,461	70,461
70	73	67	66	58	64
55,950	55,950	55,950	55,950	55,950	55,950
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	0
1	1	1	1	1	1

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# SUSAN DRUCKER, MAYOR

34200 BAINBRIDGE ROAD • SOLON, OH • 44139 SOLONOHIO.ORG



#### **CITY OF SOLON**

#### **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 28, 2015