

**CITY OF EUCLID  
CUYAHOGA COUNTY, OHIO**

**AUDIT REPORT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2016**

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





# Dave Yost • Auditor of State

City Council  
City of Euclid  
585 East 222<sup>nd</sup> Street  
Euclid, Ohio 44123

We have reviewed the *Independent Auditor's Report* of the City of Euclid, Cuyahoga County, prepared by James G. Zupka, CPA, Inc., for the audit period January 1, 2016 through December 31, 2016. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost  
Auditor of State

July 13, 2017

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**CITY OF EUCLID  
CUYAHOGA COUNTY, OHIO  
AUDIT REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2016**

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**CITY OF EUCLID  
CUYAHOGA COUNTY, OHIO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

<b>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Grant Number/ Pass-Through Entity Identifying Number</b>	<b>Pass Through to Sub-recipients</b>	<b>Total Federal Expenditures</b>
<b><u>U.S. Department of Housing and Urban Development</u></b>				
<i>Direct Award</i>				
Community Development Block Grants/Entitlement Grants Cluster:				
Entitlement Grants	14.218	B-14MC-39-0006	\$ 0	\$ 463,712
Entitlement Grants	14.218	B-15MC-39-0006	0	114,299
Entitlement Grants	14.218	B-16MC-39-0006	55,205	413,263
Total Community Development Block Grants/Entitlement Grants Cluster			<u>55,205</u>	<u>991,274</u>
Neighborhood Stabilization Program (NSP)	14.256	B-08-MN-39-0008	0	166,156
Neighborhood Stabilization Program (NSP)	14.256	B-11-MN-39-0008	0	(35,414)
<i>Total CFDA #14.256</i>			<u>0</u>	<u>130,742</u>
<i>Pass-Through Cuyahoga County</i>				
Home Investment Partnerships Program	14.239	N/A	0	343,132
<i>Total CFDA #14.239</i>			<u>0</u>	<u>343,132</u>
<b>Total U.S. Department of Housing and Urban Development</b>			<u>55,205</u>	<u>1,465,148</u>
<b><u>U.S. Department of Homeland Security</u></b>				
<i>Direct Award</i>				
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	EMW-2014-FO-05042	0	478,211
Assistance to Firefighters Grant	97.044		0	187,679
<b>Total U.S. Department of Homeland Security</b>			<u>0</u>	<u>665,890</u>
<b><u>U.S. Department of Justice</u></b>				
<i>Direct Award</i>				
Bulletproof Vest Partnership Program	16.607	2015BUBX15077144	0	6,480
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	0	3,978
<b>Total U.S. Department of Justice</b>			<u>0</u>	<u>10,458</u>
<b><u>U.S. Department of Transportation</u></b>				
<i>Pass Through Ohio Department of Transportation</i>				
Highway Planning and Construction	20.205	E100(218)	0	816
Highway Safety Cluster:				
State and Community Highway Safety	20.600	HVEO-2014-18-00-00-00347-00	0	31,871
State and Community Highway Safety	20.600	OVITF-2016-18-00-00-00397-00	0	10,214
Total Highway Safety Cluster			<u>0</u>	<u>42,085</u>
<b>Total U.S. Department of Transportation</b>			<u>0</u>	<u>42,901</u>
<b><u>U.S. Department of Environmental Protection Agency</u></b>				
<i>Direct Award</i>				
Great Lakes Program - Green Infrastructure - Parking Lot	66.469	N/A	0	39,506
Great Lakes Program - Green Infrastructure - Sims Park	66.469	N/A	0	94,212
<b>Total U.S. Department of Environmental Protection Agency</b>			<u>0</u>	<u>133,718</u>
<b><u>U.S. Department of Commerce</u></b>				
<i>Pass Through the Ohio Office of Coastal Management (OCM)</i>				
Coastal Management Administrative Awards	11.419	N/A	0	49,102
<b>Total U.S. Department of Commerce</b>			<u>0</u>	<u>49,102</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 55,205</u>	<u>\$ 2,367,217</u>

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

**CITY OF EUCLID  
CUYAHOGA COUNTY, OHIO  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

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**NOTE 1: BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Euclid, Ohio, under programs of the federal government for the year ended December 31, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Euclid, Ohio, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City of Euclid, Ohio.

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represents adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

**NOTE 3: INDIRECT COST RATE**

The City of Euclid, Ohio, has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**NOTE 4: SUBRECIPIENTS**

The City passes through certain federal assistance received from the U.S. Department of Housing and Urban Development (HUD) to other governments or not-for-profit agencies (subrecipients). As described above in Note 1, the City records expenditures of federal monies to subrecipients when paid in cash.

The subrecipient agencies have certain compliance responsibilities related to administering these federal programs. Under the Uniform Guidance, the City is responsible for monitoring subrecipients to help assure that federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements, and that performance goals are achieved.

**NOTE 5: MATCHING REQUIREMENTS**

Certain federal programs require that the City contribute non-federal funds (matching funds) to support federally funded programs. The City has complied with the matching requirements. The expenditures of non-federal matching funds is not included on the Schedule.



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

*Certified Public Accountants*

*5240 East 98<sup>th</sup> Street*

*Garfield Hts., Ohio 44125*

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

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

The Honorable Dave Yost  
Auditor of State  
State of Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Euclid, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2016, 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 5, 2017, wherein we noted the Ohio Police and Fire Pension (OP&F) had made a revision to the total net pension liability based on the census file provided to its actuary. The City has restated its December 31, 2015 net position as a result.

***Internal Control Over Financial Reporting***

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

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

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

### ***Compliance and Other Matters***

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

### ***Purpose of This Report***

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



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

June 5, 2017

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

*Certified Public Accountants*

*5240 East 98<sup>th</sup> Street*

*Garfield Hts., Ohio 44125*

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT  
ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON  
THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
REQUIRED BY THE UNIFORM GUIDANCE**

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

The Honorable Dave Yost  
Auditor of State  
State of Ohio

***Report on Compliance for Each Major Federal Program***

We have audited the City of Euclid , Cuyahoga County, Ohio's (the City) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on the City's major federal program for the year ended December 31, 2016. The City's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### ***Opinion on Each Major Federal Program***

In our opinion, the City of Euclid complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2016.

### ***Report on Internal Control over Compliance***

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

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

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

## **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have also audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 5, 2017, which contained unmodified opinions on those financial statements, wherein we noted the Ohio Police and Fire Pension (OP&F) had made a revision to the total net pension liability based on the census file provided to its actuary. The City has restated its December 31, 2015 net position as a result. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for the purpose of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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



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

June 5, 2017

**CITY OF EUCLID  
 CUYAHOGA COUNTY, OHIO  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE YEAR ENDED DECEMBER 31, 2016**

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**1. SUMMARY OF AUDITOR'S RESULTS**

2016(i)	Type of Financial Statement Opinion	Unmodified
2016(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
2016(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
2016(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2016(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
2016(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
2016(v)	Type of Major Programs' Compliance Opinions	Unmodified
2016(vi)	Are there any reportable findings under 2 CFR 200.516(a)?	No
2016(vii)	Major Programs (list):  Community Development Block Grants Entitlement Grants Cluster - CFDA #14.218	
2016(viii)	Dollar Threshold: A/B Programs	Type A: \$750,000 Type B: All Others
2016(ix)	Low Risk Auditee?	Yes

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

None.

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None.

**CITY OF EUCLID  
CUYAHOGA COUNTY, OHIO  
STATUS OF PRIOR FINDINGS AND RECOMMENDATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

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The prior audit report, as of December 31, 2015, included no findings or instances of noncompliance. Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

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# City of Euclid



## 2016

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

FOR THE YEAR ENDING DECEMBER 31, 2016





# **CITY OF EUCLID, OHIO**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED**

**DECEMBER 31, 2016**

Issued by The Finance Department

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# **INTRODUCTORY SECTION**



**City of Euclid, Ohio**  
*Comprehensive Annual Financial Report*  
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585 East 222nd Street, Euclid, OH 44123-2099

May 28, 2017

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

We are pleased to submit to you the City of Euclid's Comprehensive Annual Financial Report (CAFR). This CAFR represents the official report of the City of Euclid's operations and financial position for the fiscal year ended December 31, 2016, and has been developed to accurately detail the status of the City's finances to Euclid residents and elected officials, investment institutions and underwriters, rating agencies and other interested parties. This report is done in compliance with GASB Statement No. 34, *Basic Financial Statements-and Management Discussion and Analysis-for State and Local Governments*.

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

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

## **PROFILE OF THE GOVERNMENT**

### **The City**

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

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

## **City Government**

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

## **City Services**

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

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

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

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

## **Reporting Entity**

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

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

## **FACTORS AFFECTING FINANCIAL CONDITION**

### **Economic Condition and Outlook**

Steady economic growth occurred in Euclid in 2016, as evidenced by multiple projects and an increasing tax base. Based on this recent trend of growth and investment by both the public and private sectors, economic activity is expected to continue to increase in the coming years.

In 2016, local developer Ray Fogg Building Methods completed their second building at Bluestone Business Park, a modern industrial park of 80 acres developed in 2009. Bluestone Business Center Building No. 2 measures 132,000 square feet and represents an immediate opportunity to attract new business to the City of Euclid. An additional 62 acres of shovel-ready land remains available at the park for future development.

Also in 2016, The Lincoln Electric Company broke ground on the company's new Welding Technology and Training Center on St. Clair Avenue in the City of Euclid. The \$30 Million center will attract visitors from around the world to Lincoln's world headquarters campus in Euclid to learn the latest techniques in the field of welding. The project will create at least 40 new jobs in the City and helps to secure Euclid as the focal point of Lincoln's growth and advancement.

The Cleveland Clinic Foundation, the second largest employer in the City, undertook major renovations and increased employment levels at its Euclid Hospital Facility in 2016. The hiring of a new pediatric physician and over 40 nurses boosts services and employment at the facility. The continued investment by the Cleveland Clinic demonstrates a strong commitment to the health of the local community and economy.

New jobs were also added during the year at the former GM Inland Facility at 20001 Euclid Avenue. DriveTime Incorporated, a national leader in the sales of pre-owned vehicles, leased approximately 130,000 square feet of long-vacant space in the mammoth facility. After the completion of a multi-million dollar renovation project, the company opened its new mid-west repair and distribution facility at the site. DriveTime now employs over 80 individuals in the City of Euclid, with room to grow.

At Heritage Business Park, long-time tenant Eaton Corporation signed a multi-year lease extension to maintain its existing Aerospace Division operations in Euclid. Eaton employs over 400 at the facility. The lease extension positions Eaton to make new investments and increase employment at the site.

Aable Rents, located at 1361 Chardon Road, undertook an impressive expansion project in 2016 with the addition of eight new loading docks to their facility at an estimated cost of nearly \$2 Million. With over 100 employees in Euclid, Aable Rents has grown to become one of the premier event suppliers in Northeast Ohio. The company's future plans call for continued investment in their facility through the renovation of their existing office space.

Employment levels at BWX Technologies Nuclear Operations Group, Inc.'s facilities in Euclid have remained stable at over 250 individuals since the company split from Babcock & Wilcox Co. (formerly Marine Mechanical) in 2015. BWX has continued to invest in its state of the art facilities in Euclid, including the creation of a new x-ray testing lab. The company boasts some of the most advanced manufacturing operations in the world to produce highly complex, electro-mechanical products at its facility in Euclid.

Downtown Euclid, the City's traditional central business district, is the largest concentration of retail in the City. Since adopting the Downtown Euclid Transportation and Redevelopment Plan in 2009, the City has seen an estimated \$20 Million in public and private funds invested in the district. In 2016, the City completed a comprehensive renovation of Triangle Park at the intersection of Babbitt Road and East 222<sup>nd</sup> Street, and the installation of new street furniture throughout the district. These improvements and other existing amenities have helped to position Downtown Euclid as a growing food and entertainment destination.

In 2016, locally-owned Euclid Brewery opened its doors in the Moss Point Commons section of Downtown Euclid. Just across East 222<sup>nd</sup> Street, ground was broken on a new Chipotle Mexican Grille, which is scheduled to open in March 2017. These businesses are joining existing establishments such as Paragon Wine Bar, Beach Club Bistro, and Great Scott Tavern to create a strong and vibrant downtown district.

Retail growth and investment occurred in other commercial districts in Euclid in 2016 as well. Along Euclid Avenue, construction was completed on a new Marathon gas station, a new Dollar Tree store opened in the Indian Hills Shopping Plaza, and Simon Foods opened a full-service grocery store in the Euclid-Richmond Shopping Plaza. Plans were submitted by O'Reilly Auto Parts for the construction of a new retail store at East 200<sup>th</sup> Street and Lindbergh Avenue, which is expected to open in late 2017.

The City's housing sector also strengthened in 2016. According to a January 2017 report by the Cleveland Plain Dealer, average home sales prices in Euclid increased by nearly 20 percent from 2015 to 2016, marking the fifth straight year of improved sales prices. The City has supported the gains in the housing sector through investments in municipal beautification, home-ownership and renovation programs. The City also undertakes selective demolition when necessary, which resulted in the removal of fourteen blighted houses in 2016.



In an effort to continue to attract and retain residents to Euclid, the City has made a major commitment to improve its waterfront. Adopted in 2009, the City's Waterfront Improvement Plan calls for the restoration of the historic beaches and the addition of new amenities along a one mile stretch of the Lake Erie shoreline. The City took a major step to implementing the plan through the reconstruction of the Joseph Farrell Memorial Fishing Pier at Sims Park in 2013. The roughly \$2 Million project nearly doubled the length of the pier and added modern lighting and a shade canopy.

In 2016, the City turned its attention to Phase II of the improvement plan, which includes the stabilization of the shoreline and construction of a multi-purpose path along the waterfront by engaging SmithGroup JJR to conduct final design and engineering work on the project. Permits for the project were submitted in 2016 with construction set to begin in early 2018.

### **Long-Term Financial Planning**

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

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

## **FINANCIAL INFORMATION**

### **Summary of Accounting Policies and Budgetary Control**

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

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

Expenditures are recognized when the liability is incurred, if measurable, except for interest on general obligation debt, which is recognized when due.

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

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

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

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

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

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

The City employs an encumbrance system documenting purchase commitment amounts prior to generation and release of official City purchase orders. Purchasing practices within the City require departmental review and authorization of all purchase requisitions. Where applicable, proposed purchases in excess of administrative approval limits are subject to competitive bid requirements of Council and are awarded subsequent to approved legislation authorizing the procurement of goods or services. The Finance Director certifies all purchase orders for availability of funds and the estimated expenditure is encumbered against the appropriate departmental or fund appropriation. On the government fund financial statements, these encumbrances are reported as a component of fund balance at December 31, 2016. Unencumbered appropriations lapse at year-end and become available for future appropriations.

### **Internal Accounting and Reporting Control**

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

### **OTHER INFORMATION**

#### **Independent Audit**

In accordance with Ohio law, an annual independent audit is required to be performed on all financial operations of the City. The Auditor of the State of Ohio has authorized the audit for 2016 to be performed by the independent public accounting firm of James G. Zupka, CPA, Inc. The independent accountants' unmodified opinion has been included in this report. The administration plans to continue this audit procedure as required by law as part of the preparation of a Comprehensive Annual Financial Report. The annual audit and management letter submitted by James G. Zupka, CPA, Inc. provides information to the City to enable it to maintain and strengthen the City's accounting and budgeting controls.

The City receives federal financial assistance through various federal grant programs. An audit in accordance with Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), Audits of State and Government Auditing Standards, issued by the Comptroller General of the United States, has been performed for the fiscal year ended December 31, 2016. The required reports on supplementary information, compliance, and internal controls, along with various supplementary schedules, are included in a separate report.

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

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2015. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for one year only. We believe our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Respectfully submitted,

A handwritten signature in blue ink that reads "Kirsten Holzheimer Gail". The signature is written in a cursive, flowing style.

Kirsten Holzheimer Gail  
Mayor

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# **CITY OF EUCLID, OHIO**

## **“A City of Superior Services”**

***KIRSTEN HOLZHEIMER GAIL – Mayor***



### ***Directors & Chiefs***

KELLEY SWEENEY-*Law*

DAN KNECHT-*Public Service*

JAMES SMITH- *Finance*

CHIEF CHRIS HADDOCK-*Fire*

JONATHAN HOLODY –*Economic Development*

CHIEF TOM BRICKMAN –*Police (ret. 12/16)*  
CHIEF SCOTT MEYER – *Police (eff. 12/16)*

LETITIA LINKER – *Administrative Director*

MAC STEPHENS - *Recreation*

### ***Municipal Court***

DEBORAH LEBARRON –*Judge*

### ***Euclid City Council***

JOHN W. MONROE- *President of Council*

STEPHANA C. CAVINESS – *Ward I*

CHARLENE MANCUSO- *Ward V*

MADELINE SCARNIENCH – *Ward II*

PATRICK M. DELANEY – *Ward VI*

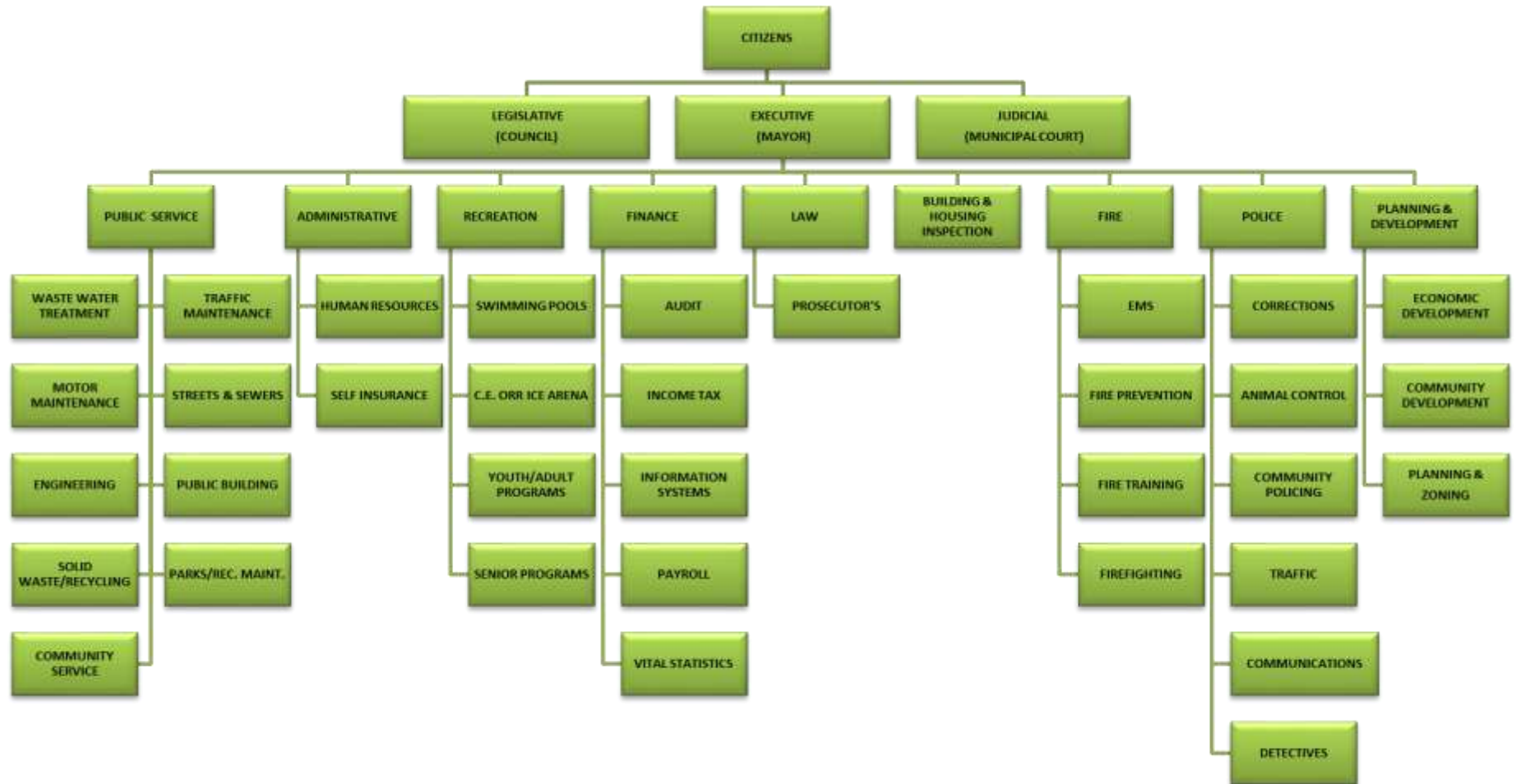
TANEIKA HILL – *Ward III*

DARYL K. LANGMAN – *Ward VII*

KRIS JAROSZ – *Ward IV*

LAURA J. GORSHE – *Ward VIII*

**City of Euclid, Ohio**  
*Organizational Chart*  
 December 31, 2016





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Euclid  
Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2015**

Executive Director/CEO



# **FINANCIAL SECTION**



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

*Certified Public Accountants*

*5240 East 98<sup>th</sup> Street*

*Garfield Hts., Ohio 44125*

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Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT**

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

The Honorable Dave Yost  
Auditor of State  
State of Ohio

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Euclid , Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Euclid as of December 31, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As described in Note 3 to the basic financial statements, the Ohio Police and Fire Pension (OP&F) had made a revision to the total net pension liability based on the census file provided to its actuary. The City has restated its December 31, 2015 net position as a result. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

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

## *Other Information*


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

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

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

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 2017, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



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

June 5, 2017

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**City of Euclid, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2016*  
*Unaudited*

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The discussion and analysis of the City of Euclid's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2016. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter and the basic financial statements to enhance their understanding of the City's financial performance.

### **Financial Highlights**

Key financial highlights for 2016 are as follows:

- Total assets and deferred outflows of resources of the City exceeded liabilities and deferred inflows of resources at the close of 2016 by \$61,042,108 compared to \$53,954,104 at the end of 2015, an increase of \$7,088,004 or 13.14 percent.
- Total assets increased by \$35,456,955 with governmental activities decreasing by \$1,518,660 and business-type activities increasing by \$36,975,615. The governmental activities decrease is reflected primarily in capital assets. The business-type activities increase is reflected primarily in capital assets.
- Municipal income tax revenue for 2016 was \$26,199,511 versus \$24,435,672 in 2015, an increase of \$1,763,839 or 7.22 percent.
- Property and other local taxes for governmental activities slightly increased by \$87,580, or 1.87 percent, to \$4,774,698.
- Together, municipal income taxes and property and other local taxes accounted for \$30,974,209 in revenue, or 61.47 percent, of all revenues in governmental activities.
- Grants and entitlements not restricted to specific programs decreased by \$105,335, or 4.52 percent, to \$2,227,555.
- All other revenues increased by \$1,402,199 to \$1,782,495, mainly due to the proceeds from the sale of cell towers in 2016.
- Charges for services in business-type activities increased by \$569,269, or 3.32 percent, from \$17,164,366 in 2015 to \$17,733,635 in 2016. Operating grants and contributions in business-type activities decreased by \$735,805. This decrease was from tap-in fees received in 2015 for waterline projects. Capital grants and contributions decreased by \$2,648,517 in business-type activities due to the addition of OWDA projects higher in 2015 than 2016.

**City of Euclid, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2016*  
*Unaudited*

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## **Overview of the Financial Statements**

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

**Government-wide Financial Statements.** The government-wide financial statements, which begin on page 23, are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business.

The *Statement of Net Position* presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the residual reported as net position. Over time, increases or decreases in the City's net position are one indicator of whether the City's financial health is improving or deteriorating. In 2016, Governmental Activities unrestricted net position increased by \$147,718 or 0.55 percent. In Business-Type Activities, unrestricted net position increased by \$5,864,993 or 91.83 percent. There were a number of sewer system improvement construction projects that were partially funded by the Wastewater Treatment Fund. The City has continued negotiations with the EPA to define the necessary steps in the implementation of a Long Term Storm Water Runoff Control Plan.

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

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

For 2016, Business-Type Activities' expenses decreased by \$3,874,951 or 23.86 percent. This decrease was due to fewer contractual services related to waste water and waterline projects.



**City of Euclid, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2016*  
*Unaudited*

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Revenues in Business-Type Activities decreased by \$2,814,502 or 11.50 percent. This reflects an increase in Charges for Services revenue collected by the Waste Water Treatment Fund and a decrease in operating and capital grants and contributions, due to decreases in operating and capital grants and contributions from the City of Cleveland and from the Ohio Public Works Commission (OPWC).

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

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

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

The City maintains 27 individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund and the General Obligation Bond Retirement Fund, which are considered to be major funds. Data from the other 25 governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds are provided in the form of combining statements elsewhere in this report.

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

The basic governmental fund financial statements can be found on pages 26 through 30 of this report.

**City of Euclid, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2016*  
*Unaudited*

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

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

The basic proprietary fund financial statements can be found on pages 31 through 33 of this report.

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

The basic fiduciary fund financial statement can be found on page 34 of this report.

**Notes to the Financial Statements.** The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 35 of this report.

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**Government-Wide Financial Analysis**

Information regarding the government-wide net position of the City is presented in the following table for 2016 and 2015.

**Table 1 - Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2016	2015 *	2016	2015	2016	2015 *
<b>ASSETS</b>						
Current and other assets	\$ 29,533,342	\$ 28,679,868	\$ 26,485,146	\$ 22,821,116	\$ 56,018,488	\$ 51,500,984
Capital assets, net	49,305,519	51,677,653	101,828,260	68,516,675	151,133,779	120,194,328
<b>Total Assets</b>	<b>78,838,861</b>	<b>80,357,521</b>	<b>128,313,406</b>	<b>91,337,791</b>	<b>207,152,267</b>	<b>171,695,312</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferral on Refundings	237,193	336,942	79,629	106,580	316,822	443,522
Pension	13,062,756	5,387,688	1,562,589	535,746	14,625,345	5,923,434
<b>Total Deferred Inflows of Resources</b>	<b>13,299,949</b>	<b>5,724,630</b>	<b>1,642,218</b>	<b>642,326</b>	<b>14,942,167</b>	<b>6,366,956</b>
<b>LIABILITIES</b>						
Current and other liabilities	1,698,410	3,035,357	556,335	1,846,178	2,254,745	4,881,535
Long-term liabilities:						
Due within one year	4,321,235	3,184,567	2,225,311	2,042,865	6,546,546	5,227,432
Due in more than one year						
Net Pension Liability	49,849,239	41,761,206	4,078,895	3,250,011	53,928,134	45,011,217
Other Amounts	27,712,785	28,372,812	64,340,658	35,683,790	92,053,443	64,056,602
<b>Total Liabilities</b>	<b>83,581,669</b>	<b>76,353,942</b>	<b>71,201,199</b>	<b>42,822,844</b>	<b>154,782,868</b>	<b>119,176,786</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Property taxes	3,901,669	4,224,529	-	-	3,901,669	4,224,529
Payments in lieu of taxes	340,186	308,772	-	-	340,186	308,772
Sale of future revenues	-	195,500	-	-	-	195,500
Pension	1,673,401	142,290	354,202	60,287	2,027,603	202,577
<b>Total Deferred Inflows of Resources</b>	<b>5,915,256</b>	<b>4,871,091</b>	<b>354,202</b>	<b>60,287</b>	<b>6,269,458</b>	<b>4,931,378</b>
<b>NET POSITION</b>						
Net investment in capital assets	24,766,951	27,228,440	46,148,436	42,710,192	70,915,387	69,938,632
Restricted	4,613,091	4,514,553	-	-	4,613,091	4,514,553
Unrestricted	(26,738,157)	(26,885,875)	12,251,787	6,386,794	(14,486,370)	(20,499,081)
<b>Total Net Position</b>	<b>\$ 2,641,885</b>	<b>\$ 4,857,118</b>	<b>\$ 58,400,223</b>	<b>\$ 49,096,986</b>	<b>\$ 61,042,108</b>	<b>\$ 53,954,104</b>

\* - Restated

During 2015, the City adopted GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27," which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

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Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the new standards required by GASB 68, the net pension liability equals the City's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system as against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

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In accordance with GASB 68, the City's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's change in net pension liability not accounted for as deferred inflows/outflows.

As a result of implementing GASB 68, the City is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting.

As noted earlier, net position may serve, over time, as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$61,042,108 at the close of the most recent fiscal year.

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

A portion of the City's net position, \$4,613,091, represents resources that are subject to external restrictions on how they may be used. The remaining portion is unrestricted net position which may be used to meet the City's ongoing obligations to citizens and creditors.

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

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**Table 2 - Changes in Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
<b>REVENUES</b>						
Program Revenues:						
Charges for services	\$ 9,812,837	\$ 9,576,765	\$ 17,733,635	\$ 17,164,366	\$ 27,546,472	\$ 26,741,131
Operating grants and contributions	4,986,601	3,957,057	-	735,805	4,986,601	4,692,862
Capital grants and contributions	116,470	1,985	3,933,172	6,581,689	4,049,642	6,583,674
<b>Total Program Revenues</b>	<b>14,915,908</b>	<b>13,535,807</b>	<b>21,666,807</b>	<b>24,481,860</b>	<b>36,582,715</b>	<b>38,017,667</b>
General Revenues:						
Property and other local taxes	4,774,698	4,687,118	-	-	4,774,698	4,687,118
Municipal income taxes	26,199,511	24,435,672	-	-	26,199,511	24,435,672
Payments in lieu of taxes	246,429	330,248	-	-	246,429	330,248
Grants and entitlements	2,227,555	2,332,890	-	-	2,227,555	2,332,890
Investment income	195,775	168,425	-	127	195,775	168,552
Gain on Sale of Capital Assets	45,904	48,163	-	-	45,904	48,163
All other revenues	1,781,650	380,129	845	167	1,782,495	380,296
<b>Total General Revenues</b>	<b>35,471,522</b>	<b>32,382,645</b>	<b>845</b>	<b>294</b>	<b>35,472,367</b>	<b>32,382,939</b>
<b>Total Revenues</b>	<b>50,387,430</b>	<b>45,918,452</b>	<b>21,667,652</b>	<b>24,482,154</b>	<b>72,055,082</b>	<b>70,400,606</b>
<b>EXPENSES</b>						
Program Expenses:						
Security of persons and property	23,033,620	21,344,311	-	-	23,033,620	21,344,311
Public health	464,708	294,862	-	-	464,708	294,862
Leisure time activities	2,245,540	1,930,889	-	-	2,245,540	1,930,889
Community and economic development	2,746,663	3,108,042	-	-	2,746,663	3,108,042
Sanitation	2,156,988	2,292,854	-	-	2,156,988	2,292,854
Transportation	6,090,854	6,476,034	-	-	6,090,854	6,476,034
General government	14,996,193	13,569,848	-	-	14,996,193	13,569,848
Interest and fiscal charges	799,472	846,847	-	-	799,472	846,847
Waste Water Treatment	-	-	11,157,630	11,958,134	11,157,630	11,958,134
Water Line Improvement	-	-	312,351	3,409,410	312,351	3,409,410
Briardale Greens Golf Course	-	-	894,434	871,822	894,434	871,822
<b>Total Expenses</b>	<b>52,534,038</b>	<b>49,863,687</b>	<b>12,364,415</b>	<b>16,239,366</b>	<b>64,898,453</b>	<b>66,103,053</b>
Change in Net Position before Special Items	(2,146,608)	(3,945,235)	9,303,237	8,242,788	7,156,629	4,297,553
Transfers	(68,625)	(125,347)	-	125,347	(68,625)	-
Change in Net Position	(2,215,233)	(4,070,582)	9,303,237	8,368,135	7,088,004	4,297,553
Net Position - Beginning of Year, as Restated	4,857,118	8,927,700	49,096,986	40,728,851	53,954,104	49,656,551
<b>Net Position - End of Year</b>	<b>\$ 2,641,885</b>	<b>\$ 4,857,118</b>	<b>\$ 58,400,223</b>	<b>\$ 49,096,986</b>	<b>\$ 61,042,108</b>	<b>\$ 53,954,104</b>

***Governmental Activities***

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

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

**Table 3 - Governmental Activities**

	Total Cost of Services 2016	Net Cost of Services 2016
Security of persons and property	\$ 23,033,620	\$ 18,296,159
Public health	464,708	319,872
Leisure time activities	2,245,540	1,917,496
Community and economic development	2,746,663	(1,103,331)
Sanitation	2,156,988	215,749
Transportation	6,090,854	4,339,933
General government	14,996,193	12,832,780
Interest and fiscal charges	799,472	799,472
Total cost of service	<u>\$ 52,534,038</u>	<u>\$ 37,618,130</u>

Security of Persons and Property expenses totaled \$23,033,620, or 43.85 percent of the total 2016 expenses. A significant portion of these expenses can be attributed to salaries, wages, and employee benefits for police officers and firefighters. As of December 31, 2016, the City employed 91 full time police officers and 81 full time firefighters. General Government expenses totaled \$14,996,193 or 28.55 percent, of total 2016 expenses. General Government is comprised of the following departments: Legislative, Municipal Court, Mayor, Finance, Law, and Administrative. A significant portion of these expenses are related to salaries, wages, and employee benefits.

***Business-type Activities***

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

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

*Water Line Improvement Fund:* The Water Line Improvement Fund accounts for distribution of treated water to individual and commercial users in various parts of the City. During 2016, operating and nonoperating revenues decreased by \$682,640 or 27.07 percent as a result of fewer projects charged to this fund in 2016. In 2016, the operating expenses in the fund decreased by \$3,097,059. This decrease in expenses is mainly attributed to contractual services related to significant waterline projects commencing in 2015.

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

### **Financial Analysis of the Government's Funds**

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

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

As of December 31, 2016, the City's governmental funds reported an ending combined fund balance of \$9,863,367, an increase of \$594,729 in comparison with the prior year. \$4,863,786 of the ending fund balance for 2016 constitutes assigned and unassigned fund balance combined, which is available for spending at the government's discretion. The remainder of fund balance is nonspendable, restricted, or committed to indicate that it is not available for new spending because it is not in spendable form or it has already been restricted by an external constraint or committed by internal constraints.

All governmental funds had total revenues of \$48,199,774 and expenditures of \$50,472,123 (not including other financing sources and uses) with expenditures exceeding revenues by \$2,272,349. Revenues increased from the previous year primarily due to an increase in fines and forfeitures, charges for services and all other revenues. Expenditures decreases due mainly to the principal retirement of debt in 2015.

The General Fund is the chief operating fund of the City. At the beginning of the current year, total fund balance for the General Fund was \$6,686,947. General Fund expenditures (not including other financing uses) for the current year were \$37,231,922, with revenues (not including other financing sources) of \$38,498,220, leaving a total fund balance of \$7,485,535, of which \$6,093,614 is unassigned fund balance.

As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures (not including other financing uses). The General Fund's unassigned fund balance represents 16.34 percent of total General Fund expenditures while total fund balance represents 20.11 percent of that same amount.

### ***General Fund Budgeting Highlights***

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts and disbursements. The most significant budgeted fund is the General Fund.



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During the course of 2016, the City amended its General Fund budget on various occasions. On a cash basis, projected final budgetary fund balance in the General Fund, for year ending 2016 was about \$3.45 million.

For the General Fund, original budgeted revenues (including other financing sources) were \$38,532,005. The final budgeted revenue amount (including other financing sources) was \$38,831,894. This increase was primarily due to decrease in property taxes and intergovernmental revenue. The actual revenues (including other financing sources) were higher by \$55,338.

Original General Fund budgeted expenditures (including other financing uses) were \$39,391,103. The final budgeted expenditure amount (including other financing uses) was \$39,543,553. The increase was primarily due to Leisure Time Activities. The actual expenditures (including other financing uses) were lower by \$800,177, mainly due the decrease in Security Persons and Property and General Government expenses.

Actual budgetary fund balance increased by \$143,856 (which includes prior year encumbrances appropriated) taking the actual budgetary fund balance from \$3,247,798 to \$3,510,994.

### ***Analysis of General Fund Revenues***

#### ***Municipal Income Taxes***

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

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

The 2.85 percent income tax is levied upon the net income of corporations and other business entities and on the wages, salaries, and compensation of both individuals working in the City and residents of the City. Residents do receive a tax credit equal up to 2.85 percent of the income tax they pay other municipalities. 2016 income tax revenues were up, by \$1,763,839 or 7.22 percent from 2015. This increase is mainly due to the continued strengthening of the local economy, the policies and programs of the City's Planning and Development Department in the areas of job creation, expansion and retention, and the concentration on compliance and collection of delinquent accounts by the Tax Department.

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**Property Taxes**

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

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

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

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

Purpose	2016	2015	2014
General Fund	\$ 6.72	\$ 6.72	\$ 6.72
Recreation Operating	1.30	1.30	1.30
Bond Retirement	3.88	3.88	3.88
Capital Improvements	1.70	1.70	1.70
Total	<u>13.60</u>	<u>13.60</u>	<u>13.60</u>
Assessed Valuation	<u>\$ 557,393,500</u>	<u>\$ 580,765,910</u>	<u>\$ 586,839,480</u>

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

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

***State Local Government Funds and Other Shared Revenues***

The State of Ohio shares various tax revenues with the City and other political subdivisions primarily through the State's Local Government Fund (LGF). As part of a new funding mechanism, the State removed the freeze on LGF payments and replaced it with a percentage of certain state revenues; in addition, the Local Government Revenue Assistance Fund (LGRAAF) was discontinued. The combination of these programs is the City's largest source of non-tax General Fund revenue. In 2016, the City received \$1,391,340 from the State's LGF.

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

***Analysis of the General Obligation Bond Retirement Fund***

The City's General Obligation Bond Retirement Fund experienced a slight decrease in fund balance of \$307,712, which decreased the fund balance to \$461,212.

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

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**Capital Assets and Debt Administration**

**Capital Assets** The City's investment in capital assets for its governmental and business-type activities as of December 31, 2016, amounts to \$151,133,779. This investment in capital assets includes land, construction in progress, land improvements, buildings and improvements, infrastructure, and furniture, fixtures, and equipment. A summary of the City's capital assets at December 31, 2016, is reflected in the table which follows.

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

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 10,775,705	\$ 10,775,705	\$ 8,336,966	\$ 8,336,966	\$ 19,112,671	\$ 19,112,671
Construction in progress	601,142	600,123	50,761,890	21,918,660	51,363,032	22,518,783
<b>Total Non-Depreciable</b>	<u>11,376,847</u>	<u>11,375,828</u>	<u>59,098,856</u>	<u>30,255,626</u>	<u>70,475,703</u>	<u>41,631,454</u>
Land improvements	2,996,937	3,198,446	330,740	381,628	3,327,677	3,580,074
Buildings and Improvements	8,256,311	8,614,533	6,552,561	6,855,327	14,808,872	15,469,860
Furniture, Fixtures, and Equipment	5,437,114	4,089,854	1,320,656	1,372,110	6,757,770	5,461,964
Infrastructure:						
Streets	21,238,310	24,398,992	-	-	21,238,310	24,398,992
Sanitary Sewers	-	-	27,772,921	22,660,936	27,772,921	22,660,936
Storm Sewers	-	-	6,752,526	6,991,048	6,752,526	6,991,048
<b>Total Depreciable, Net of Depreciation</b>	<u>37,928,672</u>	<u>40,301,825</u>	<u>42,729,404</u>	<u>38,261,049</u>	<u>80,658,076</u>	<u>78,562,874</u>
<b>Total Capital Assets, Net of Depreciation</b>	<u>\$ 49,305,519</u>	<u>\$ 51,677,653</u>	<u>\$ 101,828,260</u>	<u>\$ 68,516,675</u>	<u>\$ 151,133,779</u>	<u>\$ 120,194,328</u>

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

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

**Governmental Activities**

Lakeshore/East 222nd/Babbitt Improvements	\$ 507,392
Euclid Corridor	93,750
<b>Total Governmental Activities</b>	<u>\$ 601,142</u>

**Business-Type Activities**

East 219th & 221st I&I reduction	\$ 74,944
BW Pump station SSO	74,507
Headworks & Equalization Basin - Part B	22,460,043
E. 222nd Relief Sewer	1,624,197
Crystal/E. 220th/Bruce Storm & Sanitary	5,552,898
Equalization Basin	1,729,467
MBR	3,586,612
Headworks	15,659,222
<b>Total Business-Type Activities</b>	<u>\$ 50,761,890</u>

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

**City of Euclid, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2016*  
*Unaudited*

**Debt** The City's outstanding General Obligation Debt was downgraded to an "A2" from an "Aa3" long-term bond rating with Moody's Investor Service in March 2013. This investment grade rating is attributed to the weakened economic profile and its reliance on economically sensitive income tax revenue from a fairly concentrated tax base. An additional factor in the rating is the City's moderate debt burden and high pension burden due to the participation in two underfunded cost-sharing retirement plans. As of December 31, 2016, the City's General Obligation Bonded Debt totaled \$22,110,850.

A summary of outstanding debt at December 31, 2016 follows.

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
General Obligation Bonds	\$ 13,646,915	\$ 15,658,029	\$ 8,463,935	\$ 9,320,317	\$ 22,110,850	\$ 24,978,346
Special Assessment Bonds	262,575	398,863	-	-	262,575	398,863
Notes Payable	1,504,963	-	-	-	1,504,963	-
Special Obligation Bond	6,949,000	6,999,000	-	-	6,949,000	6,999,000
Industrial Revenue Bond, net	-	185,000	-	-	-	185,000
OWDA Loans	-	-	47,995,724	18,253,817	47,995,724	18,253,817
OPWC Loans	1,085,742	1,169,261	8,340,564	8,515,622	9,426,306	9,684,883
Capital Leases	1,623,997	461,253	850,072	546,182	2,474,069	1,007,435
Total Outstanding Debt	<u>\$ 25,073,192</u>	<u>\$ 24,871,406</u>	<u>\$ 65,650,295</u>	<u>\$ 36,635,938</u>	<u>\$ 90,723,487</u>	<u>\$ 61,507,344</u>

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

**Debt Capacity:** The City is within the statutory limitations for both voted and unvoted debt. The computation of the legal debt margins at December 31, 2016, is included in the Statistical Section of this report under the heading "Legal Debt Margin", along with other related computations and ratios relevant to the City's notes and bonded debt.

The City's 2016 overall legal debt limit established by statutory limitations was \$58,526,318. The City's legal debt margin of \$43,374,440 is within the overall legal debt limit. The City's 2016 unvoted legal debt limit established by statutory limitations was of \$30,656,643. The City's unvoted legal debt margin of \$15,504,765 is within the unvoted legal debt limit.

The ratio of net general bonded debt to assessed valuation and the amount of net bonded debt per capita provide useful information concerning the level of the City's debt to management and investors. The information as of December 31, 2016 for the City is as follows:

	Amount	Bonded Debt to Assessed Value	Debt Per Capita
Net General Obligation Debt (Bonded)	\$ 23,110,850	1.48%	\$ 472

**City of Euclid, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2016*  
*Unaudited*

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

The City of Euclid, like most municipalities in Northeast Ohio, continues to face the challenge of a relatively stagnant economy. Basic operating and personnel costs continue to increase, while federal and state funding continues to decline. Income tax collections, which comprise over 60 percent of the City's operating budget, are experiencing minimal growth.

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

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

The Cuyahoga County Sherriff's Department and the City are in the 3<sup>rd</sup> year of a 5 year agreement that transferred the total operations of the City's correctional facility to the County effective as of August 2014, resulting in a decrease of \$1,000,000 in operating expenses annually.

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

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

In conclusion, the implementation of GASB Statement No. 68 requires the reader to perform additional calculations to determine the City's Total Net Position at December 31, 2016 without the implementation of GASB Statement No. 68.

**City of Euclid, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2016*  
*Unaudited*

This is an important exercise, as the State Pension Systems (OPERS & OP&F) collect, hold and distributes pensions to our employees, not the City of Euclid. These calculations are as follows:

<b>Governmental Activities</b>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Total Net Position at December 31, 2016 (with GASB 68)	\$ 2,641,885	\$ 58,400,223	\$ 61,042,108
GASB 68 Calculations:			
Add: Deferred Inflows related to Pension	1,673,401	354,202	2,027,603
Net Pension Liability	49,849,239	4,078,895	53,928,134
Less: Deferred Outflows related to Pension	(13,062,756)	(1,562,589)	(14,625,345)
Net Pension Asset	(25,910)	(10,980)	(36,890)
Total Net Position at December 31, 2016 (without GASB 68)	<u>\$ 41,075,859</u>	<u>\$ 61,259,751</u>	<u>\$ 102,335,610</u>

**Contacting the City's Finance Department**

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

## Basic Financial Statements



**City of Euclid, Ohio**  
*Statement of Net Position*  
*December 31, 2016*

	Governmental Activities	Business-Type Activities	Total	Component Unit Euclid Development Corporation
<b>ASSETS</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 5,729,790	\$ 21,041,407	\$ 26,771,197	\$ 679,332
Cash and Cash Equivalents:				
In Segregated Accounts	19,574	11,144	30,718	-
With Fiscal Agents	50,132	-	50,132	-
With Escrow Agents	34,351	420,442	454,793	-
Materials and Supplies Inventory	158,635	84,541	243,176	-
Accounts Receivable	704,564	4,854,680	5,559,244	-
Accrued Interest Receivable	78,473	-	78,473	-
Intergovernmental Receivable	3,165,075	-	3,165,075	-
Prepaid Items	83,937	17,471	101,408	-
Municipal Income Taxes Receivable	8,622,111	-	8,622,111	-
Property Taxes Receivable	4,804,402	-	4,804,402	-
Payments in Lieu of Taxes Receivable	340,186	-	340,186	-
Notes Receivable	707,623	-	707,623	-
Loans Receivable	-	-	-	2,221,862
Special Assessments Receivable	4,684,661	-	4,684,661	-
Assets held for Resale	323,918	-	323,918	-
Capital Leases Receivable	-	44,481	44,481	-
Nondepreciable Capital Assets	11,376,847	59,098,856	70,475,703	-
Depreciable Capital Assets	37,928,672	42,729,404	80,658,076	-
Net Pension Assets	25,910	10,980	36,890	-
<b>Total Assets</b>	<b>78,838,861</b>	<b>128,313,406</b>	<b>207,152,267</b>	<b>2,901,194</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferral on Refunding	237,193	79,629	316,822	-
Pension	13,062,756	1,562,589	14,625,345	-
<b>Total Deferred Outflows of Resources</b>	<b>13,299,949</b>	<b>1,642,218</b>	<b>14,942,167</b>	<b>-</b>
<b>LIABILITIES</b>				
Accounts Payable	574,781	375,260	950,041	500
Accrued Wages and Benefits	425,497	70,707	496,204	1,759
Intergovernmental Payable	388,500	44,792	433,292	-
Matured Compensated Absences Payable	110,810	-	110,810	-
Accrued Interest Payable	53,686	40,022	93,708	-
Retainage Payable	3,096	-	3,096	-
Claims Payable	142,040	-	142,040	-
Customer Deposits	-	25,554	25,554	-
Long-term Liabilities:				
Due within one year	4,321,235	2,225,311	6,546,546	-
Due in more than one year:				
Net Pension Liability (See Note 14)	49,849,239	4,078,895	53,928,134	-
Other amounts due in more than one year	27,712,785	64,340,658	92,053,443	-
<b>Total Liabilities</b>	<b>83,581,669</b>	<b>71,201,199</b>	<b>154,782,868</b>	<b>2,259</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Taxes	3,901,669	-	3,901,669	-
Payments in Lieu of Taxes	340,186	-	340,186	-
Pension	1,673,401	354,202	2,027,603	-
<b>Total Deferred Inflows of Resources</b>	<b>5,915,256</b>	<b>354,202</b>	<b>6,269,458</b>	<b>-</b>
<b>NET POSITION</b>				
Net Investment in Capital Assets	24,766,951	46,148,436	70,915,387	-
Restricted for:				
Debt Service	1,161,432	-	1,161,432	-
Capital Projects	1,800,227	-	1,800,227	-
Transportation	826,530	-	826,530	-
Community Development	153,023	-	153,023	-
Recreation Center	152,124	-	152,124	-
Other Purposes	12,846	-	12,846	-
Public Safety	372,122	-	372,122	-
Courts	134,787	-	134,787	-
Unrestricted	(26,738,157)	12,251,787	(14,486,370)	2,898,935
<b>Total Net Position</b>	<b>\$ 2,641,885</b>	<b>\$ 58,400,223</b>	<b>\$ 61,042,108</b>	<b>\$ 2,898,935</b>

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

**City of Euclid, Ohio**  
*Statement of Activities*  
For the Year Ended December 31, 2016

	<b>Program Revenues</b>			
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>Primary Government:</b>				
<b>Governmental activities:</b>				
Security of Persons and Property	\$ 23,033,620	\$ 4,039,613	\$ 697,848	\$ -
Public Health	464,708	106,213	38,623	-
Leisure Time Activities	2,245,540	308,629	19,415	-
Community and Economic Development	2,746,663	1,611,124	2,238,870	-
Sanitation	2,156,988	1,941,239	-	-
Transportation	6,090,854	-	1,750,921	-
General Government	14,996,193	1,806,019	240,924	116,470
Interest and Fiscal Charges	799,472	-	-	-
<i>Total Governmental activities</i>	<u>52,534,038</u>	<u>9,812,837</u>	<u>4,986,601</u>	<u>116,470</u>
<b>Business-type activities:</b>				
Waste Water Treatment	11,157,630	15,196,076	-	3,862,258
Water Line Improvement	312,351	1,838,834	-	-
Briardale Greens Golf Course	894,434	698,725	-	70,914
<i>Total Business-type activities</i>	<u>12,364,415</u>	<u>17,733,635</u>	<u>-</u>	<u>3,933,172</u>
<i>Total Primary Government</i>	<u>\$ 64,898,453</u>	<u>\$ 27,546,472</u>	<u>\$ 4,986,601</u>	<u>\$ 4,049,642</u>
<b>Component Unit:</b>				
Euclid Development Corporation	290,685	432,309	-	-
<i>Total Component Unit</i>	<u>\$ 290,685</u>	<u>\$ 432,309</u>	<u>\$ -</u>	<u>\$ -</u>

**General Revenues:**

Property Taxes levied for:

General Purposes

Debt Service Purpose

Capital Outlay

Other Purposes

Municipal Income Taxes levied for:

General Purposes

Other Local Taxes

Payments in Lieu of Taxes

Grants & Entitlements not restricted to specific programs

Investment Income

Gain on Sale of Capital Assets

All Other Revenues

**Transfers**

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning of Year, as Restated

**Net Position - End of Year**

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

<b>Net (Expense) Revenue and Changes in Net Position</b>			<b>Component</b>
<b>Governmental</b>	<b>Business-type</b>	<b>Total</b>	<b>Unit</b>
<b>Activities</b>	<b>Activities</b>		<b>Euclid</b>
			<b>Development</b>
			<b>Corporation</b>
\$ (18,296,159)	\$ -	\$ (18,296,159)	\$ -
(319,872)	-	(319,872)	-
(1,917,496)	-	(1,917,496)	-
1,103,331	-	1,103,331	-
(215,749)	-	(215,749)	-
(4,339,933)	-	(4,339,933)	-
(12,832,780)	-	(12,832,780)	-
(799,472)	-	(799,472)	-
<u>(37,618,130)</u>	<u>-</u>	<u>(37,618,130)</u>	<u>-</u>
-	7,900,704	7,900,704	-
-	1,526,483	1,526,483	-
<u>-</u>	<u>(124,795)</u>	<u>(124,795)</u>	<u>-</u>
<u>-</u>	<u>9,302,392</u>	<u>9,302,392</u>	<u>-</u>
<u>(37,618,130)</u>	<u>9,302,392</u>	<u>(28,315,738)</u>	<u>-</u>
-	-	-	141,624
<u>-</u>	<u>-</u>	<u>-</u>	<u>141,624</u>
1,625,177	-	1,625,177	-
1,876,777	-	1,876,777	-
411,119	-	411,119	-
314,413	-	314,413	-
26,199,511	-	26,199,511	-
547,212	-	547,212	-
246,429	-	246,429	-
2,227,555	-	2,227,555	-
195,775	-	195,775	442
45,904	-	45,904	-
1,781,650	845	1,782,495	4,107
(68,625)	-	(68,625)	-
35,402,897	845	35,403,742	4,549
(2,215,233)	9,303,237	7,088,004	146,173
4,857,118	49,096,986	53,954,104	2,752,762
<u>\$ 2,641,885</u>	<u>\$ 58,400,223</u>	<u>\$ 61,042,108</u>	<u>\$ 2,898,935</u>

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

**City of Euclid, Ohio**  
*Balance Sheet*  
**Governmental Funds**  
*December 31, 2016*

	<b>General Fund</b>	<b>General Obligation Bond Retirement</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 2,477,612	\$ 105,082	\$ 3,079,272	\$ 5,661,966
Cash and Cash Equivalents:				
In Segregated Accounts	19,574	-	-	19,574
With Fiscal Agents	50,132	-	-	50,132
With Escrow Agents	-	-	34,351	34,351
Materials and Supplies Inventory	138,610	-	20,025	158,635
Accrued Interest Receivable	78,473	-	-	78,473
Accounts Receivable	658,745	-	45,819	704,564
Interfund Receivable	1,336,812	358,313	-	1,695,125
Intergovernmental Receivable	791,787	115,667	2,257,621	3,165,075
Prepaid Items	80,122	-	3,815	83,937
Municipal Income Taxes Receivable	8,622,111	-	-	8,622,111
Property Taxes Receivable	1,813,094	2,181,890	809,418	4,804,402
Special Assessments Receivable	4,453,052	231,609	-	4,684,661
Notes Receivable	707,623	-	-	707,623
Payments in Lieu of Taxes Receivable	-	-	340,186	340,186
Assets held for Resale	-	-	323,918	323,918
<b>Total Assets</b>	<b>\$ 21,227,747</b>	<b>\$ 2,992,561</b>	<b>\$ 6,914,425</b>	<b>\$ 31,134,733</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 269,754	\$ -	\$ 294,277	\$ 564,031
Accrued Wages and Benefits	383,991	1,135	40,371	425,497
Intergovernmental Payable	340,940	771	46,789	388,500
Matured Compensated Absences Payable	106,249	-	4,561	110,810
Retainage Payable	-	-	3,096	3,096
Interfund Payable	-	-	1,695,125	1,695,125
Claims Payable	130,894	277	10,869	142,040
<b>Total Liabilities</b>	<b>1,231,828</b>	<b>2,183</b>	<b>2,095,088</b>	<b>3,329,099</b>
<b>Deferred Inflows of Resources:</b>				
Property Taxes and Payments in Lieu of Taxes	1,472,419	1,771,919	997,517	4,241,855
Unavailable Revenue - Delinquent Property Taxes	340,675	409,971	152,087	902,733
Unavailable Revenue - Municipal Income Taxes	5,478,337	-	-	5,478,337
Unavailable Revenue - Other	5,218,953	347,276	1,753,113	7,319,342
<b>Total Deferred Inflows of Resources</b>	<b>12,510,384</b>	<b>2,529,166</b>	<b>2,902,717</b>	<b>17,942,267</b>
<b>Fund Balances:</b>				
Nonspendable	977,122	-	23,840	1,000,962
Restricted	-	461,212	3,419,084	3,880,296
Committed	92,977	-	25,346	118,323
Assigned	331,822	-	-	331,822
Unassigned (Deficit)	6,083,614	-	(1,551,650)	4,531,964
<b>Total Fund Balances</b>	<b>7,485,535</b>	<b>461,212</b>	<b>1,916,620</b>	<b>9,863,367</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 21,227,747</b>	<b>\$ 2,992,561</b>	<b>\$ 6,914,425</b>	<b>\$ 31,134,733</b>

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

**City of Euclid, Ohio**  
*Reconciliation of Total Governmental Fund Balances to Net  
Position of Governmental Activities*  
December 31, 2016

**Total Governmental Funds Balance** 9,863,367

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

Capital Assets used in Governmental Activities are not financial resources  
and, therefore, are not reported in the funds 49,305,519

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

Delinquent property taxes	902,733	
Municipal income taxes	5,478,337	
Special assessments	4,684,661	
Intergovernmental	2,414,908	
Charges for services	219,773	
Total		13,700,412

In the Statement of Activities, interest is accrued on outstanding  
bonds, whereas in Governmental funds, an interest expenditure  
is reported when due. (53,686)

Internal Service funds are used by management to charge the costs  
of certain activities, such as insurance to individual funds. The assets  
and liabilities of the Internal Service funds are included in Governmental  
Activities in the Statement of Net Position. (42,926)

The net pension liability/asset is not due and payable in the current period;  
therefore, the liability/asset and related deferred inflows/outflows are not  
reported in governmental funds:

Deferred Outflows - Pension	13,062,756	
Deferred Inflows - Pension	(1,673,401)	
Net Pension Asset	25,910	
Net Pension Liability	(49,849,239)	
Total		(38,433,974)

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

General obligation bonds and notes	(15,014,062)	
Income tax special obligation bonds	(6,949,000)	
Special assessment bonds	(260,000)	
Unamortized premiums on bonds	(140,391)	
Deferral on refundings	237,193	
Compensated absences	(6,600,089)	
Claims payable	(101,539)	
Capital leases	(1,623,997)	
OPWC loans	(1,085,742)	
Landfill	(159,200)	
Total		(31,696,827)

**Net Position of Governmental Activities** 2,641,885

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

**City of Euclid, Ohio**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2016*

	<b>General Fund</b>	<b>General Obligation Bond Retirement</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>				
Property Taxes	\$ 1,641,645	\$ 1,899,068	\$ 732,883	\$ 4,273,596
Municipal Income Taxes	24,827,667	-	-	24,827,667
Other Local Taxes	547,212	-	-	547,212
Payments in Lieu of Taxes	-	-	251,094	251,094
Intergovernmental	1,664,509	589,385	3,761,365	6,015,259
Interest	185,107	10,594	74	195,775
Fees, Licenses, and Permits	529,927	-	-	529,927
Fines and Forfeitures	1,945,267	-	357,696	2,302,963
Rentals	52,671	-	-	52,671
Charges for Services	6,119,687	12,155	335,636	6,467,478
Contributions and Donations	81	-	27,320	27,401
Special Assessments	796,708	116,470	-	913,178
All Other Revenues	187,739	474	1,607,340	1,795,553
<b>Total Revenues</b>	<b>38,498,220</b>	<b>2,628,146</b>	<b>7,073,408</b>	<b>48,199,774</b>
<b>EXPENDITURES</b>				
Current:				
Security of Persons and Property	20,073,269	-	564,372	20,637,641
Public Health	311,695	-	-	311,695
Leisure Time Activities	929,822	-	1,063,895	1,993,717
Community and Economic Development	1,375,627	-	1,332,768	2,708,395
Sanitation	2,156,988	-	-	2,156,988
Transportation	-	-	2,686,849	2,686,849
General Government	12,191,474	121,266	2,176,851	14,489,591
Capital Outlay	-	-	2,034,544	2,034,544
Debt Service:				
Principal Retirement	185,000	2,352,814	175,865	2,713,679
Interest and Fiscal Charges	8,047	704,081	7,311	719,439
Debt Issuance Costs	-	19,585	-	19,585
<b>Total Expenditures</b>	<b>37,231,922</b>	<b>3,197,746</b>	<b>10,042,455</b>	<b>50,472,123</b>
Excess of Revenues (Under) Expenditures	1,266,298	(569,600)	(2,969,047)	(2,272,349)
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Capital Assets	3,290	-	53,291	56,581
Inception of Capital Lease	-	-	1,338,609	1,338,609
Long-term Bond Anticipation Notes Issued	-	-	1,501,000	1,501,000
Premium on Debt Issuance	-	11,888	-	11,888
Transfers In	-	250,000	180,000	430,000
Transfers Out	(471,000)	-	-	(471,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(467,710)</b>	<b>261,888</b>	<b>3,072,900</b>	<b>2,867,078</b>
Net Change in Fund Balances	798,588	(307,712)	103,853	594,729
Fund Balances - Beginning of Year	6,686,947	768,924	1,812,767	9,268,638
<b>Fund Balances - End of Year</b>	<b>\$ 7,485,535</b>	<b>\$ 461,212</b>	<b>\$ 1,916,620</b>	<b>\$ 9,863,367</b>

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

**City of Euclid, Ohio**  
*Reconciliation of the Statement of Revenues, Expenditures and  
Changes in Fund Balances of Governmental Funds to the  
Statement of Activities*  
For the Year Ended December 31, 2016

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**Net Change in Fund Balances-Total Governmental Funds** \$ 594,729

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

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

Capital Outlay	\$ 2,034,544	
Depreciation	<u>(4,396,001)</u>	
Total		(2,361,457)

In the Statement of Activities, only the loss on the disposal of capital assets is reported, whereas, in the Governmental Funds, the proceeds from the disposals increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets. (10,677)

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

Delinquent property taxes	(46,110)	
Municipal income taxes	1,371,844	
Special assessments	(87,857)	
Intergovernmental	948,817	
Charges for services	<u>(26,374)</u>	
Total		2,160,320

Other financing sources in the Governmental funds increase long-term liabilities in the Statement of Net Position. These sources were attributed to the issuance of debt. (2,851,497)

Repayment of City bond principal, notes, OPWC loan, and capital leases are expenditures in the Governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 2,713,679

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows 3,672,362

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities. (5,615,205)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in Governmental funds.

Compensated absences	(230,315)	
Claims	(15,089)	
Landfill	(159,200)	
Accrued interest on bonds	3,520	
Amortization of bond premiums	35,781	
Amortization of loss on refunding	<u>(99,749)</u>	
Total		(465,052)

Internal Service funds are used by management to charge costs to certain activities, such as insurance to individual funds. The net revenue (expense) of Internal Service funds are reported in the Governmental Activities. (52,435)

**Change in Net Position of Governmental Activities** \$ (2,215,233)

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

**City of Euclid, Ohio**  
*Statement of Revenues, Expenditures and Changes in Fund Balance –  
 Budget (Non-GAAP Basis) and Actual  
 General Fund  
 For the Year Ended December 31, 2016*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property Taxes	\$ 1,537,220	\$ 1,786,851	\$ 1,641,645	\$ (145,206)
Municipal Income Taxes	25,125,000	25,125,000	25,135,350	10,350
Other Local Taxes	670,000	670,000	669,016	(984)
Intergovernmental	1,794,528	1,844,897	1,690,867	(154,030)
Interest	120,000	120,000	222,218	102,218
Licenses and Permits	485,450	485,450	529,927	44,477
Fines and Forfeitures	1,801,200	1,801,200	1,942,237	141,037
Rentals	53,000	53,000	52,671	(329)
Charges for Services	5,885,296	5,885,296	5,892,836	7,540
Contributions and Donations	500	500	1,410	910
Special Assessments	800,000	800,000	796,708	(3,292)
All Other Revenues	139,311	139,200	189,057	49,857
<b>Total Revenues</b>	<b>38,411,505</b>	<b>38,711,394</b>	<b>38,763,942</b>	<b>52,548</b>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	20,621,391	20,698,691	20,420,473	278,218
Public Health	303,800	308,700	299,834	8,866
Leisure Time Activities	675,929	726,929	702,059	24,870
Community and Economic Development	1,299,092	1,302,092	1,216,440	85,652
Sanitation	2,307,154	2,307,154	2,304,988	2,166
General Government	13,180,637	13,196,887	12,796,535	400,352
Debt Service:				
Principal	185,000	185,000	185,000	-
Interest & Fiscal Charges	8,100	8,100	8,047	53
<b>Total Expenditures</b>	<b>38,581,103</b>	<b>38,733,553</b>	<b>37,933,376</b>	<b>800,177</b>
Excess of Revenues Over (Under) Expenditures	(169,598)	(22,159)	830,566	852,725
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	500	500	3,290	2,790
Transfers In	120,000	120,000	120,000	-
Transfers Out	(810,000)	(810,000)	(810,000)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(689,500)</b>	<b>(689,500)</b>	<b>(686,710)</b>	<b>2,790</b>
Net Change in Fund Balance	(859,098)	(711,659)	143,856	855,515
Fund Balance - Beginning of Year	3,247,798	3,247,798	3,247,798	-
Prior Year Encumbrances Appropriated	119,340	119,340	119,340	-
<b>Fund Balance - End of Year</b>	<b>\$ 2,508,040</b>	<b>\$ 2,655,479</b>	<b>\$ 3,510,994</b>	<b>\$ 855,515</b>

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



**City of Euclid, Ohio**  
*Statement of Net Position*  
*Proprietary Funds*  
*December 31, 2016*

	Enterprise Funds				Governmental Activities
	Waste Water Treatment	Water Line Improvement	Briardale Greens Golf Course	Total	Internal Service Fund
<b>ASSETS</b>					
<b>Current Assets:</b>					
Equity in Pooled Cash and Cash Equivalents	\$ 18,793,679	\$ 2,247,728	\$ -	\$ 21,041,407	\$ 67,824
Cash and Cash Equivalents:					
In Segregated Accounts	-	-	11,144	11,144	-
With Escrow Agents	420,442	-	-	420,442	-
Materials and Supplies Inventory	63,602	-	20,939	84,541	-
Accounts Receivable	4,242,760	610,285	1,635	4,854,680	-
Prepaid Items	14,748	-	2,723	17,471	-
Capital Leases Receivable	-	-	44,481	44,481	-
<b>Total Current Assets</b>	<b>23,535,231</b>	<b>2,858,013</b>	<b>80,922</b>	<b>26,474,166</b>	<b>67,824</b>
<b>Noncurrent Assets:</b>					
Capital Assets:					
Land	1,065,440	-	7,271,526	8,336,966	-
Construction in Progress	50,761,890	-	-	50,761,890	-
Depreciable Assets, Net of Depreciation	41,495,251	-	1,234,153	42,729,404	-
Net Pension Asset	10,980	-	-	10,980	-
<b>Total Noncurrent Assets</b>	<b>93,333,561</b>	<b>-</b>	<b>8,505,679</b>	<b>101,839,240</b>	<b>-</b>
<b>Total Assets</b>	<b>116,868,792</b>	<b>2,858,013</b>	<b>8,586,601</b>	<b>128,313,406</b>	<b>67,824</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferral on Refunding	16,523	63,106	-	79,629	-
Pension	1,562,589	-	-	1,562,589	-
<b>Total Deferred Outflows of Resources</b>	<b>1,579,112</b>	<b>63,106</b>	<b>-</b>	<b>1,642,218</b>	<b>-</b>
<b>LIABILITIES</b>					
<b>Current Liabilities:</b>					
Accounts Payable	321,176	-	54,084	375,260	10,750
Accrued Wages and Benefits	70,707	-	-	70,707	-
Compensated Absences Payable	139,112	-	-	139,112	-
Customer Deposits Payable	-	-	25,554	25,554	-
Intergovernmental Payable	44,792	-	-	44,792	-
Accrued Interest Payable	18,446	21,576	-	40,022	-
Claims Payable	19,959	-	-	19,959	100,000
General Obligation Bonds Payable	248,962	714,000	-	962,962	-
OWDA Loans Payable	210,056	-	-	210,056	-
OPWC Loans Payable	432,677	264,820	-	697,497	-
Capital Leases Payable	173,866	-	21,859	195,725	-
<b>Total Current Liabilities</b>	<b>1,679,753</b>	<b>1,000,396</b>	<b>101,497</b>	<b>2,781,646</b>	<b>110,750</b>
<b>Noncurrent Liabilities:</b>					
Compensated Absences Payable	742,336	-	-	742,336	-
Claims Payable	14,267	-	-	14,267	-
General Obligation Bonds Payable	1,463,275	6,037,698	-	7,500,973	-
OWDA Loans Payable	47,785,668	-	-	47,785,668	-
OPWC Loans Payable	4,705,637	2,937,430	-	7,643,067	-
Capital Leases Payable	631,725	-	22,622	654,347	-
Net Pension Liability	4,078,895	-	-	4,078,895	-
<b>Total Noncurrent Liabilities</b>	<b>59,421,803</b>	<b>8,975,128</b>	<b>22,622</b>	<b>68,419,553</b>	<b>-</b>
<b>Total Liabilities</b>	<b>61,101,556</b>	<b>9,975,524</b>	<b>124,119</b>	<b>71,201,199</b>	<b>110,750</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension	354,202	-	-	354,202	-
<b>Total Deferred Inflows of Resources</b>	<b>354,202</b>	<b>-</b>	<b>-</b>	<b>354,202</b>	<b>-</b>
<b>NET POSITION</b>					
Net Investment in Capital Assets	37,687,238	-	8,461,198	46,148,436	-
Unrestricted	19,304,908	(7,054,405)	1,284	12,251,787	(42,926)
<b>Total Net Position</b>	<b>\$ 56,992,146</b>	<b>\$ (7,054,405)</b>	<b>\$ 8,462,482</b>	<b>\$ 58,400,223</b>	<b>\$ (42,926)</b>

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

**City of Euclid, Ohio**  
*Statement of Revenues, Expenses and Changes in Fund Net Position*  
*Proprietary Funds*  
*For the Year Ended December 31, 2016*

	Enterprise Funds				Governmental
	Waste Water Treatment	Water Line Improvement	Briardale	Total	Internal
			Greens Golf Course		Service Fund
<b>OPERATING REVENUES</b>					
Charges for Services	\$ 15,185,972	\$ 1,838,834	\$ 698,725	\$ 17,723,531	\$ -
Miscellaneous	-	-	845	845	-
Other Services	10,104	-	-	10,104	-
<b>Total Operating Revenues</b>	<u>15,196,076</u>	<u>1,838,834</u>	<u>699,570</u>	<u>17,734,480</u>	<u>-</u>
<b>OPERATING EXPENSES</b>					
Salaries	4,870,887	-	-	4,870,887	-
Materials and Supplies	2,078,382	-	-	2,078,382	-
Contractual Services	2,057,044	52,206	788,607	2,897,857	49,016
Depreciation	1,366,448	-	103,537	1,469,985	-
Claims	-	-	-	-	44,419
Other	39,116	-	-	39,116	-
<b>Total Operating Expense</b>	<u>10,411,877</u>	<u>52,206</u>	<u>892,144</u>	<u>11,356,227</u>	<u>93,435</u>
Operating Income (Loss)	<u>4,784,199</u>	<u>1,786,628</u>	<u>(192,574)</u>	<u>6,378,253</u>	<u>(93,435)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Loss on Sale of Capital Assets	(348)	-	-	(348)	-
Interest and Fiscal Charges	(745,405)	(260,145)	(2,290)	(1,007,840)	-
Intergovernmental	3,862,258	-	-	3,862,258	-
<b>Total Nonoperating Revenues (Expenses)</b>	<u>3,116,505</u>	<u>(260,145)</u>	<u>(2,290)</u>	<u>2,854,070</u>	<u>-</u>
Capital Contributions	-	-	70,914	70,914	-
Transfers In	-	-	-	-	41,000
Change in Net Position	<u>7,900,704</u>	<u>1,526,483</u>	<u>(123,950)</u>	<u>9,303,237</u>	<u>(52,435)</u>
Net Position - Beginning of Year	<u>49,091,442</u>	<u>(8,580,888)</u>	<u>8,586,432</u>	<u>49,096,986</u>	<u>9,509</u>
<b>Net Position - End of Year</b>	<u>\$ 56,992,146</u>	<u>\$ (7,054,405)</u>	<u>\$ 8,462,482</u>	<u>\$ 58,400,223</u>	<u>\$ (42,926)</u>

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

**City of Euclid, Ohio**  
*Statement of Cash Flows*  
*Proprietary Funds*  
For the Year Ended December 31, 2016

	Enterprise Funds				Governmental
	Waste Water Treatment	Water Line Improvement	Briardale Greens Golf Course	Total	Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash Received from Charges for Services	\$ 14,703,276	\$ 1,775,702	\$ 705,370	\$ 17,184,348	\$ -
Other Cash Receipts	-	-	2,000	2,000	-
Cash Payments to Employees for Services and Benefits	(4,990,865)	-	-	(4,990,865)	-
Cash Payments for Goods and Services	(4,161,497)	(52,206)	(758,858)	(4,972,561)	(45,266)
Cash Payments for Claims	-	-	-	-	(67,419)
Other Cash Payments	(54,666)	-	-	(54,666)	-
Net Cash Provided by (Used in) Operating Activities	<u>5,496,248</u>	<u>1,723,496</u>	<u>(51,488)</u>	<u>7,168,256</u>	<u>(112,685)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Principal Paid on Debt	-	(945,832)	-	(945,832)	-
Interest Paid on Debt	-	(253,768)	-	(253,768)	-
Transfers In	4,660,329	-	-	4,660,329	41,000
Transfers Out	(4,660,329)	-	-	(4,660,329)	-
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>-</u>	<u>(1,199,600)</u>	<u>-</u>	<u>(1,199,600)</u>	<u>41,000</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Capital Grants Received	4,731,817	-	-	4,731,817	-
Proceeds from OWDA and OPWC Loans	30,726,451	-	-	30,726,451	-
Proceeds from capital lease	420,442	-	-	420,442	-
Principal Paid on Debt	(1,254,905)	-	(21,122)	(1,276,027)	-
Interest Paid on Debt	(386,000)	-	(2,290)	(388,290)	-
Payments for Capital Acquisitions	(35,851,966)	-	-	(35,851,966)	-
Contributions from Other Entities	-	-	23,412	23,412	-
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(1,614,161)</u>	<u>-</u>	<u>-</u>	<u>(1,614,161)</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	3,882,087	523,896	(51,488)	4,354,495	(71,685)
Cash and Cash Equivalents - Beginning of Year	15,332,034	1,723,832	62,632	17,118,498	139,509
<b>Cash and Cash Equivalents - End of Year</b>	<u>\$ 19,214,121</u>	<u>\$ 2,247,728</u>	<u>\$ 11,144</u>	<u>\$ 21,472,993</u>	<u>\$ 67,824</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>					
Operating Income (Loss)	\$ 4,784,199	\$ 1,786,628	\$ (192,574)	\$ 6,378,253	\$ (93,435)
Adjustments:					
Depreciation	1,366,448	-	103,537	1,469,985	-
(Increase) Decrease in Assets and Deferred Outflows of Resources:					
Accounts Receivable	(492,800)	(63,132)	1,154	(554,778)	-
Intergovernmental Receivable	1,227,465	-	-	1,227,465	-
Materials and Supplies Inventory	(7,125)	-	6,646	(479)	-
Prepaid Items	379	-	(2,723)	(2,344)	-
Net Pension Asset	(522)	-	-	(522)	-
Deferred Outflows - Pension	(1,026,843)	-	-	(1,026,843)	-
Increase (Decrease) in Liabilities and Deferred Inflows of Resources:					
Accounts Payable	(1,232,282)	-	22,649	(1,209,633)	10,750
Contracts Payable	-	-	9,823	9,823	-
Accrued Wages and Benefits	(105,981)	-	-	(105,981)	-
Compensated Absences Payable	(63,239)	-	-	(63,239)	-
Intergovernmental Payable	(71,026)	-	-	(71,026)	-
Claims Payable	(5,224)	-	-	(5,224)	(30,000)
Net Pension Liability	828,884	-	-	828,884	-
Deferred Inflows - Pension	293,915	-	-	293,915	-
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>\$ 5,496,248</u>	<u>\$ 1,723,496</u>	<u>\$ (51,488)</u>	<u>\$ 7,168,256</u>	<u>\$ (112,685)</u>
<b>Schedule of Noncash Investing, Capital, and Related Financing Activities</b>					
Net impact of accruals related to capital assets	\$ 1,138,673	\$ -	\$ -	\$ 1,138,673	\$ -
Capital Contribution from Other Entity	-	-	68,625	68,625	-

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

**City of Euclid, Ohio**  
*Statement of Fiduciary Net Position*  
*Fiduciary Funds*  
*December 31, 2016*

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	<u>Agency Funds</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 937,445
Cash and Cash Equivalents:	
in Segregated Accounts	<u>271,107</u>
Total Assets	<u><u>\$ 1,208,552</u></u>
 <b>Liabilities</b>	
Deposits Held and Due to Others	<u><u>\$ 1,208,552</u></u>

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

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*

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**NOTE 1: DESCRIPTION OF THE CITY AND REPORTING ENTITY**

The City of Euclid, Ohio (the City) was incorporated in 1931 and includes an area of approximately 10.3 square miles. The City operates under an elected Mayor/Council (nine members) administrative/legislative form of government and provides services to its more than 48,000 residents. The City established a formal charter in 1951 which governs its operations.

**Reporting Entity**

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

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

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

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
*(Continued)*

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**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Basis of Presentation**

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

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

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

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

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
*(Continued)*

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

**B. Fund Accounting**

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

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

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

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

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

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

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

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

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
(Continued)

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

**B. Fund Accounting** (Continued)

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

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

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

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

**C. Measurement Focus**

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

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



**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
(Continued)

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

**C. Measurement Focus** (Continued)

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

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

**D. Basis of Accounting**

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

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

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
(Continued)

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

**D. Basis of Accounting** (Continued)

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

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

**Deferred Outflows/Inflows of Resources** - In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide statement of net position for deferred charges on refunding and for pension. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension are explained in Note 14.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, payments in lieu of taxes, pension and unavailable revenues. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2016, but which were levied to finance year 2017 operations. The property taxes and payments in lieu of taxes have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period.

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
(Continued)

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

**D. Basis of Accounting** (Continued)

For the City, unavailable revenue includes delinquent property taxes (\$902,733), municipal income taxes (\$5,478,337), intergovernmental grants (\$2,414,908), special assessments (\$4,684,661), and charges for services (\$219,773). These amounts are deferred and recognized as inflows of resources in the period the amounts become available. Deferred inflows of resources related to pension are reported on the government-wide statement of net position (See Note 14).

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

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

**E. Budgetary Process**

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

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

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
(Continued)

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

**E. Budgetary Process** (Continued)

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

**F. Cash and Cash Equivalents**

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

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

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

The City has cash with an escrow agent. This amount represents the cash held for the City by a bank for the payment of debt principal and interest as they come due and to purchase capital assets from a capital lease is included on the financial statements as "cash and cash equivalents with escrow agents".

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

During 2016, the City invested in U.S agency debt securities, municipal debt securities from governmental entities within the State of Ohio, commercial paper, and negotiable certificates of deposit. Investments are reported at fair value, which is based on quoted market prices.

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
*(Continued)*

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

**F. Cash and Cash Equivalents** (Continued)

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the General Fund during 2016 amounted to \$185,107, which includes \$166,828 assigned from other City funds.

**G. Inventory**

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

**H. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2016, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

**I. Capital Assets**

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

Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide Statement of Net Position and in the respective funds.

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

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
*(Continued)*

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

**I. Capital Assets** (Continued)

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

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

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

For 2016, the City's infrastructure consisted of streets, storm sewers, and sanitary sewers.

**J. Interfund Balances**

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

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

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

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
*(Continued)*

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

**K. Compensated Absences**

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

**L. Accrued Liabilities and Long-Term Obligations**

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

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

**M. Fund Balance**

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

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

*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.

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
(Continued)

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

**M. Fund Balance** (Continued)

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

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

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

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

Net Position is the residual amount when comparing assets and deferred outflows of resources to liabilities and deferred inflows of resources. The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. The restricted component of net position is reported when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The government-wide Statement of Net Position reports \$4,613,091 of restricted net position, none of which is restricted by enabling legislation. Net position restricted for other purposes include resources restricted for court computerization, court special projects, law enforcement trust, and other grant funds.



**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
*(Continued)*

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

N. **Net Position** (Continued)

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

O. **Operating Revenue and Expenses**

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

P. **Interfund Activity**

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

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

Q. **Bond Premium**

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

R. **Gain/Loss on Refunding**

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

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
*(Continued)*

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

**S. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. No extraordinary or special items occurred in 2016.

**T. Estimates**

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

**U. Pension**

For purposes of measuring the net pension liability/(asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

NOTE 3: **CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF NET POSITION**

**A. Change in Accounting Principles**

The City has implemented the following Governmental Accounting Standards Board (GASB) Statements:

GASB Statement No. 72, *Fair Value Measurement of Application*. The objective of this Statement is to address accounting and financial reporting issues related to fair value measurement. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The City implemented these changes in the 2016 financial statements; however, there was no effect on the beginning net position/fund balance.

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
(Continued)

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**NOTE 3: CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF NET POSITION** (Continued)

GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, establishes requirements for defined benefit pensions that are not within the scope of GASB Statement No. 68 as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also clarifies the application of certain provisions of GASB Statements 67 and 68. The implementation of GASB Statement no. 73 did not have an effect on the financials statements of the City.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The implementation of GASB Statement no. 76 did not have an effect on the financials statements of the City.

GASB Statement No. 77, *Tax Abatement Disclosures*. This Statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. The City implemented these changes in the 2016 financial statements; however, there was no effect on the beginning net position/fund balance.

GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, Accounting and Financial Reporting for Pensions. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. The implementation of GASB Statement no. 78 did not have an effect on the financials statements of the City.

GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. This Statement establishes additional note disclosure requirements for qualifying external investment pools that measure all of their investments at amortized cost for financial reporting purposes and for governments that participate in those pools. The implementation of GASB Statement no. 79 did not have an effect on the financials statements of the City.

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
(Continued)

**NOTE 3: CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF NET POSITION** (Continued)

**B. Restatement of Net Position**

Ohio Police and Fire Pension Fund (OP&F) had to make a revision to the census file provided to its actuary. The revisions are due to the information reported late that impacted the January 1, 2014 census file used to determine the total net pension liability. As a result of the additional information, the December 31, 2014 and January 1, 2014 numbers presented have been restated by OP&F.

The restatement had the following impact on net position as reported December 31, 2015:

	Governmental Activities
Net Position as of December 31, 2015	\$5,677,228
Adjustments:	
Net Pension Liability	(820,110)
Restated Net Position December 31, 2015	\$4,857,118

**NOTE 4: ACCOUNTABILITY**

The following funds had deficits in fund balance or deficits in net position as of December 31, 2016:

<b><i>Governmental Funds</i></b>	
<i>Nonmajor</i>	
Community Development Block Grant	\$ 20,526
Other Grants	1,172,811
Public Building Construction	358,313
<b><i>Total Governmental Funds</i></b>	<b>\$ 1,551,650</b>
<b>Enterprise Fund</b>	
Water Line Improvement	\$ 7,054,405

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

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
*(Continued)*

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**NOTE 5: BUDGETARY BASIS OF ACCOUNTING**

While the City is reporting financial position, results of operations, and changes in fund balances/fund equity on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for transactions on a basis of cash receipts, disbursements, and encumbrances.

The Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual presented for the General Fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are as follows:

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

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

GAAP Basis	\$	798,588
Net Adjustment for Revenue Accruals		456,777
Net Adjustment for Expenditure Accruals		(802,500)
Funds with Separate Legally Adopted Budgets		34,054
Encumbrances		(343,063)
Budget Basis	<u>\$</u>	<u>143,856</u>

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
(Continued)

**NOTE 6: FUND BALANCE**

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

Fund Balances	General	General Obligation Bond Retirement	Other Governmental Funds	Total
<i>Nonspendable</i>				
Prepaid Items	\$ 80,122	\$ -	\$ 3,815	\$ 83,937
Materials and Supplies Inventory	138,610	-	20,025	158,635
Unclaimed Funds	50,767	-	-	50,767
Notes Receivable	707,623	-	-	707,623
<i>Total Nonspendable</i>	<u>977,122</u>	<u>-</u>	<u>23,840</u>	<u>1,000,962</u>
<i>Restricted for</i>				
Transportation	-	-	474,732	474,732
Drug & Alcohol Enforcement	-	-	178,716	178,716
Municipal Court	-	-	146,667	146,667
Recreation	-	-	113,906	113,906
Neighborhood Stabilization	-	-	578	578
Law Enforcement	-	-	193,406	193,406
Assets Held for Resale	-	-	323,918	323,918
Capital Improvements	-	-	580,056	580,056
Recreation Capital	-	-	1,028,540	1,028,540
TIF Capital Projects	-	-	340,748	340,748
Other Capital Improvements	-	-	37,817	37,817
Bond Retirement	-	461,212	-	461,212
<i>Total Restricted</i>	<u>-</u>	<u>461,212</u>	<u>3,419,084</u>	<u>3,880,296</u>
<i>Committed to</i>				
Nuisance Abatement	48,233	-	-	48,233
Community Television	7,948	-	-	7,948
Shore Cultural Center	36,796	-	-	36,796
Animal Shelter	-	-	25,346	25,346
<i>Total Committed</i>	<u>92,977</u>	<u>-</u>	<u>25,346</u>	<u>118,323</u>
<i>Assigned to</i>				
Purchases on Order	331,822	-	-	331,822
<i>Total Assigned</i>	<u>331,822</u>	<u>-</u>	<u>-</u>	<u>331,822</u>
<i>Unassigned (Deficit)</i>	6,083,614	-	(1,551,650)	4,531,964
<b>Total Fund Balances</b>	<u><u>\$ 7,485,535</u></u>	<u><u>\$ 461,212</u></u>	<u><u>\$ 1,916,620</u></u>	<u><u>\$ 9,863,367</u></u>

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
*(Continued)*

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**NOTE 7: DEPOSITS AND INVESTMENTS**

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

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

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

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

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

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
*(Continued)*

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

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

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

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

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

**Cash on Hand**

The City had \$7,920 in undeposited cash on hand, which is reported on the balance sheet as part of "Equity in Pooled Cash and Cash Equivalents".

**Deposits**

***Custodial Credit Risk*** Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in possession of an outside party. At year-end, the carrying amount of the City's deposits was \$3,782,873 (which does not include cash in segregated accounts of \$301,825 and cash with escrow agent of \$454,793) and the bank balance was \$5,171,751. Of the bank balance, \$1,603,639 was covered by Federal depository insurance and \$3,568,112 was exposed to custodial credit risk because it was uninsured and uncollateralized. Although the securities were held by the pledging institution's trust department and all statutory requirements for the investment of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.



**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
(Continued)

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

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

**Investments**

Fair value is determined by quoted market prices and acceptable other pricing methodologies. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The following identify the City's recurring fair value measurement as of December 31, 2016. All other investments of the City are valued using quoted market prices (Level 1 inputs). As of December 31, 2016, fair value was \$84,754 below the City's net cost for investments. As of December 31, 2016, the City had the following investments:

	Fair Market Value	Credit Rating
Federal Home Loan Mortgage Corp.	\$ 5,415,828	AA+
Federal Home Loan Bank	991,660	AA+
Federal National Mortgage Association	3,945,345	AA+
Negotiable Certificates of Deposit	3,984,987	N/A
Municipal Securities	2,600,000	N/A
Commercial Paper	7,030,161	A1
Total Investments	<u>\$ 23,967,981</u>	

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

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
*(Continued)*

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

***Custodial Credit Risk*** For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Federal Home Loan Bonds, Federal National Mortgage Association, and Municipal Debt Securities are exposed to custodial credit risk in that they are uninsured, unregistered, and held by the counterparty's trust department or agent but not in the City's name. The City has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Finance Director or qualified trustee. The City's investments in negotiable certificates of deposit of \$3,984,987 were fully covered by the FDIC.

***Credit Risk*** The City has no investment policy that would further limit its investment choices. Credit ratings, if available, are provided in the aforementioned table by Standard & Poor's. The City has no investment policy that would further limit its investment choices.

***Concentration of Credit Risk*** The City places no limit on the amount it may invest in any one issuer. The following is the City's allocation as of December 31, 2016:

Percentage of Total Investments	
Federal Home Loan Mortgage Corp.	23%
Federal Home Loan Bank	4%
Federal National Mortgage Association	16%
Negotiable Certificates of Deposit	17%
Municipal Securities	11%
Commercial Paper	29%
Total	100%

**Component Unit - Euclid Development Corporation (EDCOR)**

***Custodial Credit Risk*** Custodial credit risk for deposits is the risk that in the event of bank failure, EDCOR will not be able to recover deposits or collateral securities that are in possession of an outside party. At year-end, the carrying amount and bank balance of EDCOR's deposits was \$679,332. Of the bank balance, the full amount was covered by Federal depository insurance.

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
*(Continued)*

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

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

**NOTE 8: RECEIVABLES**

Receivables at December 31, 2016, consisted primarily of municipal income taxes, property and other taxes, accounts (billings for utility services), special assessments, accrued interest on investments, and intergovernmental receivables arising from entitlements and shared revenues. All receivables are deemed collectible in full. Special assessments outstanding at December 31, 2016, are \$4,684,661 with delinquent special assessments outstanding being \$1,286,528.

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

**A. Property Taxes**

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 2016 for real and public utility property taxes represents collections of 2015 taxes. Property tax payments received during 2016 for tangible personal property (other than public utility property) are for delinquent taxes from prior years.

2016 real property taxes are levied after October 1, 2016, on the assessed value as of January 1, 2016, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2015 real property taxes are collected in and intended to finance 2016.

Public utility real and tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2014 public utility property taxes which become a lien December 31, 2015, are levied after October 1, 2016, and are collected in 2016 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2016, was \$13.60 per \$1,000 of assessed value.

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
*(Continued)*

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NOTE 8: **RECEIVABLES** (Continued)

**A. Property Taxes** (Continued)

The assessed values of real and tangible personal property upon which 2016 property tax receipts were based are as follows:

Real Property	\$ 536,751,410
Public Utility Property	20,642,090
Total Valuation	<u>\$ 557,393,500</u>

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

The Cuyahoga County Fiscal Officer collects property taxes on behalf of all taxing districts in the County, including the City of Euclid. The County Fiscal Officer periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and tangible personal property taxes, public utility taxes, and outstanding delinquencies, which are measurable as of December 31, 2016, and for which there is an enforceable legal claim. In the governmental funds, the entire receivable has been offset by deferred inflows of resources since the current taxes were not levied to finance 2016 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue is deferred.

**B. Income Tax**

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

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

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
*(Continued)*

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NOTE 8: **RECEIVABLES** (Continued)

**C. Intergovernmental Receivables**

A summary of the principal items of intergovernmental receivables follows:

<i>Governmental Activities</i>	
Local Government (County & State)	\$ 695,670
Gasoline Tax	626,815
Homestead and Rollback	254,693
Motor Vehicle Tax	121,587
Various Grants	1,444,987
Other Intergovernmental	21,323
Total Intergovernmental Receivable	\$ 3,165,075

**D. Notes and Loans Receivable**

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

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

NOTE 9: **CONTINGENCIES**

**A. Grants**

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

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
(Continued)

**NOTE 9: CONTINGENCIES** (Continued)

**B. Litigation**

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

**NOTE 10: CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2016, was as follows:

	Balance 12/31/2015	Additions	Deletions	Balance 12/31/2016
<b>Governmental Activities</b>				
<i>Capital Assets, Not Being Depreciated</i>				
Land	\$ 10,775,705	\$ -	\$ -	\$ 10,775,705
Construction in Progress	600,123	1,019	-	601,142
<i>Total Capital Assets, Not Being Depreciated</i>	<u>11,375,828</u>	<u>1,019</u>	<u>-</u>	<u>11,376,847</u>
<i>Capital Assets, Being Depreciated</i>				
Land Improvements	8,891,535	8,900	-	8,900,435
Buildings and Improvements	17,281,286	9,600	-	17,290,886
Furniture, Fixtures, and Equipment	13,327,928	2,015,025	341,593	15,001,360
Infrastructure:				
Streets	130,935,128	-	-	130,935,128
<i>Total Capital Assets, Being Depreciated</i>	<u>170,435,877</u>	<u>2,033,525</u>	<u>341,593</u>	<u>172,127,809</u>
Less Accumulated Depreciation:				
Land Improvements	(5,693,089)	(210,409)	-	(5,903,498)
Buildings and Improvements	(8,666,753)	(367,822)	-	(9,034,575)
Furniture, Fixtures, and Equipment	(9,238,074)	(657,088)	(330,916)	(9,564,246)
Infrastructure:				
Streets	(106,536,136)	(3,160,682)	-	(109,696,818)
<i>Total Accumulated Depreciation*</i>	<u>(130,134,052)</u>	<u>(4,396,001)</u>	<u>(330,916)</u>	<u>(134,199,137)</u>
Total Capital Assets, Being Depreciated, Net	<u>40,301,825</u>	<u>(2,362,476)</u>	<u>10,677</u>	<u>37,928,672</u>
Governmental Activities Capital Assets, Net	<u>\$ 51,677,653</u>	<u>\$ (2,361,457)</u>	<u>\$ 10,677</u>	<u>\$ 49,305,519</u>

\*Depreciation Expense was charged to governmental functions as follows:

General Government	\$ 263,837
Security of Persons and Property	465,783
Leisure Time Services	201,130
Community and Economic Development	82,922
Transportation	3,382,329
	<u>\$ 4,396,001</u>

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
(Continued)

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

	Balance 12/31/2015	Additions	Deletions	Balance 12/31/2016
<b>Business-Type Activities</b>				
<i>Capital Assets, Not Being Depreciated</i>				
Land	\$ 8,336,966	\$ -	\$ -	\$ 8,336,966
Construction in Progress	21,918,660	34,666,380	5,823,150	50,761,890
<i>Total Capital Assets, Not Being Depreciated</i>	<u>30,255,626</u>	<u>34,666,380</u>	<u>5,823,150</u>	<u>59,098,856</u>
<i>Capital Assets, Being Depreciated</i>				
Land Improvements	1,493,948	-	-	1,493,948
Buildings and Improvements	14,527,598	-	-	14,527,598
Furniture, Fixtures, and Equipment	8,764,371	115,538	17,415	8,862,494
Infrastructure:				
Sanitary Sewers	30,215,128	5,823,150	-	36,038,278
Storm Sewers	12,414,136	-	-	12,414,136
<i>Total Capital Assets, Being Depreciated</i>	<u>67,415,181</u>	<u>5,938,688</u>	<u>17,415</u>	<u>73,336,454</u>
Less Accumulated Depreciation:				
Land Improvements	(1,112,320)	(50,888)	-	(1,163,208)
Buildings and Improvements	(7,672,271)	(302,766)	-	(7,975,037)
Furniture, Fixtures, and Equipment	(7,392,261)	(166,644)	(17,067)	(7,541,838)
Infrastructure:				
Sanitary Sewers	(7,554,192)	(711,165)	-	(8,265,357)
Storm Sewers	(5,423,088)	(238,522)	-	(5,661,610)
<i>Total Accumulated Depreciation</i>	<u>(29,154,132)</u>	<u>(1,469,985)</u>	<u>(17,067)</u>	<u>(30,607,050)</u>
Total Capital Assets, Being Depreciated, Net	<u>38,261,049</u>	<u>4,468,703</u>	<u>348</u>	<u>42,729,404</u>
Business-Type Activities Capital Assets, Net	<u>\$ 68,516,675</u>	<u>\$ 39,135,083</u>	<u>\$ 5,823,498</u>	<u>\$ 101,828,260</u>

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
(Continued)

**NOTE 11: LONG-TERM OBLIGATIONS**

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

Debt Issue	Interest Rate	Original Issue Date	Original Issue Amount	Date of Maturity
<i>General Obligation Bonds:</i>				
Various Purpose Refunding - 2008	4.70-5.125	2008	2,800,000	2018
Various Purpose - 2008	3.00-5.00	2008	7,825,000	2028
Various Purpose and Refunding - 2011A	2.00-4.00	2011	5,437,000	2021
Various Purpose - 2011B	2.00-4.375	2011	2,341,000	2031
Various Purpose Refunding - 2014	2.34	2014	7,023,229	2025
<i>Long-term Notes Payable:</i>				
Various Purpose - 2016	1.800	2016	1,501,000	2017
<i>Income Tax Special Obligation bonds:</i>				
Various Purpose - 2015	2.48	2015	6,999,000	2030
<i>Industrial Development Revenue Bonds</i>				
Lincoln Electric Industrial Development Refunding - 2011	4.35	2011	1,015,000	2016
<i>Ohio Public Works Commission</i>				
East 222nd Reconstruction -2006	0.00	2006	1,257,200	2029
<i>Special Assessment Bonds with Governmental Commitment</i>				
Heritage Drive Improvements Refunding - 2011	2.00-3.00	2011	1,005,000	2018
<i>Enterprise General Obligation Bonds:</i>				
Various Purpose Refunding - 2008	2.50-5.00	2004	2,660,000	2018
Waterline Improvement Refunding - 2011A	2.00-4.00	2011	2,488,000	2021
Sewer Improvement - 2011B	2.00-4.375	2011	748,000	2031
Waterline Improvement - 2011B	2.00-4.375	2011	6,376,000	2031
Various Purpose Refunding - 2014	2.34	2014	506,771	2025
<i>Enterprise OWDA Loans*:</i>				
Wastewater Treatment and Collection System	5.20	1993	9,842,765	2014
Wastewater Treatment and Collection Systems	4.56	1994	2,397,760	2014
Land Acquisition for Wastewater Treatment Plant	3.36	2012	908,840	2038
<i>Enterprise OPWC Loans*:</i>				
Newton Avenue Improvements - 2000	0.00	2000	1,468,836	2019
East 226th Street/Edgecliff - 2003	0.00	2003	1,528,108	2023
East 197th Street - 2001	0.00	2001	759,025	2020
East 255th Street - 2002	0.00	2002	400,534	2022
East 216th Street - 2004	0.00	2004	581,131	2024
Brandywine Pump Station - 2006	0.00	2006	408,000	2028
Chatworth Dr. Sanitary -2006	0.00	2006	240,400	2028
Euclid Ave/Babbitt Rd -2006	0.00	2006	540,900	2028
Miller Avenue - 2001	0.00	2001	1,689,900	2020
East 222nd Street -2003	0.00	2003	874,958	2023
East 214th Street - 2001	0.00	2001	262,735	2020
Euclid Avenue Improvement - 2008	0.00	2008	552,000	2028
East 222nd Street/Tungsten Road - 2009	0.00	2009	779,300	2039
Dille Road/East 204th Street - 2009	0.00	2009	950,000	2029
East 264th Street - 2010	0.00	2010	439,500	2030
East 248th Street/Shoreview - 2010	0.00	2010	887,600	2040
East 214th Street/Lakeshore - 2010	0.00	2010	958,500	2030
Roadway & Utility Improvement - 2011	0.00	2011	693,360	2031
E. 274th and E. 275th SSO Elimination - 2014	0.00	2014	444,774	2035

\* - There are several new OWDA/OPWC loans that the City has entered into however, these loans are not complete and an amortization schedule has not been provided to the City. Complete details of these loans are not available.



**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
(Continued)

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

	Restated Principal Outstanding 12/31/2015	Additions	Deletions	Principal Outstanding 12/31/2016	Due Within One Year
<b>Governmental Activities</b>					
<i>General Obligation Bonds:</i>					
Various Purpose Refunding - 2008	620,000	-	200,000	420,000	210,000
Unamortized Premium	22,760	-	9,106	13,654	-
Various Purpose - 2008	4,285,000	-	460,000	3,825,000	480,000
Unamortized Premium	77,940	-	6,236	71,704	-
Various Purpose - 2011A	555,000	-	370,000	185,000	35,000
Unamortized Premium	5,966	-	3,078	2,888	-
Various Purpose Refunding - 2011A	2,046,000	-	390,000	1,656,000	398,000
Unamortized Premium	34,821	-	6,965	27,856	-
Various Purpose - 2011B	1,980,000	-	96,000	1,884,000	97,000
Unamortized Premium	18,934	-	1,183	17,751	-
Various Purpose Refunding - 2014	6,111,357	-	568,295	5,543,062	577,038
<i>Total General Obligation Bonds</i>	<u>15,757,778</u>	<u>-</u>	<u>2,110,863</u>	<u>13,646,915</u>	<u>1,797,038</u>
<i>Long-term Notes Payable:</i>					
Various Purpose - 2016	-	1,501,000	-	1,501,000	1,501,000
Unamortized Premium	-	11,888	7,925	3,963	-
<i>Total Long-term Notes Payable</i>	<u>-</u>	<u>1,512,888</u>	<u>7,925</u>	<u>1,504,963</u>	<u>1,501,000</u>
<i>Income Tax Special Obligation Bonds:</i>					
Various Purpose - 2015	6,999,000	-	50,000	6,949,000	50,000
<i>Total Income Tax Special Obligation Bonds:</i>	<u>6,999,000</u>	<u>-</u>	<u>50,000</u>	<u>6,949,000</u>	<u>50,000</u>
<i>Special Assessment Bonds</i>					
<i>with Governmental Commitment</i>					
Refunding Heritage Drive					
Improvements - 2011 Refunding	395,000	-	135,000	260,000	130,000
Unamortized Premium	3,863	-	1,288	2,575	-
<i>Total Special Assessment Bonds</i>	<u>398,863</u>	<u>-</u>	<u>136,288</u>	<u>262,575</u>	<u>130,000</u>
<i>Industrial Development Revenue Bonds</i>					
Lincoln Electric Industrial Development - 2011	185,000	-	185,000	-	-
<i>Ohio Public Works Commission</i>					
East 222nd Reconstruction -2006	1,169,261	-	83,519	1,085,742	83,519
<i>Net Pension Liability</i>					
OPERS	7,670,728	1,956,345	-	9,627,073	-
OP&F	34,090,478	6,131,688	-	40,222,166	-
<i>Total Net Pension Liability</i>	<u>41,761,206</u>	<u>8,088,033</u>	<u>-</u>	<u>49,849,239</u>	<u>-</u>
<i>Other Obligations:</i>					
Capital Leases	461,253	1,338,609	175,865	1,623,997	323,138
Landfill	-	159,200	-	159,200	-
Claims and Judgments Payable	216,450	52,508	67,419	201,539	100,000
Compensated Absences	6,369,774	2,659,796	2,429,481	6,600,089	336,540
<i>Total Other Obligations</i>	<u>7,047,477</u>	<u>4,210,113</u>	<u>2,672,765</u>	<u>8,584,825</u>	<u>759,678</u>
<b><i>Total Governmental Activities</i></b>	<u>\$ 73,318,585</u>	<u>\$ 13,811,034</u>	<u>\$ 5,246,360</u>	<u>\$ 81,883,259</u>	<u>\$ 4,321,235</u>

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
(Continued)

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

	Principal Outstanding 12/31/2015	Additions	Deletions	Principal Outstanding 12/31/2016	Due Within One Year
<b>Business-Type Activities</b>					
<i>General Obligation Bonds:</i>					
Waste Water Fund:					
Various Purpose Refunding - 2008	\$ 440,000	\$ -	\$ 140,000	\$ 300,000	\$ 135,000
Unamortized Premium	11,054	-	4,423	6,631	-
Sewer Improvement - 2011B	633,000	-	30,000	603,000	31,000
Unamortized Premium	6,046	-	378	5,668	-
Various Purpose Refunding - 2014	878,643	-	81,705	796,938	82,962
Water Line Fund (a):					
Various Purpose Refunding - 2008	430,000	-	140,000	290,000	150,000
Unamortized Premium	10,566	-	4,228	6,338	-
Waterline Improvement - 2011B	5,392,000	-	259,000	5,133,000	262,000
Unamortized Premium	51,561	-	3,223	48,338	-
Waterline Improvement Refunding- 2011A	1,549,000	-	295,000	1,254,000	302,000
Unamortized Premium	25,027	-	5,005	20,022	-
<i>Total General Obligation Bonds:</i>	<u>9,426,897</u>	<u>-</u>	<u>962,962</u>	<u>8,463,935</u>	<u>962,962</u>
<i>OWDA Loans:</i>					
Waste Water Fund:					
Land Acquisition for Wastewater Treatment Facilities - 2012	848,121	-	25,740	822,381	26,612
Wastewater Treatment Plant					
Headworks Complex - 2013	225,835	182,647	-	408,482	-
Wastewater Treatment Plant MBR					
Process Planning & Design - 2013	944,031	981,318	131,033	1,794,316	131,033
SSO Elimination - 2013					
SSO 25, 26 & 27, E. 220th, E. 194th & E. 222nd - 2014	2,486,467	1,951,611	204,281	4,233,797	-
Preconstruction Services for WWTP					
Improvements - 2014	329,948	282,333	-	612,281	-
WWTP Sludge Transfer Force Main - 2014	2,570,390	44,206	64,499	2,550,097	-
Edgecliff San. Sewer, WWTP Relief Sewer,					
SSO Elimination - 2014	1,592,431	99,864	61,035	1,631,260	-
WWTP Headworks Phase 1 - 2015	5,436,562	3,070,995	-	8,507,557	-
Edgecliff San. Sewer Relining,					
SSO #28 Elmination - 2015	44,733	450,876	-	495,609	-
WWTP MBR - Procurement Phase					
HAB - 2015	238,539	840,393	-	1,078,932	-
Headworks part B & EW Basin					
Phase 1 - 2015	2,606,494	22,176,210	-	24,782,704	-
Effingham SSO Elimination Design - 2015	401	86,032	-	86,433	-
Brandywine SSO Elimination - 2016	-	37,915	-	37,915	-
East 219th & East 221st I&I Reduction - 2016	-	74,944	-	74,944	-
<i>Total OWDA Loans</i>	<u>18,253,817</u>	<u>30,279,344</u>	<u>537,437</u>	<u>47,995,724</u>	<u>210,056</u>

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
(Continued)

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

<b>Business-Type Activities (Continued)</b>	Principal Outstanding 12/31/2015	Additions	Deletions	Principal Outstanding 12/31/2016	Due Within One Year
<i>OPWC Loans:</i>					
Waste Water Fund:					
Newton Avenue Improvements - 2000	\$ 293,766	\$ -	\$ 73,442	\$ 220,324	\$ 73,442
East 226th Street/Edgecliff - 2003	573,042	-	76,405	496,637	76,405
East 197th Street - 2001	189,756	-	37,952	151,804	37,952
East 255th Street - 2002	130,175	-	20,027	110,148	20,027
East 216th Street - 2004	261,509	-	29,057	232,452	29,057
Brandywine Pump Station - 2006	211,479	-	16,919	194,560	16,919
Chatworth Dr. Sanitary -2006	147,206	-	11,776	135,430	11,776
Euclid Ave/Babbit Rd -2006	321,774	-	23,835	297,939	23,835
Euclid Avenue Improvement -2008	387,403	-	23,479	363,924	23,479
Dille Road/ East 204 - 2009	582,000	-	36,374	545,626	36,374
E. 264th Street - 2010	159,172	-	9,948	149,224	9,948
E. 274th and E. 275th SSO Elimination - 2014	444,774	-	11,119	433,655	22,238
Edgecliff SSO Elimination - 2015	627,217	117,882	-	745,099	-
Crystal/E. 22nd Street/Bruce Storm and Sanitary - 2015	732,267	292,233	-	1,024,500	51,225
Brandywine Pump Station SSO Elimination- 2016	-	36,992	-	36,992	-
<b>Total Waste Water Fund</b>	<b>5,061,540</b>	<b>447,107</b>	<b>370,333</b>	<b>5,138,314</b>	<b>432,677</b>
Water Line Fund (a):					
Miller Avenue - 2001	422,475	-	84,495	337,980	84,495
East 222nd Street -2003	349,982	-	43,748	306,234	43,748
East 214th Street - 2001	65,683	-	13,136	52,547	13,136
East 222nd/Tungsten Road - 2009	779,300	-	12,988	766,312	25,976
Dille Road/ East 204 - 2009	178,000	-	11,126	166,874	11,126
E. 264th Street - 2010	17,520	-	1,095	16,425	1,095
E. 248th Street/Shoreview - 2010	575,757	-	21,727	554,030	21,727
E. 214 Street/Lake Shore - 2010	476,009	-	28,849	447,160	28,849
Roadway & Utility Improvement - 2011	589,356	-	34,668	554,688	34,668
<b>Total Water Line Fund</b>	<b>3,454,082</b>	<b>-</b>	<b>251,832</b>	<b>3,202,250</b>	<b>264,820</b>
<b>Total OPWC Loan</b>	<b>8,515,622</b>	<b>447,107</b>	<b>622,165</b>	<b>8,340,564</b>	<b>697,497</b>
<i>Other Obligations</i>					
Net Pension Liability - OPERS	3,250,011	828,884	-	4,078,895	-
Capital Leases	546,182	420,442	116,552	850,072	195,725
Claims Payable	39,450	34,226	39,450	34,226	19,959
Compensated Absences	944,687	214,234	277,473	881,448	139,112
<b>Total Other Obligations</b>	<b>4,780,330</b>	<b>1,497,786</b>	<b>433,475</b>	<b>5,844,641</b>	<b>354,796</b>
<b>Total Business-Type Activities</b>	<b>\$ 40,976,666</b>	<b>\$ 32,224,237</b>	<b>\$ 2,556,039</b>	<b>\$ 70,644,864</b>	<b>\$ 2,225,311</b>

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
*(Continued)*

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

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

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

Landfill costs are based on estimates as of December 31, 2016. The actual costs may be higher and they will be paid from the General Fund.

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

Refer to Note 14 for further information regarding Net Pension Liability.

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

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

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

At the end of the year, the City had two outstanding projects provided through OPWC loan funding and twelve outstanding projects provided through OWDA loan funding that are still in the design phase.

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
*(Continued)*

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

Final amortization schedules are not provided as of year-end. As of December 31, 2016, the total loan amounts received for the outstanding projects are reported in the previous schedules.

The City has pledged future general revenue to repay taxable Industrial Development Revenue bonds, which were defeased during 2011. Debt is payable solely from net revenues and are payable through 2016. Annual principal and interest payments on the revenue bonds are expected to require 0.5 percent of net revenue. Total principal and interest remaining to be paid on the debt is \$193,047. Principal and interest paid for the current year were \$193,047, and the related revenue received was \$109,336. See Note 8(D) for more information on the Industrial Development Revenue bonds.

On June 03, 2015, the City issued \$6.999 million in various purpose income tax bonds at an interest rate of 2.480 percent with a maturity date of June 1, 2030. These bonds were used to fully retire the 2014 various purpose notes. The original various purpose notes were issued for the purposes of equipment, vehicles, street improvements, and waterfront improvements.

On May 4, 2016, the City issued \$1.501 million in various purpose general obligation bond anticipation notes at an interest rate of 1.800 percent with a maturity date of May 4, 2017. The proceeds of these notes were used for various capital improvements. As of December 31, 2016, the City has unspent proceeds of \$263,080.

***Prior Years' Debt Defeasance***

In prior years, the City has defeased various bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. Government securities that were placed in the irrevocable trust fund. The investment and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the City's government-wide financial statements. As of December 31, 2016, the amount of defeased debt outstanding but removed from the government-wide financial statements amounted to \$8,042,000.

***Legal Debt Margin***

The City's overall legal debt margin was \$43,374,440 and the unvoted debt margin was \$15,504,765 at December 31, 2016.

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
(Continued)

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

***Principal and Interest Requirements***

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2016 are as follows:

	<u>Governmental Activities</u>					
	<u>General Obligation Bonds</u>		<u>Income Tax Special Obligation Bonds</u>		<u>Special Assessment Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 1,797,038	\$ 449,635	50,000	171,715	\$ 130,000	\$ 7,150
2018	1,852,153	391,845	457,000	165,429	130,000	3,900
2019	1,426,639	325,748	467,000	153,971	0	0
2020	1,477,753	280,471	480,000	142,228	0	0
2021	1,037,895	231,902	490,000	130,200	0	0
2022-2026	4,578,585	688,683	2,643,000	460,177	0	0
2027-2031	1,342,999	137,284	2,362,000	118,941	0	0
Total	<u>\$ 13,513,062</u>	<u>\$ 2,505,568</u>	<u>\$ 6,949,000</u>	<u>\$ 1,342,661</u>	<u>\$ 260,000</u>	<u>\$ 11,050</u>

	<u>Governmental Activities</u>		
	<u>OPWC Loan</u>	<u>Total</u>	
	<u>Principal</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 83,519	\$ 2,010,557	\$ 456,785
2018	83,519	2,065,672	395,745
2019	83,519	1,510,158	325,748
2020	83,519	1,561,272	280,471
2021	83,519	1,121,414	231,902
2022-2026	417,593	4,996,178	688,683
2027-2031	250,554	1,593,553	137,284
Total	<u>\$ 1,085,742</u>	<u>\$ 14,858,804</u>	<u>\$ 2,516,618</u>

	<u>Business Type Activities</u>						
	<u>General Obligation Bonds</u>		<u>OWDA Loans</u>		<u>OPWC Loans</u>	<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 962,962	\$ 312,349	\$ 26,612	\$ 27,410	\$ 697,497	\$ 1,687,071	\$ 339,759
2018	997,848	282,711	27,514	26,509	697,498	1,722,860	309,220
2019	718,362	259,260	28,446	25,576	697,497	1,444,305	284,836
2020	737,247	223,089	29,410	24,613	624,055	1,390,712	247,702
2021	422,104	195,099	30,406	23,616	488,472	940,982	218,715
2022-2026	2,246,415	732,605	168,200	101,912	1,895,469	4,310,084	834,517
2027-2031	2,292,000	299,420	198,695	71,419	1,436,161	3,926,856	370,839
2032-2036	0	0	234,714	35,398	655,548	890,262	35,398
2037-2041	0	0	78,384	2,649	238,513	316,897	2,649
2042-2046	0	0	0	0	127,763	127,763	0
Total	<u>\$ 8,376,938</u>	<u>\$ 2,304,533</u>	<u>\$ 822,381</u>	<u>\$ 339,102</u>	<u>\$ 7,558,473</u>	<u>\$ 16,757,792</u>	<u>\$ 2,643,635</u>

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
*(Continued)*

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**NOTE 12: COMPENSATED ABSENCES**

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

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

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

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

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

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

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
(Continued)

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**NOTE 13: RISK MANAGEMENT**

**A. Property and Liability**

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

During 2016, the City negotiated with Love Insurance Company for commercial insurance coverage relating to property, boiler, and machinery insurance. The cost of the current coverage in affect as of December 31, 2016 was \$65,546. The City carries a commercial package property insurance policy for blanket coverage. The City’s total limit of liability is \$150,000,000 as a result of any one occurrence, regardless of the number of perils, coverages or locations involved. The policy coverage includes loss of business income for specific locations, personal property, securities, and property in the open. Included in this blanket is coverage in land marine, equipment breakdown with its own \$10,000 deductible, and crime shield coverage of \$25,000 per loss with a \$250 deductible.

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

The claims liability of \$100,000 reported in the Self-Insurance Internal Service Fund at December 31, 2016 consists of general liability insurance and is based on an estimate of costs relating to incurred but not reported claims. Changes in the fund’s general liability insurance claims liability amount for the last three years follow:

<u>December 31,</u>	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
2014	200,000	21,168	56,168	165,000
2015	165,000	38,107	73,107	130,000
2016	130,000	37,419	67,419	100,000

**B. Health Insurance**

The City participates in a shared-funding plan provided by a commercial insurance carrier. The City will pay up to a predetermined amount toward each employee’s health care costs after employees meet their deductible. Once this “funding corridor” has been met, the insurance company will pay the employee’s remaining annual health care costs.



**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
(Continued)

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

**C. Workers' Compensation Program**

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

The claims liability of \$243,579 reported in governmental activities (with \$142,040 of the \$243,579 considered to be a current liability) and \$34,226 reported in business-type activities is based on the requirements of GASB Statement No. 30, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. Changes in the fund's claims liability amount for the last three years follows:

<u>December 31,</u>	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
2014	398,639	128,034	176,585	350,088
2015	350,088	268,510	298,389	320,209
2016	320,209	179,208	221,612	277,805

NOTE 14: **DEFINED BENEFIT PENSION PLANS**

**A. Net Pension Liability**

The net pension liability/(asset) reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the City's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
(Continued)

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

A. **Net Pension Liability** (Continued)

Ohio Revised Code limits the City's obligation for this liability to annually required payments. The City cannot control benefit terms or the manner in which pensions are financed; however, the City does receive the benefit of employees' services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits is presented as a long-term net pension liability on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in intergovernmental payable on both the accrual and modified accrual bases of accounting.

B. **Ohio Public Employees Retirement System (OPERS)**

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
(Continued)

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

**B. Ohio Public Employees Retirement System (OPERS)** (Continued)

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS' CAFR referenced above for additional information):

<b>Group A</b>	<b>Group B</b>	<b>Group C</b>
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5%	<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5%	<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5%

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
(Continued)

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

**B. Ohio Public Employees Retirement System (OPERS)** (Continued)

	State and Local
<b>2016 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee	10.0 %
<b>2016 Actual Contribution Rates</b>	
Employer:	
Pension	12.0 %
Post-employment Health Care Benefits	2.0
Total Employer	14.0 %
Employee	10.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contributions was \$1,201,994 for 2016. Of this amount, \$110,726 is reported as an intergovernmental payable.

**C. Ohio Police and Fire Pension Fund (OP&F)**

Plan Description - City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered by OP&F. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OP&F fiduciary net position. The report may be obtained by visiting the OP&F website at [www.op-f.org](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OP&F may retire and receive a lifetime monthly pension. OP&F offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
(Continued)

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

**C. Ohio Police and Fire Pension Fund (OP&F)** (Continued)

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit.

Under normal service retirement, retired members who are at least 55 years old and have been receiving OP&F benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either three percent or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to three percent of their base pension or disability benefit.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	<u>Police</u>	<u>Firefighters</u>
<b>2016 Statutory Maximum Contribution Rates</b>		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
<b>2016 Actual Contribution Rates</b>		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$2,828,081 for 2016. Of this amount, \$196,614 is reported as an intergovernmental payable.

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
(Continued)

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

**D. Pension Liabilities, Pension Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

The net pension liability for OPERS was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2015, and was determined by rolling forward the total pension liability as of January 1, 2015, to December 31, 2015. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense: Following is information related to the proportionate share and pension expense:

	OPERS Traditional Pension Plan	OPERS Combined Pension Plan	OP&F Police	OP&F Fire	Total
Proportion of the Net Pension Liability/Asset Prior Measurement Date	0.090545%	0.091255%	0.316317%	0.325916%	
Proportion of the Net Pension Liability/Asset Current Measurement Date	<u>0.079128%</u>	<u>0.075810%</u>	<u>0.305028%</u>	<u>0.320213%</u>	
Change in Proportionate Share	<u>-0.011417%</u>	<u>-0.015445%</u>	<u>-0.011289%</u>	<u>-0.005704%</u>	
Proportionate Share of the Net Pension Liability/(Asset)	\$ 13,705,968	\$ (36,890)	\$ 19,622,671	\$ 20,599,495	\$ 53,891,244
Pension Expense	\$ 1,925,809	\$ 19,452	\$ 2,192,959	\$ 2,352,723	\$ 6,490,943

At December 31, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS	OP&F Police	OP&F Fire	Total
<b>Deferred Outflows of Resources</b>				
Net difference between projected and actual earnings on pension plan investments	\$4,044,627	\$3,193,818	\$3,352,808	\$10,591,253
Changes in proportion and differences between City contributions and proportionate share of contributions	4,017	0	0	4,017
City contributions subsequent to the measurement date	<u>1,201,994</u>	<u>1,351,856</u>	<u>1,476,225</u>	<u>4,030,075</u>
Total Deferred Outflows of Resources	<u>\$5,250,638</u>	<u>\$4,545,674</u>	<u>\$4,829,033</u>	<u>\$14,625,345</u>
<b>Deferred Inflows of Resources</b>				
Differences between expected and actual experience	\$281,659	\$55,100	\$57,842	\$394,601
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>908,535</u>	<u>481,297</u>	<u>243,170</u>	<u>1,633,002</u>
Total Deferred Inflows of Resources	<u>\$1,190,194</u>	<u>\$536,397</u>	<u>\$301,012</u>	<u>\$2,027,603</u>

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
*(Continued)*

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

**D. Pension Liabilities, Pension Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

\$4,030,075 reported as deferred outflows of resources related to pension resulting from City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2017.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	<u>OPERS</u>	<u>OP&amp;F Police</u>	<u>OP&amp;F Fire</u>	<u>Total</u>
2017	\$464,357	\$737,668	\$824,887	\$2,026,912
2018	528,776	737,668	824,887	2,091,331
2019	957,841	737,668	824,885	2,520,394
2020	913,693	567,406	646,153	2,127,252
2021	(1,650)	(103,352)	(57,999)	(163,001)
Thereafter	<u>(4,567)</u>	<u>(19,637)</u>	<u>(11,017)</u>	<u>(35,221)</u>
Total	<u>\$2,858,450</u>	<u>\$2,657,421</u>	<u>\$3,051,796</u>	<u>\$8,567,667</u>

**E. Actuarial Assumptions - OPERS**

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.75 percent
Future Salary Increases, including inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA	3 percent, simple
Investment Rate of Return	8 percent
Actuarial Cost Method	Individual Entry Age

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
*(Continued)*

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

E. *Actuarial Assumptions – OPERS* (Continued)

The total pension asset in the December 31, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.75 percent
Future Salary Increases, including inflation	4.25 to 8.05 percent including wage inflation
COLA or Ad Hoc COLA	3 percent, simple
Investment Rate of Return	8 percent
Actuarial Cost Method	Individual Entry Age

Mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

The most recent experience study was completed for the five year period ended December 31, 2010.

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 0.40 percent for 2015.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans.



**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
(Continued)

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

E. *Actuarial Assumptions – OPERS* (Continued)

The table below displays the Board-approved asset allocation policy for 2015 and the long-term expected real rates of return:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.31 %
Domestic Equities	20.70	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	18.30	7.40
Other investments	18.00	4.59
Total	100.00 %	5.28 %

**Discount Rate** The discount rate used to measure the total pension liability was 8 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current plan members.

Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** The following table presents the City’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 8 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (7 percent) or one-percentage-point higher (9 percent) than the current rate:

City's proportionate share of the net pension liability/(asset)	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
Traditional Pension Plan	\$21,836,954	\$13,705,968	\$6,847,737
Combined Plan	(\$758)	(\$36,890)	(\$65,955)

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
*(Continued)*

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

E. *Actuarial Assumptions – OP&F*

OP&F’s total pension liability as of December 31, 2015 is based on the results of an actuarial valuation date of January 1, 2015, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2015, are presented below:

Valuation Date	January 1, 2015
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.25 percent
Projected Salary Increases	4.25 percent to 11 percent
Payroll Increases	3.75 percent
Inflation Assumptions	3.25 percent
Cost of Living Adjustments	2.60 percent and 3.00 percent

Rates of death are based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

The most recent experience study was completed January 1, 2012.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
(Continued)

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

E. *Actuarial Assumptions – OP&F* (Continued)

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F’s target asset allocation as of December 31, 2015 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	- %	(0.25) %
Domestic Equity	16.00	4.47
Non-US Equity	16.00	4.47
Core Fixed Income *	20.00	1.62
Global Inflation Protected *	20.00	1.33
High Yield	15.00	3.39
Real Estate	12.00	3.93
Private Markets	8.00	6.98
Timber	5.00	4.92
Master Limited Partnerships	8.00	7.03
Total	<u>120.00 %</u>	

\* levered 2x

OP&F’s Board of Trustees has incorporated the “risk parity” concept into OP&F’s asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

**Discount Rate** The total pension liability was calculated using the discount rate of 8.25 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.25 percent. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
*(Continued)*

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

E. *Actuarial Assumptions – OP&F* (Continued)

*Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate* Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.25 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.25 percent), or one percentage point higher (9.25 percent) than the current rate.

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$ 53,047,649	\$ 40,222,166	\$ 29,357,719

NOTE 15: **POST-EMPLOYMENT BENEFITS**

A. **Ohio Public Employees Retirement System**

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

In March 2016, OPERS received two favorable rulings from the Internal Revenue Service (IRS) allowing OPERS to consolidate all health care assets into the OPERS 115 Health Care Trust. Transition to the new health care trust structure was completed July 1, 2016. As of December 31, 2016, OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional Pension and the Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage. OPERS funds a Retiree Medical Account (RMA) for participants in the Member-Directed Plan. At retirement or refund, participants can be reimbursed for qualified medical expenses from their vested RMA balance.

In order to qualify for health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available.

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
*(Continued)*

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

**A. Ohio Public Employees Retirement System** (Continued)

The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. Please see the Plan Statement in the OPERS 2015 CAFR for details.

The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the OPERS Board of Trustees (OPERS Board) in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml#CAFR>, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

*Funding Policy* - The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care coverage. Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2016, State and Local employers contributed at a rate of 14.00 percent of earnable salary and Public Safety and Law Enforcement employers contributed at 18.10 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.00 percent during calendar year 2016. As recommended by the OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2017 decreased to 1.00 percent for both plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited to the RMA for participants in the Member-Directed Plan for 2016 was 4.0 percent.

The City's actual employer contributions for December 31, 2016, 2015 and 2014 which were used to fund post-employment benefits were \$203,322, \$206,104, and \$231,994, respectively; 92.22 percent has been contributed for 2016 and 100 percent has been contributed for 2015 and 2014.

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
*(Continued)*

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

**B. Ohio Police and Fire Pension Fund**

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

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

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

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

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

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

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
*(Continued)*

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

**B. Ohio Police and Fire Pension Fund** (Continued)

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 Trust and the Section 401(h) account as the employer contribution for retiree health care benefits. The portion of employer contributions allocated to health care was 0.50 percent of covered payroll from January 1, 2016 thru December 31, 2016.

The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of the Sections 115 and 401(h).

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

The City's contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were \$35,493 and \$31,135 for the year ended December 31, 2016, \$34,436 and \$29,227 for the year ended December 31, 2015, and \$34,746 and \$29,088 for the year ended December 31, 2014, respectively; 93.21 percent for police and 93.13 percent for firefighters have been contributed for 2016, with the remainder being reported as a liability. The full amount has been contributed for 2015 and 2014.

NOTE 16: **CAPITAL LEASES**

During 2016, the City entered into leases for pumper trucks, vehicles, a VAC/Sewer jet truck, and pump station. In prior years, the City entered into leases for the acquisition various miscellaneous vehicles and equipment. Capital lease payments are reflected as program expenditures on the budgetary statements and part of debt service on the Statement of Revenue, Expenditures, and Changes in Fund Balances.

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
(Continued)

NOTE 16: **CAPITAL LEASES** (Continued)

Capital assets acquired by lease have been capitalized and depreciated as follows as of December 31, 2016:

	Governmental Activities	Business-Type Activities
<i>Capital Assets being Depreciated:</i>		
Furniture, Fixtures, and Equipment	\$ 2,013,543	\$ 590,002
Less: Accumulated Depreciation	(181,279)	28,474
<i>Total Capital Assets being Depreciated</i>	<u>\$ 1,832,264</u>	<u>\$ 618,476</u>
Year Ending		
<u>December 31,</u>		
2017	\$ 359,900	\$ 214,484
2018	285,437	214,483
2019	176,724	191,073
2020	176,724	191,072
2021	176,724	88,605
Thereafter	626,921	-
Total Minimum Lease Payments	1,802,430	899,717
Less: Amount Representing Interest	(178,433)	(49,645)
Present Value of Minimum Lease Payments	<u>\$ 1,623,997</u>	<u>\$ 850,072</u>

NOTE 17: **CONSTRUCTION AND OTHER COMMITMENTS**

A. **Construction Commitments**

As of December 31, 2016, the City had the following significant commitments with respect to capital projects:

Capital Projects	Remaining Construction Commitment
<i>Governmental Activities</i>	
Lakeshore/E. 222nd/Babbit Intersection	\$ 461,279
Total Governmental Activities	<u>461,279</u>
<i>Business-Type Activities</i>	
Waste Water Projects:	
Edgecliff Sanitary Sewer 2	\$ 1,644,608
Headworks Part B & EQ Basin Ph. 1	37,276,216
Total Business-Type Activities	<u>38,920,824</u>
Total	<u>\$ 39,382,103</u>



**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
(Continued)

NOTE 17: **CONSTRUCTION AND OTHER COMMITMENTS** (Continued)

**B. Other Commitments**

The City utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year-end are components of fund balance for subsequent year expenditures and may be reported as part of restricted, committed, or assigned classifications of fund balance. As of December 31, 2016, the City's commitments for encumbrances in the governmental funds were as follows:

	Outstanding Encumbrances
General	\$ 331,822
All Other Governmental Funds	310,811
Total	\$ 642,633

NOTE 18: **INTERFUND TRANSFERS AND BALANCES**

**A. Transfers**

Transfers made during the year ended December 31, 2016, were as follows:

	Transfers From
<u>Transfers To</u>	General Fund
Governmental Funds:	
General Obligation Bond Retirement	\$ 250,000
Nonmajor Governmental Funds	180,000
Total Governmental Funds	430,000
Internal Service Fund	41,000
Total	\$ 471,000

Transfers made from the General Fund to various other funds provided additional resources for current operations. All transfers were made in accordance with Ohio Revised Code Sections 5705.14, 5705.15, and 5705.16. Transfers of \$471,000 between governmental funds are eliminated on the statement of activities. In addition, \$68,625 was transferred out of general capital assets on the governmental statement of activities to account for the capital contribution to the Briardale Greens Golf Course Fund.

**B. Interfund Receivable and Payable**

As of December 31, 2016, the \$358,313 interfund receivable in the General Obligation Bond Retirement Debt Service Fund is from manuscript notes from the Public Building Construction Capital Projects Fund.

**City of Euclid, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*  
*(Continued)*

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NOTE 18: **INTERFUND TRANSFERS AND BALANCES** (Continued)

**B. Interfund Receivable and Payable** (Continued)

This interfund loan is used to fund repairs to the clubhouse located at the Briardale Greens Golf Course. The Public Building Construction Capital Projects Fund will repay this portion of the interfund loan with annual transfers from the General Fund. The interfund payables in the Community Development Block Grant Fund and the Other Grants Fund in the amounts of \$100,110 and \$1,236,702, respectively, is from a negative cash balance.

NOTE 19: **TAX ABATEMENTS**

As of December 31, 2016, the City of Euclid provides tax incentives under two programs: The Community Reinvestment Area Program and the Euclid Incentive Grant Program.

Real Estate Tax Abatement

Pursuant to Ohio Revised Code Chapter 5709, the City established six Community Reinvestment Area Program districts targeting specific portions of the City for development and redevelopment. The City of Euclid provides administrative approval of tax abatement for qualifying investments. The amount of the abatement is deducted from the recipient's property tax bill. The establishment of the Community Reinvestment Areas gave the City the ability to maintain and expand businesses and residential dwellings located in the City.

Income Tax Abatement

The Euclid Incentive Grant Program is an economic development tool used to support large-scale job creation within the City. Through the program, the Euclid City Council may approve a rebate of payroll tax withholdings to a company when specific job creation levels are met. Incentive Grant agreements are considered on a case-by-case basis. Each agreement defines the annual job creation requirements, the withholding tax rebate percentage, and the term of the agreement. The City considers the size of the investment of the projects, along with the quantity of new jobs created when determining the amount of the incentive to award.

The following are the tax abatements or other economic incentives provided in 2016, by the City, identified by dollar amount and type:

\$96,890.98          Total real property taxes exempted through six active Community Reinvestment Area Program districts.

\$96,058.39          Total Euclid Incentive Grant Program rebates paid after confirmation that participating companies met their annual employment and payroll requirements.

**City of Euclid, Ohio**  
*Required Supplementary Information*  
*Schedule of the City's Proportionate Share of the Net Pension Liability*  
*Ohio Public Employees Retirement System*  
*Last Three Years (1)*

<b>Traditional Plan</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
City's Proportion of the Net Pension Liability	0.079128%	0.090545%	0.090545%
City's Proportionate Share of the Net Pension Liability	\$13,705,968	\$10,920,739	\$10,674,076
City's Covered-Employee Payroll	\$9,852,258	\$11,137,600	\$11,744,800
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	139.11%	98.05%	90.88%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.08%	86.45%	86.36%
<b>Combined Plan</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
City's Proportion of the Net Pension (Asset)	0.075810%	0.091255%	0.091255%
City's Proportionate Share of the Net Pension (Asset)	(\$36,890)	(\$35,135)	(\$9,574)
City's Covered-Employee Payroll	\$275,908	\$336,092	\$305,492
City's Proportionate Share of the Net Pension (Asset) as a Percentage of its Covered Employee Payroll	13.37%	10.45%	3.13%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	116.90%	114.83%	104.33%

(1) Information prior to 2013 is not available. Schedule intended to show ten years of information, and additional years' will be displayed as it becomes available.

Amounts presented as of the City's measurement date which is the prior year end.

**City of Euclid, Ohio**  
*Required Supplementary Information*  
*Schedule of the City's Proportionate Share of the Net Pension Liability*  
*Ohio Police and Fire Pension Fund*  
*Last Three Years (1)*

<b>Police</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
City's Proportion of the Net Pension Liability	0.3050281%	0.3163172%	0.3163172%
City's Proportionate Share of the Net Pension Liability	\$19,622,671	\$16,790,476	\$15,405,640
City's Covered-Employee Payroll	\$6,904,947	\$7,018,626	\$7,005,067
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	284.18%	239.23%	219.92%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.77%	71.71%	73.00%
<b>Fire</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
City's Proportion of the Net Pension Liability	0.3202125%	0.3259162%	0.3259162%
City's Proportionate Share of the Net Pension Liability	\$20,599,495	\$17,300,002	\$15,873,141
City's Covered-Employee Payroll	\$5,861,060	\$5,860,983	\$5,772,279
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	351.46%	295.17%	274.99%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.77%	71.71%	73.00%

(1) Information prior to 2013 is not available. Schedule intended to show ten years of information, and additional years' will be displayed as it becomes available.

Amounts presented as of the City's measurement date which is the prior year end.

**City of Euclid, Ohio**  
*Required Supplementary Information*  
*Schedule of the City Contributions*  
*Ohio Public Employees Retirement System*  
*Last Four Years (1)*

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>Contractually Required Contributions</u>				
Traditional Plan	1,167,453	\$1,182,271	\$1,336,512	\$1,526,824
Combined Plan	<u>34,541</u>	<u>\$33,109</u>	<u>\$40,331</u>	<u>39,714</u>
Total Required Contributions	\$1,201,994	\$1,215,380	\$1,376,843	\$1,566,538
Contributions in Relation to the Contractually Required Contribution	<u>(\$1,201,994)</u>	<u>(\$1,215,380)</u>	<u>(\$1,376,843)</u>	<u>(\$1,566,538)</u>
Contribution Deficiency / (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's Covered-Employee Payroll				
Traditional Plan	\$9,728,775	\$9,852,258	\$11,137,600	\$11,744,800
Combined Plan	\$287,842	\$275,908	\$336,092	\$305,492
<u>Pension Contributions as a Percentage of Covered-Employee Payroll</u>				
Traditional Plan	12.00%	12.00%	12.00%	13.00%
Combined Plan	12.00%	12.00%	12.00%	13.00%

(1) – Information prior to 2013 is not available.

**City of Euclid, Ohio**  
*Required Supplementary Information*  
*Schedule of City Contributions*  
*Ohio Police and Fire Pension Fund*  
*Last Ten Years*

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<u>Contractually Required Contributions</u>										
Police	\$1,351,856	\$1,311,940	\$1,333,539	\$1,101,897	\$864,597	\$1,177,259	\$857,023	\$890,220	\$843,281	\$853,332
Fire	<u>\$1,476,225</u>	<u>\$1,377,349</u>	<u>\$1,377,331</u>	<u>\$1,167,732</u>	<u>\$972,345</u>	<u>\$1,269,215</u>	<u>\$914,674</u>	<u>\$912,383</u>	<u>\$894,648</u>	<u>\$915,311</u>
Total Required Contributions	\$2,828,081	\$2,689,289	\$2,710,870	\$2,269,629	\$1,836,942	\$2,446,474	\$1,771,697	\$1,802,603	\$1,737,929	\$1,768,643
Contributions in Relation to the Contractually Required Contribution	<u>(\$2,828,081)</u>	<u>(\$2,689,289)</u>	<u>(\$2,710,870)</u>	<u>(\$2,269,629)</u>	<u>(\$1,836,942)</u>	<u>(\$2,446,474)</u>	<u>(\$1,771,697)</u>	<u>(\$1,802,603)</u>	<u>(\$1,737,929)</u>	<u>(\$1,768,643)</u>
Contribution Deficiency / (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's Covered-Employee Payroll										
Police	\$7,115,032	\$6,904,947	\$7,018,626	\$7,005,067	\$6,781,153	\$9,233,404	\$6,721,749	\$6,982,118	\$6,613,969	\$6,692,800
Fire	\$6,281,809	\$5,861,060	\$5,860,983	\$5,772,279	\$5,636,783	\$7,357,768	\$5,302,458	\$5,289,177	\$5,186,365	\$5,306,151
<u>Pension Contributions as a Percentage of Covered- Employee Payroll</u>										
Police	19.00%	19.00%	19.00%	[2]	12.75%	12.75%	12.75%	12.75%	12.75%	12.75%
Fire	23.50%	23.50%	23.50%	[2]	17.25%	17.25%	17.25%	17.25%	17.25%	17.25%

[2] – The portion of the City's contributions to fund pension obligations from January 1, 2013 thru May 31, 2013, for both police officers and firefighters was 14.81 percent and 19.31 percent, respectively. The portion of the City's contributions to fund pension obligations from June 1, 2013 thru December 31, 2013 for both police officers and firefighters was 16.65 percent and 21.15 percent, respectively.

**City of Euclid, Ohio**  
*Notes to the Required Supplementary Information*  
*For the Year Ended December 31, 2016*

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*OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)*

*Changes in benefit terms:* There were no changes in benefit terms from the amounts reported for 2014, 2015 and 2016.

*Changes in assumptions:* There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014, 2015 and 2016. See the notes to the basic financial statements for the methods and assumptions in this calculation.

*OHIO POLICE AND FIRE (OP&F) PENSION FUND*

*Changes in benefit terms:* There were no changes in benefit terms from the amounts reported for 2014, 2015 and 2016.

*Changes in assumptions:* There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014, 2015 and 2016. See the notes to the basic financial statements for the methods and assumptions in this calculation.

## **Combining Statements**



## *Fund Descriptions – Nonmajor Governmental Funds*

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### *Non-Major Special Revenue Funds*

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

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

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

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

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

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

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

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

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

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

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

## *Fund Descriptions – Nonmajor Governmental Funds*

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### *Non-Major Special Revenue Funds (continued)*

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

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

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

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

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

### *Non-Major Capital Project Funds*

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

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

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

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

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

*Fund Descriptions – Nonmajor Governmental Funds*

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*Non-Major Capital Project Funds (continued)*

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

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

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

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

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

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

**City of Euclid, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*December 31, 2016*

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>ASSETS</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 951,778	\$ 2,127,494	\$ 3,079,272
Cash and Cash Equivalents:			
With Escrow Agents	-	34,351	34,351
Materials and Supplies Inventory	20,025	-	20,025
Accounts Receivable	45,819	-	45,819
Intergovernmental Receivable	2,233,306	24,315	2,257,621
Prepaid Items	3,815	-	3,815
Property Taxes Receivable	350,748	458,670	809,418
Payments in Lieu of Taxes Receivable	-	340,186	340,186
Assets Held for Resale	323,918	-	323,918
<b>Total Assets</b>	<b>\$ 3,929,409</b>	<b>\$ 2,985,016</b>	<b>\$ 6,914,425</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts Payable	\$ 138,812	\$ 163,099	\$ 301,911
Accrued Wages and Benefits	40,371	-	40,371
Intergovernmental Payable	31,008	8,147	39,155
Matured Compensated Absences Payable	4,561	-	4,561
Retainage Payable	-	3,096	3,096
Interfund Payable	1,336,812	358,313	1,695,125
Claims Payable	10,527	342	10,869
<b>Total Liabilities</b>	<b>1,562,091</b>	<b>532,997</b>	<b>2,095,088</b>
<b>Deferred Inflows of Resources:</b>			
Property Taxes and Payments in Lieu of Taxes	284,844	712,673	997,517
Unavailable Revenue - Delinquent Property Taxes	65,904	86,183	152,087
Unavailable Revenue - Other	1,728,798	24,315	1,753,113
<b>Total Deferred Inflows of Resources</b>	<b>2,079,546</b>	<b>823,171</b>	<b>2,902,717</b>
<b>Fund Balances:</b>			
Nonspendable	23,840	-	23,840
Restricted	1,431,923	1,987,161	3,419,084
Committed	25,346	-	25,346
Unassigned (Deficit)	(1,193,337)	(358,313)	(1,551,650)
<b>Total Fund Balances</b>	<b>287,772</b>	<b>1,628,848</b>	<b>1,916,620</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 3,929,409</b>	<b>\$ 2,985,016</b>	<b>\$ 6,914,425</b>

**City of Euclid, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Year Ended December 31, 2016*

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>REVENUES</b>			
Property Taxes	\$ 317,599	\$ 415,284	\$ 732,883
Payments in Lieu of Taxes	-	251,094	251,094
Intergovernmental	3,718,832	42,533	3,761,365
Interest	74	-	74
Fines and Forfeitures	357,696	-	357,696
Charges for Services	335,636	-	335,636
Contributions and Donations	27,320	-	27,320
All Other Revenues	298,414	1,308,926	1,607,340
<b>Total Revenues</b>	<u>5,055,571</u>	<u>2,017,837</u>	<u>7,073,408</u>
<b>EXPENDITURES</b>			
Current:			
Security of Persons and Property	359,518	204,854	564,372
Leisure Time Activities	746,296	317,599	1,063,895
Community and Economic Development	950,675	382,093	1,332,768
Transportation	1,908,157	778,692	2,686,849
General Government	2,160,290	16,561	2,176,851
Capital Outlay	-	2,034,544	2,034,544
Debt Service:			
Principal Retirement	-	175,865	175,865
Interest and Fiscal Charges	-	7,311	7,311
<b>Total Expenditures</b>	<u>6,124,936</u>	<u>3,917,519</u>	<u>10,042,455</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,069,365)</u>	<u>(1,899,682)</u>	<u>(2,969,047)</u>
<b>OTHER FINANCING SOURCES</b>			
Sale of Capital Assets	-	53,291	53,291
Inception of Capital Lease	-	1,338,609	1,338,609
Bond Anticipation Notes Issued	-	1,501,000	1,501,000
Transfers In	180,000	-	180,000
<b>Total Other Financing Sources</b>	<u>180,000</u>	<u>2,892,900</u>	<u>3,072,900</u>
Net Change in Fund Balances	(889,365)	993,218	103,853
Fund Balances - Beginning of Year	1,177,137	635,630	1,812,767
<b>Fund Balances - End of Year</b>	<u>\$ 287,772</u>	<u>\$ 1,628,848</u>	<u>\$ 1,916,620</u>



**City of Euclid, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*December 31, 2016*

	<u>State Highway</u>	<u>Indigent Drivers Alcohol Treatment</u>	<u>Court Computer- ization</u>	<u>Court Special Projects</u>
<b>ASSETS</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 40,974	\$ 140,350	\$ 114,664	\$ 24,305
Materials and Supplies Inventory	-	-	-	-
Accounts Receivable	-	630	5,444	5,516
Intergovernmental Receivable	56,130	-	-	-
Prepaid Items	-	-	-	-
Property Taxes Receivable	-	-	-	-
Assets Held for Resale	-	-	-	-
<b>Total Assets</b>	<u>\$ 97,104</u>	<u>\$ 140,980</u>	<u>\$ 120,108</u>	<u>\$ 29,821</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 19,987	\$ -	\$ -	\$ -
Accrued Wages and Benefits	-	-	415	1,147
Intergovernmental Payable	-	-	262	743
Matured Compensated Absences Payable	-	-	-	-
Interfund Payable	-	-	-	-
Claims Payable	-	-	118	577
<b>Total Liabilities</b>	<u>19,987</u>	<u>-</u>	<u>795</u>	<u>2,467</u>
<b>Deferred Inflows of Resources:</b>				
Property Taxes	-	-	-	-
Unavailable Revenue - Delinq. Property Taxes	-	-	-	-
Unavailable Revenue - Other	37,581	-	-	-
<b>Total Deferred Inflows of Resources</b>	<u>37,581</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>				
Nonspendable	-	-	-	-
Restricted	39,536	140,980	119,313	27,354
Committed	-	-	-	-
Unassigned (Deficit)	-	-	-	-
<b>Total Fund Balances (Deficit)</b>	<u>39,536</u>	<u>140,980</u>	<u>119,313</u>	<u>27,354</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 97,104</u>	<u>\$ 140,980</u>	<u>\$ 120,108</u>	<u>\$ 29,821</u>

(Continued)

**City of Euclid, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*December 31, 2016*  
*(Continued)*

	<b>Animal Shelter</b>	<b>Indigent Drivers Interlock and Alcohol Monitoring</b>	<b>Street Maintenance &amp; Construction</b>
<b>ASSETS</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 27,424	\$ 37,736	\$ 237,246
Materials and Supplies Inventory	-	-	20,025
Accounts Receivable	-	-	2,703
Intergovernmental Receivable	-	-	713,595
Prepaid Items	-	-	-
Property Taxes Receivable	-	-	-
Assets Held for Resale	-	-	-
<b>Total Assets</b>	<b>\$ 27,424</b>	<b>\$ 37,736</b>	<b>\$ 973,569</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts Payable	\$ -	\$ -	\$ 13,494
Accrued Wages and Benefits	1,136	-	18,172
Intergovernmental Payable	694	-	13,276
Matured Compensated Absences Payable	-	-	4,561
Interfund Payable	-	-	-
Claims Payable	248	-	5,355
<b>Total Liabilities</b>	<b>2,078</b>	<b>-</b>	<b>54,858</b>
<b>Deferred Inflows of Resources:</b>			
Property Taxes	-	-	-
Unavailable Revenue - Delinq. Property Taxes	-	-	-
Unavailable Revenue - Other	-	-	463,490
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>463,490</b>
<b>Fund Balances:</b>			
Nonspendable	-	-	20,025
Restricted	-	37,736	435,196
Committed	25,346	-	-
Unassigned (Deficit)	-	-	-
<b>Total Fund Balances (Deficit)</b>	<b>25,346</b>	<b>37,736</b>	<b>455,221</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 27,424</b>	<b>\$ 37,736</b>	<b>\$ 973,569</b>



<b>Recreation Operating</b>	<b>Community Development Block Grant</b>	<b>Neighborhood Stabilization Program</b>	<b>Other Grants</b>	<b>Law Enforcement Trust</b>	<b>Total Nonmajor Special Revenue Funds</b>
\$ 134,262	\$ -	\$ 1,187	\$ -	\$ 193,630	\$ 951,778
-	-	-	-	-	20,025
23,374	-	-	451	7,701	45,819
18,594	100,650	-	1,344,337	-	2,233,306
3,815	-	-	-	-	3,815
350,748	-	-	-	-	350,748
-	-	323,918	-	-	323,918
<u>\$ 530,793</u>	<u>\$ 100,650</u>	<u>\$ 325,105</u>	<u>\$ 1,344,788</u>	<u>\$ 201,331</u>	<u>\$ 3,929,409</u>
\$ 34,772	\$ 8,594	\$ -	\$ 54,331	\$ 7,634	\$ 138,812
4,111	6,472	331	8,587	-	40,371
2,633	3,985	278	8,846	291	31,008
-	-	-	-	-	4,561
-	100,110	-	1,236,702	-	1,336,812
2,214	2,015	-	-	-	10,527
<u>43,730</u>	<u>121,176</u>	<u>609</u>	<u>1,308,466</u>	<u>7,925</u>	<u>1,562,091</u>
284,844	-	-	-	-	284,844
65,904	-	-	-	-	65,904
18,594	-	-	1,209,133	-	1,728,798
<u>369,342</u>	<u>-</u>	<u>-</u>	<u>1,209,133</u>	<u>-</u>	<u>2,079,546</u>
3,815	-	-	-	-	23,840
113,906	-	324,496	-	193,406	1,431,923
-	-	-	-	-	25,346
-	(20,526)	-	(1,172,811)	-	(1,193,337)
<u>117,721</u>	<u>(20,526)</u>	<u>324,496</u>	<u>(1,172,811)</u>	<u>193,406</u>	<u>287,772</u>
<u>\$ 530,793</u>	<u>\$ 100,650</u>	<u>\$ 325,105</u>	<u>\$ 1,344,788</u>	<u>\$ 201,331</u>	<u>\$ 3,929,409</u>

**City of Euclid, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Year Ended December 31, 2016*

	<b>State Highway</b>	<b>Indigent Drivers Alcohol Treatment</b>	<b>Court Computer- ization</b>	<b>Court Special Projects</b>	<b>Animal Shelter</b>
<b>REVENUES</b>					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	114,777	-	-	-	-
Interest	-	-	-	-	-
Fines and Forfeitures	-	9,513	92,085	89,101	-
Charges for Services	-	-	-	-	27,107
Contributions and Donations	-	-	-	-	-
All Other Revenues	-	-	18,413	-	-
<b>Total Revenues</b>	<b>114,777</b>	<b>9,513</b>	<b>110,498</b>	<b>89,101</b>	<b>27,107</b>
<b>EXPENDITURES</b>					
Current:					
Security of Persons and Property	-	570	102,207	110,609	84,720
Leisure Time Activities	-	-	-	-	-
Community and Economic Development	-	-	-	-	-
Transportation	123,203	-	-	-	-
General Government	-	-	-	-	-
<b>Total Expenditures</b>	<b>123,203</b>	<b>570</b>	<b>102,207</b>	<b>110,609</b>	<b>84,720</b>
Excess of Revenues Over (Under) Expenditures	(8,426)	8,943	8,291	(21,508)	(57,613)
<b>OTHER FINANCING SOURCES</b>					
Transfers In	-	-	-	-	60,000
<b>Total Other Financing Sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>60,000</b>
Net Change in Fund Balances	(8,426)	8,943	8,291	(21,508)	2,387
Fund Balances - Beginning of Year	47,962	132,037	111,022	48,862	22,959
<b>Fund Balances - End of Year</b>	<b>\$ 39,536</b>	<b>\$ 140,980</b>	<b>\$ 119,313</b>	<b>\$ 27,354</b>	<b>\$ 25,346</b>

<b>Indigent Drivers</b>			<b>Community Development</b>	<b>Neighborhood Stabilization Program</b>		<b>Law Enforcement Trust</b>	<b>Total Nonmajor Special Revenue Funds</b>
<b>Interlock and Alcohol Monitoring</b>	<b>Street Maintenance &amp; Construction</b>	<b>Recreation Operating</b>	<b>Block Grant</b>		<b>Other Grants</b>		
\$ -	\$ -	\$ 317,599	\$ -	\$ -	\$ -	\$ -	\$ 317,599
-	1,681,114	32,528	991,248	-	899,165	-	3,718,832
-	-	-	-	-	-	74	74
5,804	-	-	-	-	3,925	157,268	357,696
-	-	308,529	-	-	-	-	335,636
-	-	19,415	-	-	7,905	-	27,320
-	188,404	32	-	89,545	-	2,020	298,414
<u>5,804</u>	<u>1,869,518</u>	<u>678,103</u>	<u>991,248</u>	<u>89,545</u>	<u>910,995</u>	<u>159,362</u>	<u>5,055,571</u>
-	-	-	-	-	-	61,412	359,518
-	-	746,296	-	-	-	-	746,296
-	-	-	950,675	-	-	-	950,675
-	1,784,954	-	-	-	-	-	1,908,157
-	-	-	-	-	2,160,290	-	2,160,290
-	1,784,954	746,296	950,675	-	2,160,290	61,412	6,124,936
<u>5,804</u>	<u>84,564</u>	<u>(68,193)</u>	<u>40,573</u>	<u>89,545</u>	<u>(1,249,295)</u>	<u>97,950</u>	<u>(1,069,365)</u>
-	-	120,000	-	-	-	-	180,000
-	-	120,000	-	-	-	-	180,000
5,804	84,564	51,807	40,573	89,545	(1,249,295)	97,950	(889,365)
31,932	370,657	65,914	(61,099)	234,951	76,484	95,456	1,177,137
<u>\$ 37,736</u>	<u>\$ 455,221</u>	<u>\$ 117,721</u>	<u>\$ (20,526)</u>	<u>\$ 324,496</u>	<u>\$ (1,172,811)</u>	<u>\$ 193,406</u>	<u>\$ 287,772</u>

**City of Euclid, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds*  
*December 31, 2016*

	<u>General Permanent Improvement</u>	<u>Recreation Capital</u>	<u>Sidewalk Repair &amp; Replacement</u>	<u>Public Building Construction</u>
<b>ASSETS</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 557,100	\$ 1,028,882	\$ 22,864	\$ -
Cash and Cash Equivalents:				
With Escrow Agents	34,351	-	-	-
Intergovernmental Receivable	14,303	10,012	-	-
Property Taxes Receivable	269,806	188,864	-	-
Payments in Lieu of Taxes Receivable	-	-	-	-
<b>Total Assets</b>	<u>\$ 875,560</u>	<u>\$ 1,227,758</u>	<u>\$ 22,864</u>	<u>\$ -</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 11,395	\$ -	\$ -	\$ -
Intergovernmental Payable	-	-	-	-
Retainage Payable	-	-	-	-
Interfund Payable	-	-	-	358,313
Claims Payable	-	342	-	-
<b>Total Liabilities</b>	<u>11,395</u>	<u>342</u>	<u>-</u>	<u>358,313</u>
<b>Deferred Inflows of Resources:</b>				
Property Taxes and Payments in Lieu of Taxes	219,110	153,377	-	-
Unavailable Revenue - Delinquent Property Taxes	50,696	35,487	-	-
Unavailable Revenue - Other	14,303	10,012	-	-
<b>Total Deferred Inflows of Resources</b>	<u>284,109</u>	<u>198,876</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>				
Restricted	580,056	1,028,540	22,864	-
Unassigned (Deficit)	-	-	-	(358,313)
<b>Total Fund Balances (Deficit)</b>	<u>580,056</u>	<u>1,028,540</u>	<u>22,864</u>	<u>(358,313)</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 875,560</u>	<u>\$ 1,227,758</u>	<u>\$ 22,864</u>	<u>\$ -</u>

<b>Euclid Endowment</b>	<b>Sims Park</b>	<b>Bennington Hamlet</b>	<b>CMP Properties</b>	<b>Harbor Town TIF</b>	<b>Downtown District A TIF</b>	<b>Total Nonmajor Capital Projects Funds</b>
\$ 10,646	\$ 4,307	\$ 52,722	\$ 53,430	\$ 222,590	\$ 174,953	\$ 2,127,494
-	-	-	-	-	-	34,351
-	-	-	-	-	-	24,315
-	-	-	-	-	-	458,670
-	-	80,001	68,557	115,380	76,248	340,186
<u>\$ 10,646</u>	<u>\$ 4,307</u>	<u>\$ 132,723</u>	<u>\$ 121,987</u>	<u>\$ 337,970</u>	<u>\$ 251,201</u>	<u>\$ 2,985,016</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 151,704	\$ 163,099
-	-	-	8,147	-	-	8,147
-	-	-	-	-	3,096	3,096
-	-	-	-	-	-	358,313
-	-	-	-	-	-	342
<u>-</u>	<u>-</u>	<u>-</u>	<u>8,147</u>	<u>-</u>	<u>154,800</u>	<u>532,997</u>
-	-	80,001	68,557	115,380	76,248	712,673
-	-	-	-	-	-	86,183
-	-	-	-	-	-	24,315
<u>-</u>	<u>-</u>	<u>80,001</u>	<u>68,557</u>	<u>115,380</u>	<u>76,248</u>	<u>823,171</u>
10,646	4,307	52,722	45,283	222,590	20,153	1,987,161
-	-	-	-	-	-	(358,313)
<u>10,646</u>	<u>4,307</u>	<u>52,722</u>	<u>45,283</u>	<u>222,590</u>	<u>20,153</u>	<u>1,628,848</u>
<u>\$ 10,646</u>	<u>\$ 4,307</u>	<u>\$ 132,723</u>	<u>\$ 121,987</u>	<u>\$ 337,970</u>	<u>\$ 251,201</u>	<u>\$ 2,985,016</u>

**City of Euclid, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Capital Projects Funds*  
*For the Year Ended December 31, 2016*

	<b>General Permanent Improvement</b>	<b>Recreation Capital</b>	<b>Sidewalk Repair &amp; Replacement</b>	<b>Public Building Construction</b>
<b>REVENUES</b>				
Property Taxes	\$ 244,283	\$ 171,001	\$ -	\$ -
Payment in Lieu of Taxes	-	-	-	-
Intergovernmental	25,019	17,514	-	-
All Other Revenues	197,252	1,111,674	-	-
<b>Total Revenues</b>	<b>466,554</b>	<b>1,300,189</b>	<b>-</b>	<b>-</b>
<b>EXPENDITURES</b>				
Current:				
Security of Persons and Property	204,854	-	-	-
Leisure Time Activities	-	267,826	-	-
Community Environment	62,091	-	-	-
Transportation	772,471	-	6,221	-
General Government	16,560	-	-	1
Capital Outlay	1,860,508	174,036	-	-
Debt Service:				
Principal Retirement	175,865	-	-	-
Interest and Fiscal Charges	7,311	-	-	-
<b>Total Expenditures</b>	<b>3,099,660</b>	<b>441,862</b>	<b>6,221</b>	<b>1</b>
Excess of Revenues (Under) Expenditures	(2,633,106)	858,327	(6,221)	(1)
<b>OTHER FINANCING SOURCES</b>				
Sale of Capital Assets	50,090	-	-	-
Inception of Capital Lease	1,338,609	-	-	-
Bond Anticipation Notes Issued	1,501,000	-	-	-
<b>Total Other Financing Sources</b>	<b>2,889,699</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	256,593	858,327	(6,221)	(1)
Fund Balances - Beginning of Year	323,463	170,213	29,085	(358,312)
<b>Fund Balances - End of Year</b>	<b>\$ 580,056</b>	<b>\$ 1,028,540</b>	<b>\$ 22,864</b>	<b>\$ (358,313)</b>

<b>Euclid Endowment</b>	<b>Sims Park</b>	<b>Bennington Hamlet</b>	<b>CMP Properties</b>	<b>Harbor Town TIF</b>	<b>Downtown District A TIF</b>	<b>Total Nonmajor Capital Projects Funds</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 415,284
-	-	12,383	64,739	116,331	57,641	251,094
-	-	-	-	-	-	42,533
-	-	-	-	-	-	1,308,926
<u>-</u>	<u>-</u>	<u>12,383</u>	<u>64,739</u>	<u>116,331</u>	<u>57,641</u>	<u>2,017,837</u>
-	-	-	-	-	-	204,854
-	49,773	-	-	-	-	317,599
-	-	4,295	54,959	-	260,748	383,112
-	-	-	-	-	-	778,692
-	-	-	-	-	-	16,561
-	-	-	-	-	-	2,033,525
-	-	-	-	-	-	175,865
-	-	-	-	-	-	7,311
<u>-</u>	<u>49,773</u>	<u>4,295</u>	<u>54,959</u>	<u>-</u>	<u>260,748</u>	<u>3,917,519</u>
<u>-</u>	<u>(49,773)</u>	<u>8,088</u>	<u>9,780</u>	<u>116,331</u>	<u>(203,107)</u>	<u>(1,899,682)</u>
3,201	-	-	-	-	-	53,291
-	-	-	-	-	-	1,338,609
-	-	-	-	-	-	1,501,000
<u>3,201</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,892,900</u>
3,201	(49,773)	8,088	9,780	116,331	(203,107)	993,218
7,445	54,080	44,634	35,503	106,259	223,260	635,630
<u>\$ 10,646</u>	<u>\$ 4,307</u>	<u>\$ 52,722</u>	<u>\$ 45,283</u>	<u>\$ 222,590</u>	<u>\$ 20,153</u>	<u>\$ 1,628,848</u>

## *Fund Descriptions – Fiduciary Funds*

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### *Fiduciary Funds*

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

### *Agency Funds*

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

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

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

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

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

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

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



**City of Euclid, Ohio**  
*Combining Statement of Changes in Assets and Liabilities*  
*Agency Funds*  
*For the Year Ended December 31, 2016*

	Balance 12/31/2015	Additions	Deletions	Balance 12/30/2016
<b><u>Municipal Court and Jail Commissary</u></b>				
<b>Assets</b>				
Cash and Cash Equivalents: in Segregated Accounts	\$ 173,068	\$ 5,139,463	\$ 5,091,611	\$ 220,920
<b>Liabilities</b>				
Deposits Held and Due to Others	\$ 173,068	\$ 5,139,463	\$ 5,091,611	\$ 220,920
<b><u>Employee Flex Spending</u></b>				
<b>Assets</b>				
Cash and Cash Equivalents: in Segregated Accounts	\$ 45,001	\$ 265,341	\$ 260,155	\$ 50,187
<b>Liabilities</b>				
Deposits Held and Due to Others	\$ 45,001	\$ 265,341	\$ 260,155	\$ 50,187
<b><u>Retirees Insurance Payments</u></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 8,183	\$ 14,106	\$ 9,634	\$ 12,655
<b>Liabilities</b>				
Deposits Held and Due to Others	\$ 8,183	\$ 14,106	\$ 9,634	\$ 12,655
<b><u>Building Deposits</u></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 129,297	\$ 48,028	\$ 72,058	\$ 105,267
<b>Liabilities</b>				
Deposits Held and Due to Others	\$ 129,297	\$ 48,028	\$ 72,058	\$ 105,267
<b><u>Street Opening</u></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 69,375	\$ 2,000	\$ 9,000	\$ 62,375
<b>Liabilities</b>				
Deposits Held and Due to Others	\$ 69,375	\$ 2,000	\$ 9,000	\$ 62,375
<b><u>Revolving</u></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 651,970	\$ 32,050,686	\$ 31,945,508	\$ 757,148
<b>Liabilities</b>				
Deposits Held and Due to Others	\$ 651,970	\$ 32,050,686	\$ 31,945,508	\$ 757,148
<b><u>Temporary Suspense</u></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 59	\$ 90,768	\$ 90,827	\$ -
<b>Liabilities</b>				
Deposits Held and Due to Others	\$ 59	\$ 90,768	\$ 90,827	\$ -
<b><u>Total - All Agency Funds</u></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 858,884	\$ 32,205,588	\$ 32,127,027	\$ 937,445
Cash and Cash Equivalents: in Segregated Accounts	218,069	5,404,804	5,351,766	271,107
Total Assets	<u>\$ 1,076,953</u>	<u>\$ 37,610,392</u>	<u>\$ 37,478,793</u>	<u>\$ 1,208,552</u>
<b>Liabilities</b>				
Deposits Held and Due to Others	<u>\$ 1,076,953</u>	<u>\$ 37,610,392</u>	<u>\$ 37,478,793</u>	<u>\$ 1,208,552</u>

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

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 General Fund  
 For the Year Ended December 31, 2016*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Property Taxes	\$ 1,786,851	\$ 1,641,645	\$ (145,206)
Income Taxes	25,125,000	25,135,350	10,350
Other Local Taxes	670,000	669,016	(984)
Intergovernmental	1,844,897	1,690,867	(154,030)
Interest	120,000	222,218	102,218
Licenses and Permits	485,450	529,927	44,477
Fines and Forfeitures	1,801,200	1,942,237	141,037
Rentals	53,000	52,671	(329)
Charges for Services	5,885,296	5,892,836	7,540
Contributions and Donations	500	1,410	910
Special Assessments	800,000	796,708	(3,292)
All Other Revenues	139,200	189,057	49,857
<b>Total Revenues</b>	<b>38,711,394</b>	<b>38,763,942</b>	<b>52,548</b>
<b>Expenditures:</b>			
Current:			
Security of Persons and Property			
Police			
Personal Services	10,639,175	10,439,517	199,658
Other	1,254,809	1,230,852	23,957
Total Police	11,893,984	11,670,369	223,615
Fire			
Personal Services	8,303,200	8,252,612	50,588
Other	101,507	97,492	4,015
Total Fire	8,404,707	8,350,104	54,603
Corrections			
Other	400,000	400,000	-
Total Corrections	400,000	400,000	-
Total Security of Persons and Property	20,698,691	20,420,473	278,218

(Continued)

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 General Fund  
 For the Year Ended December 31, 2016  
 (Continued)*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Public Health			
Health			
Personal Services	54,700	53,280	1,420
Other	254,000	246,554	7,446
Total Public Health	<u>308,700</u>	<u>299,834</u>	<u>8,866</u>
Leisure Time Activities			
Leisure Time Activities			
Personal Services	690,800	672,124	18,676
Other	36,129	29,935	6,194
Total Leisure Time Activities	<u>726,929</u>	<u>702,059</u>	<u>24,870</u>
Community and Economic Development			
Protective Inspection			
Personal Services	664,900	649,865	15,035
Other	188,340	156,012	32,328
Total Protective Inspection	<u>853,240</u>	<u>805,877</u>	<u>47,363</u>
Economic Development and Assistance			
Personal Services	170,510	168,595	1,915
Other	13,100	9,894	3,206
Total Economic Development and Assistance	<u>183,610</u>	<u>178,489</u>	<u>5,121</u>
Economic Opportunity			
Personal Services	201,500	198,270	3,230
Other	63,742	33,804	29,938
Total Economic Opportunity	<u>265,242</u>	<u>232,074</u>	<u>33,168</u>
Total Community and Economic Development	<u>1,302,092</u>	<u>1,216,440</u>	<u>85,652</u>
Sanitation			
Sanitation Department			
Other	2,307,154	2,304,988	2,166
Total Sanitation	<u>2,307,154</u>	<u>2,304,988</u>	<u>2,166</u>
General Government			
Legislative			
Personal Services	151,370	145,980	5,390
Other	1,885	1,328	557
Total Legislative	<u>153,255</u>	<u>147,308</u>	<u>5,947</u>

(Continued)

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 General Fund  
 For the Year Ended December 31, 2016  
 (Continued)*

	Budgeted Amounts <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Judicial			
Personal Services	853,200	815,949	37,251
Other	137,198	127,468	9,730
Total Judicial	<u>990,398</u>	<u>943,417</u>	<u>46,981</u>
Executive			
Personal Services	269,250	262,644	6,606
Other	3,430	3,347	83
Total Executive	<u>272,680</u>	<u>265,991</u>	<u>6,689</u>
Finance			
Personal Services	722,050	675,305	46,745
Other	239,783	222,780	17,003
Total Finance	<u>961,833</u>	<u>898,085</u>	<u>63,748</u>
Law			
Personal Services	589,242	578,944	10,298
Other	106,479	103,087	3,392
Total Law	<u>695,721</u>	<u>682,031</u>	<u>13,690</u>
Administration			
Personal Services	297,450	254,034	43,416
Other	191,558	178,830	12,728
Total Administration	<u>489,008</u>	<u>432,864</u>	<u>56,144</u>
Other Department			
Personal Services	5,479,150	5,447,271	31,879
Other	2,312,632	2,200,753	111,879
Total Other Department	<u>7,791,782</u>	<u>7,648,024</u>	<u>143,758</u>
General Government Buildings			
Personal Services	1,229,900	1,188,475	41,425
Other	612,310	590,340	21,970
Total General Governmental Buildings	<u>1,842,210</u>	<u>1,778,815</u>	<u>63,395</u>
Total General Government	<u>13,196,887</u>	<u>12,796,535</u>	<u>400,352</u>

(Continued)

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 General Fund  
 For the Year Ended December 31, 2016  
 (Continued)*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Debt Service:			
Principal	185,000	185,000	-
Interest & Fiscal Charges	8,100	8,047	53
Total Debt Service	193,100	193,047	53
<b>Total Expenditures</b>	<b>38,733,553</b>	<b>37,933,376</b>	<b>800,177</b>
Excess of Revenues Over (Under) Expenditures	(22,159)	830,566	852,725
<b>Other Financing Sources (Uses)</b>			
Sale of Capital Assets	500	3,290	2,790
Transfers In	120,000	120,000	-
Transfers Out	(810,000)	(810,000)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(689,500)</b>	<b>(686,710)</b>	<b>2,790</b>
Net Change in Fund Balance	(711,659)	143,856	855,515
Fund Balance - Beginning of Year	3,247,798	3,247,798	-
Prior Year Encumbrances Appropriated	119,340	119,340	-
<b>Fund Balance - End of Year</b>	<b>\$ 2,655,479</b>	<b>\$ 3,510,994</b>	<b>\$ 855,515</b>

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 General Obligation Bond Retirement Fund  
 For the Year Ended December 31, 2016*

	Budgeted Amounts <u>Final</u>	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Property Taxes	\$ 2,162,686	\$ 1,899,068	\$ (263,618)
Intergovernmental	355,786	589,385	233,599
Interest	6,395	10,594	4,199
Charges for Services	7,337	12,155	4,818
Special Assessments	70,308	116,470	46,162
All Other Revenues	286	474	188
<b>Total Revenues</b>	<u>2,602,798</u>	<u>2,628,146</u>	<u>25,348</u>
<b>Expenditures:</b>			
Current:			
General Government			
Personal Services	88,300	71,415	16,885
Other	92,832	49,257	43,575
Total General Government	<u>181,132</u>	<u>120,672</u>	<u>60,460</u>
Debt Service:			
Principal	2,419,895	1,671,035	748,860
Interest & Fiscal Charges	675,049	687,573	(12,524)
Total Debt Service	<u>3,094,944</u>	<u>2,358,608</u>	<u>736,336</u>
<b>Total Expenditures</b>	<u>3,276,076</u>	<u>2,479,280</u>	<u>796,796</u>
Excess of Revenues Over (Under) Expenditures	(673,278)	148,866	822,144
<b>Other Financing Sources</b>			
Premium on Note Issuance	11,888	11,888	-
Transfers In	250,000	250,000	-
<b>Total Other Financing Sources</b>	<u>261,888</u>	<u>261,888</u>	<u>-</u>
Net Change in Fund Balance	(411,390)	410,754	822,144
Fund Balance - Beginning of Year	412,155	412,155	-
<b>Fund Balance - End of Year</b>	<u>\$ 765</u>	<u>\$ 822,909</u>	<u>\$ 822,144</u>

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenses and Changes in Fund Equity -  
 Budget (Non-GAAP Basis) and Actual  
 Waste Water Treatment Fund  
 For the Year Ended December 31, 2016*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Charges for Services	\$ 11,076,498	\$ 12,754,195	\$ 1,677,697
Tap-in Fees	11,847	10,104	(1,743)
Intergovernmental	42,479,141	37,039,340	(5,439,801)
Other Services	1,145,200	1,145,000	(200)
<b>Total Revenues</b>	<u>54,712,686</u>	<u>50,948,639</u>	<u>(3,764,047)</u>
<b>Expenses:</b>			
Current:			
Personal Services	5,644,276	4,990,767	653,509
Other	53,263,217	42,308,394	10,954,823
Debt Service:			
Principal Retirement	2,004,835	1,302,288	702,547
Interest and Fiscal Charges	295,762	402,837	(107,075)
<b>Total Expenses</b>	<u>61,208,090</u>	<u>49,004,286</u>	<u>12,203,804</u>
Excess of Revenues Over (Under) Expenses	(6,495,404)	1,944,353	8,439,757
<b>Other Financing Sources (Uses)</b>			
Transfer In	3,515,239	3,515,329	90
Transfer Out	(4,660,329)	(4,660,329)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(1,145,090)</u>	<u>(1,145,000)</u>	<u>90</u>
Net Change in Fund Equity	(7,640,494)	799,353	8,439,847
Fund Equity - Beginning of Year	14,093,358	14,093,358	-
Prior Year Encumbrances Appropriated	1,238,676	1,238,676	-
<b>Fund Equity - End of Year</b>	<u>\$ 7,691,540</u>	<u>\$ 16,131,387</u>	<u>\$ 8,439,847</u>



**City of Euclid, Ohio**  
*Schedule of Revenues, Expenses and Changes in Fund Equity -  
 Budget (Non-GAAP Basis) and Actual  
 Water Line Improvement Fund  
 For the Year Ended December 31, 2016*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>			
Charges for Services	\$ 1,775,000	\$ 1,775,702	\$ 702
<b>Total Revenues</b>	<u>1,775,000</u>	<u>1,775,702</u>	<u>702</u>
<b>Expenses:</b>			
Current:			
Other	1,401,083	84,274	1,316,809
Debt Service:			
Principal Retirement	873,725	1,565,593	(691,868)
Interest and Fiscal Charges	290,389	287,756	2,633
<b>Total Expenses</b>	<u>2,565,197</u>	<u>1,937,623</u>	<u>627,574</u>
Net Change in Fund Equity	(790,197)	(161,921)	628,276
Fund Equity - Beginning of Year	1,723,832	1,723,832	-
<b>Fund Equity - End of Year</b>	<u>\$ 933,635</u>	<u>\$ 1,561,911</u>	<u>\$ 628,276</u>

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenses and Changes in Fund Equity -  
 Budget (Non-GAAP Basis) and Actual  
 Briardale Greens Golf Course Fund  
 For the Year Ended December 31, 2016*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
<b>Revenues:</b>			
Charges for Services	\$ 1,365,000	\$ 728,782	\$ (636,218)
All Other Revenues	-	2,000	2,000
<b>Total Revenues</b>	<u>1,365,000</u>	<u>730,782</u>	<u>(634,218)</u>
<b>Expenses:</b>			
Current:			
Other	\$ 1,424,200	\$ 782,270	\$ 641,930
<b>Total Expenses</b>	<u>1,424,200</u>	<u>782,270</u>	<u>641,930</u>
Net Change in Fund Equity	(59,200)	(51,488)	7,712
Fund Equity - Beginning of Year	62,632	62,632	-
<b>Fund Equity - End of Year</b>	<u>\$ 3,432</u>	<u>\$ 11,144</u>	<u>\$ 7,712</u>

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenses and Changes in Fund Equity -  
 Budget (Non-GAAP Basis) and Actual  
 Self Insurance Fund  
 For the Year Ended December 31, 2016*

	Budgeted Amounts <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Expenses:</b>			
Current:			
Other	\$ 141,000	\$ 112,685	\$ 28,315
<b>Total Expenses</b>	<u>141,000</u>	<u>112,685</u>	<u>28,315</u>
Excess of Revenues Over (Under) Expenses	(141,000)	(112,685)	28,315
<b>Other Financing Sources</b>			
Transfer In	<u>41,000</u>	<u>41,000</u>	<u>-</u>
<b>Total Other Financings Sources</b>	<u>41,000</u>	<u>41,000</u>	<u>-</u>
Net Change in Fund Equity	(100,000)	(71,685)	28,315
Fund Equity - Beginning of Year	<u>139,509</u>	<u>139,509</u>	<u>-</u>
<b>Fund Equity - End of Year</b>	<u><u>\$ 39,509</u></u>	<u><u>\$ 67,824</u></u>	<u><u>\$ 28,315</u></u>

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 State Highway Fund  
 For the Year Ended December 31, 2016*

	Budgeted Amounts <u>Final</u>	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$ 112,364	\$ 112,260	\$ (104)
<b>Total Revenues</b>	<u>112,364</u>	<u>112,260</u>	<u>(104)</u>
<b>Expenditures:</b>			
Current:			
Transportation			
Other	103,808	103,216	592
<b>Total Expenditures</b>	<u>103,808</u>	<u>103,216</u>	<u>592</u>
Net Change in Fund Balance	8,556	9,044	488
Fund Balance - Beginning of Year	31,930	31,930	-
<b>Fund Balance - End of Year</b>	<u>\$ 40,486</u>	<u>\$ 40,974</u>	<u>\$ 488</u>

## City of Euclid, Ohio

*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
Indigent Drivers Alcohol Treatment Fund  
For the Year Ended December 31, 2016*

	Budgeted Amounts <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Fines and Forfeitures	\$ 9,700	\$ 9,732	\$ 32
<b>Total Revenues</b>	<u>9,700</u>	<u>9,732</u>	<u>32</u>
<b>Expenditures:</b>			
Current:			
Security of Persons and Property			
Other	10,000	570	9,430
<b>Total Expenditures</b>	<u>10,000</u>	<u>570</u>	<u>9,430</u>
Net Change in Fund Balance	(300)	9,162	9,462
Fund Balance - Beginning of Year	131,188	131,188	-
<b>Fund Balance - End of Year</b>	<u>\$ 130,888</u>	<u>\$ 140,350</u>	<u>\$ 9,462</u>

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Court Computerization Fund  
 For the Year Ended December 31, 2016*

	Budgeted Amounts <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Fines and Forfeitures	\$ 88,936	\$ 89,441	\$ 505
All Other Revenues	18,309	18,413	104
<b>Total Revenues</b>	<u>107,245</u>	<u>107,854</u>	<u>609</u>
<b>Expenditures:</b>			
Current:			
Security of Persons and Property			
Personal Services	37,127	33,742	3,385
Other	86,781	67,319	19,462
<b>Total Expenditures</b>	<u>123,908</u>	<u>101,061</u>	<u>22,847</u>
Net Change in Fund Balance	(16,663)	6,793	23,456
Fund Balance - Beginning of Year	107,850	107,850	-
<b>Fund Balance - End of Year</b>	<u>\$ 91,187</u>	<u>\$ 114,643</u>	<u>\$ 23,456</u>

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Court Special Projects Fund  
 For the Year Ended December 31, 2016*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Fines and Forfeitures	\$ 90,000	\$ 90,345	\$ 345
<b>Total Revenues</b>	<u>90,000</u>	<u>90,345</u>	<u>345</u>
<b>Expenditures:</b>			
Current:			
Security of Persons and Property			
Personal Services	108,905	102,887	6,018
Other	14,764	13,159	1,605
<b>Total Expenditures</b>	<u>123,669</u>	<u>116,046</u>	<u>7,623</u>
Net Change in Fund Balance	(33,669)	(25,701)	7,968
Fund Balance - Beginning of Year	50,006	50,006	-
<b>Fund Balance - End of Year</b>	<u>\$ 16,337</u>	<u>\$ 24,305</u>	<u>\$ 7,968</u>

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Animal Shelter Fund  
 For the Year Ended December 31, 2016*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Charges for Services	\$ 27,000	\$ 27,107	\$ 107
<b>Total Revenues</b>	<u>27,000</u>	<u>27,107</u>	<u>107</u>
<b>Expenditures:</b>			
Current:			
Security of Persons and Property			
Personal Services	72,945	70,975	1,970
Other	19,539	15,030	4,509
<b>Total Expenditures</b>	<u>92,484</u>	<u>86,005</u>	<u>6,479</u>
Excess of Revenues Over (Under) Expenditures	(65,484)	(58,898)	6,586
<b>Other Financing Sources</b>			
Transfers In	60,000	60,000	-
<b>Total Other Financing Sources</b>	<u>60,000</u>	<u>60,000</u>	<u>-</u>
Net Change in Fund Balance	(5,484)	1,102	6,586
Fund Balance - Beginning of Year	26,181	26,181	-
Prior Year Encumbrances Appropriated	99	99	-
<b>Fund Balance - End of Year</b>	<u>\$ 20,796</u>	<u>\$ 27,382</u>	<u>\$ 6,586</u>



## City of Euclid, Ohio

*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
Nuisance Abatement Fund  
For the Year Ended December 31, 2016*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Final			
<b>Revenues:</b>				
Charges for Services	\$ 190,500		\$ 190,580	\$ 80
<b>Total Revenues</b>	190,500		190,580	80
<b>Expenditures:</b>				
Current:				
Community and Economic Development				
Other	129,252		110,840	18,412
<b>Total Expenditures</b>	129,252		110,840	18,412
Excess of Revenues Over (Under) Expenditures	61,248		79,740	18,492
<b>Other Financing (Uses)</b>				
Transfers Out	(120,000)		(120,000)	-
<b>Total Other Financing (Uses)</b>	(120,000)		(120,000)	-
Net Change in Fund Balance	(58,752)		(40,260)	18,492
Fund Balance - Beginning of Year	79,120		79,120	-
<b>Fund Balance - End of Year</b>	\$ 24,620		\$ 43,112	\$ 18,492

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Indigent Drivers Interlock and Alcohol Monitoring Fund  
 For the Year Ended December 31, 2016*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Fines and Forfeitures	\$ 5,220	\$ 5,804	\$ 584
<b>Total Revenues</b>	<u>5,220</u>	<u>5,804</u>	<u>584</u>
<b>Expenditures:</b>			
Current:			
Security of Persons and Property			
Police and Others:			
Other	5,476	-	5,476
<b>Total Expenditures</b>	<u>5,476</u>	<u>-</u>	<u>5,476</u>
Net Change in Fund Balance	(256)	5,804	6,060
Fund Balance - Beginning of Year	31,932	31,932	-
<b>Fund Balance - End of Year</b>	<u>\$ 31,676</u>	<u>\$ 37,736</u>	<u>\$ 6,060</u>

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Street Maintenance and Construction Fund  
 For the Year Ended December 31, 2016*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Intergovernmental	\$ 1,645,192	\$ 1,650,644	\$ 5,452
All Other Revenues	185,000	185,701	701
<b>Total Revenues</b>	<u>1,830,192</u>	<u>1,836,345</u>	<u>6,153</u>
<b>Expenditures:</b>			
Current:			
Transportation			
Personal Services	1,324,337	1,205,140	119,197
Other	583,170	573,384	9,786
<b>Total Expenditures</b>	<u>1,907,507</u>	<u>1,778,524</u>	<u>128,983</u>
Net Change in Fund Balance	(77,315)	57,821	135,136
Fund Balance - Beginning of Year	142,297	142,297	-
Prior Year Encumbrances Appropriated	14,535	14,535	-
<b>Fund Balance - End of Year</b>	<u>\$ 79,517</u>	<u>\$ 214,653</u>	<u>\$ 135,136</u>

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Community Television Fund  
 For the Year Ended December 31, 2016*

	Budgeted Amounts <u>Final</u>	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Charges for Services	\$ 400	\$ 475	\$ 75
<b>Total Revenues</b>	<u>400</u>	<u>475</u>	<u>75</u>
<b>Expenditures:</b>			
Current:			
Community and Economic Development			
Personal Services	91,245	89,852	1,393
Other	2,292	573	1,719
<b>Total Expenditures</b>	<u>93,537</u>	<u>90,425</u>	<u>3,112</u>
Excess of Revenues Over (Under) Expenditures	(93,137)	(89,950)	3,187
<b>Other Financing Sources</b>			
Transfers In	94,000	94,000	-
<b>Total Other Financing Sources</b>	<u>94,000</u>	<u>94,000</u>	<u>-</u>
Net Change in Fund Balance	863	4,050	3,187
Fund Balance - Beginning of Year	6,132	6,132	-
<b>Fund Balance - End of Year</b>	<u>\$ 6,995</u>	<u>\$ 10,182</u>	<u>\$ 3,187</u>

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Recreation Operating Fund  
 For the Year Ended December 31, 2016*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Property Taxes	\$ 345,671	\$ 317,599	\$ (28,072)
Intergovernmental	29,183	32,528	3,345
Charges for Services	283,369	315,845	32,476
Contributions and Donations	17,419	19,415	1,996
All Other Revenues	29	32	3
<b>Total Revenues</b>	<u>675,671</u>	<u>685,419</u>	<u>9,748</u>
<b>Expenditures:</b>			
Current:			
Leisure Time Activities			
Personal Services	443,882	364,867	79,015
Other	398,703	378,305	20,398
<b>Total Expenditures</b>	<u>842,585</u>	<u>743,172</u>	<u>99,413</u>
Excess of Revenues Over (Under) Expenditures	(166,914)	(57,753)	109,161
<b>Other Financing Sources</b>			
Transfers In	120,000	120,000	-
<b>Total Other Financing Sources</b>	<u>120,000</u>	<u>120,000</u>	<u>-</u>
Net Change in Fund Balance	(46,914)	62,247	109,161
Fund Balance - Beginning of Year	60,639	60,639	-
Prior Year Encumbrances Appropriated	1,577	1,577	-
<b>Fund Balance - End of Year</b>	<u>\$ 15,302</u>	<u>\$ 124,463</u>	<u>\$ 109,161</u>

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Community Development Block Grant Fund  
 For the Year Ended December 31, 2016*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Intergovernmental	\$ 1,773,914	\$ 890,598	\$ (883,316)
<b>Total Revenues</b>	<u>1,773,914</u>	<u>890,598</u>	<u>(883,316)</u>
<b>Expenditures:</b>			
Current:			
Community and Economic Development			
Personal Services	656,227	578,141	78,086
Other	1,118,253	433,643	684,610
<b>Total Expenditures</b>	<u>1,774,480</u>	<u>1,011,784</u>	<u>762,696</u>
Net Change in Fund Balance	(566)	(121,186)	(120,620)
Fund Balance - Beginning of Year	566	566	-
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ (120,620)</u>	<u>\$ (120,620)</u>

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Neighborhood Stabilization Program Fund  
 For the Year Ended December 31, 2016*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Intergovernmental	\$ 190,455	\$ -	\$ (190,455)
All Other Revenues	341,972	112,353	(229,619)
<b>Total Revenues</b>	<u>532,427</u>	<u>112,353</u>	<u>(420,074)</u>
<b>Expenditures:</b>			
Current:			
Community and Economic Development			
Personal Services	42,313	12,567	29,746
Other	491,735	136,859	354,876
<b>Total Expenditures</b>	<u>534,048</u>	<u>149,426</u>	<u>384,622</u>
Net Change in Fund Balance	(1,621)	(37,073)	(35,452)
Fund Balance - Beginning of Year	-	19,576	19,576
<b>Fund Balance - End of Year</b>	<u>\$ (1,621)</u>	<u>\$ (17,497)</u>	<u>\$ (15,876)</u>

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Other Grants Fund  
 For the Year Ended December 31, 2016*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Intergovernmental	\$ 3,525,787	\$ 926,389	\$ (2,599,398)
Fines and Forfeitures	10,060	3,769	(6,291)
Contributions and Donations	15,644	7,905	(7,739)
All Other Revenues	5,087,875	-	(5,087,875)
<b>Total Revenues</b>	<u>8,639,366</u>	<u>938,063</u>	<u>(7,701,303)</u>
<b>Expenditures:</b>			
Current:			
General Government			
Personal Services	628,447	571,167	57,280
Other	8,306,494	2,012,292	6,294,202
<b>Total Expenditures</b>	<u>8,934,941</u>	<u>2,583,459</u>	<u>6,351,482</u>
Net Change in Fund Balance	(295,575)	(1,645,396)	(1,349,821)
Fund Balance - Beginning of Year	102,071	102,071	-
Prior Year Encumbrances Appropriated	252,586	252,586	-
<b>Fund Balance - End of Year</b>	<u>\$ 59,082</u>	<u>\$ (1,290,739)</u>	<u>\$ (1,349,821)</u>



## City of Euclid, Ohio

*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
Law Enforcement Trust Fund  
For the Year Ended December 31, 2016*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>			
Interest	\$ 72	\$ 74	\$ 2
Fines and Forfeitures	167,528	167,528	-
All Other Revenues	2,000	2,020	20
<b>Total Revenues</b>	<u>169,600</u>	<u>169,622</u>	<u>22</u>
<b>Expenditures:</b>			
Current:			
Security of Persons and Property			
Personal Services	37,935	16,390	21,545
Other	110,300	36,652	73,648
<b>Total Expenditures</b>	<u>148,235</u>	<u>53,042</u>	<u>95,193</u>
Net Change in Fund Balance	21,365	116,580	95,215
Fund Balance - Beginning of Year	77,050	77,050	-
<b>Fund Balance - End of Year</b>	<u>\$ 98,415</u>	<u>\$ 193,630</u>	<u>\$ 95,215</u>

## City of Euclid, Ohio

*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
Shore Corporation Fund  
For the Year Ended December 31, 2016*

	Budgeted Amounts <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Expenditures:</b>			
Current:			
Leisure Time Activities			
Other	248,999	240,388	8,611
<b>Total Expenditures</b>	<u>248,999</u>	<u>240,388</u>	<u>8,611</u>
Excess of Revenues Over (Under) Expenditures	(248,999)	(240,388)	8,611
<b>Other Financing Sources</b>			
Transfers In	235,000	235,000	-
<b>Total Other Financing Sources</b>	<u>235,000</u>	<u>235,000</u>	<u>-</u>
Net Change in Fund Balance	(13,999)	(5,388)	8,611
Fund Balance - Beginning of Year	28,185	28,185	-
<b>Fund Balance - End of Year</b>	<u>\$ 28,185</u>	<u>\$ 36,796</u>	<u>\$ 8,611</u>

## City of Euclid, Ohio

*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
General Permanent Improvement Fund  
For the Year Ended December 31, 2016*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Property Taxes	\$ 265,900	\$ 244,283	\$ (21,617)
Intergovernmental	46,976	25,019	(21,957)
All Other Revenues	3,290	1,752	(1,538)
<b>Total Revenues</b>	<u>316,166</u>	<u>271,054</u>	<u>(45,112)</u>
<b>Expenditures:</b>			
Current:			
General Government			
Other	34,269	16,560	17,709
Capital Outlay:			
Other	2,321,185	2,061,402	259,783
Debt Service:			
Principal	175,866	175,865	1
Interest & Fiscal Charges	7,400	7,311	89
Total Debt Service	<u>183,266</u>	<u>183,176</u>	<u>90</u>
<b>Total Expenditures</b>	<u>2,538,720</u>	<u>2,261,138</u>	<u>277,582</u>
Excess of Revenues Over (Under) Expenditures	(2,222,554)	(1,990,084)	232,470
<b>Other Financing Sources</b>			
Sale of Capital Assets	-	50,090	50,090
Notes Issued	1,501,000	1,501,000	-
<b>Total Other Financing Sources</b>	<u>1,501,000</u>	<u>1,551,090</u>	<u>50,090</u>
Net Change in Fund Balance	(721,554)	(438,994)	282,560
Fund Balance - Beginning of Year	268,215	268,215	-
Prior Year Encumbrances Appropriated	538,720	538,720	-
<b>Fund Balance - End of Year</b>	<u>\$ 85,381</u>	<u>\$ 367,941</u>	<u>\$ 282,560</u>

## City of Euclid, Ohio

*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
Recreation Capital Fund  
For the Year Ended December 31, 2016*

	Budgeted Amounts <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Property Taxes	\$ 186,130	\$ 171,001	\$ (15,129)
Intergovernmental	17,276	17,514	238
All Other Revenues	1,096,594	1,111,674	15,080
<b>Total Revenues</b>	<u>1,300,000</u>	<u>1,300,189</u>	<u>189</u>
<b>Expenditures:</b>			
Current:			
Leisure Time Activities			
Recreation Center			
Personal Services	1,400	1,400	-
Other	4,666	3,599	1,067
Total Leisure Time Activities	<u>6,066</u>	<u>4,999</u>	<u>1,067</u>
Capital Outlay:			
Other	619,151	440,096	179,055
<b>Total Expenditures</b>	<u>625,217</u>	<u>445,095</u>	<u>180,122</u>
Net Change in Fund Balance	674,783	855,094	180,311
Fund Balance - Beginning of Year	40,156	40,156	-
Prior Year Encumbrances Appropriated	131,117	131,117	-
<b>Fund Balance - End of Year</b>	<u>\$ 846,056</u>	<u>\$ 1,026,367</u>	<u>\$ 180,311</u>

## City of Euclid, Ohio

*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
Sidewalk Repair and Replacement Fund  
For the Year Ended December 31, 2016*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Expenditures:</b>			
Capital Outlay:			
Other	29,085	6,221	22,864
<b>Total Expenditures</b>	29,085	6,221	22,864
Net Change in Fund Balance	(29,085)	(6,221)	22,864
Fund Balance - Beginning of Year	29,085	29,085	-
<b>Fund Balance - End of Year</b>	\$ -	\$ 22,864	\$ 22,864

**City of Euclid, Ohio**

*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
Public Building Construction Fund  
For the Year Ended December 31, 2016*

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

## City of Euclid, Ohio

*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
Euclid Endowment Fund  
For the Year Ended December 31, 2016*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Expenditures:</b>			
Capital Outlay:			
Other	7,446	1,778	5,668
<b>Total Expenditures</b>	<u>7,446</u>	<u>1,778</u>	<u>5,668</u>
Excess of Revenues Over (Under) Expenditures	(7,446)	(1,778)	5,668
<b>Other Financing Sources</b>			
Sale of Capital Assets	-	3,201	3,201
<b>Total Other Financing Sources</b>	<u>-</u>	<u>3,201</u>	<u>3,201</u>
Net Change in Fund Balance	(7,446)	1,423	8,869
Fund Balance - Beginning of Year	5,667	5,667	-
Prior Year Encumbrances Appropriated	1,778	1,778	-
<b>Fund Balance - End of Year</b>	<u>\$ (1)</u>	<u>\$ 8,868</u>	<u>\$ 8,869</u>

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Sims Park Fund  
 For the Year Ended December 31, 2016*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Expenditures:</b>			
Capital Outlay:			
Other	\$ 54,080	\$ 49,773	\$ 4,307
<b>Total Expenditures</b>	<u>54,080</u>	<u>49,773</u>	<u>4,307</u>
Net Change in Fund Balance	(54,080)	(49,773)	4,307
Fund Balance - Beginning of Year	54,080	54,080	-
<b>Fund Balance - End of Year</b>	<u>\$ -</u>	<u>\$ 4,307</u>	<u>\$ 4,307</u>



**City of Euclid Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Bennington Hamlet Fund  
 For the Year Ended December 31, 2016*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Payments in Lieu of Taxes	\$ 12,200	\$ 12,383	\$ 183
<b>Total Revenues</b>	<u>12,200</u>	<u>12,383</u>	<u>183</u>
<b>Expenditures:</b>			
Capital Outlay:			
Other	51,433	7,111	44,322
<b>Total Expenditures</b>	<u>51,433</u>	<u>7,111</u>	<u>44,322</u>
Net Change in Fund Balance	(39,233)	5,272	44,505
Fund Balance - Beginning of Year	24,165	24,165	-
Prior Year Encumbrances Appropriated	20,469	20,469	-
<b>Fund Balance - End of Year</b>	<u>\$ 5,401</u>	<u>\$ 49,906</u>	<u>\$ 44,505</u>

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 CMP Properties Fund  
 For the Year Ended December 31, 2016*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Payments in Lieu of Taxes	\$ 63,700	\$ 64,739	\$ 1,039
<b>Total Revenues</b>	<u>63,700</u>	<u>64,739</u>	<u>1,039</u>
<b>Expenditures:</b>			
Capital Outlay:			
Other	<u>87,100</u>	<u>67,001</u>	<u>20,099</u>
Net Change in Fund Balance	(23,400)	(2,262)	21,138
Fund Balance - Beginning of Year	48,961	48,961	-
<b>Fund Balance - End of Year</b>	<u>\$ 25,561</u>	<u>\$ 46,699</u>	<u>\$ 21,138</u>

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenses and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 Harbor Town TIF Fund  
 For the Year Ended December 31, 2016*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Payments in Lieu of Taxes	\$ 111,000	\$ 111,666	\$ 666
<b>Total Revenues</b>	<u>111,000</u>	<u>111,666</u>	<u>666</u>
<b>Expenditures:</b>			
Capital Outlay:			
Other	172,530	51,810	120,720
Debt Service:			
Interest & Fiscal Charges	<u>22,115</u>	<u>-</u>	<u>22,115</u>
<b>Total Expenditures</b>	<u>194,645</u>	<u>51,810</u>	<u>142,835</u>
Net Change in Fund Balance	(83,645)	59,856	143,501
Fund Balance - Beginning of Year	49,247	49,247	-
<b>Fund Balance - End of Year</b>	<u>\$ 22,614</u>	<u>\$ 166,115</u>	<u>\$ 143,501</u>

**City of Euclid, Ohio**  
*Schedule of Revenues, Expenses and Changes in Fund Equity -  
 Budget (Non-GAAP Basis) and Actual  
 Downtown District A TIF Fund  
 For the Year Ended December 31, 2016*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
<b>Revenues:</b>			
Payments in Lieu of Taxes	\$ 57,000	\$ 57,641	\$ 641
<b>Total Revenues</b>	<u>57,000</u>	<u>57,641</u>	<u>641</u>
<b>Expenditures:</b>			
Capital Outlay:			
Other	269,095	260,748	8,347
<b>Total Expenditures</b>	<u>269,095</u>	<u>260,748</u>	<u>8,347</u>
Net Change in Fund Balance	(212,095)	(203,107)	8,988
Fund Balance - Beginning of Year	221,360	221,360	-
<b>Fund Balance - End of Year</b>	<u>\$ 11,165</u>	<u>\$ 20,153</u>	<u>\$ 8,988</u>

# **STATISTICAL SECTION**



# City of Euclid, Ohio

## Statistical Section

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

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

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

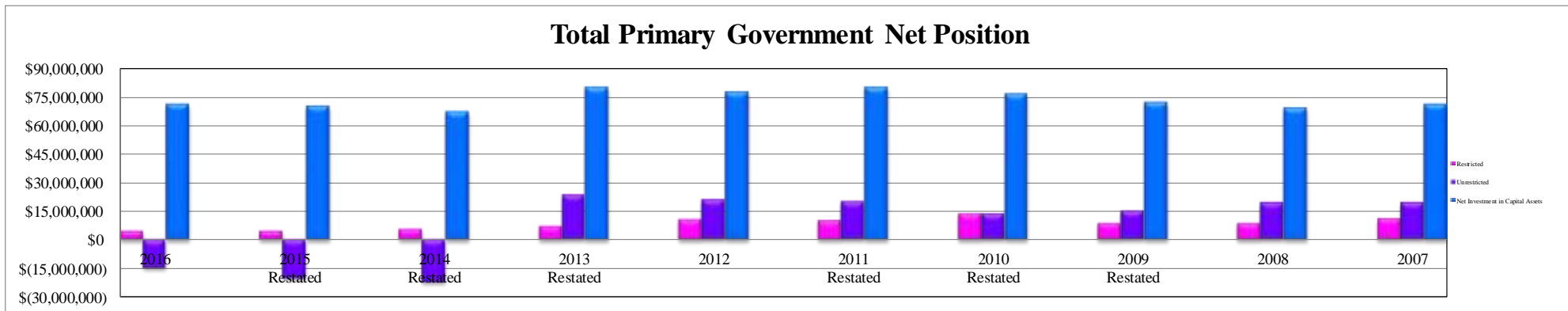
# City of Euclid, Ohio

## Net Position by Component Accrual Basis of Accounting Last Ten Years

**Table 1**

	2016	2015 Restated	2014 Restated	2013 Restated	2012	2011 Restated	2010 Restated	2009 Restated	2008	2007
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 24,766,951	\$ 27,228,440	\$ 30,734,068	\$ 32,235,958	\$ 32,146,243	\$ 36,430,785	\$ 36,290,780	\$ 37,644,890	\$ 39,956,632	\$ 41,151,610
Restricted	4,613,091	4,514,553	5,572,849	6,761,817	10,219,167	9,671,191	13,342,663	8,307,210	8,179,008	11,000,386
Unrestricted	(26,738,157)	(26,065,765)	(26,559,107)	10,896,260	12,076,435	11,807,492	5,052,623	3,360,059	5,636,227	4,075,405
<b>Total Governmental Activities Net Position</b>	<b>\$ 2,641,885</b>	<b>\$ 5,677,228</b>	<b>\$ 9,747,810</b>	<b>\$ 49,894,035</b>	<b>\$ 54,441,845</b>	<b>\$ 57,909,468</b>	<b>\$ 54,686,066</b>	<b>\$ 49,312,159</b>	<b>\$ 53,771,867</b>	<b>\$ 56,227,401</b>
<b>Business Type - Activities</b>										
Net Investment in Capital Assets	\$ 46,148,436	\$ 42,710,192	\$ 36,541,168	\$ 47,755,727	\$ 45,310,310	\$ 43,523,835	\$ 40,280,422	\$ 34,567,361	\$ 29,214,805	\$ 29,982,118
Restricted	12,251,787	6,386,794	4,187,683	12,158,558	8,658,820	8,144,885	8,285,405	11,352,949	13,829,216	11,908,239
<b>Total Business-Type Activities Net Position</b>	<b>\$ 58,400,223</b>	<b>\$ 49,096,986</b>	<b>\$ 40,728,851</b>	<b>\$ 59,914,285</b>	<b>\$ 53,969,130</b>	<b>\$ 51,668,720</b>	<b>\$ 48,565,827</b>	<b>\$ 45,920,310</b>	<b>\$ 43,044,021</b>	<b>\$ 41,890,357</b>
<b>Primary Government</b>										
Net Investment in Capital Assets	\$ 70,915,387	\$ 69,938,632	\$ 67,275,236	\$ 79,991,685	\$ 77,456,553	\$ 79,954,620	\$ 76,571,202	\$ 72,212,251	\$ 69,171,437	\$ 71,133,728
Restricted	4,613,091	4,514,553	5,572,849	6,761,817	10,219,167	9,671,191	13,342,663	8,307,210	8,179,008	11,000,386
Unrestricted	(14,486,370)	(20,499,081)	(22,371,424)	23,054,818	20,735,255	19,952,377	13,338,028	14,713,008	19,465,443	19,369,316
<b>Total Primary Government Net Position</b>	<b>\$ 61,042,108</b>	<b>\$ 53,954,104</b>	<b>\$ 50,476,661</b>	<b>\$ 109,808,320</b>	<b>\$ 108,410,975</b>	<b>\$ 109,578,188</b>	<b>\$ 103,251,893</b>	<b>\$ 95,232,469</b>	<b>\$ 96,815,888</b>	<b>\$ 101,503,430</b>

Note: The City implemented GASB Statement No. 68. As a result, the 2014 and 2015 Net Position was restated.





# City of Euclid, Ohio

## Changes in Net Position Accrual Basis of Accounting Last Ten Years

**Table 2**

	2016	2015	2014	2013	2012	2011 Restated	2010 Restated	2009 Restated	2008	2007
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services:										
General Government	\$ 1,806,019	\$ 1,899,438	\$ 1,884,612	\$ 1,615,417	\$ 2,066,689	\$ 2,507,033	\$ 4,317,024	\$ 2,301,388	\$ 564,303	\$ 1,031,766
Security of Persons and Property	4,039,613	3,520,400	3,316,938	3,643,071	3,919,272	3,448,103	3,732,402	2,845,690	4,073,600	4,999,375
Public Health	106,213	102,102	91,297	84,625	76,651	77,382	82,068	78,398	83,793	91,602
Leisure Time Activities	308,629	371,949	368,130	403,594	394,730	450,554	433,648	590,597	730,006	883,285
Community and Economic Development	1,611,124	1,833,210	1,769,947	1,965,204	1,779,151	1,702,985	1,512,112	1,413,183	1,554,640	542,492
Sanitation	1,941,239	1,849,666	1,907,893	1,592,590	2,378,857	1,797,856	1,337,454	0	0	0
Transportation	0	0	0	2,024	600	0	0	114,156	39,637	207,307
Subtotal - Charges for Services	9,812,837	9,576,765	9,338,817	9,306,525	10,615,950	9,983,913	11,414,708	7,343,412	7,045,979	7,755,827
Operating Grants and Contributions:										
General Government	240,924	0	84,216	47,626	0	550,724	587,960	137,338	0	498,055
Security of Persons and Property	697,848	548,918	95,757	398,529	617,370	667,415	1,084,936	491,637	487,231	18,906
Public Health	38,623	40,646	18,326	14,569	0	0	0	0	0	0
Leisure Time Activities	19,415	380	391	368	6,741	51,895	3,766	10,039	4,327	5,947
Community and Economic Development	2,238,870	1,593,676	934,765	1,317,949	1,365,971	1,770,441	2,738,366	1,215,829	1,247,025	889,458
Sanitation	0	0	0	5,000	4,000	0	0	0	0	0
Transportation	1,750,921	1,773,437	1,874,674	1,576,336	1,691,509	1,707,991	1,819,510	1,699,535	1,861,667	1,935,960
Subtotal - Operating Grants and Contributions	4,986,601	3,957,057	3,008,129	3,360,377	3,685,591	4,748,466	6,234,538	3,554,378	3,600,250	3,348,326
Capital Grants and Contributions:										
General Government	116,470	0	191,784	0	18,354	65,527	350,000	0	279,401	0
Security of Persons and Property	0	0	0	21,561	124,372	25,511	0	0	0	0
Public Health	0	0	0	30,844	0	0	0	0	0	0
Transportation	0	0	0	125,587	34,227	1,514,633	0	0	0	0
Community and Economic Development	0	1,985	0	67,200	13,047	0	0	0	0	0
Leisure Time Activities	0	0	0	252,489	548,313	67,597	0	0	0	0
Subtotal - Capital Grants and Contributions	116,470	1,985	191,784	497,681	738,313	1,673,268	350,000	0	279,401	0
<b>Total Governmental Activities Program Revenues</b>	<b>14,915,908</b>	<b>13,535,807</b>	<b>12,538,730</b>	<b>13,164,583</b>	<b>15,039,854</b>	<b>16,405,647</b>	<b>17,999,246</b>	<b>10,897,790</b>	<b>10,925,630</b>	<b>11,104,153</b>
<b>Business-Type Activities</b>										
Charges for Services:										
Briardale Greens Golf Course	698,725	760,598	709,972	0	0	0	8,746	939,058	1,035,336	1,019,279
Waste Water Treatment	15,196,076	14,618,099	15,433,332	14,615,480	11,112,883	11,068,529	9,238,260	10,663,957	10,887,935	10,876,879
Water Line Improvement	1,838,834	1,785,669	2,003,009	1,682,000	2,895,931	1,606,374	1,551,174	1,967,426	1,623,543	1,671,736
Operating Grants and Contributions:										
Wastewater Treatment	0	0	0	0	0	0	184,648	227,712	52,675	39,479
Water Line Improvement	0	735,805	2,042,210	0	0	0	0	0	0	0
Capital Grants and Contributions										
Briardale Golf Course	70,914	26,598	110,582	86,723	9,300	0	98,794	0	0	0
Waste Water Treatment	3,862,258	6,555,091	2,528,406	850,622	0	0	321,351	94,932	276,000	0
Water Line Improvement	0	0	0	0	0	1,053,139	464,161	1,042,281	65,348	0
<b>Total Business-Type Activities Program Revenues</b>	<b>21,666,807</b>	<b>24,481,860</b>	<b>22,827,511</b>	<b>17,234,825</b>	<b>14,018,114</b>	<b>13,728,042</b>	<b>11,867,134</b>	<b>14,935,366</b>	<b>13,940,837</b>	<b>13,607,373</b>
<b>Total Primary Government Program Revenues</b>	<b>\$ 36,582,715</b>	<b>\$ 38,017,667</b>	<b>\$ 35,366,241</b>	<b>\$ 30,399,408</b>	<b>\$ 29,057,968</b>	<b>\$ 30,133,689</b>	<b>\$ 29,866,380</b>	<b>\$ 25,833,156</b>	<b>\$ 24,866,467</b>	<b>\$ 24,711,526</b>

# City of Euclid, Ohio

## Changes in Net Position (continued)

### Accrual Basis of Accounting

#### Last Ten Years

**Table 2**

	2016	2015	2014	2013	2012	2011	2010 Restated	2009 Restated	2008	2007
<b>Expenses</b>										
Governmental Activities:										
General Government	\$ 14,996,193	\$ 13,569,848	\$ 13,851,860	\$ 13,381,458	\$ 11,879,530	\$ 14,070,597	\$ 13,105,802	\$ 13,389,365	\$ 12,894,864	\$ 14,000,128
Security of Persons and Property	23,033,620	21,344,311	20,975,180	21,090,420	20,602,865	19,892,646	20,607,153	21,052,721	23,445,910	22,884,517
Sanitation	2,156,988	2,292,854	2,274,374	2,310,771	2,063,996	2,185,892	1,916,687	2,251,317	2,506,683	2,219,004
Public Health	464,708	294,862	279,500	273,361	275,393	285,793	273,641	280,112	260,044	277,425
Leisure Time Activities	2,245,540	1,930,889	1,987,341	1,878,910	1,709,689	1,667,298	1,766,298	2,095,133	2,423,707	1,706,870
Community and Economic Development	2,746,663	3,108,042	2,606,619	3,004,987	2,991,518	2,884,982	2,873,059	2,846,921	3,201,584	2,955,795
Transportation	6,090,854	6,476,034	5,930,036	6,026,874	9,489,789	6,057,526	6,647,276	7,382,963	6,343,637	7,396,063
Interest and Fiscal Charges	799,472	846,847	830,823	993,111	1,210,537	846,954	1,418,378	1,406,102	1,505,395	1,553,302
<b>Total Governmental Activities Expenses</b>	<b>52,534,038</b>	<b>49,863,687</b>	<b>48,735,733</b>	<b>48,959,892</b>	<b>50,223,317</b>	<b>47,891,688</b>	<b>48,608,294</b>	<b>50,704,634</b>	<b>52,581,824</b>	<b>52,993,104</b>
<b>Business-Type Activities</b>										
Briardale Golf Course	894,434	871,822	806,348	88,397	92,343	80,540	131,602	894,060	988,166	1,059,840
Wastewater Treatment	11,157,630	11,958,134	10,053,697	9,997,445	10,203,983	9,601,656	9,938,574	10,920,206	11,061,437	10,109,869
Water Line Improvement	312,351	3,409,410	2,125,851	1,253,974	1,433,806	800,228	965,870	1,033,398	792,165	765,993
<b>Total Business-Type Activities Expenses</b>	<b>12,364,415</b>	<b>16,239,366</b>	<b>12,985,896</b>	<b>11,339,816</b>	<b>11,730,132</b>	<b>10,482,424</b>	<b>11,036,046</b>	<b>12,847,664</b>	<b>12,841,768</b>	<b>11,935,702</b>
<b>Total Primary Government Program Expenses</b>	<b>64,898,453</b>	<b>66,103,053</b>	<b>61,721,629</b>	<b>60,299,708</b>	<b>61,953,449</b>	<b>58,374,112</b>	<b>59,644,340</b>	<b>63,552,298</b>	<b>65,423,592</b>	<b>64,928,806</b>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	(37,618,130)	(36,327,880)	(36,197,003)	(35,795,309)	(35,183,463)	(31,486,041)	(30,609,048)	(39,806,844)	(41,656,194)	(41,888,951)
Business-Type Activities	9,302,392	8,242,494	9,841,615	5,895,009	2,287,982	3,245,618	831,088	2,087,702	1,099,069	1,671,671
<b>Total Primary Government Net Expense</b>	<b>(28,315,738)</b>	<b>(28,085,386)</b>	<b>(26,355,388)</b>	<b>(29,900,300)</b>	<b>(32,895,481)</b>	<b>(28,240,423)</b>	<b>(29,777,960)</b>	<b>(37,719,142)</b>	<b>(40,557,125)</b>	<b>(40,217,280)</b>

# City of Euclid, Ohio

## Changes in Net Position (continued)

### Accrual Basis of Accounting

### Last Ten Years

**Table 2**

	2016	2015	2014	2013	2012	2011	2010 Restated	2009 Restated	2008	2007
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities										
Property and Other Local Taxes	4,774,698	4,687,118	4,746,669	4,765,637	4,898,836	4,940,319	5,162,960	5,069,206	5,158,520	5,839,560
Municipal Income Taxes	26,199,511	24,435,672	22,555,188	23,090,347	22,359,573	24,315,337	22,994,810	22,527,179	24,124,792	24,286,649
Grants and Entitlements not Restricted to										
Specific Programs	2,227,555	2,332,890	2,576,299	2,189,349	3,061,866	4,458,718	6,874,711	5,885,372	6,460,923	5,647,600
Payments in Lieu of Taxes	246,429	330,248	259,991	261,567	304,822	179,400	174,801	172,310	123,164	72,269
Investment Income	195,775	168,425	64,882	90,253	107,136	94,986	173,483	451,410	921,534	1,303,442
Gain on Sale of Capital Assets	45,904	48,163	192,874	23,311	0	0	128,453	45,431	0	176,305
Miscellaneous	1,781,650	380,129	746,440	827,035	983,607	1,082,783	478,952	1,196,228	1,743,907	18,771
Transfers	(68,625)	(125,347)	0	0	0	420,923	(5,215)	0	667,820	286,456
<b>Total Governmental Activities</b>	<b>35,402,897</b>	<b>32,257,298</b>	<b>31,142,343</b>	<b>31,247,499</b>	<b>31,715,840</b>	<b>35,492,466</b>	<b>35,982,955</b>	<b>35,347,136</b>	<b>39,200,660</b>	<b>37,631,052</b>
Business-Type Activities										
Property Taxes	0	0	0	0	0	11,475	365,166	465,667	639,606	626,240
Grants and Entitlements not Restricted to										
Specific Programs	0	0	0	0	0	0	0	0	0	0
Investment Income	0	127	21	146	196	41,651	9,856	4,339	56,180	63,583
Miscellaneous	845	167	0	0	12,232	483,293	1,434,192	318,581	26,629	294
Transfers	0	125,347	0	0	0	(420,923)	5,215	0	(667,820)	(286,456)
<b>Total Business-Type Activities</b>	<b>845</b>	<b>125,641</b>	<b>21</b>	<b>146</b>	<b>12,428</b>	<b>115,496</b>	<b>1,814,429</b>	<b>788,587</b>	<b>54,595</b>	<b>403,661</b>
<b>Total Primary Government General Revenues</b>	<b>35,403,742</b>	<b>32,382,939</b>	<b>31,142,364</b>	<b>31,247,645</b>	<b>31,728,268</b>	<b>35,607,962</b>	<b>37,797,384</b>	<b>36,135,723</b>	<b>39,255,255</b>	<b>38,034,713</b>
Business-Type Activities										
Special Items	0	0	(26,263,065)	0	0	0	0	0	0	0
<b>Total Primary Government General Revenues and Other Changes in Net Position</b>	<b>35,403,742</b>	<b>32,382,939</b>	<b>4,879,299</b>	<b>31,247,645</b>	<b>31,728,268</b>	<b>35,607,962</b>	<b>37,797,384</b>	<b>36,135,723</b>	<b>39,255,255</b>	<b>38,034,713</b>
<b>Change in Net Position</b>										
Governmental Activities	(2,215,233)	(4,070,582)	(5,054,660)	(4,547,810)	(3,467,623)	4,006,425	5,373,907	(4,459,708)	(2,455,534)	(4,257,899)
Business-Type Activities	9,303,237	8,368,135	(16,421,429)	5,895,155	2,300,410	3,361,114	2,645,517	2,876,289	1,153,664	2,075,332
<b>Total Primary Government Change in Net Position</b>	<b>\$ 7,088,004</b>	<b>\$ 4,297,553</b>	<b>\$ (21,476,089)</b>	<b>\$ 1,347,345</b>	<b>\$ (1,167,213)</b>	<b>\$ 7,367,539</b>	<b>\$ 8,019,424</b>	<b>\$ (1,583,419)</b>	<b>\$ (1,301,870)</b>	<b>\$ (2,182,567)</b>

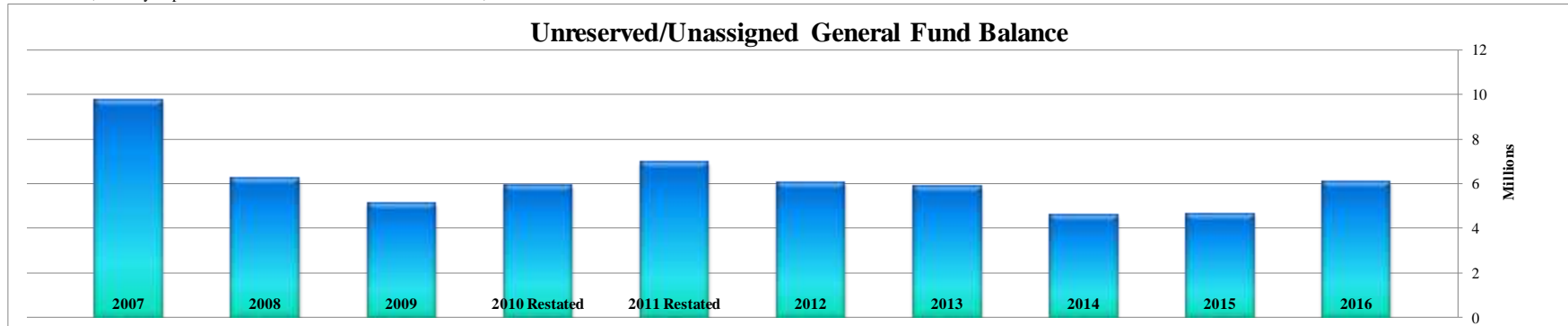
# City of Euclid, Ohio

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

**Table 3**

	2016	2015	2014	2013	2012	2011 Restated	2010 Restated	2009	2008	2007
<b>General Fund</b>										
Nonspendable	\$ 977,122	\$ 1,059,658	\$ 1,077,737	\$ 1,278,550	\$ 1,323,212	\$ 1,367,748	\$ 1,460,576	\$ 0	\$ 0	\$ 0
Committed	92,977	127,031	107,724	63,128	73,615	183,472	216,334	0	0	0
Assigned	331,822	836,076	69,288	506,881	451,520	36,008	28,105	0	0	0
Unassigned	6,083,614	4,664,182	4,631,088	5,915,128	6,046,519	6,954,074	5,938,091	0	0	0
Reserved	0	0	0	0	0	0	0	1,389,906	1,529,833	97,896
Unreserved	0	0	0	0	0	0	0	5,143,251	6,220,960	9,782,186
<b>Total General Fund</b>	<b>7,485,535</b>	<b>6,686,947</b>	<b>5,885,837</b>	<b>7,763,687</b>	<b>7,894,866</b>	<b>8,541,302</b>	<b>7,643,106</b>	<b>6,533,157</b>	<b>7,750,793</b>	<b>9,880,082</b>
<b>All Other Governmental Funds</b>										
Nonspendable	23,840	93,182	173,105	152,190	159,191	95,779	71,887	0	0	0
Restricted	3,880,296	2,884,961	4,131,784	3,546,337	3,144,566	6,093,620	8,028,597	0	0	0
Committed	25,346	22,959	18,324	12,473	1,077	0	0	0	0	0
Unassigned	(1,551,650)	(419,411)	(408,930)	(3,851,205)	(1,170,048)	(1,542,936)	(438,584)	0	0	0
Reserved	0	0	0	0	0	0	0	498,970	728,790	1,257,678
Unreserved, Undesignated, Reported in:										
Special Revenue funds	0	0	0	0	0	0	0	1,281,141	1,425,191	1,787,192
Debt Service funds	0	0	0	0	0	0	0	2,767,975	2,708,149	3,775,688
Capital Projects funds	0	0	0	0	0	0	0	2,095,459	2,081,323	2,131,623
<b>Total All Other Governmental Funds</b>	<b>2,377,832</b>	<b>2,581,691</b>	<b>3,914,283</b>	<b>(140,205)</b>	<b>2,134,786</b>	<b>4,646,463</b>	<b>7,661,900</b>	<b>6,643,545</b>	<b>6,943,453</b>	<b>8,952,181</b>
<b>Total Governmental Funds</b>	<b>\$ 9,863,367</b>	<b>\$ 9,268,638</b>	<b>\$ 9,800,120</b>	<b>\$ 7,623,482</b>	<b>\$ 10,029,652</b>	<b>\$ 13,187,765</b>	<b>\$ 15,305,006</b>	<b>\$ 13,176,702</b>	<b>\$ 14,694,246</b>	<b>\$ 18,832,263</b>

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



# City of Euclid, Ohio

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

**Table 4**

	2016	2015	2014	2013	2012	2011 Restated	2010	2009	2008	2007
<b>Revenues</b>										
Property and Other Local Taxes	\$ 4,820,808	\$ 4,684,888	\$ 4,733,723	\$ 4,758,699	\$ 5,223,856	\$ 5,014,254	\$ 4,908,989	\$ 4,863,732	\$ 5,317,922	\$ 6,511,494
Municipal Income Taxes	24,827,667	24,671,958	24,508,171	24,043,014	20,599,919	23,868,290	22,165,312	22,295,312	23,949,387	25,508,186
Charges for Services	6,467,478	6,113,352	6,082,512	5,376,589	6,912,556	6,048,437	6,120,126	4,396,344	4,468,421	5,011,318
Fees, Licenses and Permits	529,927	462,830	274,714	556,302	161,302	180,020	148,341	136,019	119,297	131,568
Fines and Forfeitures	2,302,963	1,931,591	2,049,775	2,294,990	1,975,305	1,607,230	1,778,448	1,849,083	2,115,947	1,843,132
Payments in Lieu of Taxes	251,094	330,248	259,991	261,566	304,822	179,400	174,801	172,310	123,164	72,269
Intergovernmental	6,015,259	5,984,434	5,479,675	6,638,542	7,468,739	9,113,247	13,061,780	9,702,823	10,781,759	8,544,675
Special Assessments	913,178	918,829	1,103,167	1,236,275	1,229,316	1,223,194	335,115	320,199	505,921	84,684
Rentals	52,671	54,197	74,938	142,242	136,385	220,757	205,560	928,741	378,566	438,302
Contributions and Donations	27,401	15,703	50,905	18,780	79,483	1,610,147	57,741	51,034	35,658	27,517
Interest	195,775	168,425	64,882	90,253	107,376	97,802	256,825	500,049	862,215	1,286,011
Miscellaneous	1,795,553	375,078	342,989	1,304,261	982,197	1,082,783	478,952	1,196,228	891,394	18,771
<b>Total Revenues</b>	<b>48,199,774</b>	<b>45,711,533</b>	<b>45,025,442</b>	<b>46,721,513</b>	<b>45,181,256</b>	<b>50,245,561</b>	<b>49,691,990</b>	<b>46,411,874</b>	<b>49,549,651</b>	<b>49,477,927</b>
<b>Expenditures</b>										
Current:										
General Government	14,489,591	13,389,106	13,590,209	12,871,946	12,087,105	13,489,522	13,904,635	12,846,810	13,255,819	12,389,735
Security of Persons and Property	20,637,641	20,172,947	20,997,711	20,885,109	20,379,045	20,598,229	20,337,564	20,493,264	22,504,755	20,876,789
Public Health	311,695	293,531	273,132	277,146	275,451	289,293	272,263	272,496	260,044	277,809
Leisure Time Activities	1,993,717	1,687,257	1,731,598	1,651,776	1,517,664	1,519,385	1,568,545	1,826,333	2,142,829	1,998,691
Community and Economic Development	2,708,395	2,491,988	2,603,656	2,830,876	2,999,577	2,908,927	2,863,379	2,728,006	3,084,899	2,613,273
Sanitation	2,156,988	2,163,084	2,412,938	2,303,563	2,067,356	2,180,946	1,916,687	2,251,317	2,506,683	2,204,171
Transportation	2,686,849	2,140,656	1,931,627	1,905,970	1,909,461	1,862,722	2,109,236	2,232,410	2,596,559	2,242,299
Capital Outlay	2,034,544	2,159,371	1,297,529	2,514,506	2,658,188	4,967,119	2,547,975	3,015,982	5,376,523	3,579,883
Debt Service:										
Principal Retirement	2,713,679	7,841,552	2,963,741	3,177,581	3,077,574	7,151,780	5,240,760	3,305,944	9,590,395	6,419,365
Interest and Fiscal Charges	719,439	741,042	643,280	964,494	1,151,530	1,070,780	1,311,229	1,367,743	1,492,737	1,529,377
Debt Issuance Costs	19,585	74,494	67,315	0	17,592	179,065	0	0	275,697	0
Advance Refund Escrow	0	0	148,751	0	0	123,978	0	0	0	0
<b>Total Expenditures</b>	<b>50,472,123</b>	<b>53,155,028</b>	<b>48,661,487</b>	<b>49,382,967</b>	<b>48,140,543</b>	<b>56,341,746</b>	<b>52,072,273</b>	<b>50,340,305</b>	<b>63,086,940</b>	<b>54,131,392</b>
Excess of Revenues Over (Under) Expenditures	(2,272,349)	(7,443,495)	(3,636,045)	(2,661,454)	(2,959,287)	(6,096,185)	(2,380,283)	(3,928,431)	(13,537,289)	(4,653,465)

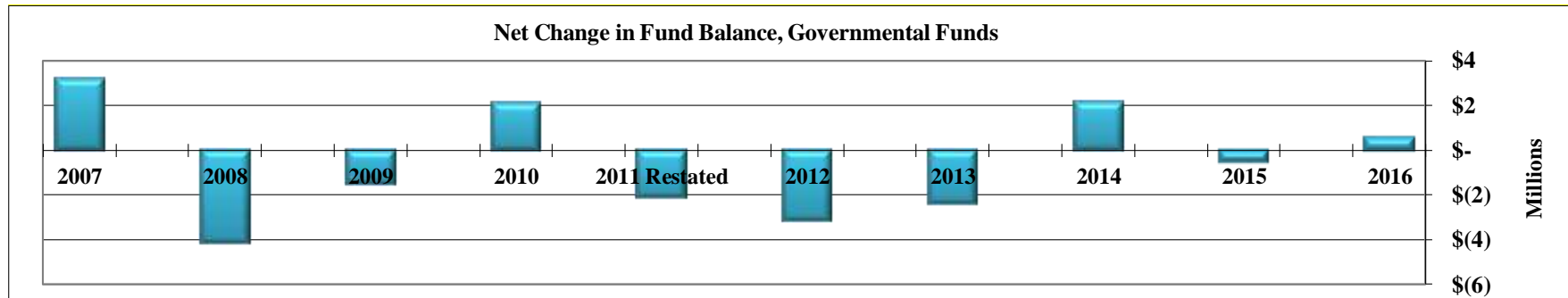
(Continued)

# City of Euclid, Ohio

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

**Table 4**

	2016	2015	2014	2013	2012	2011 Restated	2010	2009	2008	2007
<b>Other Financing Sources (Uses)</b>										
Sale of Capital Assets	56,581	48,163	192,874	36,125	26,174	62,028	197,309	52,620	55,191	224,113
General Obligation Bonds Issued	0	0	0	0	0	4,316,000	0	0	10,625,000	0
Refunding Bonds Issued	0	6,999,000	6,548,507	0	0	5,482,000	0	0	0	0
Premium on Debt Issued	11,888	0	25,851	0	0	121,632	21,278	0	215,765	40,280
OPWC Loan	0	0	0	0	0	0	0	18,267	1,119,127	434,981
Notes Issued	1,501,000	0	5,265,000	0	0	0	4,290,000	2,340,000	0	6,846,000
Inception of Capital Lease	1,338,609	0	420,000	292,000	0	0	0	0	205,758	0
Insurance Recoveries	0	0	0	2,159	0	35,500	0	0	0	0
Transfers In	430,000	364,850	944,815	2,334,550	4,234,675	342,300	553,800	1,061,859	1,195,820	825,300
Transfers Out	(471,000)	(500,000)	(1,077,315)	(2,409,550)	(4,459,675)	(912,300)	(553,800)	(1,061,859)	(528,000)	(538,844)
Payment to Refunded Bond Escrow Agent	0	0	(6,507,049)	0	0	(5,468,216)	0	0	(3,489,389)	0
<b>Total Other Financing Sources (Uses)</b>	<b>2,867,078</b>	<b>6,912,013</b>	<b>5,812,683</b>	<b>255,284</b>	<b>(198,826)</b>	<b>3,978,944</b>	<b>4,508,587</b>	<b>2,410,887</b>	<b>9,399,272</b>	<b>7,831,830</b>
<b>Net Change in Fund Balances</b>	<b>\$ 594,729</b>	<b>\$ (531,482)</b>	<b>\$ 2,176,638</b>	<b>\$ (2,406,170)</b>	<b>\$ (3,158,113)</b>	<b>\$ (2,117,241)</b>	<b>\$ 2,128,304</b>	<b>\$ (1,517,544)</b>	<b>\$ (4,138,017)</b>	<b>\$ 3,178,365</b>
Debt Service as a Percentage of Noncapital Expenditures	7.09%	16.38%	7.55%	8.74%	9.28%	16.20%	13.48%	9.70%	19.68%	15.38%



# City of Euclid, Ohio

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

### Last Ten Years

**Table 5**

	Collection Year 2016	Collection Year 2015	Collection Year 2014	Collection Year 2013	Collection Year 2012	Collection Year 2011	Collection Year 2010	Collection Year 2009	Collection Year 2008	Collection Year 2007
<b>Unvoted Millage</b>										
Bond Sinking Fund	3.88	3.88	3.88	3.88	3.88	3.88	3.88	3.88	3.88	3.88
<b>Total Unvoted Millage</b>	<b>3.88</b>	<b>3.88</b>	<b>3.88</b>	<b>3.88</b>	<b>3.88</b>	<b>3.88</b>	<b>3.88</b>	<b>3.88</b>	<b>3.88</b>	<b>3.88</b>
<b>Voted Millage</b>										
1964 Charter Current Expense	6.72	6.72	6.72	6.72	6.72	6.72	6.72	6.72	6.72	6.72
1964 Charter Perm Improvement	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
1964 Charter Recreational	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70
1964 Charter Recreational	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30
1976 Sewage Levy	0.00	0.00	0.00	0.00	0.00	2.00	2.00	2.00	2.00	2.00
<b>Total Voted Millage</b>	<b>9.72</b>	<b>9.72</b>	<b>9.72</b>	<b>9.72</b>	<b>9.72</b>	<b>11.72</b>	<b>11.72</b>	<b>11.72</b>	<b>11.72</b>	<b>11.72</b>
<b>Total Millage</b>	<b>13.60</b>	<b>13.60</b>	<b>13.60</b>	<b>13.60</b>	<b>13.60</b>	<b>15.60</b>	<b>15.60</b>	<b>15.60</b>	<b>15.60</b>	<b>15.60</b>
<b>Overlapping Rates by Taxing District</b>										
<b>City of Euclid</b>										
Residential/Agricultural Effective Rate	7.4252	7.3102	7.2808	7.2595	6.3749	6.3560	6.8571	6.5566	6.5540	6.5523
Commerical/Industrial and Public Utility Effective Rate	10.5638	10.2345	9.9585	9.9577	9.5791	9.4690	10.6120	10.3296	10.3634	10.3668
General Business and Public Utility Personal Property	13.6000	13.6000	13.6000	13.6000	13.6000	13.6000	15.6000	15.6000	15.6000	15.6000
<b>Euclid City Schools</b>										
Residential/Agricultural Effective Rate	77.3439	75.9075	74.7478	72.2593	53.3148	54.4667	54.4664	46.1446	39.1132	39.0934
Commerical/Industrial and Public Utility Effective Rate	90.9418	88.8396	86.3873	84.0823	71.9537	72.7342	72.8014	66.1743	59.4467	59.4747
General Business and Public Utility Personal Property	102.0200	101.6000	100.7000	98.4000	88.4000	89.8000	89.9000	85.2000	78.2000	78.2000
<b>Cuyahoga County</b>										
Residential/Agricultural Effective Rate	13.8698	14.0500	14.0500	13.2200	13.1182	13.1866	13.1789	12.6607	11.8688	11.8655
Commerical/Industrial and Public Utility Effective Rate	14.0500	14.0195	13.9495	12.9968	12.7846	12.8412	12.8457	12.8153	12.4535	12.4941
General Business and Public Utility Personal Property	14.0500	14.0500	14.0500	13.2200	13.2200	13.3200	13.3200	13.3200	13.4200	13.4200
<b>Special Taxing Districts (1)</b>										
Residential/Agricultural Effective Rate	10.7674	10.8643	9.9639	9.0635	9.0041	8.9900	7.9811	7.2832	7.2794	7.2761
Commerical/Industrial and Public Utility Effective Rate	10.8676	10.8401	9.8843	8.9621	8.8649	8.8450	7.9119	7.8711	7.8782	7.8962
General Business and Public Utility Personal Property	10.8800	10.8800	9.9800	9.0800	9.0800	9.0800	8.2800	8.2800	8.2800	8.2800

Source: Cuyahoga County Fiscal Officer

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

Charter millage is consistently applied to all types of property.

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

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

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

## City of Euclid, Ohio

### Assessed Valuations and Estimated Actual Values of Taxable Property

#### Last Ten Years

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value
2016	\$ 383,494,150	\$ 153,257,260	\$ 1,533,575,457	\$ 20,642,090	\$ 23,456,920
2015	\$ 396,231,090	\$ 164,449,260	\$ 1,601,943,857	\$ 20,085,560	\$ 22,824,500
2014	\$ 399,245,760	\$ 168,521,720	\$ 1,622,192,800	\$ 19,072,000	\$ 21,672,727
2013	\$ 401,745,490	\$ 168,140,380	\$ 1,628,245,343	\$ 17,368,880	\$ 19,737,364
2012	\$ 546,762,120	\$ 175,905,170	\$ 2,064,763,686	\$ 16,043,950	\$ 18,231,761
2011	\$ 551,393,850	\$ 179,899,430	\$ 2,089,409,371	\$ 15,476,470	\$ 17,586,898
2010	\$ 553,341,120	\$ 181,540,130	\$ 2,099,660,714	\$ 15,108,400	\$ 17,168,636
2009	\$ 615,910,790	\$ 183,124,340	\$ 2,282,957,514	\$ 13,964,270	\$ 15,868,489
2008	\$ 617,695,210	\$ 184,247,970	\$ 2,291,266,229	\$ 21,020,000	\$ 23,886,364
2007	\$ 549,090,850	\$ 185,048,420	\$ 2,097,540,771	\$ 22,108,400	\$ 25,123,182

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

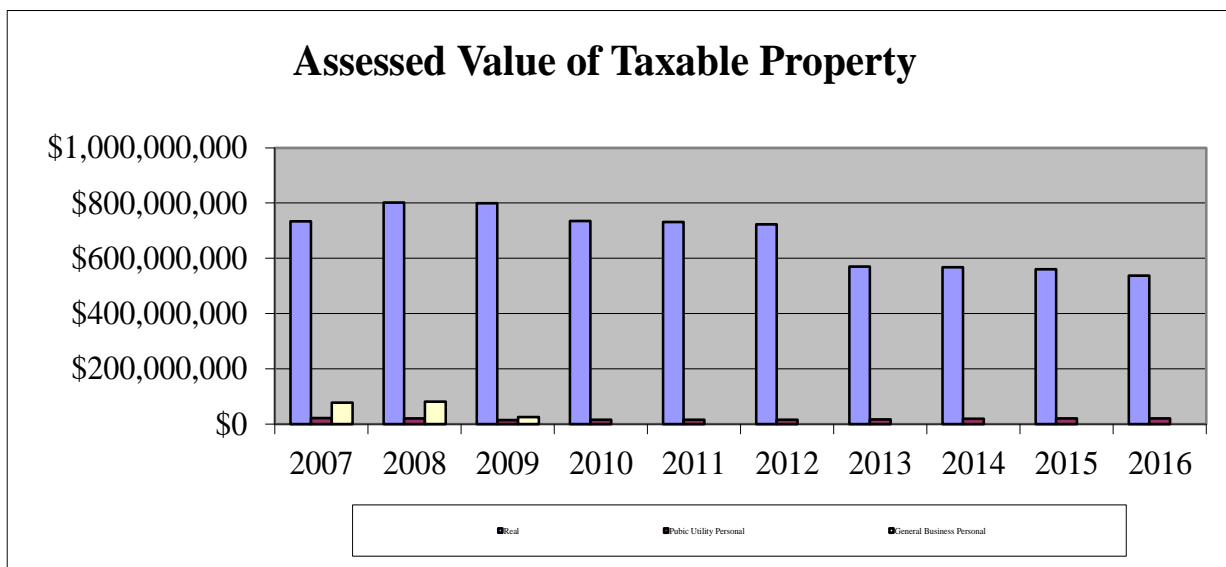
The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General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

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



**Table 6**

Tangible Personal Property General Business		Total		Ratio	Weighted Average Tax Rate
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
\$ -	\$ -	\$ 557,393,500	\$ 1,557,032,377	35.80%	0.0000
\$ -	\$ -	\$ 580,765,910	\$ 1,624,768,357	35.74%	0.0000
\$ -	\$ -	\$ 586,839,480	\$ 1,643,865,527	35.70%	8.2551
\$ -	\$ -	\$ 587,254,750	\$ 1,647,982,707	35.63%	8.2196
\$ -	\$ -	\$ 738,711,240	\$ 2,082,995,447	35.46%	7.2948
\$ -	\$ -	\$ 746,769,750	\$ 2,106,996,269	35.44%	7.2561
\$ -	\$ -	\$ 749,989,650	\$ 2,116,829,351	35.43%	7.9421
\$ 24,916,620	\$ 132,888,640	\$ 837,916,020	\$ 2,431,714,643	34.46%	7.8008
\$ 81,771,053	\$ 436,112,283	\$ 904,734,233	\$ 2,751,264,875	32.88%	8.3575
\$ 77,001,463	\$ 410,674,469	\$ 833,249,133	\$ 2,533,338,423	32.89%	8.4756



## City of Euclid, Ohio

### Property Tax Levies and Collections

#### Last Ten Years

**Table 7**

Year	Current Tax Levy	Current Tax Collections (1)	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Current Tax Levy
2016	\$ 5,141,300	\$ 4,748,698	92.36%	\$ 345,719	\$ 5,094,417	99.09%	\$ 902,733	17.56%
2015	\$ 5,201,241	\$ 4,641,127	89.23%	\$ 285,470	\$ 4,926,597	94.72%	\$ 948,843	18.24%
2014	\$ 5,242,049	\$ 4,612,167	87.98%	\$ 302,689	\$ 4,914,856	93.76%	\$ 946,613	18.06%
2013	\$ 5,176,102	\$ 4,667,849	90.18%	\$ 281,672	\$ 4,949,521	95.62%	\$ 933,666	18.04%
2012	\$ 5,752,944	\$ 5,173,294	89.92%	\$ 376,418	\$ 5,549,712	96.47%	\$ 926,729	16.11%
2011	\$ 6,884,315	\$ 5,171,119	75.11%	\$ 316,071	\$ 5,487,190	79.71%	\$ 433,724	6.30%
2010	\$ 7,526,417	\$ 5,778,277	76.77%	\$ 457,077	\$ 6,235,354	82.85%	\$ 496,190	6.59%
2009	\$ 7,636,772	\$ 5,849,893	76.60%	\$ 423,626	\$ 6,273,519	82.15%	\$ 547,502	7.17%
2008	\$ 7,755,667	\$ 6,345,313	81.82%	\$ 489,718	\$ 6,835,031	88.13%	\$ 511,356	6.59%
2007	\$ 8,248,325	\$ 6,773,525	82.12%	\$ 362,574	\$ 7,136,099	86.52%	\$ 426,602	5.17%

Source: Cuyahoga County Fiscal Officer

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

**Note:** The County is aware of the requirement to report delinquent tax collections by levy year rather than by collection year. The County's current computer system tracks levy amounts by either current levy or

# City of Euclid, Ohio

## Principal Taxpayers – Real Estate Tax

2016 and 2007

Table 8

Taxpayer	2016	
	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Cleveland Electric Illum Co.	\$ 15,800,860	2.94 %
Euclid Indian Hills, LLC	10,748,540	2.00
Northpointe Towers LTD	7,546,010	1.41
Lincoln Electric Co	7,080,120	1.32
Harbor Crest LTD.	5,481,880	1.02
Horizon House LTD	3,088,270	0.58
Euclid Leasing Housing Associates 1, Ltd.	2,954,760	0.55
AE Portfolio, LLC	2,881,200	0.54
Gateway SNF Holdings, LLC	2,644,020	0.49
Normandy Towers East I & II, LLC	2,501,320	0.47
Total	<u>\$ 60,726,980</u>	<u>11.32 %</u>
Total Assessed Valuation	<u>\$ 536,751,410</u>	
Taxpayer	2007	
	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Lincoln Electric Co.	\$ 13,369,530	1.81 %
Cleveland Electric Illuminating Co.	10,538,280	1.44
Indian Hills Senior (19101 Euclid)	8,584,630	1.17
Northpointe Towers LTD	6,634,740	0.90
Ohio Bell Telephone Company	6,075,670	0.83
Argo Tech Corporation	5,814,310	0.79
Harbor Crest LTD.	5,510,970	0.75
AE Portfolio, LLC	4,372,550	0.60
Horizon House LTD	3,638,640	0.50
Depot Land Co., Ltd.	3,255,770	0.44
Total	<u>\$ 67,795,090</u>	<u>9.23 %</u>
Total Assessed Valuation	<u>\$ 734,139,270</u>	

Source: Cuyahoga County Fiscal Officer

(1) The amounts presented represent the assessed values upon which 2016 and 2007 collections

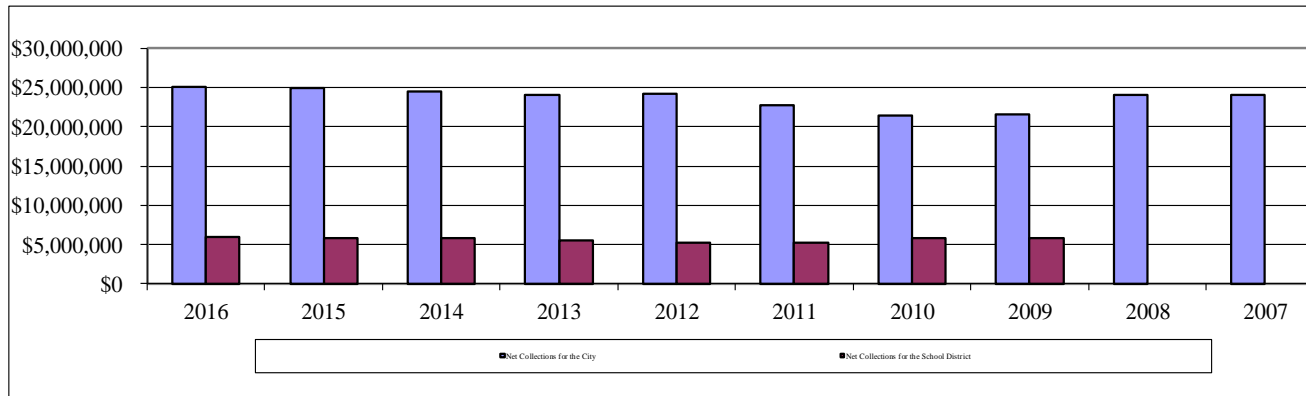
# City of Euclid, Ohio

## Income Tax Collection

### Last Ten Years

**Table 9**

Year	Tax Rate	Individual	Net Profit	Payroll Withholding	Penalty and Interest	Miscellaneous Revenue/Fees	Gross Collections	Refunds and Adjustments	Net Collections	Net Collections for the City	Net Collections for the School District
2016	2.85%	\$5,395,236	\$4,512,341	\$21,533,377	\$597,022	(\$148,987)	\$31,888,990	(\$743,204)	\$31,145,786	\$25,135,350	\$6,010,436
2015	2.85%	\$4,876,343	\$4,567,901	\$21,697,241	\$600,040	\$2,024	\$31,743,549	(\$607,558)	\$31,322,400	\$24,954,644	\$6,367,756
2014	2.85%	\$4,864,917	\$3,645,543	\$22,189,891	\$605,852	\$32,405	\$31,338,608	(\$890,681)	\$30,447,927	\$24,486,985	\$5,960,942
2013	2.85%	\$4,730,185	\$3,149,071	\$22,024,374	\$535,721	\$177,761	\$30,617,112	(\$607,558)	\$30,009,554	\$24,145,781	\$5,863,773
2012	2.85%	\$4,791,973	\$3,880,111	\$21,381,656	\$595,097	\$199,002	\$30,847,839	(\$791,291)	\$30,056,548	\$24,163,169	\$5,893,379
2011	2.85%	\$5,024,705	\$3,148,360	\$19,758,688	\$625,900	\$187,785	\$28,745,438	(\$465,598)	\$28,279,840	\$22,732,211	\$5,547,629
2010	2.85%	\$5,082,908	\$3,567,641	\$17,882,748	\$586,113	\$92,518	\$27,211,928	(\$458,849)	\$26,753,079	\$21,511,064	\$5,242,015
2009	2.85%	\$5,571,815	\$2,205,169	\$19,127,921	\$501,077	\$139,475	\$27,545,457	(\$710,927)	\$26,834,530	\$21,570,417	\$5,264,113
2008	2.85%	\$5,613,660	\$3,506,412	\$20,750,925	\$658,185	\$31,777	\$30,560,960	(\$621,987)	\$29,938,973	\$24,076,487	\$5,862,486
2007	2.85%	\$5,828,145	\$3,057,660	\$21,195,076	\$562,751	\$37,298	\$30,680,930	(\$823,011)	\$29,857,919	\$24,021,190	\$5,836,729



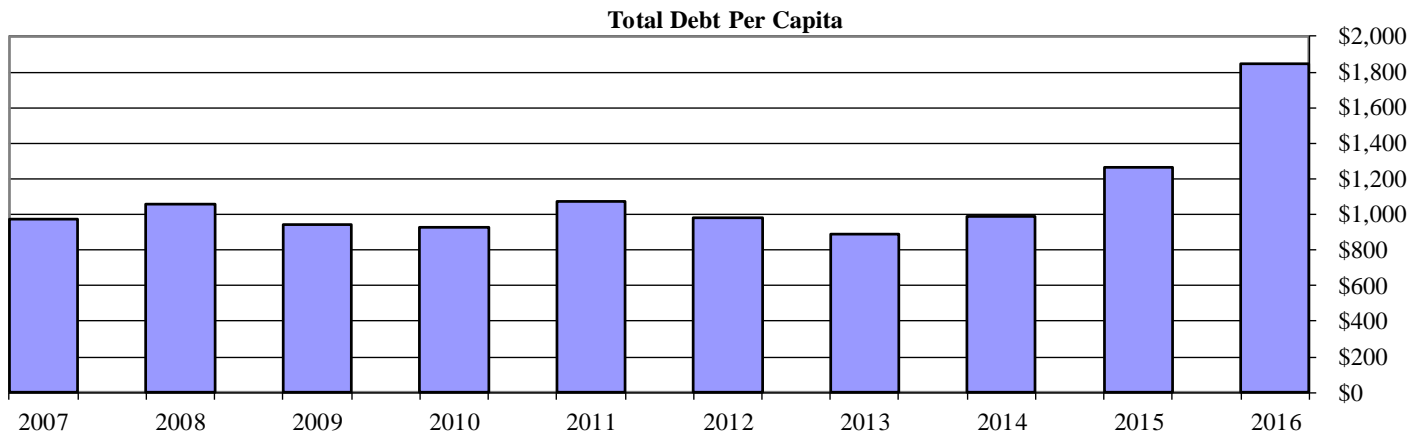
# City of Euclid, Ohio

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

### Last Ten Years

**Table 10**

Year	Governmental Activities							Business-Type Activities				Total Debt
	General Obligation Bonds (1)	Long-term Notes Payable (1)	Special Obligation Bonds	Special Assessment Bonds (1)	OPWC Loans	Capital Leases	Development Revenue Bonds (1)	General Obligation Bonds (1)	Capital Leases	OWDA Loans	OPWC Loans	
2016	\$ 13,646,915	\$ 0	\$ 6,949,000	\$ 262,575	\$ 1,085,742	\$ 1,623,997	\$ -	\$ 9,463,935	\$ 850,072	\$ 47,995,724	\$ 8,340,564	\$ 90,218,524
2015	\$ 15,757,778	\$ 0	\$ 6,999,000	\$ 398,863	\$ 1,169,261	\$ 461,253	\$ 185,000	\$ 9,426,897	\$ 546,182	\$ 18,253,817	\$ 8,515,622	\$ 61,713,673
2014	\$ 17,754,494	\$ 5,276,848	\$ 0	\$ 530,151	\$ 1,252,780	\$ 681,136	\$ 360,000	\$ 10,351,004	\$ 86,012	\$ 4,726,790	\$ 7,171,677	\$ 48,190,892
2013	\$ 19,975,891	\$ 0	\$ 0	\$ 570,111	\$ 1,336,299	\$ 375,358	\$ 419,000	\$ 11,098,452	\$ 4,751	\$ 2,523,453	\$ 7,177,596	\$ 43,480,911
2012	\$ 22,581,511	\$ 0	\$ 0	\$ 683,133	\$ 1,419,818	\$ 271,420	\$ 547,000	\$ 11,874,105	\$ 57,692	\$ 2,915,302	\$ 7,775,402	\$ 48,125,383
2011	\$ 25,114,131	\$ 0	\$ 0	\$ 786,155	\$ 1,503,337	\$ 286,628	\$ 665,000	\$ 12,612,758	\$ 108,395	\$ 3,184,851	\$ 8,134,229	\$ 52,395,484
2010	\$ 23,114,489	\$ 0	\$ 0	\$ 995,000	\$ 1,586,856	\$ 473,890	\$ 995,000	\$ 5,945,106	\$ 246,279	\$ 4,790,889	\$ 7,372,374	\$ 45,519,883
2009	\$ 25,667,580	\$ 0	\$ 0	\$ 1,080,000	\$ 1,670,375	\$ 653,131	\$ 1,120,000	\$ 6,537,151	\$ 357,699	\$ 6,779,135	\$ 5,971,616	\$ 49,836,687
2008	\$ 28,354,079	\$ 0	\$ 0	\$ 1,160,000	\$ 1,652,108	\$ 1,085,075	\$ 1,235,000	\$ 6,962,444	\$ 449,192	\$ 8,620,444	\$ 6,079,837	\$ 55,598,179
2007	\$ 23,007,141	\$ 0	\$ 0	\$ 1,235,000	\$ 532,981	\$ 1,304,712	\$ 1,340,000	\$ 6,546,909	\$ 502,859	\$ 10,328,970	\$ 6,352,551	\$ 51,151,123



## City of Euclid, Ohio

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

**Table 11**

<u>Year</u>	<u>Population (1)</u>	<u>Estimated Actual Value of Taxable Property (2)</u>	<u>Net Bonded Debt (3)</u>	<u>Ratio of Net Bonded Debt to Estimated Actual Value of Taxable Property</u>	<u>Net Bonded Debt Per Capita</u>
2016	48,920	\$ 1,557,032,377	\$23,110,850	1.48 %	\$ 472
2015	48,920	\$ 1,624,768,357	\$25,184,675	1.55 %	\$ 515
2014	48,920	\$ 1,643,865,527	\$33,382,346	2.03 %	\$ 682
2013	48,920	\$ 1,647,982,707	\$31,074,343	1.89 %	\$ 635
2012	48,920	\$ 2,082,995,447	\$34,455,616	1.65 %	\$ 704
2011	48,920	\$ 2,106,996,269	\$34,936,226	1.66 %	\$ 714
2010	48,920	\$ 2,116,829,351	\$25,814,059	1.22 %	\$ 528
2009	52,717	\$ 2,431,714,643	\$28,608,582	1.18 %	\$ 543
2008	52,717	\$ 2,751,264,875	\$31,720,374	1.15 %	\$ 602
2007	52,717	\$ 2,533,338,423	\$25,778,362	1.02 %	\$ 489

Sources:

(1) Source: U. S. Census

(a) Years 2006 through 2009 - 2000 Federal Census

(b) Years 2010 through 2016 - 2010 Federal Census

(2) Cuyahoga County Fiscal Officer

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

# City of Euclid, Ohio

## Computation of Direct and Overlapping Governmental Activities Debt

December 31, 2016

Table 12

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
<b>Direct - City of Euclid (2)</b>			
General Obligation Bonds, net	\$ 13,646,915	100.00%	\$ 13,646,915
Special Obligation Bonds, net	6,949,000	100.00%	6,949,000
Special Assessment Bonds, net	262,575	100.00%	262,575
OPWC Loans	1,085,742	100.00%	1,085,742
Capital Leases	1,623,997	100.00%	1,623,997
<b>Total Direct Debt</b>	<u>23,568,229</u>		<u>23,568,229</u>
<b>Overlapping</b>			
Euclid City School District	47,095,296	100.00%	47,095,296
Cuyahoga County	226,090,000	2.02%	4,575,293
Regional Transit Authority	3,910,000	2.02%	79,125
<b>Total Overlapping Debt</b>	<u>277,095,296</u>		<u>51,749,714</u>
<b>Total</b>	<u>\$ 300,663,525</u>		<u>\$ 75,317,943</u>

Source: Cuyahoga County Fiscal Officer

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

# City of Euclid, Ohio

## Legal Debt Margin

### Last Ten Years

	2016	2015	2014	2013	2012
<b>Total Assessed Property Value</b>	<u>\$ 557,393,500</u>	<u>\$ 580,765,910</u>	<u>\$ 586,839,480</u>	<u>\$ 587,254,750</u>	<u>\$ 738,711,240</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>58,526,318</u>	<u>60,980,421</u>	<u>61,618,145</u>	<u>61,661,749</u>	<u>77,564,680</u>
<b>Debt Outstanding:</b>					
General Obligation Bonds	\$ 13,646,915	\$ 15,757,778	\$ 17,754,494	\$ 20,245,532	\$ 22,890,262
General Obligation Bonds - Enterprise	8,463,935	9,426,897	10,351,004	11,249,954	12,051,810
Income Tax Special Obligation Bonds	6,949,000	6,999,000	0	0	0
Special Assessment Bonds	262,575	398,863	530,151	661,439	792,727
Notes	1,504,963	0	5,276,848	5,278,176	5,276,969
Notes - Enterprise	0	0	0	0	0
OPWC Loans	1,085,742	1,169,261	1,252,780	1,336,299	1,419,818
OPWC Loans - Enterprise	8,340,564	8,515,622	7,171,677	7,177,596	7,775,402
OWDA Loans - Enterprise	47,995,724	18,253,817	4,726,790	2,523,453	2,915,302
Industrial Development Revenue Bonds	0	185,000	360,000	530,000	695,000
<b>Total Gross Indebtedness</b>	<u>88,249,418</u>	<u>60,706,238</u>	<u>47,423,744</u>	<u>49,002,449</u>	<u>53,817,290</u>
Less:					
General Obligation Bonds - Enterprise	(8,463,935)	(9,426,897)	(10,351,004)	(11,249,954)	(12,051,810)
Income Tax Special Obligation Bonds	(6,949,000)	(6,999,000)	0	0	0
Special Assessment Bonds	(262,575)	(398,863)	(530,151)	(661,439)	(792,727)
Notes	0	0	0	0	0
Notes - Enterprise	0	0	0	0	0
OPWC Loans	(1,085,742)	(1,169,261)	(1,252,780)	(1,336,299)	(1,419,818)
OPWC Loans - Enterprise	(8,340,564)	(8,515,622)	(7,171,677)	(7,177,596)	(7,775,402)
OWDA Loans	(47,995,724)	(18,253,817)	(4,726,790)	(2,523,453)	(2,915,302)
Industrial Development Revenue Bonds	0	(185,000)	(360,000)	(530,000)	(695,000)
General Obligation Bond Retirement Fund Balance	0	0	0	0	0
<b>Total Net Debt Applicable to Debt Limit</b>	<u>15,151,878</u>	<u>15,757,778</u>	<u>23,031,342</u>	<u>25,523,708</u>	<u>28,167,231</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$ 43,374,440</u>	<u>\$ 45,222,643</u>	<u>\$ 38,586,803</u>	<u>\$ 36,138,041</u>	<u>\$ 49,397,449</u>
Legal Debt Margin as a Percentage of the Debt Limit	74.11%	74.16%	62.62%	58.61%	63.69%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$ 30,656,643</u>	<u>\$ 31,942,125</u>	<u>\$ 32,276,171</u>	<u>\$ 32,299,011</u>	<u>\$ 40,629,118</u>
<b>Total Gross Indebtedness</b>	\$ 88,249,418	\$ 60,706,238	\$ 47,423,744	\$ 49,002,449	\$ 53,817,290
Less:					
General Obligation Bonds - Enterprise	(8,463,935)	(9,426,897)	(10,351,004)	(11,249,954)	(12,051,810)
Income Tax Special Obligation Bonds	(6,949,000)	(6,999,000)	0	0	0
Special Assessment Bonds	(262,575)	(398,863)	(530,151)	(661,439)	(792,727)
Notes	0	0	0	0	0
Notes - Enterprise	0	0	0	0	0
OPWC Loans	(1,085,742)	(1,169,261)	(1,252,780)	(1,336,299)	(1,419,818)
OPWC Loans - Enterprise	(8,340,564)	(8,515,622)	(7,171,677)	(7,177,596)	(7,775,402)
OWDA Loans	(47,995,724)	(18,253,817)	(4,726,790)	(2,523,453)	(2,915,302)
Industrial Development Revenue Bonds	0	(185,000)	(360,000)	(530,000)	(695,000)
General Obligation Bond Retirement Fund Balance	0	0	0	0	0
<b>Net Debt Within 5 ½ % Limitations</b>	<u>15,151,878</u>	<u>15,757,778</u>	<u>23,031,342</u>	<u>25,523,708</u>	<u>28,167,231</u>
<b>Unvoted Legal Debt Margin Within 5 ½ % Limitations</b>	<u>\$ 15,504,765</u>	<u>\$ 16,184,347</u>	<u>\$ 9,244,829</u>	<u>\$ 6,775,303</u>	<u>\$ 12,461,887</u>
<b>Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation</b>	50.58%	50.67%	28.64%	20.98%	30.67%

Source: City Financial Records



**Table 13**

2011	2010	2009	2008	2007
<u>\$ 746,769,750</u>	<u>\$ 749,989,650</u>	<u>\$ 837,916,020</u>	<u>\$ 904,734,233</u>	<u>\$ 833,249,133</u>
78,410,824	78,748,913	87,981,182	94,997,094	87,491,159
\$ 25,114,131	\$ 23,114,489	\$ 25,481,000	\$ 28,160,000	\$ 23,029,000
12,612,758	5,945,106	6,454,000	6,870,000	6,536,000
0	0	0	0	0
786,155	995,000	1,080,000	1,160,000	1,235,000
3,432,049	4,290,000	2,340,000	0	6,846,000
0	7,040,000	7,040,000	5,600,000	3,000,000
1,503,337	1,586,856	1,670,375	1,652,108	532,981
8,134,229	7,372,374	5,971,616	6,079,837	6,352,551
3,184,851	4,790,889	6,779,135	8,620,444	10,328,970
665,000	995,000	1,120,000	1,235,000	1,340,000
<u>55,432,510</u>	<u>56,129,714</u>	<u>57,936,126</u>	<u>59,377,389</u>	<u>59,200,502</u>
(12,612,758)	(5,945,106)	(6,454,000)	(6,870,000)	(6,536,000)
0	0	0	0	0
(786,155)	(995,000)	(1,080,000)	(1,160,000)	(1,235,000)
0	(4,290,000)	(2,340,000)	0	(6,846,000)
0	(7,040,000)	(7,040,000)	(5,600,000)	(3,000,000)
(1,503,337)	(1,586,856)	(1,670,375)	(1,652,108)	(532,981)
(8,134,229)	(7,372,374)	(5,971,616)	(6,079,837)	(6,352,551)
(3,184,851)	(4,790,889)	(6,779,135)	(8,620,444)	(10,328,970)
(665,000)	(995,000)	(1,120,000)	(1,235,000)	(1,340,000)
<u>(2,790,663)</u>	<u>(3,245,536)</u>	<u>(3,596,149)</u>	<u>(3,596,149)</u>	<u>(3,775,688)</u>
<u>25,755,517</u>	<u>19,868,953</u>	<u>21,884,851</u>	<u>24,563,851</u>	<u>19,253,312</u>
<u>\$ 52,655,307</u>	<u>\$ 58,879,960</u>	<u>\$ 66,096,331</u>	<u>\$ 70,433,243</u>	<u>\$ 68,237,847</u>
67.15%	74.77%	75.13%	74.14%	77.99%
<u>\$ 41,072,336</u>	<u>\$ 41,249,431</u>	<u>\$ 46,085,381</u>	<u>\$ 49,760,383</u>	<u>\$ 45,828,702</u>
\$ 55,432,510	\$ 56,129,714	\$ 57,936,126	\$ 59,377,389	\$ 59,200,502
(12,612,758)	(5,945,106)	(6,454,000)	(6,870,000)	(6,536,000)
0	0	0	0	0
(786,155)	(995,000)	(1,080,000)	(1,160,000)	(1,235,000)
0	(4,290,000)	(2,340,000)	0	(6,846,000)
0	(7,040,000)	(7,040,000)	(5,600,000)	(3,000,000)
(1,503,337)	(1,586,856)	(1,670,375)	(1,652,108)	(532,981)
(8,134,229)	(7,372,374)	(5,971,616)	(6,079,837)	(6,352,551)
(3,184,851)	(4,790,889)	(6,779,135)	(8,620,444)	(10,328,970)
(665,000)	(995,000)	(1,120,000)	(1,235,000)	(1,340,000)
<u>(2,790,663)</u>	<u>(3,245,536)</u>	<u>(3,596,149)</u>	<u>(3,596,149)</u>	<u>(3,775,688)</u>
<u>25,755,517</u>	<u>19,868,953</u>	<u>21,884,851</u>	<u>24,563,851</u>	<u>19,253,312</u>
<u>\$ 15,316,819</u>	<u>\$ 21,380,478</u>	<u>\$ 24,200,530</u>	<u>\$ 25,196,532</u>	<u>\$ 26,575,390</u>
37.29%	51.83%	52.51%	50.64%	57.99%

## City of Euclid, Ohio

### *Pledged Revenue Coverage*

### *Industrial Development Revenue Bonds – General Fund*

### ***Last Ten Years***

**Table 14**

Year	Net Revenues (1)	Net Revenue Available for Debt Service	Debt Service			Coverage
			Principal	Interest	Total	
2016	\$ 109,336	\$ 109,336	\$ 185,000	\$ 8,048	\$ 193,048	0.57
2015	\$ 109,336	\$ 109,336	\$ 175,000	\$ 15,660	\$ 190,660	0.57
2014	\$ 109,336	\$ 109,336	\$ 170,000	\$ 23,055	\$ 193,055	0.57
2013	\$ 109,336	\$ 109,336	\$ 165,000	\$ 30,233	\$ 195,233	0.56
2012	\$ 109,336	\$ 109,336	\$ 155,000	\$ 36,975	\$ 191,975	0.57
2011	\$ 109,336	\$ 109,336	\$ 165,000	\$ 33,114	\$ 198,114	0.55
2010	\$ 109,336	\$ 109,336	\$ 125,000	\$ 92,400	\$ 217,400	0.50
2009	\$ 109,336	\$ 109,336	\$ 115,000	\$ 101,888	\$ 216,888	0.50
2008	\$ 109,336	\$ 109,336	\$ 105,000	\$ 110,550	\$ 215,550	0.51
2007	\$ 109,335	\$ 109,335	\$ 100,000	\$ 118,800	\$ 218,800	0.50

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

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

# City of Euclid, Ohio

## Principal Employers

2016 and 2007

Table 15

<b>2016</b>		
Employer	Number of W-2 Issued	Percentage of Total City Employment
Lincoln Electric	2,320	9.91%
Cleveland Clinic	1,561	6.66%
Euclid Board of Education	1,030	4.40%
City of Euclid	547	2.34%
Cuyahoga County	505	2.16%
Eaton Industrial Corporation	428	1.83%
Hose Masters	430	1.84%
Babcock & Wilcox Nuclear Operations	349	1.49%
University Hospital Health System	297	1.27%
HC Starck Incorporated	136	0.58%
<b>Total</b>	<b>7,603</b>	<b>32.46%</b>
Total Estimated Employment within the City	<u>23,421</u>	
<b>2007</b>		
Employer	Number of W-2 Issued	Percentage of Total City Employment
Lincoln Electric	2,722	10.88%
Euclid Board of Education	1,457	5.82%
Meridia Health Systems	1,317	5.26%
City of Euclid	675	2.70%
Cuyahoga County	594	2.37%
University Hospitals Health System	505	2.02%
Argo Tech Corporation	448	1.79%
Hose Masters	317	1.27%
Marine Mechanical Corp.	258	1.03%
GE Lighting, Inc.	153	0.61%
<b>Total</b>	<b>8,446</b>	<b>33.75%</b>
Total Estimated Employment within the City	<u>25,025</u>	

Source: City Income Tax Department

# City of Euclid, Ohio

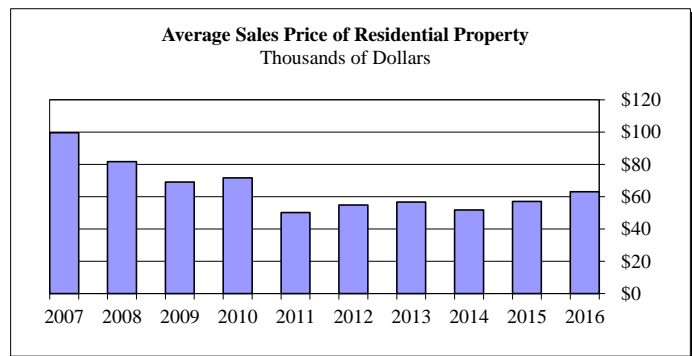
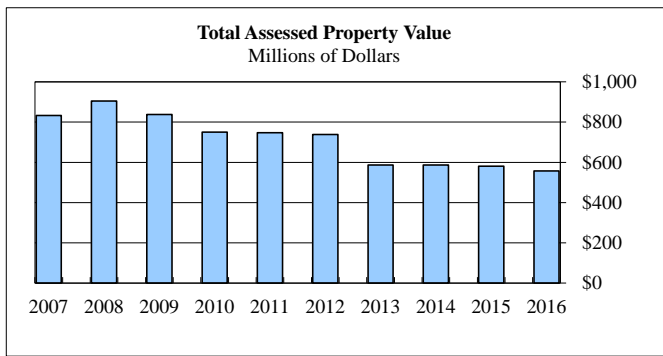
## Demographic and Economic Statistics

### Last Ten Years

**Table 16**

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)	Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Cuyahoga County Unemployment Rate (3)	Average Sales Price of Residential Property (4)	Total Assessed Property Value (4)
2016	48,920	\$ 1,043,365,760	\$ 21,328	\$ 36,263	41	19.6%	5,341	5.4%	\$ 63,072	\$ 557,393,500
2015	48,920	\$ 1,043,365,760	\$ 21,328	\$ 36,263	41	19.6%	5,382	4.0%	\$ 57,125	\$ 580,765,910
2014	48,920	\$ 1,043,365,760	\$ 21,328	\$ 36,263	41	19.6%	5,277	5.3%	\$ 51,752	\$ 586,839,480
2013	48,920	\$ 1,043,365,760	\$ 21,328	\$ 36,263	41	19.6%	5,381	7.2%	\$ 56,716	\$ 587,254,750
2012	48,920	\$ 1,043,365,760	\$ 21,328	\$ 36,263	41	19.6%	5,580	6.6%	\$ 54,872	\$ 738,711,240
2011	48,920	\$ 1,043,365,760	\$ 21,328	\$ 36,263	41	19.6%	5,793	7.1%	\$ 50,265	\$ 746,769,750
2010	48,920	\$ 1,043,365,760	\$ 21,328	\$ 36,263	41	19.6%	6,168	9.5%	\$ 71,632	\$ 749,989,650
2009	52,717	\$ 1,036,627,088	\$ 19,664	\$ 35,151	38.9	19.6%	6,040	9.0%	\$ 69,136	\$ 837,916,020
2008	52,717	\$ 1,036,627,088	\$ 19,664	\$ 35,151	38.9	19.6%	6,042	7.1%	\$ 81,777	\$ 904,734,233
2007	52,717	\$ 1,036,627,088	\$ 19,664	\$ 35,151	38.9	19.6%	6,303	6.3%	\$ 99,664	\$ 833,249,133

- (1) Source: U. S. Census
  - (a) Years 2005 through 2009 - 2000 Federal Census
  - (b) Years 2010 through 2014 - 2010 Federal Census
- (2) Source: Ohio Department of Education Website: "<http://www.ode.state.oh.us/>"
- (3) Source: County Planning Commission
- (4) Source: County Auditor
- (5) Computation of per capita personal income multiplied by population



# City of Euclid, Ohio

## Full-Time Equivalent City Employees by Function/Program

### Last Ten Years

**Table 17**

Function/Program	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>General Government</b>										
Council	10	10	11	11	10	10	10	11	11	11
Finance	9	9	9	11	11	12	14	15	16	15
Tax	6	5	8	8	8	8	8	10	10	10
Mayor	22	24	24	24	22	22	22	22	24	24
Law	6	6	7	10	9	11	11	10	9	9
Municipal Court	23	26	25	28	27	26	28	28	26	26
Public Service Administration	4	5	4	3	4	5	6	7	6	6
Engineer	2	1	3	7	6	6	6	2	3	3
Public Building	7	7	8	8	8	8	8	10	10	10
<b>Security of Persons and Property</b>										
Police	91	93	91	93	92	93	97	96	99	95
Police - Administration	12	12	12	11	11	11	11	11	9	7
Police - Records Room	5	5	6	4	5	5	6	6	6	6
Police - School Guards	10	9	10	11	11	11	11	11	10	10
Police - Communications	0	0	18	18	18	17	16	16	17	16
Police - Corrections	0	0	0	13	29	28	28	28	38	38
Police - Animal Control	2	1	1	1	2	2	2	2	3	2
Fire	81	83	77	76	80	81	79	79	82	82
Fire - Administration	2	2	2	0	0	0	0	0	0	0
<b>Leisure Time Activities</b>										
Recreation - Administration	4	4	4	5	4	4	4	4	5	4
Parks & Rec Maintenance	13	13	13	12	12	12	13	14	15	14
Recreation - Programs	60	67	59	56	56	56	75	75	75	75
Shore Cultural Center	0	0	0	0	0	0	0	0	4	4
Golf Course	0	0	0	0	0	0	0	27	34	34
<b>Community Development</b>										
Economic Development	6	5	6	7	6	7	6	6	8	7
Building	0	2	2	2	3	4	4	5	4	4
Housing	11	12	10	10	11	11	10	12	13	11
Weatherization	2	3	4	5	4	4	5	5	6	6
Senior Programs	8	10	10	11	12	11	8	15	23	21
<b>Transportation</b>										
Motor Maintenance	8	8	9	9	8	8	8	12	12	12
Traffic Maintenance	1	1	1	1	1	1	0	4	4	4
Street M&R	25	25	24	25	25	25	26	29	27	25
<b>Basic Utility Services</b>										
Wastewater	37	39	36	43	43	42	43	43	43	43
<b>Totals:</b>	<u>467</u>	<u>487</u>	<u>494</u>	<u>523</u>	<u>538</u>	<u>541</u>	<u>565</u>	<u>615</u>	<u>652</u>	<u>634</u>

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

# City of Euclid, Ohio

## Operating Indicators by Function/Program

### Last Ten Years

**Table 18**

Function/Program	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>General Government</b>										
<i>Council and Clerk</i>										
Number of Ordinances & Resolutions Passed	150	170	141	150	198	183	178	218	250	258
<i>Finance Department</i>										
Number of checks/ vouchers issued	6,995	3,840	4,046	4,123	4,312	4,785	4,781	6,492	6,966	6,839
Amount of checks written	\$ 24,941,887	\$ 24,752,868	\$ 16,794,496	\$ 16,606,930	\$ 16,785,380	\$ 19,158,227	\$ 22,146,777	\$ 21,145,225	\$ 21,301,660	\$ 20,765,198
Interest earnings for fiscal year (cash basis)	\$ 222,218	\$ 148,230	\$ 84,071	\$ 97,847	\$ 91,462	\$ 114,879	\$ 261,703	\$ 578,273	\$ 970,513	\$ 1,393,041
Agency Ratings - Moody's Financial Services	A2	Aa2	Aa2	Aa2	Aa2	A1	A1	A1	A1	A1
Health Insurance Costs vs General Fund Expenditures %	11.71%	16.03%	12.49%	13.68%	12.45%	11.90%	11.96%	9.89%	8.96%	8.81%
General Fund Receipts (cash basis)	\$ 38,878,016	\$ 37,928,351	\$ 37,286,945	\$ 37,981,989	\$ 39,828,625	\$ 38,435,617	\$ 37,792,896	\$ 36,206,654	\$ 38,721,325	\$ 38,573,561
General Fund Expenditures (cash basis)	\$ 38,399,647	\$ 36,909,912	\$ 39,097,396	\$ 37,912,194	\$ 38,430,772	\$ 38,582,867	\$ 36,685,422	\$ 38,143,278	\$ 39,123,349	\$ 37,588,519
General Fund Cash Balances	\$ 3,454,978	\$ 3,324,922	\$ 2,306,483	\$ 4,116,934	\$ 4,047,139	\$ 2,591,536	\$ 2,796,536	\$ 1,689,062	\$ 3,625,687	\$ 4,027,711
<i>Income Tax Department</i>										
Number of Individual Returns	26,443	29,184	36,866	29,203	25,844	25,125	24,552	25,487	32,180	28,916
Number of Business Returns	3,148	3,351	3,414	4,362	3,214	3,168	2,950	2,958	2,928	2,638
Number of Business Withholding Accounts	3,773	3,773	3,514	3,800	3,050	3,022	2,979	3,043	3,050	3,117
Amount of Penalties and Interest Collected	\$ 597,022	\$ 600,040	\$ 605,852	\$ 535,721	\$ 595,147	\$ 625,900	\$ 586,113	\$ 501,077	\$ 658,185	\$ 562,411
Annual number of Corporate withholding forms processed	19,270	17,784	17,016	14,759	16,193	16,720	17,045	17,746	18,434	18,448
Annual number of balance due statements forms processed	20,745	22,695	27,357	22,180	21,563	10,926	7,471	6,484	7,779	6,914
Annual number of estimated payment forms processed	12,923	17,293	15,049	19,331	21,818	22,123	12,844	14,883	15,916	15,512
Annual number of reconciliations of withholdings processed	2,314	2,245	2,247	2,281	2,205	2,391	2,188	3,112	2,230	1,643
<i>Municipal Court</i>										
Number of Civil Cases	4,369	3,454	3,853	3,975	4,009	3,671	3,614	4,234	4,937	4,670
Number of Traffic/Criminal cases	5,474	5,474	7,592	7,862	7,643	6,720	7,430	7,510	8,718	7,573
<i>Vital Statistics</i>										
<i>Certificates Filed</i>										
Number of Births	0	1	5	5	2	0	4	2	1	2
Number of Deaths	378	404	423	414	368	366	404	430	491	406
<i>Certificates Issued</i>										
Number of Births	2,743	2,500	1,969	1,782	1,559	1,616	1,482	1,724	1,855	2,401
Number of Deaths	1,262	1,490	1,577	1,477	1,398	1,391	1,703	1,830	2,128	2,080
Burial Permits Issued	734	775	743	884	763	639	625	675	601	579
<i>Civil Service</i>										
Number of police entry tests administered	0	0	0	1	0	0	1	0	0	0
Number of fire entry tests administered	0	0	0	1	0	0	1	0	0	1
Number of police promotional tests administered	1	0	0	1	0	2	3	0	0	4
Number of fire promotional tests administered	3	0	0	0	4	0	3	0	3	0
Number of hires of Police Officers from certified lists	0	0	8	6	0	6	4	0	0	3
Number of hires of Fire/Medics from certified lists	0	7	7	5	5	10	0	0	0	5
Number of promotions from police certified lists	1	0	10	0	0	18	0	1	0	4
Number of promotions from fire certified lists	2	0	9	0	7	3	3	0	3	1
Number of Police Lateral Hires	4	5	0	1	6	n/a	n/a	n/a	n/a	n/a

(Continued)

# City of Euclid, Ohio

## Operating Indicators by Function/Program (continued)

### Last Ten Years

**Table 18**

Function/Program	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>General Government</b>										
<b>Building Department Indicators</b>										
Estimated Value of Construction	\$ 22,050,010	\$ 21,058,012	\$ 7,816,356	\$ 22,572,868	\$ 14,571,894	\$ 10,879,053	\$ 22,004,556	\$ 17,632,080	\$ 19,829,373	\$ 19,199,769
Number of permits issued	6,683	3,066	3,419	2,909	3,667	2,978	2,504	2,964	2,430	2,194
Amount of Revenue generated from permits	\$ 523,049	\$ 449,442	\$ 418,511	\$ 430,184	\$ 421,875	\$ 1,271,562	\$ 325,992	\$ 231,664	\$ 221,555	\$ 268,817
Number of contractor registrations issued	918	927	875	3,863	1,056	989	794	969	919	910
<b>Housing Department Indicators</b>										
Total dwelling / housing units	26,020	26,050	26,053	26,111	26,153	26,181	26,205	26,235	26,235	26,265
Number of point of sale inspections	1,049	1,764	923	937	840	654	748	859	1,218	1,153
Number of rental inspections performed	13,614	13,663	11,779	11,845	11,129	11,126	11,138	10,890	10,435	9,482
Revenue generated from Housing Fees	\$ 1,552,292	\$ 1,072,447	\$ 968,029	\$ 846,802	\$ 799,942	\$ 729,035	\$ 735,200	\$ 839,055	\$ 876,234	\$ 732,683
<b>Security of Persons &amp; Property</b>										
<b>Police</b>										
Total Crimes/Offenses	8,681	9,240*	11,584	11,288	12,594	13,956	18,130	15,592	17,187	19,789
Motor Vehicle Accidents	1,448	1,367	1,229	1,218	1,282	1,269	1,223	1,149	1,315	1,428
Fatalities from Motor Vehicle Accidents	1	3	2	2	2	3	2	1	3	3
Number of criminal arrests	2,375	2,514	3,017	2,874	3,249	2,665	2,988	2,654	3,201	2,942
Number of traffic citations issued	9,724	8,756	11,678	10,785	11,080	8,983	10,712	12,373	12,023	10,094
Number of parking citations issued	5,278	4,183	4,983	2,511	2,686	3,389	3,208	3,596	5,133	6,311
Narcotics & Vice Criminal Charges	2166	1,295	1,295	2,043	2,060	1,457	1,760	1,798	2,524	2,277
Warrants Processed	3,682	3,169**	4,256	3,953	2,466	2,390	1,926	2,669	3,351	4,247
Emergency Response Team (ERT) calls for service	71	40	17	19	14	7	13	29	25	14
Police Dept. Auxiliary hours worked	1,492.00	1,241.75	1,506.15	1,590.00	2,014.00	2,573.00	1,912.75	2,088.00	2,330.00	2,818.75
Grant Awards	91,736.00	110,832.90	\$ 100,040	\$ 106,584	\$ 548,842	\$ 585,689	\$ 1,807,491	\$ 1,665,907	\$ 296,910	\$ 238,261
Prisoners (Total Jail Days)	0	0	699	10,090	17,390	14,482	20,957	19,166	30,364	29,591
Prisoner revenue	0	0	\$ 0	\$ 292,111	\$ 399,663	\$ 385,031	\$ 719,895	\$ 469,059	\$ 678,661	\$ 997,818
Juvenile Diversion Program - referred	72	142	156	243	362	240	264	255	165	557
Juvenile Diversion Program - accepted	39	50	85	118	170	205	114	203	82	456
<b>Fire</b>										
EMS Calls	8,687	8,091	7,634	7,164	6,796	6,670	6,208	5,636	5,575	5,466
Ambulance Billing Collections (net)	\$ 1,552,703	\$ 1,541,848	\$ 1,107,475	\$ 1,310,616	\$ 1,475,553	\$ 1,370,438	\$ 1,231,380	\$ 1,228,840	\$ 1,178,278	\$ 1,175,599
Fire Calls	1,620	1,464	1,535	1,262	1,389	1,212	1,225	1,152	1,403	1,259
Fire Losses	\$ 1,368,700	\$ 867,217	\$ 1,698,670	\$ 1,427,400	\$ 1,756,825	\$ 3,409,405	\$ 1,256,000	\$ 380,450	\$ 1,585,500	\$ 1,119,925
Fire Safety Company Inspections	1,063	1,154	1,167	1,060	1,650	1,452	1,460	1,462	1,355	1,433
Fire Prevention Bureau Inspections	438	589	693	1,455	2,850	2,691	2,704	2,978	2,614	2,841
EMS Training (Man Hours)	753.00	826.00	1,920.00	1,920.00	1,500.00	1,450.00	1,255.00	1,452.75	1,334.50	1,996.75
Fire Training (Man Hours)	1,407.00	1,321.00	10,573.00	3,556.00	7,215.00	6,223.00	6,381.00	7,001.25	8,591.00	7,028.00
<b>Public Health and Welfare</b>										
Cemetery burials	2	0	0	3	2	5	1	3	1	0
Cemetery cremations	0	0	0	2	2	2	3	2	4	0
Cemetery sale of lots	0	0	0	0	0	0	0	0	0	0

(Continued)

# City of Euclid, Ohio

## Operating Indicators by Function/Program (continued)

### Last Ten Years

**Table 18**

Function/Program	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Leisure Time Activities</b>										
<b>Recreation</b>										
Swimming pool receipts	\$ 44,538	\$ 55,748	\$ 62,021	\$ 82,524	\$ 85,166	\$ 91,655	\$ 96,334	\$ 98,348	\$ 98,716	\$ 102,644
Ice Arena receipts	\$ 118,908	\$ 95,140	\$ 130,171	\$ 129,006	\$ 124,809	\$ 141,293	\$ 115,074	\$ 141,666	\$ 178,106	\$ 173,572
Youth & Adult Sports receipts	\$ 101,952	\$ 110,187	\$ 123,931	\$ 146,593	\$ 142,412	\$ 159,667	\$ 177,020	\$ 179,836	\$ 210,318	\$ 222,765
Shore Cultural Facility rentals	\$ 300,345	\$ 293,480	\$ 285,183	\$ 254,085	\$ 306,324	\$ 360,401	\$ 290,623	\$ 117,887	\$ 211,921	\$ 229,676
<b>Golf</b>										
Rounds of Golf	29,345	31,943	28,800	30,800	38,691	31,169	31,856	35,118	40,486	44,636
Golf/Pro-shop receipts	\$ 572,534	\$ 619,465	\$ 584,158	\$ 642,322	\$ 701,977	\$ 569,643	\$ 601,983	\$ 623,533	\$ 679,953	\$ 658,739
Food & Beverage receipts	\$ 270,879	\$ 298,896	\$ 214,110	\$ 334,121	\$ 348,439	\$ 295,821	\$ 244,397	\$ 318,844	\$ 359,389	\$ 326,050
<b>Community Development</b>										
Grant amounts received due to Economic Development Dept.	\$ 3,972,381	\$ 7,428,017	\$ 1,617,312	\$ 1,850,449	\$ 1,260,262	\$ 2,292,241	\$ 3,157,430	\$ 1,245,302	\$ 1,244,705	\$ 1,663,793
<b>Transportation</b>										
Motor Maintenance - Number of vehicles & equip. maintained	485	499	509	499	493	512	542	544	513	509
Motor Maintenance - Repair Orders	1,416	1,459	1,462	2,026	1,277	1,777	1,905	2,151	2,332	2,437
Traffic Maintenance - No. of responses to EPD Signals/Signs	271.00	124.00	398.00	150.00	105.00	N/A	N/A	N/A	239.00	271.00
Snow & Ice Removal - Salt (tons)	4,533.58	6,306.74	5,642.00	7,259.00	4,451	4,483.51	6,763.83	5,261.25	9,572	8,902
Snow & Ice Removal - Salt (cost)	\$ 296,021	\$ 413,185	\$ 330,000	\$ 366,548	210,164.00	\$ 202,215	\$ 311,652	\$ 221,330	354,225.00	313,080.15
Street Repair Maintenance - Cold Patch (tons)	120.45	246.15	310.89	184.00	182.00	357.20	291.27	296.97	577	477
Street Repair Maintenance - Cold Patch (cost)	\$ 12,045	\$ 24,306	\$ 31,089	\$ 15,917	15,295.00	\$ 30,716	\$ 25,807	\$ 29,714	43,432.00	24,348.93
Street Repair Maintenance - Hot Mix (tons)	549.00	661.71	719.18	715.00	744	468.46	904.07	741.38	657	1,037
Street Repair Maintenance - Hot Mix (cost)	\$ 34,707	\$ 43,009	\$ 45,308	\$ 42,171	42,400	\$ 26,307	\$ 49,451	\$ 41,493	29,550	31,450
Street Repair Maintenance - Emulsion/Crack Sealer (gallons)	214	317	504	1,945	1,018	909	1,898	1,766	1,815	2,442
Street Repair Maintenance - Emulsion/Crack Sealer (cost)	\$ 1,114	\$ 729	\$ 1,159	\$ 4,863	2,545	\$ 2,518	\$ 5,542	\$ 4,681	3,936	4,533
Sewer Jet Cleaning - Sanitary Sewers (feet)	81,968	51,509	91,220	118,082	121,878	172,530	250,510	193,475	213,225	223,435
Sewer Jet Cleaning - Storm Sewers (feet)	53,207	0	0	0	0	2,000	20,390	2,100	5,225	4,635
Sewer Repairs (includes Water Department damage)	51	42	40	39	33	36	47	76	71	78
House Call Sewer Jobs/Residential & Business	1,194	1,163	1,154	1,361	1,006	1,431	1,058	1,185	1,139	1,195
Catch Basin Repairs	63	67	30	23	42	62	49	55	66	39
Catch Basin Cleaning	897	531	467	409	488	576	1,134	1,194	849	569
Man Hole Repairs	5	8	8	6	4	20	20	23	13	30
Sidewalk Repairs	21	10	7	11	10	16	14	16	9	25
Curb & Apron Repairs	47	37	39	53	88	40	52	80	31	50
Leaf Collection - Number of Loads	633	871	891	784	815	845	754	750	691	774
Street Sweeping - Number of Loads (dirt & debris)	275	303	434	352	401	248	381	386	471	321
Street Sweeping - Number of times whole city sweep	3	3	3	4	4	3	3	4	8	5
Water Hole Maintenance - New Water Openings	229	170	287	171	197	259	213	250	264	312
Water Hole Maintenance - Completed (cemented/asphalted)	201	185	234	250	314	265	326	288	265	195
Water Hole Maintenance - Total not completed	78	60	90	40	130	361	363	538	493	480

(Continued)



# City of Euclid, Ohio

## Operating Indicators by Function/Program (continued)

### Last Ten Years

Table 18

Function/Program	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Wastewater Department</b>										
Wastewater Rates for Water Consumption Based Customers (per 1000 MCF)										
Euclid	\$ 58.76	\$ 66.23	\$ 66.23	\$ 52.20	\$ 48.17	\$ 35.17	\$ 33.01	\$ 31.01	\$ 29.01	\$ 29.01
Cuyahoga County (So.Euclid, Highland Hts, Richmond Hts)	36.19	35.19	35.19	34.19	33.49	29.21	29.05	29.05	29.05	29.05
Willoughby Hills	32.38	31.38	31.38	30.38	30.38	24.16	24.16	24.16	24.16	24.16
Waste Water Flow MGD (Million Gallons per Day)										
Euclid	\$ 12.18	\$ 13.02	\$ 14.46	\$ 13.88	\$ 12.86	\$ 15.50	\$ 11.70	\$ 10.59	\$ 13.80	\$ 16.74
Wickliffe	2.11	2.20	2.35	2.46	2.36	2.93	1.93	1.92	2.14	2.36
Willowick	1.67	1.73	1.75	1.82	1.72	2.25	1.70	1.88	2.08	1.85
Total	<u>15.96</u>	<u>16.95</u>	<u>18.56</u>	<u>18.16</u>	<u>16.94</u>	<u>20.68</u>	<u>15.33</u>	<u>14.39</u>	<u>18.02</u>	<u>20.95</u>
<b>Water Line Construction Fund</b>										
Euclid (charges included with wastewater billing) (per 1000 MCF)	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 9.00	\$ 9.00	\$ 9.00	\$ 8.00	\$ 7.00
Wastewater Rates										
Wickliffe & Willowick (master metered per 1,000 GA)										
Operating, Maintenance & Repairs	\$ 1.72	\$ 1.71	\$ 1.71	\$ 1.70	\$ 1.70	\$ 1.39	\$ 1.39	\$ 1.39	\$ 1.39	\$ 1.39
Capital Costs	0.39	0.39	0.39	0.39	0.39	0.28	0.28	0.28	0.28	0.28
Lakeshore Trunk Sewer Line maintenance	0.00	0.00	0.00	0.00	0.00	0.06	0.06	0.06	0.06	0.06
Total	<u>2.11</u>	<u>2.10</u>	<u>2.10</u>	<u>2.09</u>	<u>2.09</u>	<u>1.73</u>	<u>1.73</u>	<u>1.73</u>	<u>1.73</u>	<u>1.73</u>
Willoughby Hills (per MCF of water consumption)										
Operating, Maintenance & Repairs	\$ 26.60	\$ 25.60	\$ 25.60	\$ 24.60	\$ 24.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60
Capital Costs	5.78	5.78	5.78	5.78	5.78	4.08	4.08	4.08	4.08	4.08
Satellite Sewer Discharge Program services	0.00	0.00	0.00	0.00	0.00	0.48	0.48	0.48	0.48	0.48
Total	<u>32.38</u>	<u>31.38</u>	<u>31.38</u>	<u>30.38</u>	<u>30.38</u>	<u>24.16</u>	<u>24.16</u>	<u>24.16</u>	<u>24.16</u>	<u>24.16</u>
Cuyahoga County (So.Euclid, Highland Hts, Richmond Hts)										
Operating, Maintenance & Repairs	\$ 26.60	\$ 25.60	\$ 25.60	\$ 24.60	\$ 24.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60
Capital Costs	5.78	5.78	5.78	5.78	5.78	4.08	4.08	4.08	4.08	4.08
Satellite Sewer Discharge Program services	0.00	0.00	0.00	0.00	0.00	0.48	0.48	0.48	0.48	0.48
Equalization under billing (2nd quarter 2000)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Equalization under billing (3rd quarter 2000)	0.00	0.00	0.00	0.00	0.00	1.94	1.94	1.94	1.94	1.94
Meter Reading/Billing Charges (City of Cleveland)	2.31	2.31	2.31	2.31	1.61	1.61	1.45	1.45	1.45	1.45
Administrative Expenses (City of Euclid)	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Total	<u>36.19</u>	<u>35.19</u>	<u>35.19</u>	<u>34.19</u>	<u>33.49</u>	<u>29.21</u>	<u>29.05</u>	<u>29.05</u>	<u>29.05</u>	<u>29.05</u>
Euclid										
Operating, Maintenance & Repairs	\$ 26.60	\$ 25.60	\$ 25.60	\$ 24.60	\$ 24.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60
Capital Costs	11.18	9.95	9.95	9.41	8.08	4.08	4.08	4.08	4.08	4.08
Peterson Construction Fund	18.67	18.37	18.37	15.88	13.88	9.88	7.88	5.88	3.88	3.88
Meter Reading/Billing Charges	2.31	2.31	2.31	2.31	1.61	1.61	1.61	1.61	1.45	1.45
Total	<u>58.76</u>	<u>56.23</u>	<u>56.23</u>	<u>52.20</u>	<u>48.17</u>	<u>35.17</u>	<u>33.17</u>	<u>31.17</u>	<u>29.01</u>	<u>29.01</u>

Source: City Departments  
(a) Test not administered

# City of Euclid, Ohio

## Capital Assets Statistics by Function/Program

### Last Ten Years

**Table 19**

Function/Program	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>General Government</b>										
Square Footage Occupied	11,392	11,392	11,392	11,392	11,392	11,392	11,392	11,392	11,392	11,392
Administrative Vehicles	2	2	2	2	2	3	2	1	1	17
Inspection Vehicles	10	10	14	15	14	14	11	12	14	14
Municipal Court Vehicles	1	1	1	1	1	1	1	1	1	1
Lands & Buildings Vehicles	8	8	11	11	12	14	11	11	11	10
<b>Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Mini-stations	2	2	2	2	2	2	2	2	2	2
Square Footage of Buildings	58,384	58,384	58,384	58,384	58,384	58,384	58,384	58,384	58,384	58,384
Vehicles	58	62	62	65	64	63	63	64	64	66
<b>Fire</b>										
Stations	3	3	3	3	3	3	3	3	3	3
Square Footage of Buildings	27,389	27,389	27,389	27,389	27,389	27,389	27,389	27,389	27,389	27,389
Vehicles	20	18	19	18	18	18	13	16	18	18
<b>Recreation</b>										
Number of Parks	6	6	6	6	6	6	3	3	3	3
Acres of Parks	106	106	106	106	106	106	106	106	106	106
Acres of Playgrounds/Recreation	254	254	254	254	254	254	254	254	254	254
Number of Playgrounds	14	14	14	14	14	14	14	14	14	14
Number of Tennis Courts	6	6	6	6	6	6	6	6	6	6
Number of Skateboarding Areas	1	1	1	1	1	1	1	1	1	1
Number of Baseball Diamonds	9	9	9	9	9	9	9	9	9	9
Number of Soccer Fields	7	7	7	7	7	7	7	7	7	7
Number of Swimming Pools	4	4	4	4	4	4	5	6	6	6
Number of Spray Parks	1	1	1	1	0	0	0	0	0	0
Number of Ice Rinks	1	1	1	1	1	1	1	1	1	1
Acres of Golf Course	126	126	126	126	126	126	126	126	126	126
Square Footage of Shore Center Building	153,525	153,525	153,525	153,525	153,525	153,525	153,525	153,525	153,525	153,525
Vehicles	14	12	13	17	16	16	n/a	n/a	n/a	n/a
<b>Other Public Works</b>										
Streets (miles)	143.065	143.065	143.065	143.065	143.065	143.065	143.065	143.065	143.065	143.065
Service Vehicles	59	57	57	57	58	54	43	43	40	35
<b>Wastewater</b>										
Sanitary Sewers (miles)	262.38	262.38	262.38	262.38	262.38	262.38	262.38	262.38	262.38	262.38
Vehicles	13	13	11	10	10	10	11	10	11	20
<b>Water Department</b>										
Water Lines (miles)	139.65	139.65	139.65	139.65	139.65	139.65	139.65	139.65	139.65	139.65

Source: City Departments



# Dave Yost • Auditor of State

CITY OF EUCLID

CUYAHOGA COUNTY

## CLERK'S CERTIFICATION

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

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
JULY 25, 2017