

**CITY OF SOLON  
CUYAHOGA COUNTY, OHIO**

**AUDIT REPORT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2015**

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





# Dave Yost • Auditor of State

City Council  
City of Solon  
34200 Bainbridge Road  
Solon, Ohio 44139

We have reviewed the *Independent Auditor's Report* of the City of Solon, Cuyahoga County, prepared by James G. Zupka, CPA, Inc., for the audit period January 1, 2015 through December 31, 2015. 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 Solon 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 28, 2017

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**CITY OF SOLON  
CUYAHOGA COUNTY, OHIO  
AUDIT REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2015**

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**CITY OF SOLON  
 CUYAHOGA COUNTY, OHIO  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED DECEMBER 31, 2015**

<b>Federal Grantor/  <i>Pass-Through Grantor/</i>            Program Title</b>	<b>Federal            CFDA            Number</b>	<b>Pass-Through            Entity Number</b>	<b>Expenditures</b>
<b><u>U.S. Department of Transportation</u></b>			
<i>Passed through Ohio Department of Transportation</i>			
Highway Planning and Construction Cluster:			
Highway Planning and Construction	20.205	87681	\$ 877,132
<b>Total U.S. Department of Transportation</b>			<u>877,132</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 877,132</u>

See notes to the Schedule of Expenditures of Federal Awards.

**CITY OF SOLON**  
**CUYAHOGA COUNTY, OHIO**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

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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 Solon (the City) under programs of the federal government for the year ended December 31, 2015. 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 Solon, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City of Solon.

**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 represent 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 Solon has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**NOTE 4: MATCHING REQUIREMENTS**

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

**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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(216) 475 - 6136

Ohio Society of Certified Public Accountants

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

To the Members of City Council  
City of Solon  
Solon, 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, each major fund, and the aggregate remaining fund information of the City of Solon, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2015, 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 19, 2017, wherein we noted that the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27 and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68, and restated its net position at December 31, 2014 for governmental and business-type activities.

***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. Therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs that we considered a material weakness as item **2015-001**.

### ***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*.

### ***City's Response to Findings***

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

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

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City'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 19, 2017

**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 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  
City of Solon  
Solon, 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 Solon, 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, 2015. 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 Solon 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, 2015.

### ***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, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 19, 2017, which contained unmodified opinions on those financial statements, wherein we noted that the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27 and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68, and restated its net position at December 31, 2014 for governmental and business-type activities. 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 19, 2017

**CITY OF SOLON  
 CUYAHOGA COUNTY, OHIO  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 DECEMBER 31, 2015**

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

2015(i)	Type of Financial Statement Opinion	Unmodified
2015(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	Yes
2015(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
2015(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2015(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
2015(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
2015(v)	Type of Major Programs' Compliance Opinions	Unmodified
2015(vi)	Are there any reportable findings under 2 CFR 200.516(a)?	No
2015(vii)	Major Programs (list):  Highway Planning and Construction - CFDA #20.205	
2015(viii)	Dollar Threshold: A/B Programs	Type A: \$750,000 Type B: All Others
2015(ix)	Low Risk Auditee?	No

**CITY OF SOLON  
CUYAHOGA COUNTY, OHIO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
DECEMBER 31, 2015  
(CONTINUED)**

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

**Item 2015-001 - Material Weakness - Internal Control Over Financial Reporting**

Condition

We noted the City improperly excluded expenditure amounts from the Schedule of Expenditures of Federal Awards (SEFA) and from the financial statements relating to CFDA #20.205, due to a lack of communication between the City's Engineering Department and the City's Finance Department. The expenditures related to payments the Ohio Department of Transportation (ODOT) made directly to contractors.

Criteria

The internal control structure and processes should provide for the proper communication and recording of all expenditures and facilitate the preparation of a complete and accurate SEFA.

Cause

Controls were not in place to ensure all expenditures were being accounted for, including those paid directly by ODOT.

Effect

The lack of controls over the accounting of expenditures could result in an understatement of expenses required to be reported in the financial statements and on the Schedule of Expenditures of Federal Awards, and decrease the reliability of financial data throughout the year. This can also lead to errors when identifying major programs.

Recommendation

We recommend the City adopt procedures specifically over the direct payments made by ODOT to the vendors to help ensure the information accurately reflects the expenditures incurred throughout the year, increasing the reliability of the financial data at year-end.

**City's Response**

The City is taking the necessary steps to ensure all contractor payments, including those paid to the contractor directly by ODOT, are being accounted for.

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

None.

**CITY OF SOLON  
CUYAHOGA COUNTY, OHIO  
STATUS OF PRIOR FINDINGS AND RECOMMENDATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

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The prior audit report, as of December 31, 2014, included no citations or instances of noncompliance. Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

**CITY OF SOLON  
CUYAHOGA COUNTY**

**CORRECTIVE ACTION PLAN  
2 CFR § 200.511(c)  
December 31, 2015**

<b>Finding Number</b>	<b>Planned Corrective Action</b>	<b>Anticipated Completion Date</b>	<b>Responsible Contact Person</b>
<p><b>Item 2015-001</b></p>	<p>The following procedures are being implemented to address the finding identified in the 2015 single audit. The procedures will be in place for subsequent audits to assure compliance with applicable auditing standards and the Uniform Guidance.</p> <p>Finance Department will maintain a current year version of the Schedule of Expenditure of Federal Award (SEFA) and update the schedule on a monthly basis.</p> <p>The current year version of the SEFA will be reviewed by the Finance Department and City Engineer to confirm expenditures and status of corresponding reimbursements from ODOT or other agencies. The City Engineer will continue to utilize the expense tracking documents prescribed by ODOT in addition to their in-house reporting</p> <p>The Finance Department will be copied on the request for reimbursement of eligible costs distributed to ODOT or other pass-through entities.</p> <p>The Finance Department will complete a draft version of the SEFA prior to commencing the audit and verify federal expenditures with the City Engineer and other City Departments as needed before finalizing the schedule for submission to the audit process.</p> <p>The Finance Department will complete and distribute written procedures that document the preparation and verification of the SEFA.</p> <p>The City believes the corrective measures in this plan will mitigate the identified issues and enable the City to timely file its report with Federal Audit Clearinghouse within the required filing deadline</p> <p>The City will be considering additional financial reporting tools that could aid in the compilation and recording of federal expenditures as part of the planned update to our financial reporting system in 2018.</p>	<p>September 30, 2017</p>	<p>Matt Rubino Director of Finance, City of Solon, Ohio 34200 Bainbridge Rd. Solon Ohio 441339 440 349-6300 mrubino@solonohio.org</p>





City of Solon, Ohio

# COMPREHENSIVE ANNUAL FINANCIAL REPORT



FOR THE YEAR ENDED  
**DECEMBER 31, 2015**





## INTRODUCTORY SECTION

City of Solon, Ohio



# COMPREHENSIVE ANNUAL FINANCIAL REPORT



**City of Solon, Ohio**

*Comprehensive Annual Financial Report*

*For the Year Ended December 31, 2015*

*Prepared by the Department of  
Finance*

*Matthew Rubino  
Director of Finance*

**City of Solon, Ohio**  
*Comprehensive Annual Financial Report*  
*For the Year Ended December 31, 2015*  
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The City of Solon  
CITY HALL

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

June 27, 2016

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

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

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

Under Ohio law, regular audits are required to be performed on all financial related operations of the City. These audits may be done by either the State Auditor's Office or, if the State Auditor permits, an independent accounting firm.

For the year 2015, the City of Solon was audited by James G. Zupka, CPA, Inc. Their unmodified opinion is included in the financial section of this report.

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

### ***REPORTING ENTITY***

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

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

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

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

### ***CITY SERVICES***

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

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

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

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

The administrative functions of the City include planning and zoning, economic development, building (permits and inspection), engineering, human resources, finance and information technology. Beginning in January 2015, the City began using the Regional Income Tax Agency (RITA) to administer and collect income taxes.

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

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

The proof of the viability and success of the City of Solon is evident in the numerous accreditations the City has been noted for in the recent years. In 2015, the City of Solon ranked #10 in *Money Magazine's* "Best Places to Live" ratings of small cities in the United States. The rankings consider such factors as job and income growth, purchasing power, tax burden, housing affordability, educational interest and attainment, availability of medical facilities, crime rate, and arts and leisure activities. This was Solon's fourth appearance on the list since 2005 and the second time in the top 10.

Once again, the City ranked highly in *Cleveland Magazine's* 2015 "Rating the Suburbs" issue. The City took 2nd place overall and ranked #1 in the education category. On the State of Ohio's 2014-2015 school district report cards, Solon City Schools ranked #1 in the state for "performance index", a key measure of student achievement and was one of six school systems to get an A grade.

The City currently has over 2,800 companies doing business here which positively impacts the daytime population of the community. In 2015, Solon welcomed 41 new businesses to the City and assisted an additional 23 businesses with relocations within the City. The City is able to attract new businesses because of its ideal location, freeway access, excellent city services, and proactive economic development program.

For job creation grants administered by staff in 2015, the City invested \$747,000 and realized a net gain of \$2,046,000 in new payroll tax receipts, along with 1,800 new jobs. Under this program, the company receives a grant predicated and computed on part of the municipal withholding tax paid to the City on newly created jobs. The City also has one active Enterprise Zone agreement and one Community Reinvestment Area agreement. In addition, the City provided financial assistance for four renovation projects through the Growth & Revitalization Incentive Program.

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

Steady income tax collections, coupled with a record level occupancy rate for industrial space and a stable housing market, are strong indicators of the financial strength of our community and the strong presence Solon maintains in Northeast Ohio as a leader in economic development.

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

## ***LONG-TERM FINANCIAL PLANNING***

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

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

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

## ***RELEVANT FINANCIAL POLICIES***

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

In early 2013, the City took an additional step towards promoting long-term financial stability by establishing a Budget Stabilization ("rainy day") Fund that will be used to segregate resources that will only be employed should pre-determined economic stress levels be reached. Transfers from the General Fund have been made each year and the fund balance is \$5.2 million as of the end of 2015. The combination of accumulating unencumbered cash reserves and a separate rainy day fund demonstrates the City's resolve with respect to prudent fiscal management and planning.

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

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

## **MAJOR INITIATIVES**

In 2013 the City was awarded a \$6 million grant from the Northeast Ohio Areawide Coordinating Agency (NOACA) to upgrade or replace all 46 traffic signals throughout Solon. Funds for this project were provided from the NOACA congestion mitigation and air improvement program. In early 2014, as part of the traffic signal improvement project, City Council approved the purchase of additional fiber optic for future use by the City's information technology department. This fiber optic will be used to provide internet connectivity between City buildings at a substantial decrease to the current contracted price. The project is expected to be completed in 2016.

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

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

At the end of 2015, Solon's industrial vacancy rate was at its lowest since tracking began in 1999. Some of the businesses that contributed to this brisk real estate activity are listed below. Several of the projects involved major renovations to existing buildings.

Tarkett USA purchased and renovated the former First National Bank office building at 30000 Aurora Road for its North American headquarters, bringing 158 jobs to Solon.

Pentair, formerly ERICO International Corporation, opened a 195,000 square foot distribution center (its third Solon facility), in the former L'Oreal distribution center, creating 36 new jobs.

The Nestle Pizza Division relocated from Illinois bringing 250 management level positions to Solon.

Nestle, City and State officials celebrated the July 2015 grand opening of Nestle's \$53,000,000 Product Technology Center. The 114,000 square foot research and development facility is the 12th such Nestle facility worldwide and serves Nestle's frozen and chilled foods businesses. 75 jobs were retained and 42 new jobs were created.

FMI Medical Systems, Inc., a team of electrical, mechanical and software engineers that designs medical computed tomography systems for the Chinese market, located in 41,000 square feet at 29001 Solon Road, bringing 40 jobs to Solon.

Partners Home Supply LLC leased an 81,000 square foot building at 30700 Aurora Road and a portion of 31100 Solon Road where a related company, MFS Supply Company, was already a tenant. 100 jobs were created.

31500 Solon Associates LLC completed a \$2,300,000 renovation project at 31500 Solon Road. The 53,000 square foot office building houses a new tenant, Saint-Gobain Performance Plastics, which brought 140 jobs to Solon. The company is a division of Saint-Gobain Corporation, a French multi-national corporation that celebrated its 350th anniversary this year.

Ezov Development Group renovated 5821 Harper Road, a 60,000 square foot multi-tenant building and attracted a new major tenant, Paul Moss Insurance Agency/ Paul Moss LLC. The online insurance company brought 58 jobs to Solon.

AMRESO LLC, a biomedical manufacturer, consolidated several Solon facilities under one roof at 28600 Fountain Parkway. The 208,000 square foot building underwent a major renovation.

Transmaxx, LLC, a start-up distributor of auto parts, leased 35,000 square feet at 30305 Solon Road, creating 20+ jobs.

Energy Focus, designer and manufacturer of LED lighting products, leased an additional 70,000 square feet at their existing Solon location and will add 60+ new jobs within three years.

Although closures of Earth Fare and Sears Grand in 2014 caused a spike in the retail/commercial vacancy rate, new and relocated tenants, such as Jim Alesci's Place, Very Berry Smoothie, Burgers 2 Beer, Burger Fresh, Subway, Pacos Tacos/Tequila, Nobu Tei, Dave's Cosmic Subs, Tavern on 91, Munch A Simple Kitchen, Red Bowl, The Butcher's, Pantry, Planet Fitness and Title Boxing Club provided an influx of shopping, dining, and fitness activity options.

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

### ***Awards and Acknowledgements***

#### **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Solon for its comprehensive annual financial report for the fiscal year ending December 31, 2014. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgements

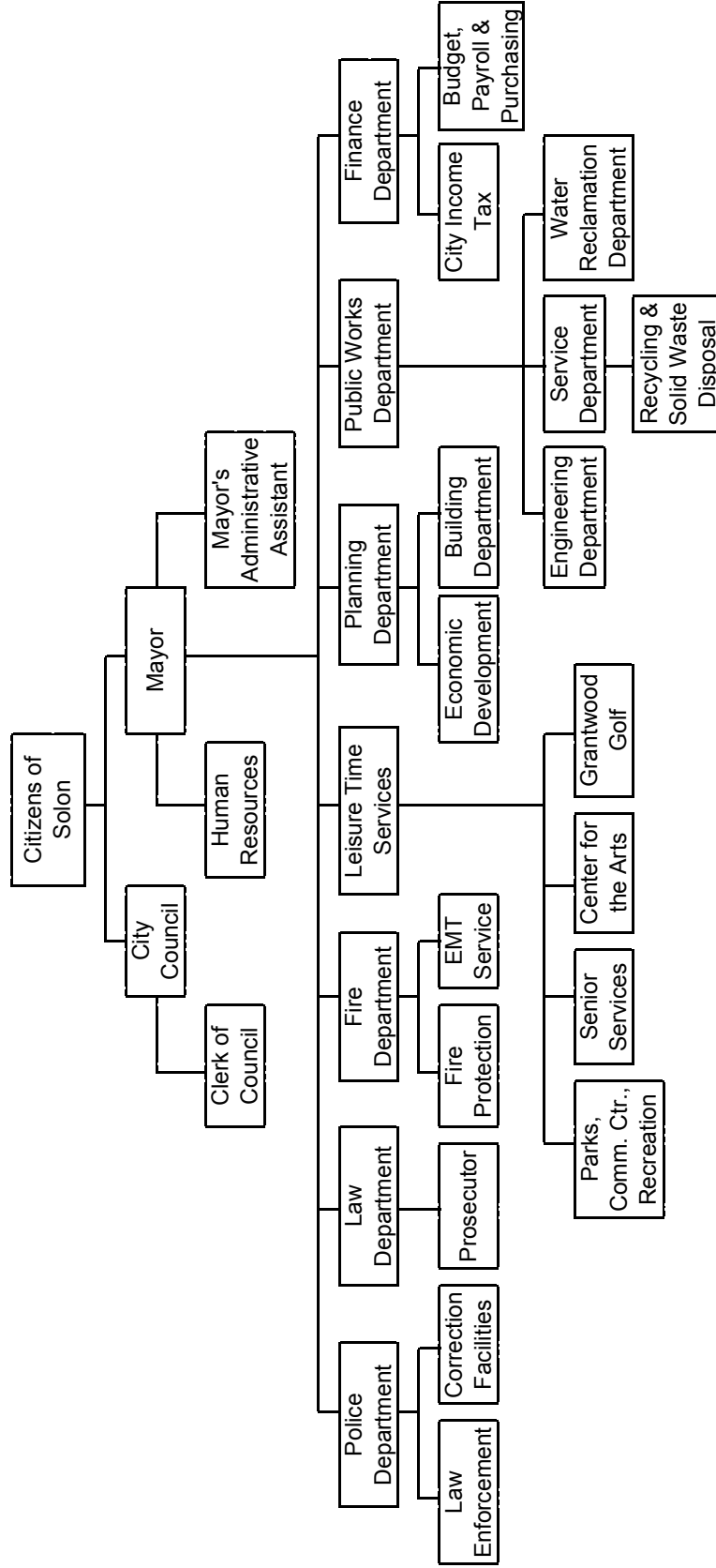
The preparation of this report would not be possible without the diligent extra work by dedicated members of our Finance Department and various other staff within the Administration. Their efforts are greatly appreciated. In addition, my gratitude and compliments extend to the Auditor of State's Section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

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Fred J. Wendel".

Fred J. Wendel  
Accounting Supervisor

**CITY OF SOLON  
Organizational Chart  
December 31, 2015**





**City of Solon, Ohio**

*Principal Officials*

*December 31, 2015*

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***Elected Officials***

Susan A. Drucker ..... Mayor

***City Council***

Douglas A. Magill ..... Ward 1

Robert N. Pelunis ..... Ward 2

Jeffrey M. Pedicino ..... Ward 3

Marc R. Kotora ..... Ward 4

Nancy E. Meany ..... Ward 5

Edward H. Kraus ..... Ward 6 (Vice Mayor)

William I. Russo ..... Ward 7

Carol J. McConoughey ..... Clerk of Council (appointed)

***Appointed Officials***

Thomas G. Lobe ..... Director of Law

Carol-Ann Schindel\* ..... Director of Finance

Christopher P. Viland ..... Chief of Police

William J. Shaw ..... Chief of Fire and Rescue

Robert S. Frankland ..... Director of Planning

Donald W. Holub ..... Director of Recreation

Jill K. Frankel ..... Director of Senior Services

John J. Busch ..... Director of Engineering

Thomas G. Bandiera ..... Director of Service

Fred D. White ..... Building Commissioner

Paul J. Solanics ..... Director of Water Reclamation

Patricia A. Dawson ..... Director of Information Technology

\* Carol-Ann Schindel resigned on February 9, 2016 and Matthew Rubino took office as Director of Finance on May 23, 2016.



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Solon**  
**Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2014**

Executive Director/CEO



## FINANCIAL SECTION

City of Solon, Ohio



# COMPREHENSIVE ANNUAL FINANCIAL REPORT



**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  
City of Solon  
Solon, 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, each major fund, and the aggregate remaining fund information of the City of Solon, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2015, 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, each major fund, and the aggregate remaining fund information of the City of Solon as of December 31, 2015, 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 20 to the basic financial statements, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27 and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68, and restated its net position at December 31, 2014 for governmental and business-type activities. 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 19, 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 19, 2017

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**City of Solon, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2015*  
*Unaudited*

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The discussion and analysis of the City of Solon's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2015. The intent of this discussion and analysis is to look at the City's financial performance as a whole. To obtain a more detailed understanding, readers should also review the basic financial statements and the notes to the basic financial statements.

### **Financial Highlights**

Key Financial Highlights for 2015 are as follows:

- The City's net position decreased during 2015 due mainly to increases in the net pension liability and a reduction in available cash as the City used some available cash for capital projects instead of financing. These items were offset by a reduction in the City's outstanding debt balances and an increase in the capitalized assets within the City.
- The City's net capital assets increased by over \$1.3 million. Most of the increase can be attributed to infrastructure related projects such as construction work on major road, storm sewer and sanitary sewer improvements along with the purchase of vehicles for various purposes and updating equipment. The increase in capital assets was partially offset by annual depreciation.
- Long-term debt decreased in 2015 due to scheduled annual debt service payments.
- The City implemented GASB 68 and GASB 71, which establish standards for measuring and recognizing pension liabilities, deferred outflows/inflows of resources and expense/expenditure. The implementation of these GASB statements resulted in a significant change to the financial statements presentation of the City. The City has reported these liabilities to comply with the requirements of GASB 68 and 71.

### **Overview of the Financial Statements**

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

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

In addition, this report also contains other supplementary information:

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

**City of Solon, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2015*  
*Unaudited*

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*Government-Wide Financial Statements*

The Government-Wide Financial Statements are designed to provide readers with a broad overview of the City of Solon's finances in a manner similar to private sector businesses. The Statement of Net Position and Statement of Activities provide information about the activities of the whole City, presenting both an aggregate view of the City's finances and a longer-term view of those assets. Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short term as well as what dollars remain for future spending. The fund financial statements also look at the City's most significant funds with all non-major funds presented in total in one column.

The Statement of Net Position presents information on all of the City of Solon's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Solon is improving or deteriorating. The Statement of Activities presents information showing how the City's net position changed during the recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenue and expenses are reported in this statement for some items that will effect cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

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

*Fund Financial Statements*

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

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

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

**City of Solon, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2015*  
*Unaudited*

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The City of Solon maintains 17 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the government funds statement of revenue, expenditures, and changes in fund balances for the general fund, general obligation bond retirement fund and the infrastructure capital projects fund, all of which are considered to be major funds. Data from the other governmental funds are combined into single, aggregate presentation. Individual fund data for each of these non-major government funds is provided in the form of combining statements elsewhere in this report.

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

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

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

*Notes to the Basic Financial Statements*

The Notes to the Basic Financial Statements provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

*Other Information*

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

**Government-Wide Financial Analysis**

The Statement of Net Position and the Statement of Activities provide an overall view of the City of Solon. These statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by the private sector. The basis for this accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

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

**City of Solon, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2015*  
*Unaudited*

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

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

**The City of Solon as a Whole**

The following provides a summary of the City's net position for the City as a whole for 2015 compared to 2014:

(Table 1)  
*Net Position*

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
<b>Assets</b>						
Current and Other Assets	\$60,625,643	\$64,480,771	\$10,860,318	\$10,989,933	\$71,485,961	\$75,470,704
Capital Assets, Net	135,199,869	133,178,413	61,670,537	62,386,855	196,870,406	195,565,268
<i>Total Assets</i>	<u>195,825,512</u>	<u>197,659,184</u>	<u>72,530,855</u>	<u>73,376,788</u>	<u>268,356,367</u>	<u>271,035,972</u>
<b>Deferred Outflows of Resources</b>						
Pension	4,891,755	3,248,188	229,167	159,257	5,120,922	3,407,445
<b>Liabilities</b>						
Current Liabilities	3,878,764	3,870,736	246,813	622,817	4,125,577	4,493,553
Long-term Liabilities						
Due within one Year	1,946,645	2,065,226	558,561	1,830,530	2,505,206	3,895,756
Due in More than one Year						
Net Pension Liability	34,821,572	33,130,874	1,305,607	1,276,117	36,127,179	34,406,991
Other Amounts	8,427,157	9,007,976	6,471,178	6,863,747	14,898,335	15,871,723
<i>Total Liabilities</i>	<u>49,074,138</u>	<u>48,074,812</u>	<u>8,582,159</u>	<u>10,593,211</u>	<u>57,656,297</u>	<u>58,668,023</u>
<b>Deferred Inflows of Resources</b>						
Property Taxes	3,709,150	3,870,736	0	0	3,709,150	3,870,736
Pension	185,581	0	22,936	0	208,517	0
<b>Total Deferred Inflows of Resources</b>	<u>3,894,731</u>	<u>3,870,736</u>	<u>22,936</u>	<u>0</u>	<u>3,917,667</u>	<u>3,870,736</u>
<b>Net Position</b>						
Net Investment in Capital Assets	134,680,020	132,982,006	54,911,896	53,710,234	189,591,916	186,692,240
Restricted for:						
Capital Projects	15,834,281	15,842,874	0	0	15,834,281	15,842,874
Debt Service	4,730,040	5,218,753	0	0	4,730,040	5,218,753
Other Purposes	1,817,945	5,248,270	0	0	1,817,945	5,248,270
Unrestricted (Deficit)	(9,313,888)	(10,005,809)	9,243,031	9,232,600	(70,857)	(773,209)
<i>Total Net Position</i>	<u>\$147,748,398</u>	<u>\$149,286,094</u>	<u>\$64,154,927</u>	<u>\$62,942,834</u>	<u>\$211,903,325</u>	<u>\$212,228,928</u>

**City of Solon, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2015*  
*Unaudited*

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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.

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. This implementation had the effect of restating net position at December 31, 2014, from \$179,168,780 to \$149,286,094 for governmental activities and from \$64,059,694 to \$62,942,834 for business-type activities.

Total current and other assets for governmental activities decreased due to a decrease in cash and cash equivalents resulting from the City electing to use available cash reserves for projects in lieu of financing. Net capital assets for governmental capital assets increased due to additions of construction in progress, buildings, furniture and equipment, vehicles and infrastructure. This increase was partially offset by current year depreciation. The increase in the portion of the GASB 68 adjustment for deferred outflows was offset by the corresponding increase in the net pension liability and the deferred inflows related to pension. The decrease in other long-term liabilities was due to the continued pay-down of debt liabilities.

Total current and other assets for business-type activities decreased due to a decrease in capital assets resulting from annual depreciation. This decrease was partially offset by sanitary sewer improvements, equipment purchases and construction work for water reclamation projects. Total liabilities for business-type activities decreased due to the annual pay-down on debt for the City's water reclamation facility.

Further details of the changes in net position between 2015 and 2014 can be observed in Table 2.

(Table 2)  
*Changes in Net Position*

	Governmental Activities		Business -Type Activities		Total	
	2015	2014	2015	2014	2015	2014
<b>Program Revenues</b>						
Charges for Services and Sales	\$5,161,350	\$5,112,679	\$6,425,887	\$7,133,889	\$11,587,237	\$12,246,568
Operating Grants and Contributions	1,384,483	1,397,904	0	0	1,384,483	1,397,904
Capital Grants, Contributions and Capital Assessments	765,240	4,424,025	0	0	765,240	4,424,025
<i>Total Program Revenues</i>	<u>\$7,311,073</u>	<u>\$10,934,608</u>	<u>\$6,425,887</u>	<u>\$7,133,889</u>	<u>\$13,736,960</u>	<u>\$18,068,497</u>

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(Table 2)  
*Changes in Net Position (continued)*

	Governmental Activities		Business -Type Activities		Total	
	2015	2014	2015	2014	2015	2014
<b>General Revenues</b>						
Property Taxes	\$4,032,292	\$3,959,712	\$0	\$0	\$4,032,292	\$3,959,712
Municipal Income Taxes	35,975,329	41,172,564	0	0	35,975,329	41,172,564
Grants and Entitlements	588,171	797,599	0	0	588,171	797,599
Investment Income	312,338	366,629	56,418	59,949	368,756	426,578
Gain on Sale of Capital Assets	82,178	66,285	4,500	1,270	86,678	67,555
Miscellaneous	1,213,331	1,064,259	29,230	38,532	1,242,561	1,102,791
<i>Total General Revenues</i>	<u>42,203,639</u>	<u>47,427,048</u>	<u>90,148</u>	<u>99,751</u>	<u>42,293,787</u>	<u>47,526,799</u>
<i>Total Revenues</i>	<u>49,514,712</u>	<u>58,361,656</u>	<u>6,516,035</u>	<u>7,233,640</u>	<u>56,030,747</u>	<u>65,595,296</u>
<b>Program Expenses</b>						
Security of Persons and Property						
Police	8,559,644	8,237,667	0	0	8,559,644	8,237,667
Fire	7,819,699	7,615,180	0	0	7,819,699	7,615,180
Public Health and Welfare	92,425	93,873	0	0	92,425	93,873
Leisure Time Activities	5,584,774	5,301,362	0	0	5,584,774	5,301,362
Community Environment	2,529,159	2,508,436	0	0	2,529,159	2,508,436
Basic Utility Services	2,750,465	2,998,985	0	0	2,750,465	2,998,985
Transportation	11,007,744	11,674,750	0	0	11,007,744	11,674,750
General Government	11,358,095	9,881,256	0	0	11,358,095	9,881,256
Interest and Fiscal Charges	181,061	198,713	0	0	181,061	198,713
Water Reclamation	0	0	5,428,605	5,502,840	5,428,605	5,502,840
Grantwood Recreation	0	0	1,044,679	1,054,277	1,044,679	1,054,277
<i>Total Program Expenses</i>	<u>49,883,066</u>	<u>48,510,222</u>	<u>6,473,284</u>	<u>6,557,117</u>	<u>56,356,350</u>	<u>55,067,339</u>
<i>Excess before Transfers</i>	<u>(368,354)</u>	<u>9,851,434</u>	<u>42,751</u>	<u>676,523</u>	<u>(325,603)</u>	<u>10,527,957</u>
Transfers	<u>(1,169,342)</u>	<u>(637,298)</u>	<u>1,169,342</u>	<u>637,298</u>	<u>0</u>	<u>0</u>
<i>Change in Net Position</i>	<u>(1,537,696)</u>	<u>9,214,136</u>	<u>1,212,093</u>	<u>1,313,821</u>	<u>(325,603)</u>	<u>10,527,957</u>
<i>Net Position Beginning of Year - Restated</i>	<u>149,286,094</u>	<u>N/A</u>	<u>62,942,834</u>	<u>N/A</u>	<u>212,228,928</u>	<u>N/A</u>
<i>Net Position End of Year</i>	<u>\$147,748,398</u>	<u>\$149,286,094</u>	<u>\$64,154,927</u>	<u>\$62,942,834</u>	<u>\$211,903,325</u>	<u>\$212,228,928</u>

The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB 68 is not available. Therefore, 2014 functional expenses still include pension expense of \$3,407,445 computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the 2015 statements report pension expense of \$3,657,350. Consequently, in order to compare 2015 total program expenses to 2014, the following adjustments are needed:

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	Governmental Activities	Business-type Activities	Total
Total 2015 program expenses under GASB 68	\$49,883,066	\$6,473,284	\$56,356,350
Pension expense under GASB 68	(3,515,330)	(142,020)	(3,657,350)
2015 contractually required contribution	3,282,618	159,504	3,442,122
Adjusted 2015 program expenses	49,650,354	6,490,768	56,141,122
Total 2014 program expenses under GASB 27	48,510,222	6,557,117	55,067,339
Increase/Decrease in program expenses not related to pension	\$1,140,132	(\$66,349)	\$1,073,783

**Governmental Activities**

The funding for governmental activities comes from several different sources, the most significant being municipal income tax. In addition, property tax, grants and entitlements and charges for services provide revenue for governmental activities. Governmental revenues were under governmental expenses mainly due to the City using available cash reserves for projects in lieu of financing. Capital grants decreased as a result of the City receiving a \$2.3 million grant from the Ohio Department of Transportation for City-wide traffic signals in 2014.

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

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

Leisure time activities increased in 2015 due to employee wage increase and an increase in health insurance premiums.

General government increased in 2015 due to an employee wage increase and an increase in health insurance premiums. This increase in general government was partially offset by lower personal service costs paid from the City's sick leave reserve.

**Business-type Activities**

The City has two business-type operations. They are the Water Reclamation Plant (wastewater) and Grantwood (golf course) Recreation. The largest sources of revenue for both Water Reclamation and Grantwood Recreation in 2015 were charges for services. On the expense side, the largest expenses are for payroll and employee benefits for both operations.



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**Financial Analysis of the City's Funds**

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

As of the end of 2015, the City of Solon's governmental funds reported a positive combined ending fund balance. The largest portion of the ending fund balance is unassigned. The remainder of the fund balance is non-spendable, restricted, committed or assigned to indicate that it is not available for new spending because it has been specifically marked for expenditures as designated by grant agreements, City ordinances or intent of use.

The general fund is the main governmental and operating fund of the City. There was an overall decrease in the general fund's fund balance between 2015 and 2014. Revenues continued to outpace expenditures; however, the transfers out of the general fund to support other programs resulted in the deficit spending situation.

The general obligation bond retirement fund mainly receives property taxes and special assessments which are restricted for the payment of debt service. There was an overall decrease in the general obligation bond retirement fund balance between 2015 and 2014 as the City continues to make debt service expenditures.

The infrastructure fund is the largest capital improvement governmental fund of the City. It receives one half of one percent of the City income tax (levy) to pay for new construction and repair of the City's infrastructure. There was an overall increase in the infrastructure fund balance between 2015 and 2014 as revenues continued to outpace expenditures.

*Business-type Funds* – report the City's Water Reclamation (wastewater) operation and Grantwood (golf course) Recreation on a full accrual basis. In 2015, the net position for the Water Reclamation fund increased as a result of operating revenue continuing to outpace operating expenditures. The net position for the Grantwood golf course increased during 2015 as a result of capital contributions.

**General Fund Budgeting Highlights**

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

In 2015, the general fund's original revenue estimate exceeded the final estimate due largely to a decrease in municipal income tax estimates. The general fund's actual revenue plus other financing sources exceeded the final estimate mainly as a result of higher than estimated income taxes and miscellaneous revenue. The general fund's final budget was lower than the original budget due to a decrease in general government costs. Actual expenditures plus other financing uses were well under the final budget due to lower than previously estimated employee salaries and benefits as well as lower contingencies, producing an overall positive variance.

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**Capital Assets**

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

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

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

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$10,803,543	\$10,790,343	\$3,120,877	\$3,120,877	\$13,924,420	\$13,911,220
Construction in Progress	6,283,594	4,854,106	0	497,783	6,283,594	5,351,889
Land Improvements	997,671	1,011,209	5,582	6,379	1,003,253	1,017,588
Buildings	35,333,465	36,421,325	18,598,898	18,762,602	53,932,363	55,183,927
Furniture and Equipment	1,453,016	1,499,020	1,096,282	1,035,137	2,549,298	2,534,157
Vehicles	4,518,539	3,984,045	73,377	48,613	4,591,916	4,032,658
Infrastructure	75,810,041	74,618,365	38,775,521	38,915,464	114,585,562	113,533,829
<b>Total Capital Assets</b>	<b>\$135,199,869</b>	<b>\$133,178,413</b>	<b>\$61,670,537</b>	<b>\$62,386,855</b>	<b>\$196,870,406</b>	<b>\$195,565,268</b>

**Outstanding Long-Term Obligations**

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

	Governmental Activities		Business -Type Activities		Total	
	2015	2014	2015	2014	2015	2014
OWDA Loans	\$6,780,233	\$7,458,349	\$6,758,641	\$8,416,870	\$13,538,874	\$15,875,219
OPWC Loans	0	23,807	0	0	0	23,807
Net Pension Liability	34,821,572	33,130,874	1,305,607	1,276,117	36,127,179	34,406,991
Compensated Absences	3,571,047	3,539,737	271,098	277,407	3,842,145	3,817,144
Claims Payable	22,522	51,309	0	0	22,522	51,309
<b>Total</b>	<b>\$45,195,374</b>	<b>\$44,204,076</b>	<b>\$8,335,346</b>	<b>\$9,970,394</b>	<b>\$53,530,720</b>	<b>\$54,174,470</b>

Ohio Water Development Authority Loans and Ohio Public Works Commission Loans comprise most of the outstanding obligations. In addition, outstanding obligations include net pension liability, compensated absences (sick leave, etc.), and claims payable for 2015.

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

The net pension liability establishes standards for measuring and recognizing pension liabilities, deferred outflows/inflows of resources and expense/expenditure.

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

### **Economic Factors and Current Financial Issues**

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

In 2015 the City contracted with the Regional Income Tax Agency (RITA) to administer the collection of income taxes. RITA distributes the net collections to Solon in the month following the actual collection which results in a one month lag in City's revenue on a cash basis. Due to the lag, the City only recorded 11 months of tax revenue in 2015. The City will realize 12 months of collections going forward.

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

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

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

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The general fund finished 2015 with an unassigned fund balance of \$19,853,352. Beginning in 2013, the City implemented a policy whereby 25 percent of its unencumbered general fund balance will be maintained in reserve as well as having created a budget stabilization fund that will allow for a segregation of additional reserves that will be accumulated to use in emergency situations in times of revenue fluctuations.

The City last received a credit rating of AAA from Standard & Poor's in 2008. In 2010 Moody's Investor Service recalibrated the City's existing credit rating to Aaa. The debt associated with both ratings has since been retired and the City has not undertaken any process to update the ratings at this time. More evidence of the City's commitment to effective financial management is the performance of the 2015 budget versus actual. In 2015, City-wide revenue exceeded final budget estimates by more than \$733,000 and expenses were restricted to a level \$8.3 million under the final budgeted amounts. The resultant favorable variance of over \$9 million demonstrates that the City is watchful of accuracy in revenue projections as well as evidence of the need to avoid unnecessary expense levels and controlling departmental costs.

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

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

**Requests for Information and Data**

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

**City of Solon, Ohio**  
*Statement of Net Position*  
*December 31, 2015*

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$43,556,137	\$9,096,998	\$52,653,135
Accounts Receivable	346,224	1,578,779	1,925,003
Intergovernmental Receivable	987,900	0	987,900
Municipal Income Taxes Receivable	6,588,445	0	6,588,445
Materials and Supplies Inventory	733,583	184,541	918,124
Prepaid Items	212,553	0	212,553
Property Taxes Receivable	3,836,937	0	3,836,937
Special Assessments Receivable	4,363,864	0	4,363,864
Nondepreciable Capital Assets	17,087,137	3,120,877	20,208,014
Depreciable Capital Assets, Net	118,112,732	58,549,660	176,662,392
<i>Total Assets</i>	<u>195,825,512</u>	<u>72,530,855</u>	<u>268,356,367</u>
<b>Deferred Outflows of Resources</b>			
Pension	4,891,755	229,167	5,120,922
<b>Liabilities</b>			
Accounts Payable	347,848	22,557	370,405
Accrued Wages	692,408	44,019	736,427
Contracts Payable	744,512	0	744,512
Intergovernmental Payable	459,773	21,127	480,900
Retainage Payable	910,648	0	910,648
Matured Compensated Absences Payable	23,641	0	23,641
Accrued Interest Payable	88,290	109,675	197,965
Claims Payable	213,849	0	213,849
Vacation Benefits Payable	397,795	49,435	447,230
Long-Term Liabilities:			
Due Within One Year	1,946,645	558,561	2,505,206
Due In More Than One Year			
Net Pension Liability (See Note 10)	34,821,572	1,305,607	36,127,179
Other Amounts	8,427,157	6,471,178	14,898,335
<i>Total Liabilities</i>	<u>49,074,138</u>	<u>8,582,159</u>	<u>57,656,297</u>
<b>Deferred Inflows of Resources</b>			
Property Taxes	3,709,150	0	3,709,150
Pension	185,581	22,936	208,517
<i>Total Deferred Inflows of Resources</i>	<u>3,894,731</u>	<u>22,936</u>	<u>3,917,667</u>
<b>Net Position</b>			
Net Investment in Capital Assets	134,680,020	54,911,896	189,591,916
Restricted for:			
Capital Projects	15,834,281	0	15,834,281
Debt Service	4,730,040	0	4,730,040
Street, Construction, Maintenance and Repair	576,184	0	576,184
Other Purposes	1,241,761	0	1,241,761
Unrestricted (Deficit)	(9,313,888)	9,243,031	(70,857)
<i>Total Net Position</i>	<u>\$147,748,398</u>	<u>\$64,154,927</u>	<u>\$211,903,325</u>

See accompanying notes to the basic financial statements

**City of Solon, Ohio**  
*Statement of Activities*  
For the Year Ended December 31, 2015

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants, Contributions and Assessments
<b>Governmental Activities:</b>				
Security of Persons and Property				
Police	\$8,559,644	\$506,861	\$125,565	\$0
Fire	7,819,699	977,231	136,488	40,310
Public Health and Welfare	92,425	6,492	0	0
Leisure Time Activities	5,584,774	2,413,658	23,946	0
Community Environment	2,529,159	108,610	0	0
Basic Utility Services	2,750,465	131,537	0	0
Transportation	11,007,744	219,444	1,098,484	711,730
General Government	11,358,095	797,517	0	13,200
Interest and Fiscal Charges	181,061	0	0	0
<i>Total Governmental Activities</i>	<u>49,883,066</u>	<u>5,161,350</u>	<u>1,384,483</u>	<u>765,240</u>
<b>Business-Type Activities:</b>				
Water Reclamation	5,428,605	5,432,617	0	0
Grantwood Recreation	1,044,679	993,270	0	0
<i>Total Business-Type Activities</i>	<u>6,473,284</u>	<u>6,425,887</u>	<u>0</u>	<u>0</u>
<i>Total</i>	<u>\$56,356,350</u>	<u>\$11,587,237</u>	<u>\$1,384,483</u>	<u>\$765,240</u>

**General Revenues**

Property Taxes Levied for:

- General Purposes
- Debt Service
- Police Pension
- Fire Pension
- Service and Safety Equipment

Municipal Income Taxes Levied for:

- General Purposes
- Infrastructure
- General Capital Improvements

Grants and Entitlements not Restricted to Specific Programs

Investment Income

Gain on Sale of Capital Assets

Miscellaneous

*Total General Revenues*

Transfers

*Total General Revenues and Transfers*

Change in Net Position

*Net Position Beginning of Year -  
Restated (See Note 20)*

*Net Position End of Year*

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
(\$7,927,218)	\$0	(\$7,927,218)
(6,665,670)	0	(6,665,670)
(85,933)	0	(85,933)
(3,147,170)	0	(3,147,170)
(2,420,549)	0	(2,420,549)
(2,618,928)	0	(2,618,928)
(8,978,086)	0	(8,978,086)
(10,547,378)	0	(10,547,378)
(181,061)	0	(181,061)
<u>(42,571,993)</u>	<u>0</u>	<u>(42,571,993)</u>
0	4,012	4,012
0	(51,409)	(51,409)
<u>0</u>	<u>(47,397)</u>	<u>(47,397)</u>
<u>(42,571,993)</u>	<u>(47,397)</u>	<u>(42,619,390)</u>
1,367,077	0	1,367,077
295,964	0	295,964
789,297	0	789,297
1,183,923	0	1,183,923
396,031	0	396,031
26,802,677	0	26,802,677
9,080,861	0	9,080,861
91,791	0	91,791
588,171	0	588,171
312,338	56,418	368,756
82,178	4,500	86,678
<u>1,213,331</u>	<u>29,230</u>	<u>1,242,561</u>
42,203,639	90,148	42,293,787
<u>(1,169,342)</u>	<u>1,169,342</u>	<u>0</u>
<u>41,034,297</u>	<u>1,259,490</u>	<u>42,293,787</u>
(1,537,696)	1,212,093	(325,603)
<u>149,286,094</u>	<u>62,942,834</u>	<u>212,228,928</u>
<u>\$147,748,398</u>	<u>\$64,154,927</u>	<u>\$211,903,325</u>

**City of Solon, Ohio**

*Balance Sheet  
Governmental Funds  
December 31, 2015*

	General	General Obligation Bond Retirement	Infrastructure	Other Governmental Funds
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$25,677,190	\$1,253,173	\$12,803,748	\$3,369,943
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	27,264	0	0	0
Accounts Receivable	75,058	0	212,000	59,166
Intergovernmental Receivable	289,464	33,206	0	665,230
Municipal Income Taxes Receivable	4,908,341	0	1,636,114	43,990
Materials and Supplies Inventory	733,583	0	0	0
Prepaid Items	212,553	0	0	0
Property Taxes Receivable	1,040,117	312,035	0	2,484,785
Special Assessments Receivable	0	3,521,551	842,313	0
<i>Total Assets</i>	<u>\$32,963,570</u>	<u>\$5,119,965</u>	<u>\$15,494,175</u>	<u>\$6,623,114</u>
<b>Liabilities</b>				
Accounts Payable	\$320,173	\$0	\$0	\$26,989
Accrued Wages	692,408	0	0	0
Contracts Payable	0	0	611,875	132,637
Intergovernmental Payable	232,624	0	0	227,149
Retainage Payable	0	0	897,467	13,181
Matured Compensated Absences Payable	23,641	0	0	0
Claims Payable	213,849	0	0	0
<i>Total Liabilities</i>	<u>1,482,695</u>	<u>0</u>	<u>1,509,342</u>	<u>399,956</u>
<b>Deferred Inflows of Resources</b>				
Property Taxes	1,005,451	301,635	0	2,402,064
Unavailable Revenue	2,528,019	3,565,157	1,811,619	720,986
<i>Total Deferred Inflows of Resources</i>	<u>3,533,470</u>	<u>3,866,792</u>	<u>1,811,619</u>	<u>3,123,050</u>
<b>Fund Balances</b>				
Nonspendable	973,400	0	0	0
Restricted	0	1,253,173	12,173,214	2,448,060
Committed	259,789	0	0	652,048
Assigned	6,860,864	0	0	0
Unassigned	19,853,352	0	0	0
<i>Total Fund Balances</i>	<u>27,947,405</u>	<u>1,253,173</u>	<u>12,173,214</u>	<u>3,100,108</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$32,963,570</u>	<u>\$5,119,965</u>	<u>\$15,494,175</u>	<u>\$6,623,114</u>

See accompanying notes to the basic financial statements



**City of Solon, Ohio**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Position of Governmental Activities  
 December 31, 2015*

<p style="text-align: center;">Total Governmental Funds</p>	<p><b>Total Governmental Funds Balances</b></p>	<p><b>\$44,473,900</b></p>
	<p><b><i>Amounts reported for governmental activities in the statement of net position are different because</i></b></p>	
<p style="text-align: right;">\$43,104,054</p>	<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p>	<p>135,199,869</p>
<p style="text-align: right;">27,264</p>	<p>Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds.</p>	
<p style="text-align: right;">346,224</p>	<p>Delinquent Property Taxes</p>	<p>127,787</p>
<p style="text-align: right;">987,900</p>	<p>Municipal Income Taxes</p>	<p>3,040,929</p>
<p style="text-align: right;">6,588,445</p>	<p>Intergovernmental</p>	<p>774,766</p>
<p style="text-align: right;">733,583</p>	<p>Charges for Services</p>	<p>85,856</p>
<p style="text-align: right;">212,553</p>	<p>Special Assessments</p>	<p>4,363,864</p>
<p style="text-align: right;">3,836,937</p>	<p>Miscellaneous</p>	<p><u>232,579</u></p>
<p style="text-align: right;">4,363,864</p>		
<p style="text-align: right;"><u>\$60,200,824</u></p>	<p>Total</p>	<p>8,625,781</p>
	<p>An internal service fund is used by management to charge the costs of workers' compensation to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.</p>	
<p style="text-align: right;">\$347,162</p>	<p>Net Position</p>	<p>401,611</p>
<p style="text-align: right;">692,408</p>	<p>Claims Payable</p>	<p><u>22,522</u></p>
<p style="text-align: right;">744,512</p>		
<p style="text-align: right;">459,773</p>	<p>Total</p>	<p>424,133</p>
<p style="text-align: right;">910,648</p>	<p>In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.</p>	<p>(88,290)</p>
<p style="text-align: right;">23,641</p>		
<p style="text-align: right;">213,849</p>	<p>Vacation benefits payable is not expected to be paid with expendable available financial resources and therefore not reported in the funds.</p>	<p>(397,795)</p>
<p style="text-align: right;">3,391,993</p>		
	<p>The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds.</p>	
<p style="text-align: right;">3,709,150</p>	<p>Deferred Outflows - Pension</p>	<p>4,891,755</p>
<p style="text-align: right;">8,625,781</p>	<p>Deferred Inflows - Pension</p>	<p>(185,581)</p>
<p style="text-align: right;">12,334,931</p>	<p>Net Pension Liability</p>	<p><u>(34,821,572)</u></p>
<p style="text-align: right;">973,400</p>		
<p style="text-align: right;">15,874,447</p>	<p>Total</p>	<p>(30,115,398)</p>
<p style="text-align: right;">911,837</p>	<p>Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.</p>	
<p style="text-align: right;">6,860,864</p>	<p>OWDA Loan Payable</p>	<p>(6,780,233)</p>
<p style="text-align: right;">19,853,352</p>	<p>Compensated Absences</p>	<p>(3,571,047)</p>
<p style="text-align: right;">44,473,900</p>	<p>Claims Payable</p>	<p><u>(22,522)</u></p>
<p style="text-align: right;"><u>\$60,200,824</u></p>	<p>Total</p>	<p><u>(10,373,802)</u></p>
	<p><i>Net Position of Governmental Activities</i></p>	<p><u><u>\$147,748,398</u></u></p>

**City of Solon, Ohio**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2015*

	General	General Obligation Bond Retirement	Infrastructure	Other Governmental Funds
<b>Revenues</b>				
Property Taxes	\$1,364,275	\$295,123	\$0	\$2,363,009
Municipal Income Taxes	27,043,186	0	9,161,397	84,799
Special Assessments	0	338,458	21,231	0
Intergovernmental	598,483	65,711	711,730	1,388,497
Investment Income	309,840	0	0	2,498
Fees, Licenses and Permits	835,195	52,789	0	146,163
Fines and Forfeitures	291,392	0	0	14,020
Rentals	12,746	0	0	12,050
Charges for Services	1,615,782	0	0	2,095,357
Contributions and Donations	0	0	0	77,262
Miscellaneous	501,608	0	336,708	170,067
<i>Total Revenues</i>	<u>32,572,507</u>	<u>752,081</u>	<u>10,231,066</u>	<u>6,353,722</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property				
Police	7,012,857	0	0	860,402
Fire	5,870,039	0	0	1,241,071
Public Health and Welfare	92,425	0	0	0
Leisure Time Activities	1,419,641	0	0	3,403,115
Community Environment	2,506,900	0	0	0
Basic Utility Services	1,917,474	0	0	0
Transportation	3,106,331	0	0	1,304,000
General Government	10,696,613	11,062	0	39,489
Capital Outlay	0	0	10,184,322	3,076,256
Debt Service:				
Principal Retirement	0	678,116	23,807	0
Interest and Fiscal Charges	0	189,953	0	0
<i>Total Expenditures</i>	<u>32,622,280</u>	<u>879,131</u>	<u>10,208,129</u>	<u>9,924,333</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(49,773)</u>	<u>(127,050)</u>	<u>22,937</u>	<u>(3,570,611)</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	104,831	0	0	0
Transfers In	164,018	0	106,049	2,802,000
Transfers Out	(2,908,049)	0	0	(164,018)
<i>Total Other Financing Sources (Uses)</i>	<u>(2,639,200)</u>	<u>0</u>	<u>106,049</u>	<u>2,637,982</u>
<i>Net Change in Fund Balances</i>	<u>(2,688,973)</u>	<u>(127,050)</u>	<u>128,986</u>	<u>(932,629)</u>
<i>Fund Balances Beginning of Year</i>	<u>30,636,378</u>	<u>1,380,223</u>	<u>12,044,228</u>	<u>4,032,737</u>
<i>Fund Balances End of Year</i>	<u>\$27,947,405</u>	<u>\$1,253,173</u>	<u>\$12,173,214</u>	<u>\$3,100,108</u>

See accompanying notes to the basic financial statements

**City of Solon, Ohio**  
*Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended December 31, 2015*

Total Governmental Funds	<b>Net Change in Fund Balances - Total Governmental Funds</b>	(\$3,619,666)
	<b>Amounts reported for governmental activities in the statement of activities are different because</b>	
\$4,022,407	Governmental funds report capital outlays as expenditures.	
36,289,382	However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.	
359,689	Capital Asset Additions	9,362,504
2,764,421	Depreciation	<u>(6,787,106)</u>
312,338		
1,034,147	Total	2,575,398
305,412		
24,796	Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.	(553,942)
3,711,139		
77,262	Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
1,008,383	Delinquent Property Taxes	9,885
	Municipal Income Taxes	(314,053)
49,909,376	Intergovernmental	(103,789)
	Charges for Services	85,856
	Special Assessments	(359,689)
	Miscellaneous	<u>202,579</u>
	Total	(479,211)
	Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	701,923
	Some expenses reported in the statement of activities, such as accrued interest do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	8,892
	Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.	3,282,618
	Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of net position	(3,515,330)
	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	(31,310)
	Vacation Benefits Payable	(8,838)
	Claims Payable	<u>28,787</u>
	Total	(11,361)
	The internal service funds used by management are not reported in the City-wide statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.	
	Change in Net Position	101,770
	Claims Payable	<u>(28,787)</u>
	Total	<u>72,983</u>
	<b>Change in Net Position of Governmental Activities</b>	<b><u>(\$1,537,696)</u></b>

**City of Solon, Ohio**  
*Statement of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Year Ended December 31, 2015*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Property Taxes	\$1,319,827	\$1,342,827	\$1,360,420	\$17,593
Municipal Income Taxes	28,088,518	26,719,306	27,128,123	408,817
Intergovernmental	604,685	618,685	617,039	(1,646)
Investment Income	590,672	319,672	320,732	1,060
Fees, Licenses and Permits	688,150	831,200	837,434	6,234
Fines and Forfeitures	330,000	287,850	286,968	(882)
Charges for Services	1,456,050	1,615,050	1,616,420	1,370
Rentals	13,500	12,500	12,746	246
Contributions and Donations	6,000	0	0	0
Miscellaneous	167,641	221,841	490,585	268,744
<i>Total Revenues</i>	<u>33,265,043</u>	<u>31,968,931</u>	<u>32,670,467</u>	<u>701,536</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property				
Police	7,279,145	7,288,145	7,032,490	255,655
Fire	5,989,967	5,997,967	5,873,105	124,862
Public Health and Welfare	96,500	96,500	92,425	4,075
Leisure Time Activities	1,384,150	1,393,675	1,337,611	56,064
Community Environment	1,746,279	1,777,585	1,591,751	185,834
Basic Utility Services	2,127,757	2,127,757	1,938,472	189,285
Transportation	3,776,321	3,776,321	3,234,133	542,188
General Government	11,690,619	11,569,919	10,960,926	608,993
<i>Total Expenditures</i>	<u>34,090,738</u>	<u>34,027,869</u>	<u>32,060,913</u>	<u>1,966,956</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(825,695)</u>	<u>(2,058,938)</u>	<u>609,554</u>	<u>2,668,492</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	104,831	104,831	104,831	0
Transfers In	0	154,951	238,462	83,511
Transfers Out	(3,044,515)	(4,108,049)	(4,108,049)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(2,939,684)</u>	<u>(3,848,267)</u>	<u>(3,764,756)</u>	<u>83,511</u>
<i>Net Change in Fund Balance</i>	<u>(3,765,379)</u>	<u>(5,907,205)</u>	<u>(3,155,202)</u>	<u>2,752,003</u>
<i>Fund Balance Beginning of Year</i>	26,785,121	26,785,121	26,785,121	0
Prior Year Encumbrances Appropriated	738,594	738,594	738,594	0
<i>Fund Balance End of Year</i>	<u>\$23,758,336</u>	<u>\$21,616,510</u>	<u>\$24,368,513</u>	<u>\$2,752,003</u>

See accompanying notes to the basic financial statements

**City of Solon, Ohio**  
*Statement of Fund Net Position*  
*Proprietary Funds*  
*December 31, 2015*

	Enterprise			Internal Service
	Water Reclamation	Grantwood Recreation	Total	
<b>Assets</b>				
<i>Current Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	\$8,867,665	\$229,333	\$9,096,998	\$424,819
Materials and Supplies Inventory	124,439	60,102	184,541	0
Accounts Receivable	1,578,598	181	1,578,779	0
<i>Total Current Assets</i>	<u>10,570,702</u>	<u>289,616</u>	<u>10,860,318</u>	<u>424,819</u>
<i>Noncurrent Assets:</i>				
Nondepreciable Capital Assets	738,713	2,382,164	3,120,877	0
Depreciable Capital Assets, Net	57,773,461	776,199	58,549,660	0
<i>Total Noncurrent Assets</i>	<u>58,512,174</u>	<u>3,158,363</u>	<u>61,670,537</u>	<u>0</u>
<i>Total Assets</i>	<u>69,082,876</u>	<u>3,447,979</u>	<u>72,530,855</u>	<u>424,819</u>
<b>Deferred Outflows of Resources</b>				
Pension	166,667	62,500	229,167	0
<b>Liabilities</b>				
<i>Current Liabilities:</i>				
Accounts Payable	20,575	1,982	22,557	686
Accrued Wages	33,418	10,601	44,019	0
Intergovernmental Payable	15,322	5,805	21,127	0
Accrued Interest Payable	109,675	0	109,675	0
Vacation Benefits Payable	35,909	13,526	49,435	0
Compensated Absences Payable	107,093	55,564	162,657	0
OWDA Loans Payable	395,904	0	395,904	0
Claims Payable	0	0	0	16,892
<i>Total Current Liabilities</i>	<u>717,896</u>	<u>87,478</u>	<u>805,374</u>	<u>17,578</u>
<i>Long-Term Liabilities:</i>				
Compensated Absences Payable	87,964	20,477	108,441	0
OWDA Loans Payable	6,362,737	0	6,362,737	0
Net Pension Liability	949,532	356,075	1,305,607	0
Claims Payable	0	0	0	5,630
<i>Total Long-Term Liabilities</i>	<u>7,400,233</u>	<u>376,552</u>	<u>7,776,785</u>	<u>5,630</u>
<i>Total Liabilities</i>	<u>8,118,129</u>	<u>464,030</u>	<u>8,582,159</u>	<u>23,208</u>
<b>Deferred Inflows of Resources</b>				
Pension	16,681	6,255	22,936	0
<b>Net Position</b>				
Net Investment in Capital Assets	51,753,533	3,158,363	54,911,896	0
Unrestricted (Deficit)	9,361,200	(118,169)	9,243,031	401,611
<i>Total Net Position</i>	<u>\$61,114,733</u>	<u>\$3,040,194</u>	<u>\$64,154,927</u>	<u>\$401,611</u>

See accompanying notes to the basic financial statements

**City of Solon, Ohio**  
*Statement of Revenues,  
Expenses and Changes in Fund Net Position  
Proprietary Funds  
For the Year Ended December 31, 2015*

	Enterprise			Internal Service
	Water Reclamation	Grantwood Recreation	Total	
<b>Operating Revenues</b>				
Charges for Services	\$5,274,034	\$796,519	\$6,070,553	\$250,000
Tap-In Fees	158,583	0	158,583	0
Rentals	0	196,751	196,751	0
Miscellaneous	29,226	4	29,230	2,369
<i>Total Operating Revenues</i>	<u>5,461,843</u>	<u>993,274</u>	<u>6,455,117</u>	<u>252,369</u>
<b>Operating Expenses</b>				
Personal Services	1,510,106	573,568	2,083,674	0
Materials and Supplies	392,721	178,625	571,346	0
Contractual Services	1,305,299	109,834	1,415,133	115,044
Depreciation	1,974,524	70,156	2,044,680	0
Claims	0	0	0	19,394
Change in Workers' Compensation Estimate	0	0	0	16,161
Other	14,034	112,496	126,530	0
<i>Total Operating Expenses</i>	<u>5,196,684</u>	<u>1,044,679</u>	<u>6,241,363</u>	<u>150,599</u>
<i>Operating Income (Loss)</i>	<u>265,159</u>	<u>(51,405)</u>	<u>213,754</u>	<u>101,770</u>
<b>Non-Operating Revenues (Expenses)</b>				
Interest	54,913	1,505	56,418	0
Gain on Sale of Capital Assets	0	4,500	4,500	0
Interest and Fiscal Charges	(231,921)	0	(231,921)	0
<i>Total Non-Operating Revenues (Expenses)</i>	<u>(177,008)</u>	<u>6,005</u>	<u>(171,003)</u>	<u>0</u>
<i>Income (Loss) before Capital Contributions</i>	88,151	(45,400)	42,751	101,770
Capital Contributions	898,516	270,826	1,169,342	0
<i>Change in Net Position</i>	986,667	225,426	1,212,093	101,770
<i>Net Position Beginning of Year - Restated (See Note 20)</i>	<u>60,128,066</u>	<u>2,814,768</u>	<u>62,942,834</u>	<u>299,841</u>
<i>Net Position End of Year</i>	<u><u>\$61,114,733</u></u>	<u><u>\$3,040,194</u></u>	<u><u>\$64,154,927</u></u>	<u><u>\$401,611</u></u>

See accompanying notes to the basic financial statements

**City of Solon, Ohio**  
*Statement of Cash Flows*  
*Proprietary Funds*  
*For the Year Ended December 31, 2015*

	Enterprise			Internal Service
	Water Reclamation	Grantwood Recreation	Total	
<b>Increase (Decrease) in Cash and Cash Equivalents</b>				
<b>Cash Flows from Operating Activities</b>				
Cash Received from Customers	\$5,684,893	\$799,810	\$6,484,703	\$0
Cash Received from Tap-In Fees	143,041	0	143,041	0
Cash Received from Rentals	0	196,751	196,751	0
Cash Received from Interfund Services Provided	0	0	0	250,000
Cash Received from Other Sources	34,381	237	34,618	2,369
Cash Payments to Employees for Services and Benefits	(1,504,812)	(603,818)	(2,108,630)	0
Cash Payments for Goods and Services	(2,044,792)	(288,607)	(2,333,399)	(115,324)
Cash Payments for Claims	0	0	0	(64,342)
Cash Payments for Other Operating Expenses	(14,034)	(110,219)	(124,253)	0
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>2,298,677</u>	<u>(5,846)</u>	<u>2,292,831</u>	<u>72,703</u>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Proceeds from Sale of Capital Assets	0	4,500	4,500	0
Acquisition of Capital Assets	(148,713)	(10,307)	(159,020)	0
Principal Paid on OWDA Loans	(1,658,229)	0	(1,658,229)	0
Interest Paid on OWDA Loans	(257,408)	0	(257,408)	0
<i>Net Cash Provided by (Used for) Capital and Related Financing Activities</i>	<u>(2,064,350)</u>	<u>(5,807)</u>	<u>(2,070,157)</u>	<u>0</u>
<b>Cash Flows from Investing Activities</b>				
Interest on Investments	54,913	1,505	56,418	0
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	289,240	(10,148)	279,092	72,703
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>8,578,425</u>	<u>239,481</u>	<u>8,817,906</u>	<u>352,116</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$8,867,665</u>	<u>\$229,333</u>	<u>\$9,096,998</u>	<u>\$424,819</u>

(continued)

**City of Solon, Ohio**  
*Statement of Cash Flows*  
*Proprietary Funds (continued)*  
For the Year Ended December 31, 2015

	Business-type Activities			Internal Service
	Water Reclamation	Grantwood Recreation	Total	
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</b>				
Operating Income (Loss)	\$265,159	(\$51,405)	\$213,754	\$101,770
Adjustments:				
Depreciation	1,974,524	70,156	2,044,680	0
(Increase) Decrease in Assets and Deferred Outflows:				
Accounts Receivable	400,472	3,524	403,996	0
Materials and Supplies Inventory	4,488	223	4,711	0
Deferred Outflows - Pension	12,486	4,682	17,168	0
Increase (Decrease) in Liabilities and Deferred Inflows:				
Accounts Payable	(36,721)	859	(35,862)	(280)
Accrued Wages	1,012	697	1,709	0
Contracts Payable	(259,751)	0	(259,751)	0
Retainage Payable	(54,176)	0	(54,176)	0
Claims Payable	0	0	0	(28,787)
Compensated Absences Payable	21,107	(27,416)	(6,309)	0
Vacation Benefits Payable	(4,497)	1,362	(3,135)	0
Intergovernmental Payable	(224)	922	698	0
Net Pension Liability	(17,505)	(6,564)	(24,069)	0
Deferred Inflows - Pension	(7,697)	(2,886)	(10,583)	0
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>\$2,298,677</u>	<u>(\$5,846)</u>	<u>\$2,292,831</u>	<u>\$72,703</u>

**Noncash Capital Financing Activities**

During 2015, the infrastructure capital projects fund paid \$898,516 to contractors directly on behalf of the water reclamation enterprise fund. These amounts are included in capital contributions.

During 2015, the building construction and general capital improvements capital project funds paid \$131,811 and \$139,015, to contractors directly on behalf of the grantwood recreation enterprise fund. These amounts are included in respectively, capital contributions.

See accompanying notes to the basic financial statements



**City of Solon, Ohio**  
*Statement of Fiduciary Assets and Liabilities*  
*Agency Funds*  
*December 31, 2015*

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**Assets**

Equity in Pooled Cash and Cash Equivalents	\$877,669
Cash and Cash Equivalents in Segregated Accounts	<u>46,651</u>
<i>Total Assets</i>	<u><u>\$924,320</u></u>

**Liabilities**

Intergovernmental Payable	\$46,651
Deposits Held and Due to Others	<u>877,669</u>
<i>Total Liabilities</i>	<u><u>\$924,320</u></u>

See accompanying notes to the basic financial statements

**City of Solon, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2015*

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**Note 1 - Reporting Entity**

The City of Solon (the City) is a home rule municipal corporation established under the laws of the State of Ohio which operates under its own Charter. The current Charter, which provides for a mayor-council form of government, was adopted November 2, 1954. The mayor is elected for a four-year term and seven Council members are elected by ward for four year staggered terms.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government of Solon consists of all funds, departments, boards and agencies that are not legally separate from the City. For the City of Solon this includes the agencies and departments that provide the following services: police and fire protection, emergency medical, parks and recreation, planning, zoning, street maintenance and repair, a public golf course, sanitation system and general administrative services.

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

The City participates in a shared risk pool and a jointly governed organization. These organizations are the Northern Ohio Risk Management Association and the Northeast Ohio Public Energy Council. These organizations are presented in Notes 13 and 14 to the basic financial statements.

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

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

***Basis of Presentation***

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

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

**City of Solon, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2015*

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

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

**Fund Accounting**

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

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

**General Fund** The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the Charter of the City of Solon and/or the general laws of Ohio.

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

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

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

**City of Solon, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2015*

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

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

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

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

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

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

**Measurement Focus**

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

**Fund Financial Statements** All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

**City of Solon, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2015*

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

***Basis of Accounting***

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

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

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

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

***Deferred Outflows/Inflows of Resources*** In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported in the government-wide statement of net position for pension. The deferred outflows of resources related to pension are explained in Note 10.

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 until that time. For the City, deferred inflows of

**City of Solon, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2015*

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resources include property taxes, pension and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2015, but which were levied to finance year 2016 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City unavailable revenue includes delinquent property taxes, homestead and rollback, income taxes, estate taxes, franchise fees, charges for services, miscellaneous revenue, special assessments and intergovernmental local and state monies. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities found on page 21. Deferred inflows of resources related to pension are reported on the government – wide statement of net position (See Note 10).

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

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

**Pensions** For purposes of measuring the net pension liability, 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.

**Cash and Cash Equivalents**

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

The City has segregated bank accounts for monies held separate from the City's central bank account. These interest bearing depository accounts are reported as "cash and cash equivalents in segregated accounts" since they are not required to be deposited into the City Treasury.

During 2015, investments were limited to STAR Ohio, municipal bonds, federal national mortgage association notes, federal home loan bank bonds, federal farm credit bank bonds, federal home loan mortgage corporation notes and negotiable certificates of deposit.

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

The City of Solon has invested in the State Treasury Asset Reserve of Ohio (STAR Ohio) during 2015. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered

**City of Solon, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2015*

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with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's net asset value per share which is the price the investment could be sold at December 31, 2015.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2015 amounted to \$309,840, which includes \$129,819 assigned from other City funds.

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

***Prepaid Items***

Payments made to vendors for services that will benefit periods beyond December 31, 2015, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of purchase and reflecting the expenditure/expense in the year in which the services are consumed.

***Inventory***

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

***Restricted Assets***

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

***Capital Assets***

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

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

**City of Solon, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2015*

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

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

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

***Interfund Balances***

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

***Compensated Absences***

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

Sick leave benefits are accrued as a liability using the vesting method. The liability is based on the sick leave accumulated at December 31 by those employees who are currently eligible to receive termination payments and those employees for whom it is probable they will become eligible to receive termination benefits in the future. The City records a liability for accumulated unused sick leave for employees after ten years of service with the City.

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

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



**City of Solon, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2015*

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***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, compensated absences and net pension liability that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and long-term loans are recognized as a liability on the governmental fund financial statements when due.

***Net Position***

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

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

***Fund Balance***

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

**Nonspendable:** The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

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

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

**City of Solon, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2015*

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

**Assigned:** Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by Council. In the general fund, assigned amounts represent intended uses established by policies of the City Council or a City official delegated that authority by City Charter or ordinance, or by State Statute. State statute authorizes the Finance Director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. City Council assigned fund balance for economic incentives, compensated absences and to cover a gap between estimated revenues and appropriations in 2016's budget.

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

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

### ***Operating Revenues and Expenses***

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

### ***Interfund Activity***

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

**City of Solon, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2015*

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

***Estimates***

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

***Budgetary Process***

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

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

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

**Note 3 – Fund Balances**

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

**City of Solon, Ohio**  
*Notes to the Basic Financial Statements*  
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Fund Balances	General	General Obligation Bond Retirement	Infrastructure	Other Governmental Funds	Total Governmental Funds
<b><u>Nonspendable:</u></b>					
Prepays	\$212,553	\$0	\$0	\$0	\$212,553
Inventory	733,583	0	0	0	733,583
Unclaimed Monies	27,264	0	0	0	27,264
<b>Total Nonspendable</b>	<b>973,400</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>973,400</b>
<b><u>Restricted for:</u></b>					
Street and Highway Construction, Maintenance and Repair	0	0	0	217,467	217,467
Police Pension	0	0	0	406,619	406,619
Fire Pension	0	0	0	276,645	276,645
Police Department	0	0	0	262,282	262,282
Debt Service	0	1,253,173	0	0	1,253,173
Capital Improvements	0	0	12,173,214	1,285,047	13,458,261
<b>Total Restricted</b>	<b>0</b>	<b>1,253,173</b>	<b>12,173,214</b>	<b>2,448,060</b>	<b>15,874,447</b>
<b><u>Committed to:</u></b>					
Emergency Medical Service	218,939	0	0	0	218,939
Cable TV	0	0	0	118,926	118,926
Tree Planting	0	0	0	163,808	163,808
Recreation	0	0	0	319,402	319,402
Police and Fire Departments	0	0	0	19,906	19,906
Senior Services	0	0	0	18,993	18,993
Community Development	0	0	0	5,512	5,512
Cemetery	0	0	0	5,501	5,501
Contract Services	40,850	0	0	0	40,850
<b>Total Committed</b>	<b>259,789</b>	<b>0</b>	<b>0</b>	<b>652,048</b>	<b>911,837</b>
<b><u>Assigned to:</u></b>					
Economic Incentive	913,554	0	0	0	913,554
Compensated Absences	809,128	0	0	0	809,128
2016 Operations	4,855,551	0	0	0	4,855,551
Purchases on Order:					
Personal Services	1,874	0	0	0	1,874
Purchased/Contractual Services	44,255	0	0	0	44,255
Materials and Supplies	178,272	0	0	0	178,272
Capital Outlay	58,230	0	0	0	58,230
<b>Total Assigned</b>	<b>6,860,864</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,860,864</b>
Unassigned	19,853,352	0	0	0	19,853,352
<b>Total Fund Balances</b>	<b>\$27,947,405</b>	<b>\$1,253,173</b>	<b>\$12,173,214</b>	<b>\$3,100,108</b>	<b>\$44,473,900</b>

**Stabilization arrangement** The governing council adopted an ordinance to establish and maintain a budget stabilization (“rainy day”) fund, in 2013, that is combined with the general fund for reporting purposes and is used to segregate resources that will only be employed should pre-determined economic stress levels be reached. Transfers from the general fund have been made each year and the fund balance is \$5.2 million as of the end of 2015.

**City of Solon, Ohio**  
*Notes to the Basic Financial Statements*  
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**Note 4 - Budgetary Basis of Accounting**

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

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

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

Net Change in Fund Balance	
GAAP Basis	(\$2,688,973)
Net Adjustment for Revenue Accruals	1,371,070
Beginning Fair Value Adjustment for Investments	(66,478)
Ending Fair Value Adjustment for Investments	77,370
Net Adjustment for Expenditure Accruals	(1,233,606)
Perspective Difference:	
Senior Services	75,961
Economic Incentive	(216,012)
Police Training	(1,980)
Encumbrances	<u>(472,554)</u>
Budget Basis	<u><u>(\$3,155,202)</u></u>

**City of Solon, Ohio**  
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**Note 5 - Deposits and Investments**

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

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

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain commercial paper notes and bankers' acceptances for a period not to exceed one hundred eighty days in an amount not to exceed 25 percent of the interim monies available for investment at any one time if training requirements have been met; and

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

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited.

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

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

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

**Investments**

Investments are reported at fair value. As of December 31, 2015, the City had the following investments:

	Fair Value	Maturity	Moody's Rating	Percentage of Total Investments
STAR Ohio	\$3,515,987	Average 49.4 Days	Aaam	9.19%
Municipal Bonds	1,105,210	Less than one year	Aaa	2.89%
Federal National Mortgage Association Notes	9,202,563	Less than five years	Aaa	24.06%
Federal Home Loan Bank Bonds	8,504,100	Less than five years	Aaa	22.24%
Federal Farm Credit Bank Bonds	2,990,540	Less than five years	Aaa	7.82%
Federal Home Loan Mortgage Corporation Notes	10,685,164	Less than five years	Aaa	27.94%
Negotiable Certificates of Deposit	2,242,453	Less than five years	N/A	5.86%
<b>Total</b>	<u><u>\$38,246,017</u></u>			

**City of Solon, Ohio**  
*Notes to the Basic Financial Statements*  
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**Interest Rate Risk** As a means of limiting its exposure to fair value losses caused by rising interest rates, the City's investment policy requires that operating funds be invested primarily in short-term investments maturing within five years from the date of purchase and that the City's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity.

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

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

## **Note 6 – Receivables**

Receivables at December 31, 2015, consisted of municipal income taxes, property taxes, accounts (billings for user charged services), special assessments and intergovernmental receivables arising from grants, entitlements and shared revenues.

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

Special assessments expected to be collected in more than one year amount to \$3,158,711 in the general obligation bond retirement fund and \$820,716 in the infrastructure capital projects fund. At December 31, 2015, the amount of delinquent special assessments was \$66,701.

### **Property Taxes**

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2015 for real and public utility property taxes represents collections of 2014 taxes.

2015 real property taxes were levied after October 1, 2015, on the assessed value as of January 1, 2015, 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.

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

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



**City of Solon, Ohio**  
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The full tax rate for all City operations for the year ended December 31, 2015, was \$3.80 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2015 property tax receipts were based are as follows:

Real Estate	
Residential/Agricultural	\$772,033,450
Other Real Estate	310,268,290
Tangible Personal Property	
Public Utility	<u>22,332,570</u>
Total	<u><u>\$1,104,634,310</u></u>

The County Fiscal Officer collects property taxes on behalf of all taxing districts in the county, including the City. The County Fiscal Officer periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies which were measurable as of December 31, 2015, and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2015 operations is offset to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

***Income Tax***

The City levies and collects an income tax of 2.0 percent on all income earned within the City as well as on income of residents earned outside the City. In the latter case, the City allows a credit of 100 percent of the tax paid to another municipality, not to exceed the amount owed. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the City at least monthly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually. In 2015, the general fund received seventy-five percent of the proceeds and the infrastructure fund received twenty-five percent of the proceeds.

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

**City of Solon, Ohio**  
*Notes to the Basic Financial Statements*  
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***Intergovernmental Receivable***

A summary of the principal items of intergovernmental receivables follows:

<u>Governmental Activities</u>	<u>Amount</u>
Gasoline Tax	\$270,807
Homestead and Rollback	197,652
Cents per Gallon	139,008
Local Government	132,628
Auto Regulation	127,962
Prisoner Housing	60,358
Bedford Municipal Court	29,145
Personal Property Tax Reimbursement	17,006
City of Bedford	10,507
Estate Tax	2,510
Solon City Schools	317
Total Intergovernmental Receivables	<u><u>\$987,900</u></u>

**Note 7 - Contingencies**

***Grants***

The City receives financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or any other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2015.

***Litigation***

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

**City of Solon, Ohio**  
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**Note 8 - Capital Assets**

Capital asset activity for the year ended December 31, 2015, was as follows:

	Balance 12/31/14	Additions	Reductions	Balance 12/31/15
Governmental Activities:				
Capital Assets Not Being Depreciated				
Land	\$10,790,343	\$13,200	\$0	\$10,803,543
Construction in progress	4,854,106	3,364,283	(1,934,795)	6,283,594
Total Capital Assets Not Being Depreciated	15,644,449	3,377,483	(1,934,795)	17,087,137
Capital Assets Being Depreciated				
Land improvements	2,099,266	74,480	0	2,173,746
Buildings	57,630,217	637,938	(452,300)	57,815,855
Furniture and Equipment	6,802,110	431,000	(151,896)	7,081,214
Vehicles	12,883,677	1,398,244	(1,278,028)	13,003,893
Infrastructure	141,027,566	5,378,154	(1,356,296)	145,049,424
Total Capital Assets Being Depreciated	220,442,836	7,919,816	(3,238,520)	225,124,132
Less Accumulated Depreciation				
Land improvements	(1,088,057)	(88,018)	0	(1,176,075)
Buildings	(21,208,892)	(1,537,098)	263,600	(22,482,390)
Furniture and Equipment	(5,303,090)	(477,004)	151,896	(5,628,198)
Vehicles	(8,899,632)	(851,884)	1,266,162	(8,485,354)
Infrastructure	(66,409,201)	(3,833,102)	1,002,920	(69,239,383)
Total Accumulated Depreciation	(102,908,872)	(6,787,106) *	2,684,578	(107,011,400)
Capital Assets Being Depreciated, net	117,533,964	1,132,710	(553,942)	118,112,732
Governmental Activities				
Capital Assets, net	<u>\$133,178,413</u>	<u>\$4,510,193</u>	<u>(\$2,488,737)</u>	<u>\$135,199,869</u>

**City of Solon, Ohio**  
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	Balance 12/31/14	Additions	Reductions	Balance 12/31/15
<b>Business Type Activities:</b>				
Capital Assets Not Being Depreciated				
Land	\$3,120,877	\$0	\$0	\$3,120,877
Construction in progress	497,783	71,729	(569,512)	0
Total Capital Assets Not Being Depreciated	3,618,660	71,729	(569,512)	3,120,877
Capital Assets Being Depreciated				
Land Improvements	256,107	0	0	256,107
Buildings	33,307,283	717,216	0	34,024,499
Furniture and Equipment	5,970,317	175,850	(27,343)	6,118,824
Vehicles	320,946	34,563	0	355,509
Infrastructure	60,164,936	898,516	(265,691)	60,797,761
Total Capital Assets Being Depreciated	100,019,589	1,826,145	(293,034)	101,552,700
Less Accumulated Depreciation				
Land Improvements	(249,728)	(797)	0	(250,525)
Buildings	(14,544,681)	(880,920)	0	(15,425,601)
Furniture and Equipment	(4,935,180)	(114,705)	27,343	(5,022,542)
Vehicles	(272,333)	(9,799)	0	(282,132)
Infrastructure	(21,249,472)	(1,038,459)	265,691	(22,022,240)
Total Accumulated Depreciation	(41,251,394)	(2,044,680)	293,034	(43,003,040)
Capital Assets Being Depreciated, net	58,768,195	(218,535)	0	58,549,660
<b>Business Type Activities</b>				
Capital Assets, net	<u>\$62,386,855</u>	<u>(\$146,806)</u>	<u>(\$569,512)</u>	<u>\$61,670,537</u>

\* Depreciation expense was charged to governmental activities as follows:

Security of Persons and Property	
Police	\$498,216
Fire	528,069
Leisure Time Activities	619,994
Community Environment	16,749
Transportation	3,833,102
Basic Utility Service	858,270
General Government	432,706
Total Depreciation Expense	<u>\$6,787,106</u>

**City of Solon, Ohio**  
*Notes to the Basic Financial Statements*  
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**Note 9 - Risk Management**

***Property and Liability***

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. In October 1989, the City joined together with neighboring cities to form the Northern Ohio Risk Management Association (NORMA), a not-for-profit corporation, for the purpose of obtaining property, liability and vehicle insurance and providing for a formalized, jointly administered self insurance fund. The City pays an annual premium to NORMA for its insurance coverage. The agreement of formation of NORMA provides that NORMA will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of the limits described in the agreement. This coverage is paid from the general fund. NORMA is a separate and independent entity governed by its own set of by-laws and constitution. All assets and liabilities are the responsibility of NORMA. The program is operated as a full indemnity program with no financial liability (other than monthly premiums) or risk to the City. The City is not liable nor will it receive a cash balance of past claims upon departure from the pool.

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

***Workers' Compensation***

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

The claims liability of \$22,522 reported in the fund at December 31, 2015, is based on an estimate provided by the third party administrator and the requirements of GASB statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in the fund's claims liability amount for 2014 and 2015 were:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Change in Workers' Compensation Estimate	Balance at End of Year
2014	\$52,982	\$45,256	\$69,667	\$22,738	\$51,309
2015	51,309	19,394	64,342	16,161	22,522

**City of Solon, Ohio**  
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**Employee Health Benefits**

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

Medical claims within the network are subject to \$250 single and \$500 family deductible, and then are covered 100 percent. Medical claims out of network are subject to \$500 single and \$1,000 family deductible followed by 80/20 percent coinsurance for the next \$1,000 single and \$2,000 family, then 100 percent. Prescriptions are subject to a co-pay of \$10 generic, \$25 formulary, and \$65 non-formulary. The City has stop loss coverage at \$100,000 per family, per year, and a calculated aggregate maximum for the 2015 plan year of \$4,545,138.

The claims liability of \$213,849 reported in the general fund at December 31, 2015 was estimated by the third party administrator and is based on the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in the fund's claims liability amount for 2014 and 2015 were:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2014	\$241,949	\$3,493,273	\$3,462,622	\$272,600
2015	272,600	4,092,177	4,150,928	213,849

**Note 10 - Defined Benefit Pension Plans**

***Net Pension Liability***

The net pension liability 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 Solon, Ohio**  
*Notes to the Basic Financial Statements*  
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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.

***Plan Description – 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.

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):

**City of Solon, Ohio**  
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<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% for service years in excess of 30	<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

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:

	<u>State and Local</u>
<b>2015 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee	10.0 %
<b>2015 Actual Contribution Rates</b>	
Employer:	
Pension	12.0 %
Post-employment Health Care Benefits	<u>2.0</u>
Total Employer	<u>14.0 %</u>
Employee	<u>10.0 %</u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$1,450,038 for 2015. Of this amount, \$183,839 is reported as an intergovernmental payable.



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***Plan Description – Ohio Police & Fire Pension Fund (OPF)***

Plan Description - City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan administered by OPF. OPF 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. OPF issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OPF fiduciary net position. The report that may be obtained by visiting the OPF 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 OPF may retire and receive a lifetime monthly pension. OPF 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.

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 after 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 OPF 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:

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	<u>Police</u>	<u>Firefighters</u>
<b>2015 Statutory Maximum Contribution Rates</b>		
Employer	19.50 %	24.00 %
Employee:		
January 1, 2015 through July 1, 2015	11.50 %	11.50 %
July 2, 2015 through December 31, 2015	12.25 %	12.25 %
<b>2015 Actual Contribution Rates</b>		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
<b>Total Employer</b>	<u>19.50 %</u>	<u>24.00 %</u>
Employee:		
January 1, 2015 through July 1, 2015	11.50 %	11.50 %
July 2, 2015 through December 31, 2015	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OPF was \$1,992,084 for 2015. Of this amount \$221,954 is reported as an intergovernmental payable.

***Pension Liabilities, 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, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF's total pension liability was measured as of December 31, 2014, and was determined by rolling forward the total pension liability as of January 1, 2014, to December 31, 2014. 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:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$11,869,151	\$24,258,028	\$36,127,179
Proportion of the Net Pension Liability	0.0984084%	0.4682640%	
Pension Expense	\$1,291,092	\$2,366,258	\$3,657,350

At December 31, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	OPERS	OP&F	Total
<b>Deferred Outflows of Resources</b>			
Net difference between projected and actual earnings on pension plan investments	\$633,302	\$1,045,498	\$1,678,800
City contributions subsequent to the measurement date	1,450,038	1,992,084	3,442,122
Total Deferred Outflows of Resources	<u>\$2,083,340</u>	<u>\$3,037,582</u>	<u>\$5,120,922</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	<u>\$208,517</u>	<u>\$0</u>	<u>\$208,517</u>

\$3,442,122 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS	OP&F	Total
Year Ending December 31:			
2016	\$62,115	\$261,375	\$323,490
2017	62,115	261,375	323,490
2018	142,229	261,375	403,604
2019	158,326	261,373	419,699
Total	<u>\$424,785</u>	<u>\$1,045,498</u>	<u>\$1,470,283</u>

**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, 2014, 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

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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 6.95 percent for 2014.

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. The table below displays the Board-approved asset allocation policy for 2014 and the long-term expected real rates of return:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	23.00 %	2.31 %
Domestic Equities	19.90	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	19.10	7.40
Other investments	18.00	4.59
Total	<u>100.00 %</u>	<u>5.28 %</u>

**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

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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:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$21,835,833	\$11,869,151	\$3,474,800

***Actuarial Assumptions – OPF***

OPF's total pension liability as of December 31, 2014 is based on the results of an actuarial valuation date of January 1, 2014, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OPF'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, 2014, are presented below:

Valuation Date	January 1, 2014
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

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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. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2014 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

OPF's Board of Trustees has incorporated the "risk parity" concept into OPF'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.

**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.

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	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$33,552,522	\$24,258,028	\$16,388,417

**Note 11 - Postemployment Benefits**

***Ohio Public Employees Retirement System***

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

OPERS maintains two cost-sharing, multiple-employer defined benefit postemployment health care trusts, which fund multiple health care plans including medical coverage, prescription drug coverage, deposits to a health reimbursement arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and combined plans. Members of the member-directed plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. See OPERS' CAFR referenced below for additional information.

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 Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml> by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of postemployment health care.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2015, state and local employers contributed at a rate of 14.0 percent of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

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OPERS maintains three health care trusts. The two cost-sharing, multiple employer trusts, the 401(h) Health Care Trust and the 115 Health Care Trust, work together to provide health care funding to eligible retirees of the Traditional Pension and Combined plans. The third trust is a Voluntary Employee's Beneficiary Association (VEBA) that provides funding for a Retiree Medical Account for Member-Directed Plan members. 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 2.0 percent during calendar year 2015. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2016 remained at 2.0 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 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 VEBA for participants in the Member-Directed Plan for 2015 was 4.5 percent.

Substantially all of the City's contribution allocated to fund postemployment health care benefits relates to the cost-sharing, multiple employer trusts. The corresponding contribution for the years ended December 31, 2015, 2014 and 2013 was \$241,673, \$259,578 and \$128,363, respectively. For 2015, 85.71 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2014 and 2013.

***Police and Fire Pension Fund***

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

OPF provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check, or is a spouse or eligible dependent child of such person. The health care coverage provided by OPF meets the definition of an Other Postemployment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 45.

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

OPF issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by visiting the OPF 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.

Funding Policy - The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OPF defined benefit pension plan. Participating employers are required by the Ohio Revised Code to contribute to the pension plan at rates expressed as a percentage of payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and firefighters, respectively. Active members do not make contributions to the OPEB Plan.



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OPF maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B premium 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 OPF Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. The portion of employer contributions allocated to health care was 0.5 percent of covered payroll from January 1, 2015 through December 31, 2015. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OPF Board of Trustees is also 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 OPF which were allocated to fund postemployment health care benefits for police and firefighters were \$20,682 and \$25,663 for the year ended December 31, 2015, \$20,179 and \$25,397 for the year ended December 31, 2014, and \$143,247 and \$177,944 for the year ended December 31, 2013. For 2015, 97.44 percent has been contributed for police and 97.92 percent has been contributed for firefighters with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2014 and 2013.

## **Note 12 – Compensated Absences**

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

Sick leave is earned at the rate of 4.6 hours per eighty hours worked by each employee to a maximum of 15 days or 120 hours per year for all employees except police and fire who can earn up to a maximum of 159 hours per year. Each employee with the City hired prior to December 31, 1988, is paid for up to 120 days or a maximum of 960 hours in full and one day for every three days of accumulated sick leave in excess of 120 days. Each employee with the City hired after December 31, 1988, is paid for up to 45 days or a maximum of 360 hours in full and one day for every four days of accumulated sick leave in excess of 45 days. This benefit is paid to an employee upon retirement under a pension plan resulting from his public employment, or his estate upon death.

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

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**Note 13 – Shared Risk Pool**

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

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

Each member provides operating resources to NORMA based on actuarially determined rates. In the event of losses, the first \$2,500 of any valid claim will be paid by the member. The next payment, a maximum of \$100,000 per occurrence, will come from the self-insurance pool with any excess paid from the specific stop-loss coverage carried by the pool. The self-insurance pool will pay up to \$750,000 per policy year before the aggregate stop-loss coverage takes over. If the aggregate claims paid by the pool exceed the available resources, the pool may require the members to make additional supplementary payments up to a maximum of the regular annual payment.

In 2015, the City of Solon paid \$280,536 in premiums from the general fund, which represents 20.12 percent of the total premiums paid by all members. Financial information can be obtained by contacting the board chairman, the Finance Director at the City of Mayfield Heights, 6154 Mayfield Road, Mayfield Heights, Ohio, 44124.

**Note 14 – Jointly Governed Organization**

The City is a member of The Northeast Ohio Public Energy Council (NOPEC). NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of electricity. NOPEC is currently comprised of over 112 communities who have been authorized by ballot to purchase electricity on behalf of their citizens. The intent of NOPEC is to provide electricity at the lowest possible rates while at the same time insuring stability in prices by entering into long-term contracts with suppliers to provide electricity to the citizens of its member communities.

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives on the governing board from each county then elect one person to serve on the eight-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. The City of Solon did not contribute to NOPEC during 2015. Financial information can be obtained by contacting Ronald McVoy, Board Chairman, 31360 Solon Road, Suite 33, Solon, Ohio 44139.

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**Note 15 – Municipal Solid Waste Landfill**

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

**Note 16 - Long-Term Obligations**

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

	Balance 12/31/14	Additions	Reductions	Balance 12/31/15	Amounts Due in One Year
<b>Governmental Activities</b>					
<b>OWDA Loans</b>					
1997 \$1,249,104 - 4.16%					
Aurora/Liberty Sanitary Sewer	\$175,975	\$0	(\$86,176)	\$89,799	\$89,799
2004 \$5,861,485 - 1.45%					
Aurora Road West Draw	2,995,530	0	(296,310)	2,699,220	300,622
2006 \$6,329,372 - 3.35%					
Aurora East Sewer Project	4,286,844	0	(295,630)	3,991,214	305,616
<i>Total OWDA Loans</i>	<u>7,458,349</u>	<u>0</u>	<u>(678,116)</u>	<u>6,780,233</u>	<u>696,037</u>
<b>OPWC Loans</b>					
1996 \$952,295 - 0%					
Solon Allotment	23,807	0	(23,807)	0	0
<b>Other Long-term Obligations</b>					
Net Pension Liability					
OPERS	10,324,948	238,596	0	10,563,544	0
OP&F	22,805,926	1,452,102	0	24,258,028	0
Total Net Pension Liability	<u>33,130,874</u>	<u>1,690,698</u>	<u>0</u>	<u>34,821,572</u>	<u>0</u>
Compensated Absences	3,539,737	978,311	(947,001)	3,571,047	1,233,716
Claims Payable	51,309	33,009	(61,796)	22,522	16,892
<i>Total Other Long-term Obligations</i>	<u>36,721,920</u>	<u>2,702,018</u>	<u>(1,008,797)</u>	<u>38,415,141</u>	<u>1,250,608</u>
<i>Total General Long-term Obligations</i>	<u>\$44,204,076</u>	<u>\$2,702,018</u>	<u>(\$1,710,720)</u>	<u>\$45,195,374</u>	<u>\$1,946,645</u>

**City of Solon, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2015*

	Balance 12/31/14	Additions	Reductions	Balance 12/31/15	Amounts Due in One Year
<b>Business-type Activities</b>					
<b>OWDA Loans</b>					
1996 \$18,991,344 - 3.04%					
Treatment Plant Upgrade and Expansion	\$1,246,079	\$0	(\$1,246,079)	\$0	\$0
1997 \$401,176 - 3.54%					
Treatment Plant Upgrade and Expansion	28,428	0	(28,428)	0	0
2006 \$3,935,828 - 3.15%					
Trickling Filter Rehabilitation	2,827,436	0	(179,078)	2,648,358	184,763
2011 \$5,096,690 - 3.15%					
Anaerobic Digester and Electrical Upgrade	4,314,927	0	(204,644)	4,110,283	211,141
<i>Total OWDA Loans</i>	<u>8,416,870</u>	<u>0</u>	<u>(1,658,229)</u>	<u>6,758,641</u>	<u>395,904</u>
<b>Other Long-term Liabilities</b>					
Net Pension Liability - OPERS					
Water Reclamation	928,085	21,447	0	949,532	0
Grantwood Recreation	348,032	8,043	0	356,075	0
<i>Total Net Pension Liability</i>	<u>1,276,117</u>	<u>29,490</u>	<u>0</u>	<u>1,305,607</u>	<u>0</u>
Compensated Absences	277,407	23,538	(29,847)	271,098	162,657
<i>Total Other Long-term Liabilities</i>	<u>1,553,524</u>	<u>53,028</u>	<u>(29,847)</u>	<u>1,576,705</u>	<u>162,657</u>
<i>Total Business-type Activities</i>	<u>\$9,970,394</u>	<u>\$53,028</u>	<u>(\$1,688,076)</u>	<u>\$8,335,346</u>	<u>\$558,561</u>

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

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

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

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

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

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

**City of Solon, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2015*

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

The OWDA loans will be paid from the general bond retirement debt service fund with property taxes and special assessments.

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

Compensated absences will be paid from the general fund and the water reclamation and grantwood recreation enterprise funds. The City pays obligations related to employee compensation from the fund benefitting from their service. See Note 10 for additional information related to the net pension liability.

The City's overall legal debt margin was \$115,986,603 with an unvoted debt margin of \$60,754,887 at December 31, 2015. Principal and interest requirements to retire long-term obligations outstanding at December 31, 2015 are as follows:

*Governmental Activities*

	OWDA Loans	
	Principal	Interest
2016	\$696,037	\$172,032
2017	620,937	154,522
2018	636,048	139,411
2019	651,584	123,874
2020	667,559	107,899
2019 - 2025	3,082,018	287,262
2026 - 2027	426,050	10,734
Total	\$6,780,233	\$995,734

*Business-Type Activities*

	OWDA Loans	
	Principal	Interest
2016	\$184,763	\$81,980
2017	190,629	76,114
2018	196,682	70,061
2019	202,925	63,817
2020	209,368	57,375
2021 - 2025	1,150,868	182,847
2026 - 2028	513,123	20,362
Total	\$2,648,358	\$552,556

**City of Solon, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2015*

**Note 17 - Interfund Transfers**

Interfund transfers for the year ended December 31, 2015, consisted of the following:

Transfers To	Transfer From		Total
	General	Other Governmental Funds	
<i>Major Fund:</i>			
General	\$0	\$164,018	\$164,018
Infrastructure	106,049	0	106,049
Total Major Funds	106,049	164,018	270,067
Other Governmental Funds	2,802,000	0	2,802,000
Total All Funds	<u>\$2,908,049</u>	<u>\$164,018</u>	<u>\$3,072,067</u>

The general fund transfer to the fire pension special revenue fund was because the 1.2 mills of property tax received by that fund is not enough to meet the annual liability and payment to the fire pension system. The general fund transfer to the recreation special revenue fund is an annual subsidy to help keep program fees affordable to participants. The general fund transfer to the infrastructure capital projects fund was made to close out the municipal income tax distribution fund. The general fund transfers to the safety and service equipment, building construction and general capital improvements capital projects funds were an occasional subsidy for capital purchases. The recreation special revenue transfer of \$164,018 to the general fund was made to close out the arts center program fund.

**Note 18 – Joint Economic Development District**

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

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

**City of Solon, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2015*

**Note 19 – Significant Commitments**

***Contractual Commitments***

The following table presents the City's remaining balances on construction contracts at year end.

Vendor	Project Description	Amount Remaining on Contract
Apex Companies, LLC	St. Mary's Stream Restoration	\$38,338
Wade Trim/Ohio, Inc.	Pepperwood Storm	2,002
Platform Cement, Inc.	Pepperwood Storm	15,628
Mark Haynes Construction	Pepperwood Storm	954,484
URS Corporation	Briar Hill Dam	1,173
Liberta Construction DBA	2015 Emergency Road Repair	152,531
Nerone & Sons, Inc.	2015 Annual Sewer System	61,571
Burgess & Niple Ltd	Preserve Army Corps Permit	608
Geo-Sci Laboratory, Inc.	2014 and 2015 Annual Materials Testing	111,066
URS Corporation	Citywide Traffic Signal Upgrade	4,573
Burgess & Niple Ltd	Bridle Trail	5,480
Trax Construction Co..	Bridle Trail Force Main	18,544
City of Bedford Heights	Richmond rd Resurface	35,266
O.R. Colan Associates, Inc.	SOM Intersection Widening	16,550
DLZ Ohio, Inc.	SOM Intersection Widening	79,875
Euthenics Inc.	SOM Intersection Widening	8,646
Fabrizi Trucking and Paving	Hunters Ridge Infrastructure Improvement	205,837
The Illuminating Company	Hunters Ridge Infrastructure Improvement	10,261
DiGioia Suburban	Linden Drive Sewer Replacement	36,980
The Mannik & Smith Group, Inc.	Brainard Road Culvert Design	3,373
Snively Excavating Co.	Fox Run Storm Sewer	32,513
DiGioia Suburban	Longview Drive Infrastructure Improvement	179,118
Burgess & Niple Ltd	Timberlane Drive Stormwater	6,645
Fabrizi Trucking and Paving	SOM Sewer Replace & Concrete Repair	498,446
Burgess & Niple Ltd	Miles Rd Sanitary Sewer	10,943
Burgess & Niple Ltd	Cochran Road Reconstruction	145,112
Burgess & Niple Ltd	Bainbridge Rd Culvert & Rt. 91 Resurfacing	51,902
The Greenleaf Group, Inc.	Roselawn Cemetery Wall	11,603
Parella Pannunzio, Inc.	2015 Annual Concrete Repair	112,985
Barbicas Construction Co., Inc.	2014 Annual Asphalt Repair	44,807
Carron Asphalt Paving, Inc.	2015 Annual Asphalt Repair	682,550
Asphalt Fabrics	2015 Annual Preventive Maint.	20,410
A&A Safety, Inc.	2015 Annual Street Striping	11,461
The Illuminating Company	Hunters Ridge Infrastructure Improvement	9,187
Lake County Sewer Co. Inc.	2015 Annual Sewer Grouting	115,984
Perram Electric, Inc..	Citywide Traffic Signal Upgrade	378,645
Wadsworth-Slawson Inc.	Police Station HVAC	62,972
G & W Roofing & Construction	Grantwood Roof	146,776
ES Architecture & Development	City Roof Design Project	20,975
<b>Total</b>		<b>\$4,305,820</b>

**City of Solon, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2015*

**Encumbrances**

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

<i>Governmental Funds:</i>		<i>Proprietary Funds:</i>	
General Fund	\$472,554	Water Reclamation Fund	\$87,935
Infrastructure Fund	5,511,652	Grantwood Golf Fund	14,656
Other Governmental Funds	<u>690,552</u>	Internal Service Fund	<u>6,904</u>
Total Governmental	<u><u>\$6,674,758</u></u>	Total Proprietary	<u><u>\$109,495</u></u>

**Note 20 – Change in Accounting Principle and Restatement of Net Position**

For 2015, the City implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, “Accounting and Financial Reporting for Pensions” and GASB Statement No. 71, “Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68”. GASB 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditure.

The implementation of this pronouncement had the following effect on net position as reported at December 31, 2014:

	Governmental Activities	Business - Type Activities
Net Position December 31, 2014	\$179,168,780	\$64,059,694
Adjustments:		
Net Pension Liability	(33,130,874)	(1,276,117)
Deferred Outflow - Payments Subsequent to Measurement Date	3,248,188	159,257
Restated Net Position December 31, 2014	<u>\$149,286,094</u>	<u>\$62,942,834</u>

	Water Reclamation	Grantwood Recreation	Total Enterprise
Net Position December 31, 2014	\$60,940,328	\$3,119,366	\$64,059,694
Adjustments:			
Net Pension Liability	(928,085)	(348,032)	(1,276,117)
Deferred Outflow - Payments Subsequent to Measurement Date	115,823	43,434	159,257
Restated Net Position December 31, 2014	<u>\$60,128,066</u>	<u>\$2,814,768</u>	<u>62,942,834</u>

Other than employer contributions subsequent to the measurement date, the City made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.



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## Required Supplementary Information

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**City of Solon, Ohio**  
*Required Supplementary Information*  
*Schedule of the City's Proportionate Share of the*  
*Net Pension Liability*  
*Ohio Public Employees Retirement System - Traditional Plan*  
*Last Two Years (1)*

	2014	2013
City's Proportion of the Net Pension Liability	0.0984084%	0.0984084%
City's Proportionate Share of the Net Pension Liability	\$11,869,151	\$11,601,065
City's Covered-Employee Payroll	\$12,064,925	\$12,360,838
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	98.38%	93.85%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.45%	86.36%

(1) Information prior to 2013 is not available.

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

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

	2014	2013
City's Proportion of the Net Pension Liability	0.4682640%	0.4682640%
City's Proportionate Share of the Net Pension Liability	\$24,258,028	\$22,805,926
City's Covered-Employee Payroll	\$9,113,753	\$8,880,813
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	266.17%	256.80%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.20%	73.00%

(1) Information prior to 2013 is not available.

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

**City of Solon, Ohio**  
*Required Supplementary Information*  
*Schedule of the City's Contributions*  
*Ohio Public Employees Retirement System - Traditional Plan*  
*Last Three Years (1)*

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$1,450,038	\$1,447,791	\$1,606,909
Contributions in Relation to the Contractually Required Contribution	<u>(1,450,038)</u>	<u>(1,447,791)</u>	<u>(1,606,909)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered-Employee Payroll	\$12,083,657	\$12,064,925	\$12,360,838
Contributions as a Percentage of Covered-Employee Payroll	12.00%	12.00%	13.00%

(1) Information prior to 2013 is not available.

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**City of Solon, Ohio**  
*Required Supplementary Information*  
*Schedule of the City's Contributions*  
*Ohio Police and Fire Pension Fund*  
*Last Ten Years*

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually Required Contribution	\$1,992,084	\$1,959,654	\$1,631,979	\$1,306,875
Contributions in Relation to the Contractually Required Contribution	<u>(1,992,084)</u>	<u>(1,959,654)</u>	<u>(1,631,979)</u>	<u>(1,306,875)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered-Employee Payroll	\$9,269,014	\$9,113,753	\$8,880,813	\$8,565,132
Contributions as a Percentage of Covered-Employee Payroll	21.49%	21.50%	18.38%	15.26%

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$1,283,206	\$1,287,816	\$1,315,498	\$1,224,574	\$1,178,091	\$1,004,167
<u>(1,283,206)</u>	<u>(1,287,816)</u>	<u>(1,315,498)</u>	<u>(1,224,574)</u>	<u>(1,178,091)</u>	<u>(1,004,167)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$8,385,932	\$8,433,354	\$8,584,815	\$7,974,399	\$7,683,054	\$7,350,855
15.30%	15.27%	15.32%	15.36%	15.33%	13.66%

## Combining and Individual Fund Statements and Schedules

### Combining Statements – Nonmajor Governmental Funds

#### *Nonmajor Special Revenue Funds*

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

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

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

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

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

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

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

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

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

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

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

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

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

(continued)



## Combining Statements – Nonmajor Governmental Funds (continued)

### *Nonmajor Special Revenue Funds (continued)*

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

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

### ***Nonmajor Capital Projects Funds***

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

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

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

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

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

**City of Solon, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*December 31, 2015*

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$1,981,761	\$1,388,182	\$3,369,943
Accounts Receivable	48,766	10,400	59,166
Intergovernmental Receivable	645,775	19,455	665,230
Municipal Income Taxes Receivable	0	43,990	43,990
Property Taxes Receivable	2,080,235	404,550	2,484,785
<i>Total Assets</i>	<u>\$4,756,537</u>	<u>\$1,866,577</u>	<u>\$6,623,114</u>
<b>Liabilities</b>			
Accounts Payable	\$26,989	\$0	\$26,989
Contracts Payable	0	132,637	132,637
Intergovernmental Payable	227,149	0	227,149
Retainage Payable	0	13,181	13,181
<i>Total Liabilities</i>	<u>254,138</u>	<u>145,818</u>	<u>399,956</u>
<b>Deferred Inflows of Resources</b>			
Property Taxes	2,010,904	391,160	2,402,064
Unavailable Revenue	676,434	44,552	720,986
<i>Total Deferred Inflows of Resources</i>	<u>2,687,338</u>	<u>435,712</u>	<u>3,123,050</u>
<b>Fund Balances</b>			
Restricted	1,163,013	1,285,047	2,448,060
Committed	652,048	0	652,048
<i>Total Fund Balances</i>	<u>1,815,061</u>	<u>1,285,047</u>	<u>3,100,108</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$4,756,537</u>	<u>\$1,866,577</u>	<u>\$6,623,114</u>

**City of Solon, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Year Ended December 31, 2015*

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>			
Property Taxes	\$1,967,616	\$395,393	\$2,363,009
Municipal Income Taxes	0	84,799	84,799
Intergovernmental	1,339,512	48,985	1,388,497
Investment Income	2,498	0	2,498
Fees, Licenses and Permits	146,163	0	146,163
Fines and Forfeitures	14,020	0	14,020
Rentals	12,050	0	12,050
Charges for Services	2,095,357	0	2,095,357
Contributions and Donations	64,062	13,200	77,262
Miscellaneous	82,204	87,863	170,067
<i>Total Revenues</i>	<u>5,723,482</u>	<u>630,240</u>	<u>6,353,722</u>
<b>Expenditures</b>			
Current:			
Security of Persons and Property			
Police	860,402	0	860,402
Fire	1,241,071	0	1,241,071
Leisure Time Activities	3,403,115	0	3,403,115
Transportation	1,304,000	0	1,304,000
General Government	39,489	0	39,489
Capital Outlay	0	3,076,256	3,076,256
<i>Total Expenditures</i>	<u>6,848,077</u>	<u>3,076,256</u>	<u>9,924,333</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,124,595)</u>	<u>(2,446,016)</u>	<u>(3,570,611)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	950,000	1,852,000	2,802,000
Transfers Out	(164,018)	0	(164,018)
<i>Total Other Financing Sources</i>	<u>785,982</u>	<u>1,852,000</u>	<u>2,637,982</u>
<i>Net Change in Fund Balances</i>	(338,613)	(594,016)	(932,629)
<i>Fund Balances Beginning of Year</i>	<u>2,153,674</u>	<u>1,879,063</u>	<u>4,032,737</u>
<i>Fund Balances End of Year</i>	<u><u>\$1,815,061</u></u>	<u><u>\$1,285,047</u></u>	<u><u>\$3,100,108</u></u>

**City of Solon, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*December 31, 2015*

	Street Construction, Maintenance and Repair	State Highway	Police Pension	Fire Pension	Cable TV
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$78,740	\$51,289	\$498,833	\$411,560	\$126,195
Accounts Receivable	0	0	0	0	48,766
Intergovernmental Receivable	497,444	40,333	43,199	64,799	0
Property Taxes Receivable	0	0	832,093	1,248,142	0
<i>Total Assets</i>	<u>\$576,184</u>	<u>\$91,622</u>	<u>\$1,374,125</u>	<u>\$1,724,501</u>	<u>\$174,961</u>
<b>Liabilities</b>					
Accounts Payable	\$0	\$0	\$0	\$0	\$7,269
Intergovernmental Payable	0	0	92,214	134,915	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>92,214</u>	<u>134,915</u>	<u>7,269</u>
<b>Deferred Inflows of Resources</b>					
Property Taxes	0	0	804,361	1,206,543	0
Unavailable Revenue	416,564	33,775	70,931	106,398	48,766
<i>Total Deferred Inflows of Resources</i>	<u>416,564</u>	<u>33,775</u>	<u>875,292</u>	<u>1,312,941</u>	<u>48,766</u>
<b>Fund Balances</b>					
Restricted	159,620	57,847	406,619	276,645	0
Committed	0	0	0	0	118,926
<i>Total Fund Balances</i>	<u>159,620</u>	<u>57,847</u>	<u>406,619</u>	<u>276,645</u>	<u>118,926</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$576,184</u>	<u>\$91,622</u>	<u>\$1,374,125</u>	<u>\$1,724,501</u>	<u>\$174,961</u>

<u>Tree Planting</u>	<u>Recreation</u>	<u>Police Department Programs</u>	<u>Law Enforcement Trust</u>	<u>Donations Trust</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$165,758	\$336,689	\$27,635	\$234,647	\$50,415	\$1,981,761
0	0	0	0	0	48,766
0	0	0	0	0	645,775
0	0	0	0	0	2,080,235
<u>\$165,758</u>	<u>\$336,689</u>	<u>\$27,635</u>	<u>\$234,647</u>	<u>\$50,415</u>	<u>\$4,756,537</u>
\$1,950	\$17,267	\$0	\$0	\$503	\$26,989
0	20	0	0	0	227,149
<u>1,950</u>	<u>17,287</u>	<u>0</u>	<u>0</u>	<u>503</u>	<u>254,138</u>
0	0	0	0	0	2,010,904
0	0	0	0	0	676,434
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,687,338</u>
0	0	27,635	234,647	0	1,163,013
163,808	319,402	0	0	49,912	652,048
<u>163,808</u>	<u>319,402</u>	<u>27,635</u>	<u>234,647</u>	<u>49,912</u>	<u>1,815,061</u>
<u>\$165,758</u>	<u>\$336,689</u>	<u>\$27,635</u>	<u>\$234,647</u>	<u>\$50,415</u>	<u>\$4,756,537</u>

**City of Solon, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Year Ended December 31, 2015*

	Street Construction, Maintenance and Repair	State Highway	Police Pension	Fire Pension	Cable TV
<b>Revenues</b>					
Property Taxes	\$0	\$0	\$787,056	\$1,180,560	\$0
Intergovernmental	1,020,245	82,723	96,085	140,459	0
Investment Income	1,281	420	0	0	797
Fees, Licenses and Permits	0	0	0	0	146,163
Fines and Forfeitures	0	0	0	0	0
Rentals	0	0	0	0	0
Charges for Services	0	0	0	0	0
Contributions and Donations	0	0	0	0	0
Miscellaneous	0	0	0	0	0
<i>Total Revenues</i>	<u>1,021,526</u>	<u>83,143</u>	<u>883,141</u>	<u>1,321,019</u>	<u>146,960</u>
<b>Expenditures</b>					
Current:					
Security of Persons and Property					
Police	0	0	811,570	0	0
Fire	0	0	0	1,236,554	0
Leisure Time Activities	0	0	0	0	193,070
Transportation	1,200,000	104,000	0	0	0
General Government	0	0	0	0	0
<i>Total Expenditures</i>	<u>1,200,000</u>	<u>104,000</u>	<u>811,570</u>	<u>1,236,554</u>	<u>193,070</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(178,474)</u>	<u>(20,857)</u>	<u>71,571</u>	<u>84,465</u>	<u>(46,110)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers In	0	0	0	150,000	0
Transfers Out	0	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>150,000</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>(178,474)</u>	<u>(20,857)</u>	<u>71,571</u>	<u>234,465</u>	<u>(46,110)</u>
<i>Fund Balances Beginning of Year</i>	<u>338,094</u>	<u>78,704</u>	<u>335,048</u>	<u>42,180</u>	<u>165,036</u>
<i>Fund Balances End of Year</i>	<u><u>\$159,620</u></u>	<u><u>\$57,847</u></u>	<u><u>\$406,619</u></u>	<u><u>\$276,645</u></u>	<u><u>\$118,926</u></u>

Tree Planting	Recreation	Police Department Programs	Law Enforcement Trust	Donations Trust	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$0	\$1,967,616
0	0	0	0	0	1,339,512
0	0	0	0	0	2,498
0	0	0	0	0	146,163
0	0	0	14,020	0	14,020
0	12,050	0	0	0	12,050
7,360	2,087,997	0	0	0	2,095,357
0	14,918	35,848	0	13,296	64,062
0	82,204	0	0	0	82,204
<u>7,360</u>	<u>2,197,169</u>	<u>35,848</u>	<u>14,020</u>	<u>13,296</u>	<u>5,723,482</u>
0	0	37,296	8,484	3,052	860,402
0	0	0	0	4,517	1,241,071
0	3,194,031	0	0	16,014	3,403,115
0	0	0	0	0	1,304,000
<u>39,489</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>39,489</u>
<u>39,489</u>	<u>3,194,031</u>	<u>37,296</u>	<u>8,484</u>	<u>23,583</u>	<u>6,848,077</u>
<u>(32,129)</u>	<u>(996,862)</u>	<u>(1,448)</u>	<u>5,536</u>	<u>(10,287)</u>	<u>(1,124,595)</u>
0	800,000	0	0	0	950,000
0	(164,018)	0	0	0	(164,018)
0	635,982	0	0	0	785,982
(32,129)	(360,880)	(1,448)	5,536	(10,287)	(338,613)
<u>195,937</u>	<u>680,282</u>	<u>29,083</u>	<u>229,111</u>	<u>60,199</u>	<u>2,153,674</u>
<u>\$163,808</u>	<u>\$319,402</u>	<u>\$27,635</u>	<u>\$234,647</u>	<u>\$49,912</u>	<u>\$1,815,061</u>

**City of Solon, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds*  
*December 31, 2015*

	Safety and Service Equipment	Building Construction	Old City Hall Renovations	General Capital Improvements	Total Nonmajor Capital Projects Funds
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$253,531	\$495,929	\$17,744	\$620,978	\$1,388,182
Accounts Receivable	0	10,400	0	0	10,400
Intergovernmental Receivable	19,455	0	0	0	19,455
Municipal Income Taxes Receivable	0	0	0	43,990	43,990
Property Taxes Receivable	404,550	0	0	0	404,550
<i>Total Assets</i>	<u>\$677,536</u>	<u>\$506,329</u>	<u>\$17,744</u>	<u>\$664,968</u>	<u>\$1,866,577</u>
<b>Liabilities</b>					
Contracts Payable	\$0	\$132,637	\$0	\$0	\$132,637
Retainage Payable	0	13,181	0	0	13,181
<i>Total Liabilities</i>	<u>0</u>	<u>145,818</u>	<u>0</u>	<u>0</u>	<u>145,818</u>
<b>Deferred Inflows of Resources</b>					
Property Taxes	391,160	0	0	0	391,160
Unavailable Revenue	32,845	0	0	11,707	44,552
<i>Total Deferred Inflows of Resources</i>	<u>424,005</u>	<u>0</u>	<u>0</u>	<u>11,707</u>	<u>435,712</u>
<b>Fund Balances</b>					
Restricted	253,531	360,511	17,744	653,261	1,285,047
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$677,536</u>	<u>\$506,329</u>	<u>\$17,744</u>	<u>\$664,968</u>	<u>\$1,866,577</u>



**City of Solon, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Capital Projects Funds*  
*For the Year Ended December 31, 2015*

	Safety and Service Equipment	Building Construction	Old City Hall Renovations	General Capital Improvements	Total Nonmajor Capital Projects Funds
<b>Revenues</b>					
Property Taxes	\$395,393	\$0	\$0	\$0	\$395,393
Municipal Income Taxes	0	0	0	84,799	84,799
Intergovernmental	48,985	0	0	0	48,985
Contributions and Donations	0	0	0	13,200	13,200
Miscellaneous	24,363	63,500	0	0	87,863
<i>Total Revenues</i>	468,741	63,500	0	97,999	630,240
<b>Expenditures</b>					
Capital Outlay	1,733,742	767,357	0	575,157	3,076,256
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,265,001)	(703,857)	0	(477,158)	(2,446,016)
<b>Other Financing Sources (Uses)</b>					
Transfers In	1,002,000	250,000	0	600,000	1,852,000
<i>Net Change in Fund Balances</i>	(263,001)	(453,857)	0	122,842	(594,016)
<i>Fund Balances Beginning of Year</i>	516,532	814,368	17,744	530,419	1,879,063
<i>Fund Balances End of Year</i>	<u>\$253,531</u>	<u>\$360,511</u>	<u>\$17,744</u>	<u>\$653,261</u>	<u>\$1,285,047</u>

## Combining Statements – Fiduciary Funds

### *Fiduciary Funds*

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

### *Agency Funds*

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

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

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

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

**City of Solon, Ohio**  
*Combining Statement of Changes in Assets and Liabilities*  
*Agency Funds*  
*For the Year Ended December 31, 2015*

	Beginning Balance 12/31/14	Additions	Deductions	Ending Balance 12/31/15
<b><i>Inspection Deposits Fund</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$1,133,128	\$175,583	\$431,416	\$877,295
<b>Liabilities</b>				
Deposits Held and Due to Others	\$1,133,128	\$175,583	\$431,416	\$877,295
 <b><i>Traffic Violations Fund</i></b>				
<b>Assets</b>				
Cash and Cash Equivalents in Segregated Accounts	\$0	\$108,658	\$108,658	\$0
<b>Liabilities</b>				
Intergovernmental Payable	\$0	\$108,658	\$108,658	\$0
 <b><i>DARE Scholarship Fund</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$374	\$0	\$0	\$374
<b>Liabilities</b>				
Deposits Held and Due to Others	\$374	\$0	\$0	\$374
 <b><i>JEDD Income Tax Fund</i></b>				
<b>Assets</b>				
Cash and Cash Equivalents in Segregated Accounts	\$30,801	\$153,528	\$137,678	\$46,651
<b>Liabilities</b>				
Intergovernmental Payable	\$30,801	\$153,528	\$137,678	\$46,651
 <b><i>Total - All Agency Funds</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$1,133,502	\$175,583	\$431,416	\$877,669
Cash and Cash Equivalents in Segregated Accounts	30,801	262,186	246,336	46,651
<b>Total Assets</b>	<b>\$1,164,303</b>	<b>\$437,769</b>	<b>\$677,752</b>	<b>\$924,320</b>
<b>Liabilities</b>				
Intergovernmental Payable	\$30,801	\$262,186	\$246,336	\$46,651
Deposits Held and Due to Others	1,133,502	175,583	431,416	877,669
<b>Total Liabilities</b>	<b>\$1,164,303</b>	<b>\$437,769</b>	<b>\$677,752</b>	<b>\$924,320</b>

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

**City of Solon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Year Ended December 31, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$1,319,827	\$1,342,827	\$1,360,420	\$17,593
Municipal Income Taxes	28,088,518	26,719,306	27,128,123	408,817
Intergovernmental	604,685	618,685	617,039	(1,646)
Investment Income	590,672	319,672	320,732	1,060
Fees, Licenses and Permits	688,150	831,200	837,434	6,234
Fines and Forfeitures	330,000	287,850	286,968	(882)
Charges for Services	1,456,050	1,615,050	1,616,420	1,370
Rentals	13,500	12,500	12,746	246
Contributions and Donations	6,000	0	0	0
Miscellaneous	167,641	221,841	490,585	268,744
<b>Total Revenues</b>	<b>33,265,043</b>	<b>31,968,931</b>	<b>32,670,467</b>	<b>701,536</b>
<b>Expenditures</b>				
Current:				
Security of Persons and Property				
Police				
Personal Services	6,598,650	6,606,902	6,499,208	107,694
Materials and Supplies	369,792	370,186	267,496	102,690
Contractual Services	223,913	224,175	189,558	34,617
Capital Outlay	86,790	86,882	76,228	10,654
<b>Total Police</b>	<b>7,279,145</b>	<b>7,288,145</b>	<b>7,032,490</b>	<b>255,655</b>
Fire				
Personal Services	5,437,044	5,439,544	5,398,538	41,006
Materials and Supplies	262,679	256,679	213,231	43,448
Contractual Services	146,518	154,518	118,951	35,567
Capital Outlay	143,726	147,226	142,385	4,841
<b>Total Fire</b>	<b>5,989,967</b>	<b>5,997,967</b>	<b>5,873,105</b>	<b>124,862</b>
<b>Total Security of Persons and Property</b>	<b>13,269,112</b>	<b>13,286,112</b>	<b>12,905,595</b>	<b>380,517</b>
Public Health and Welfare				
Cemetery				
Other	4,500	4,500	901	3,599
County Health District				
Contractual Services	92,000	92,000	91,524	476
<b>Total Public Health and Welfare</b>	<b>96,500</b>	<b>96,500</b>	<b>92,425</b>	<b>4,075</b>
Leisure Time Activities				
Recreation Admin				
Personal Services	21,739	21,739	21,739	0
Contractual Services	0	1,848	1,848	0
<b>Total Recreation Admin</b>	<b>21,739</b>	<b>23,587</b>	<b>23,587</b>	<b>0</b>
Youth Recreation Program				
Personal Services	639,010	639,010	615,402	23,608
Materials and Supplies	75,984	75,984	68,208	7,776
Contractual Services	76,150	74,302	60,932	13,370
Capital Outlay	1,000	1,000	909	91
Other	27,970	27,970	22,437	5,533
<b>Total Youth Recreation Program</b>	<b>\$820,114</b>	<b>\$818,266</b>	<b>\$767,888</b>	<b>\$50,378</b>

(continued)

**City of Solon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Year Ended December 31, 2015*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Senior Services Admin				
Personal Services	\$388,233	\$394,997	\$393,487	\$1,510
Materials and Supplies	23,234	23,650	23,160	490
<b>Total Senior Services Admin</b>	<b>411,467</b>	<b>418,647</b>	<b>416,647</b>	<b>2,000</b>
Senior Programs				
Materials and Supplies	80,753	82,200	80,460	1,740
Contractual Services	49,979	50,875	49,029	1,846
Other	98	100	0	100
<b>Total Senior Programs</b>	<b>130,830</b>	<b>133,175</b>	<b>129,489</b>	<b>3,686</b>
<b>Total Leisure Time Activities</b>	<b>1,384,150</b>	<b>1,393,675</b>	<b>1,337,611</b>	<b>56,064</b>
Community Environment				
Planning and Zoning				
Personal Services	479,819	480,958	479,716	1,242
Materials and Supplies	7,173	7,190	6,926	264
Contractual Services	30,162	30,230	25,818	4,412
Capital Outlay	100	100	100	0
<b>Total Planning and Zoning</b>	<b>517,254</b>	<b>518,478</b>	<b>512,560</b>	<b>5,918</b>
Development Board				
Materials and Supplies	1,756	2,811	2,811	0
Contractual Services	32,422	31,449	27,504	3,945
<b>Total Development Board</b>	<b>34,178</b>	<b>34,260</b>	<b>30,315</b>	<b>3,945</b>
Building Department				
Personal Services	240,132	240,132	192,393	47,739
Materials and Supplies	10,437	10,437	7,443	2,994
Contractual Services	123,350	123,350	106,833	16,517
Capital Outlay	500	500	291	209
Other	11,500	11,500	8,128	3,372
<b>Total Building Department</b>	<b>385,919</b>	<b>385,919</b>	<b>315,088</b>	<b>70,831</b>
Engineering Department				
Personal Services	572,535	606,520	536,174	70,346
Materials and Supplies	39,897	39,116	34,565	4,551
Contractual Services	170,192	167,041	146,246	20,795
Capital Outlay	2,363	2,310	2,310	0
<b>Total Engineering Department</b>	<b>784,987</b>	<b>814,987</b>	<b>719,295</b>	<b>95,692</b>
Beautification Commission				
Materials and Supplies	23,191	23,191	14,493	8,698
Contractual Services	750	750	0	750
<b>Total Beautification Commission</b>	<b>23,941</b>	<b>23,941</b>	<b>14,493</b>	<b>9,448</b>
<b>Total Community Environment</b>	<b>\$1,746,279</b>	<b>\$1,777,585</b>	<b>\$1,591,751</b>	<b>\$185,834</b>

(continued)

**City of Solon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Basic Utility Services				
Storm Sewers				
Personal Services	\$600,739	\$600,739	\$547,394	\$53,345
Materials and Supplies	53,493	53,493	29,847	23,646
Contractual Services	10,000	10,000	3,855	6,145
Total Storm Sewers	664,232	664,232	581,096	83,136
Trees, Leaf and Brush				
Personal Services	60,244	60,244	44,228	16,016
Materials and Supplies	0	234	234	0
Total Trees, Leaf and Brush	60,244	60,478	44,462	16,016
Refuse Collection and Disposal				
Personal Services	774,071	774,071	748,485	25,586
Materials and Supplies	241,330	241,096	217,681	23,415
Contractual Services	387,880	387,880	346,748	41,132
Total Refuse Collection and Disposal	1,403,281	1,403,047	1,312,914	90,133
Total Basic Utility Services	2,127,757	2,127,757	1,938,472	189,285
Transportation				
Street Lighting				
Contractual Services	19,494	19,494	0	19,494
Street Department				
Personal Services	2,380,878	2,380,878	2,214,543	166,335
Materials and Supplies	1,262,636	1,262,636	945,388	317,248
Contractual Services	54,130	54,130	32,691	21,439
Capital Outlay	59,183	59,183	41,511	17,672
Total Street Department	3,756,827	3,756,827	3,234,133	522,694
Total Transportation	3,776,321	3,776,321	3,234,133	542,188
General Government				
Council				
Personal Services	270,217	272,338	258,836	13,502
Materials and Supplies	18,210	18,347	16,015	2,332
Contractual Services	5,334	5,376	3,029	2,347
Total Council	293,761	296,061	277,880	18,181
Mayor				
Personal Services	250,702	250,702	229,683	21,019
Materials and Supplies	5,414	5,414	3,748	1,666
Contractual Services	550	550	308	242
Capital Outlay	250	250	0	250
Total Mayor	256,916	256,916	233,739	23,177
Finance/Income Tax				
Personal Services	801,022	801,022	772,663	28,359
Materials and Supplies	29,615	29,615	24,407	5,208
Contractual Services	951,469	931,469	877,193	54,276
Capital Outlay	1,000	1,000	0	1,000
Total Finance/Income Tax	\$1,783,106	\$1,763,106	\$1,674,263	\$88,843

**City of Solon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Year Ended December 31, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Prosecutor/Legal Department				
Personal Services	\$159,043	\$159,043	\$159,027	\$16
Contractual Services	397,251	397,251	302,767	94,484
Other	2,000	2,000	0	2,000
<b>Total Prosecutor/Legal Department</b>	<b>558,294</b>	<b>558,294</b>	<b>461,794</b>	<b>96,500</b>
Human Resources				
Personal Services	414,717	423,897	414,299	9,598
Materials and Supplies	9,006	9,175	3,867	5,308
Contractual Services	170,187	177,675	151,170	26,505
Capital Outlay	12,628	12,791	10,622	2,169
<b>Total Human Resources</b>	<b>606,538</b>	<b>623,538</b>	<b>579,958</b>	<b>43,580</b>
Civil Service				
Materials and Supplies	1,000	1,000	97	903
Contractual Services	29,685	29,685	15,870	13,815
<b>Total Civil Service</b>	<b>30,685</b>	<b>30,685</b>	<b>15,967</b>	<b>14,718</b>
City Hall				
Personal Services	203,464	148,357	132,864	15,493
Materials and Supplies	1,372	1,000	0	1,000
Contractual Services	2,585	2,064	1,142	922
<b>Total City Hall</b>	<b>207,421</b>	<b>151,421</b>	<b>134,006</b>	<b>17,415</b>
Unclaimed Monies				
Other	7,685	7,685	7,610	75
City Administration				
Personal Services	4,922,956	4,886,766	4,777,280	109,486
Materials and Supplies	173,156	173,647	114,001	59,646
Contractual Services	2,622,674	2,594,100	2,466,532	127,568
Capital Outlay	40,662	40,800	39,815	985
Other	39,965	40,100	31,417	8,683
<b>Total City Administration</b>	<b>7,799,413</b>	<b>7,735,413</b>	<b>7,429,045</b>	<b>306,368</b>
Sick Leave Reserve				
Personal Services	146,800	146,800	146,664	136
<b>Total General Government</b>	<b>11,690,619</b>	<b>11,569,919</b>	<b>10,960,926</b>	<b>608,993</b>
<b>Total Expenditures</b>	<b>34,090,738</b>	<b>34,027,869</b>	<b>32,060,913</b>	<b>1,966,956</b>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>(825,695)</i>	<i>(2,058,938)</i>	<i>609,554</i>	<i>2,668,492</i>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	104,831	104,831	104,831	0
Transfers In	0	154,951	238,462	83,511
Transfers Out	(3,044,515)	(4,108,049)	(4,108,049)	0
<b>Total Other Financing Sources (Uses)</b>	<b>(2,939,684)</b>	<b>(3,848,267)</b>	<b>(3,764,756)</b>	<b>83,511</b>
<b>Net Change in Fund Balance</b>	<b>(3,765,379)</b>	<b>(5,907,205)</b>	<b>(3,155,202)</b>	<b>2,752,003</b>
<b>Fund Balance Beginning of Year</b>	<b>26,785,121</b>	<b>26,785,121</b>	<b>26,785,121</b>	<b>0</b>
<b>Prior Year Encumbrances Appropriated</b>	<b>738,594</b>	<b>738,594</b>	<b>738,594</b>	<b>0</b>
<b>Fund Balance End of Year</b>	<b>\$23,758,336</b>	<b>\$21,616,510</b>	<b>\$24,368,513</b>	<b>\$2,752,003</b>



**City of Solon, 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, 2015*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Property Taxes	\$304,289	\$304,289	\$295,123	(\$9,166)
Special Assessments	525,000	340,000	338,458	(1,542)
Intergovernmental	65,711	65,711	65,711	0
Fees, Licenses and Permits	0	50,000	52,789	2,789
<i>Total Revenues</i>	<u>895,000</u>	<u>760,000</u>	<u>752,081</u>	<u>(7,919)</u>
<b>Expenditures</b>				
Current:				
General Government				
Legislative and Executive				
Contractual Services	21,930	21,930	11,062	10,868
Debt Service:				
Principal Retirement	678,117	678,117	678,116	1
Interest and Fiscal Charges	189,953	189,953	189,953	0
<i>Total Debt Service</i>	<u>868,070</u>	<u>868,070</u>	<u>868,069</u>	<u>1</u>
<i>Total Expenditures</i>	<u>890,000</u>	<u>890,000</u>	<u>879,131</u>	<u>10,869</u>
<i>Net Change in Fund Balance</i>	5,000	(130,000)	(127,050)	2,950
<i>Fund Balance Beginning of Year</i>	<u>1,380,223</u>	<u>1,380,223</u>	<u>1,380,223</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$1,385,223</u>	<u>\$1,250,223</u>	<u>\$1,253,173</u>	<u>\$2,950</u>

**City of Solon, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 Infrastructure Fund  
 For the Year Ended December 31, 2015*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Municipal Income Taxes	\$9,622,423	\$9,122,423	\$9,189,710	\$67,287
Special Assessments	21,500	21,500	21,231	(269)
Intergovernmental	150,000	10,000	3,597	(6,403)
Miscellaneous	125,000	125,000	336,708	211,708
<i>Total Revenues</i>	<u>9,918,923</u>	<u>9,278,923</u>	<u>9,551,246</u>	<u>272,323</u>
<b>Expenditures</b>				
Current:				
Transportation				
Engineering Department				
Personal Services	370,000	315,000	312,753	2,247
Capital Outlay	18,256,342	18,301,342	14,753,771	3,547,571
Debt Service:				
Principal Retirement	24,000	24,000	23,807	193
<i>Total Expenditures</i>	<u>18,650,342</u>	<u>18,640,342</u>	<u>15,090,331</u>	<u>3,550,011</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(8,731,419)	(9,361,419)	(5,539,085)	3,822,334
<b>Other Financing Sources (Uses)</b>				
Transfers In	105,000	106,000	106,049	49
<i>Net Change in Fund Balance</i>	(8,626,419)	(9,255,419)	(5,433,036)	3,822,383
<i>Fund Balance Beginning of Year</i>	8,290,087	8,290,087	8,290,087	0
Prior Year Encumbrances Appropriated	4,435,045	4,435,045	4,435,045	0
<i>Fund Balance End of Year</i>	<u>\$4,098,713</u>	<u>\$3,469,713</u>	<u>\$7,292,096</u>	<u>\$3,822,383</u>

**City of Solon, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Water Reclamation Fund*  
*For the Year Ended December 31, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$5,851,000	\$5,693,100	\$5,684,893	(\$8,207)
Tap-In Fees	100,000	106,000	143,041	37,041
Investment Income	31,000	57,000	58,461	1,461
Miscellaneous	77,500	35,500	34,381	(1,119)
<i>Total Revenues</i>	<u>6,059,500</u>	<u>5,891,600</u>	<u>5,920,776</u>	<u>29,176</u>
<b>Expenses</b>				
Personal Services	1,581,146	1,578,146	1,505,268	72,878
Materials and Supplies	575,428	575,428	420,681	154,747
Contractual Services	2,069,684	2,159,684	1,355,071	804,613
Other	22,000	22,000	14,034	7,966
Capital Outlay	1,097,593	1,097,593	505,232	592,361
Debt Service:				
Principal Retirement	1,658,231	1,658,231	1,658,229	2
Interest and Fiscal Charges	257,410	257,410	257,408	2
<i>Total Expenses</i>	<u>7,261,492</u>	<u>7,348,492</u>	<u>5,715,923</u>	<u>1,632,569</u>
<i>Net Change in Fund Equity</i>	(1,201,992)	(1,456,892)	204,853	1,661,745
<i>Fund Equity Beginning of Year</i>	7,744,171	7,744,171	7,744,171	0
Prior Year Encumbrances Appropriated	<u>846,220</u>	<u>846,220</u>	<u>846,220</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$7,388,399</u></u>	<u><u>\$7,133,499</u></u>	<u><u>\$8,795,244</u></u>	<u><u>\$1,661,745</u></u>

**City of Solon, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Grantwood Recreation Fund*  
*For the Year Ended December 31, 2015*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Charges for Services	\$867,000	\$796,300	\$799,810	\$3,510
Investment Income	0	1,500	1,572	72
Rentals	184,000	191,100	196,751	5,651
Sale of Capital Assets	0	0	4,500	4,500
Miscellaneous	7,000	800	237	(563)
<i>Total Revenues</i>	<u>1,058,000</u>	<u>989,700</u>	<u>1,002,870</u>	<u>13,170</u>
<b>Expenses</b>				
Personal Services	615,589	615,689	603,818	11,871
Materials and Supplies	198,592	198,592	184,713	13,879
Contractual Services	121,700	121,700	110,651	11,049
Other	131,482	131,482	118,118	13,364
Capital Outlay	11,703	11,703	10,307	1,396
<i>Total Expenses</i>	<u>1,079,066</u>	<u>1,079,166</u>	<u>1,027,607</u>	<u>51,559</u>
<i>Net Change in Fund Equity</i>	(21,066)	(89,466)	(24,737)	64,729
<i>Fund Equity Beginning of Year</i>	223,173	223,173	223,173	0
Prior Year Encumbrances Appropriated	<u>16,642</u>	<u>16,642</u>	<u>16,642</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$218,749</u>	<u>\$150,349</u>	<u>\$215,078</u>	<u>\$64,729</u>

**City of Solon, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 Street Construction, Maintenance and Repair Fund  
 For the Year Ended December 31, 2015*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$980,000	\$1,030,500	\$1,034,046	\$3,546
Investment Income	1,500	1,000	1,080	80
<i>Total Revenues</i>	<u>981,500</u>	<u>1,031,500</u>	<u>1,035,126</u>	<u>3,626</u>
<b>Expenditures</b>				
Current:				
Transportation				
Street Maintenance and Repair				
Personal Services	888,000	888,000	888,000	0
Materials and Supplies	312,000	312,000	312,000	0
<i>Total Expenditures</i>	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,200,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(218,500)	(168,500)	(164,874)	3,626
<i>Fund Balance Beginning of Year</i>	<u>243,752</u>	<u>243,752</u>	<u>243,752</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$25,252</u>	<u>\$75,252</u>	<u>\$78,878</u>	<u>\$3,626</u>

**City of Solon, 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, 2015*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$78,000	\$83,000	\$83,842	\$842
Investment Income	500	500	410	(90)
<i>Total Revenues</i>	78,500	83,500	84,252	752
<b>Expenditures</b>				
Current:				
Transportation				
State Highway				
Materials and Supplies	145,000	145,000	104,000	41,000
<i>Net Change in Fund Balance</i>	(66,500)	(61,500)	(19,748)	41,752
<i>Fund Balance Beginning of Year</i>	71,126	71,126	71,126	0
<i>Fund Balance End of Year</i>	<u>\$4,626</u>	<u>\$9,626</u>	<u>\$51,378</u>	<u>\$41,752</u>

**City of Solon, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 Police Pension Fund  
 For the Year Ended December 31, 2015*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property Taxes	\$775,915	\$787,015	\$787,056	\$41
Intergovernmental	96,085	96,085	96,085	0
<i>Total Revenues</i>	872,000	883,100	883,141	41
<b>Expenditures</b>				
Current:				
Security of Persons and Property				
Police				
Personal Services	826,000	826,000	806,581	19,419
<i>Net Change in Fund Balance</i>	46,000	57,100	76,560	19,460
<i>Fund Balance Beginning of Year</i>	422,273	422,273	422,273	0
<i>Fund Balance End of Year</i>	<u>\$468,273</u>	<u>\$479,373</u>	<u>\$498,833</u>	<u>\$19,460</u>

**City of Solon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Fire Pension Fund*  
*For the Year Ended December 31, 2015*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property Taxes	\$1,184,541	\$1,184,541	\$1,180,560	(\$3,981)
Intergovernmental	140,459	140,459	140,459	0
<i>Total Revenues</i>	1,325,000	1,325,000	1,321,019	(3,981)
<b>Expenditures</b>				
Current:				
Security of Persons and Property				
Fire				
Personal Services	1,285,000	1,285,000	1,231,848	53,152
<i>Excess of Revenues Over (Under) Expenditures</i>	40,000	40,000	89,171	49,171
<b>Other Financing Sources (Uses)</b>				
Transfers In	150,000	150,000	150,000	0
<i>Net Change in Fund Balance</i>	190,000	190,000	239,171	49,171
<i>Fund Balance Beginning of Year</i>	172,389	172,389	172,389	0
<i>Fund Balance End of Year</i>	<u>\$362,389</u>	<u>\$362,389</u>	<u>\$411,560</u>	<u>\$49,171</u>



**City of Solon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
**Cable TV Fund**  
*For the Year Ended December 31, 2015*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Investment Income	\$500	\$500	\$843	\$343
Fees, Licenses and Permits	176,500	193,500	193,717	217
<i>Total Revenues</i>	<u>177,000</u>	<u>194,000</u>	<u>194,560</u>	<u>560</u>
<b>Expenditures</b>				
Current:				
Leisure Time Activities				
Cable TV				
Materials and Supplies	8,600	8,600	7,786	814
Contractual Services	200,258	200,258	196,378	3,880
<i>Total Expenditures</i>	<u>208,858</u>	<u>208,858</u>	<u>204,164</u>	<u>4,694</u>
<i>Net Change in Fund Balance</i>	(31,858)	(14,858)	(9,604)	5,254
<i>Fund Balance Beginning of Year</i>	124,508	124,508	124,508	0
Prior Year Encumbrances Appropriated	858	858	858	0
<i>Fund Balance End of Year</i>	<u>\$93,508</u>	<u>\$110,508</u>	<u>\$115,762</u>	<u>\$5,254</u>

**City of Solon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Tree Planting Fund*  
*For the Year Ended December 31, 2015*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Charges for Services	\$3,000	\$7,000	\$7,360	\$360
<b>Expenditures</b>				
Current:				
General Government				
Tree Planting				
Contractual Services	28,900	28,900	28,875	25
Other	13,100	13,100	13,064	36
<i>Total Expenditures</i>	<u>42,000</u>	<u>42,000</u>	<u>41,939</u>	<u>61</u>
<i>Net Change in Fund Balance</i>	(39,000)	(35,000)	(34,579)	421
<i>Fund Balance Beginning of Year</i>	191,937	191,937	191,937	0
Prior Year Encumbrances Appropriated	4,000	4,000	4,000	0
<i>Fund Balance End of Year</i>	<u>\$156,937</u>	<u>\$160,937</u>	<u>\$161,358</u>	<u>\$421</u>

**City of Solon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Recreation Fund*  
*For the Year Ended December 31, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Rentals	\$17,500	\$12,300	\$12,050	(\$250)
Charges for Services	2,271,631	2,130,431	2,094,765	(35,666)
Contributions and Donations	15,000	15,200	14,918	(282)
Miscellaneous	73,000	83,400	82,204	(1,196)
<i>Total Revenues</i>	<u>2,377,131</u>	<u>2,241,331</u>	<u>2,203,937</u>	<u>(37,394)</u>
<b>Expenditures</b>				
Current:				
Leisure Time Activities				
Administration				
Personal Services	306,256	306,256	302,083	4,173
Materials and Supplies	52,233	52,233	44,822	7,411
Contractual Services	39,975	39,975	39,894	81
Other	46,726	46,726	16,121	30,605
Total Administration	<u>445,190</u>	<u>445,190</u>	<u>402,920</u>	<u>42,270</u>
Recreation Programs				
Personal Services	275,957	275,957	274,953	1,004
Materials and Supplies	55,119	55,119	45,753	9,366
Contractual Services	85,850	105,850	103,634	2,216
Capital Outlay	7,500	7,500	7,100	400
Other	18,000	18,000	17,591	409
Total Recreation Programs	<u>442,426</u>	<u>462,426</u>	<u>449,031</u>	<u>13,395</u>
Swimming Pools				
Personal Services	68,516	68,516	68,505	11
Materials and Supplies	42,466	42,466	34,859	7,607
Contractual Services	44,932	44,932	41,348	3,584
Total Swimming Pools	<u>155,914</u>	<u>155,914</u>	<u>144,712</u>	<u>11,202</u>
Community Parks				
Personal Services	197,341	197,341	196,930	411
Materials and Supplies	69,250	69,250	62,236	7,014
Contractual Services	40,300	40,300	33,138	7,162
Total Community Parks	<u>306,891</u>	<u>306,891</u>	<u>292,304</u>	<u>14,587</u>
Concession Stand				
Personal Services	3,790	3,790	3,762	28
Materials and Supplies	8,845	8,845	8,268	577
Total Concession Stand	<u>\$12,635</u>	<u>\$12,635</u>	<u>\$12,030</u>	<u>\$605</u>

(continued)

**City of Solon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Recreation Fund (continued)*  
*For the Year Ended December 31, 2015*

	Budgeted Amounts		Actual	Final Budget Positive (Negative)
	Original	Final		
Youth Recreation Programs				
Personal Services	\$168,040	\$168,040	\$167,943	\$97
Materials and Supplies	81,807	81,807	64,002	17,805
Contractual Services	274,670	274,670	175,954	98,716
Capital Outlay	1,420	1,420	1,215	205
Total Youth Recreation Programs	<u>525,937</u>	<u>525,937</u>	<u>409,114</u>	<u>116,823</u>
Adult Recreation Programs				
Materials and Supplies	2,750	2,750	2,535	215
Contractual Services	6,070	6,070	5,046	1,024
Total Adult Recreation Programs	<u>8,820</u>	<u>8,820</u>	<u>7,581</u>	<u>1,239</u>
Holiday Programs				
Materials and Supplies	11,028	11,028	9,992	1,036
Contractual Services	26,100	26,100	25,737	363
Total Holiday Programs	<u>37,128</u>	<u>37,128</u>	<u>35,729</u>	<u>1,399</u>
Community Center				
Personal Services	1,254,487	1,254,487	1,249,041	5,446
Materials and Supplies	235,407	235,407	206,281	29,126
Contractual Services	116,046	116,046	92,844	23,202
Capital Outlay	37,057	37,057	33,503	3,554
Other	17,600	17,600	17,567	33
Total Community Center	<u>1,660,597</u>	<u>1,660,597</u>	<u>1,599,236</u>	<u>61,361</u>
<i>Total Expenditures</i>	<u>3,595,538</u>	<u>3,615,538</u>	<u>3,352,657</u>	<u>262,881</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,218,407)</u>	<u>(1,374,207)</u>	<u>(1,148,720)</u>	<u>225,487</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	780,000	800,000	800,000	0
Transfers Out	(164,018)	(164,018)	(164,018)	0
<i>Total Other Financing Sources (Uses)</i>	<u>615,982</u>	<u>635,982</u>	<u>635,982</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(602,425)</u>	<u>(738,225)</u>	<u>(512,738)</u>	<u>225,487</u>
<i>Fund Balance Beginning of Year</i>	626,136	626,136	626,136	0
Prior Year Encumbrances Appropriated	171,051	171,051	171,051	0
<i>Fund Balance End of Year</i>	<u>\$194,762</u>	<u>\$58,962</u>	<u>\$284,449</u>	<u>\$225,487</u>

**City of Solon, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 Police Department Programs Fund  
 For the Year Ended December 31, 2015*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Contributions and Donations	<u>\$30,000</u>	<u>\$30,000</u>	<u>\$35,848</u>	<u>\$5,848</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property				
Police				
DARE program				
Personal Services	30,000	30,000	30,000	0
Materials and Supplies	<u>10,000</u>	<u>10,000</u>	<u>7,296</u>	<u>2,704</u>
<i>Total Expenditures</i>	<u>40,000</u>	<u>40,000</u>	<u>37,296</u>	<u>2,704</u>
<i>Net Change in Fund Balance</i>	(10,000)	(10,000)	(1,448)	8,552
<i>Fund Balance Beginning of Year</i>	<u>29,083</u>	<u>29,083</u>	<u>29,083</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$19,083</u></u>	<u><u>\$19,083</u></u>	<u><u>\$27,635</u></u>	<u><u>\$8,552</u></u>

**City of Solon, 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, 2015*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Fines and Forfeitures	<u>\$26,000</u>	<u>\$16,000</u>	<u>\$15,843</u>	<u>(\$157)</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property				
Police				
OMVI				
Personal Services	20,000	20,000	8,687	11,313
Miscellaneous				
Materials and Supplies	<u>90,000</u>	<u>90,000</u>	<u>90,000</u>	<u>0</u>
<i>Total Expenditures</i>	<u>110,000</u>	<u>110,000</u>	<u>98,687</u>	<u>11,313</u>
<i>Net Change in Fund Balance</i>	(84,000)	(94,000)	(82,844)	11,156
<i>Fund Balance Beginning of Year</i>	<u>227,491</u>	<u>227,491</u>	<u>227,491</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$143,491</u></u>	<u><u>\$133,491</u></u>	<u><u>\$144,647</u></u>	<u><u>\$11,156</u></u>

**City of Solon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Donations Trust Fund*  
*For the Year Ended December 31, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Contributions and Donations	\$14,250	\$13,250	\$13,296	\$46
<b>Expenditures</b>				
Current:				
Security of Persons and Property				
Police				
Materials and Supplies	3,600	3,600	3,052	548
Fire				
Materials and Supplies	4,600	4,600	4,517	83
Total Security of Persons and Property	8,200	8,200	7,569	631
Leisure Time Activities				
Senior Services Donations				
Other	18,854	18,854	18,405	449
Community Environment				
Blue Herron Donations				
Other	48	48	0	48
<i>Total Expenditures</i>	27,102	27,102	25,974	1,128
<i>Net Change in Fund Balance</i>	(12,852)	(13,852)	(12,678)	1,174
<i>Fund Balance Beginning of Year</i>	59,908	59,908	59,908	0
Prior Year Encumbrances Appropriated	2,647	2,647	2,647	0
<i>Fund Balance End of Year</i>	\$49,703	\$48,703	\$49,877	\$1,174

**City of Solon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Senior Services Fund*  
*For the Year Ended December 31, 2015*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Charges for Services	\$14,131	\$14,131	\$0	(\$14,131)
<b>Expenditures</b>				
Current:				
Leisure Time Activities				
Senior Services Admin				
Materials and Supplies	251	251	48	203
Senior Programs				
Materials and Supplies	6,882	6,882	2,696	4,186
Contractual Services	13,759	13,759	4,465	9,294
Total Senior Programs	20,641	20,641	7,161	13,480
<i>Total Expenditures</i>	20,892	20,892	7,209	13,683
<i>Excess of Revenues Over (Under) Expenditures</i>	(6,761)	(6,761)	(7,209)	(448)
<b>Other Financing Sources (Uses)</b>				
Transfers Out	(74,444)	(74,444)	(74,444)	0
<i>Net Change in Fund Balance</i>	(81,205)	(81,205)	(81,653)	(448)
<i>Fund Balance Beginning of Year</i>	60,761	60,761	60,761	0
Prior Year Encumbrances Appropriated	20,892	20,892	20,892	0
<i>Fund Balance End of Year</i>	\$448	\$448	\$0	(\$448)



**City of Solon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Economic Incentive Fund*  
*For the Year Ended December 31, 2015*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$6,500	\$6,500	\$6,000	(\$500)
<b>Expenditures</b>				
Current:				
Community Environment				
Enterprise Zone Monitoring				
Other	<u>1,340,250</u>	<u>1,340,250</u>	<u>1,184,988</u>	<u>155,262</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,333,750)	(1,333,750)	(1,178,988)	154,762
<b>Other Financing Sources (Uses)</b>				
Transfers In	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,200,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(133,750)	(133,750)	21,012	154,762
<i>Fund Balance Beginning of Year</i>	557,542	557,542	557,542	0
Prior Year Encumbrances Appropriated	<u>140,000</u>	<u>140,000</u>	<u>140,000</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$563,792</u>	<u>\$563,792</u>	<u>\$718,554</u>	<u>\$154,762</u>

**City of Solon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Police Training Fund*  
*For the Year Ended December 31, 2015*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Charges for Services	\$3,000	\$3,000	\$3,680	\$680
<b>Expenditures</b>				
Current:				
Security of Persons and Property				
Police				
Police Training				
Materials and Supplies	6,373	6,373	20	6,353
Contractual Services	2,000	2,000	1,680	320
<i>Total Expenditures</i>	<u>8,373</u>	<u>8,373</u>	<u>1,700</u>	<u>6,673</u>
<i>Net Change in Fund Balance</i>	(5,373)	(5,373)	1,980	7,353
<i>Fund Balance Beginning of Year</i>	<u>21,223</u>	<u>21,223</u>	<u>21,223</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$15,850</u>	<u>\$15,850</u>	<u>\$23,203</u>	<u>\$7,353</u>

**City of Solon, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 Community Improvement Corporation Fund  
 For the Year Ended December 31, 2015*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>	0	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	4,000	4,000	4,000	0
<i>Fund Balance End of Year</i>	<u>\$4,000</u>	<u>\$4,000</u>	<u>\$4,000</u>	<u>\$0</u>

**City of Solon, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 Safety and Service Equipment Fund  
 For the Year Ended December 31, 2015*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property Taxes	\$398,015	\$398,015	\$395,393	(\$2,622)
Intergovernmental	48,985	48,985	48,985	0
Miscellaneous	10,000	24,000	24,363	363
<i>Total Revenues</i>	457,000	471,000	468,741	(2,259)
<b>Expenditures</b>				
Capital Outlay	1,847,258	1,847,258	1,809,490	37,768
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,390,258)	(1,376,258)	(1,340,749)	35,509
<b>Other Financing Sources (Uses)</b>				
Transfers In	1,002,000	1,002,000	1,002,000	0
<i>Net Change in Fund Balance</i>	(388,258)	(374,258)	(338,749)	35,509
<i>Fund Balance Beginning of Year</i>	305,299	305,299	305,299	0
Prior Year Encumbrances Appropriated	211,233	211,233	211,233	0
<i>Fund Balance End of Year</i>	<u>\$128,274</u>	<u>\$142,274</u>	<u>\$177,783</u>	<u>\$35,509</u>

**City of Solon, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Building Construction Fund*  
*For the Year Ended December 31, 2015*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Miscellaneous	\$35,000	\$53,000	\$53,100	\$100
<b>Expenditures</b>				
Capital Outlay	<u>2,743,120</u>	<u>983,120</u>	<u>866,269</u>	<u>116,851</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(2,708,120)</u>	<u>(930,120)</u>	<u>(813,169)</u>	<u>116,951</u>
<b>Other Financing Sources (Uses)</b>				
General Obligation Notes Issued	2,080,000	0	0	0
Transfers In	<u>0</u>	<u>250,000</u>	<u>250,000</u>	<u>0</u>
<i>Total Other Financing Sources (Uses)</i>	<u>2,080,000</u>	<u>250,000</u>	<u>250,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(628,120)	(680,120)	(563,169)	116,951
<i>Fund Balance Beginning of Year</i>	171,848	171,848	171,848	0
Prior Year Encumbrances Appropriated	<u>642,520</u>	<u>642,520</u>	<u>642,520</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$186,248</u></u>	<u><u>\$134,248</u></u>	<u><u>\$251,199</u></u>	<u><u>\$116,951</u></u>

**City of Solon, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 Old City Hall Renovations Fund  
 For the Year Ended December 31, 2015*

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

**City of Solon, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 General Capital Improvements Fund  
 For the Year Ended December 31, 2015*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Municipal Income Taxes	\$75,000	\$65,000	\$64,827	(\$173)
<b>Expenditures</b>				
Capital Outlay	<u>953,428</u>	<u>953,428</u>	<u>580,201</u>	<u>373,227</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(878,428)	(888,428)	(515,374)	373,054
<b>Other Financing Sources (Uses)</b>				
Transfers In	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(278,428)	(288,428)	84,626	373,054
<i>Fund Balance Beginning of Year</i>	507,682	507,682	507,682	0
Prior Year Encumbrances Appropriated	<u>11,428</u>	<u>11,428</u>	<u>11,428</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$240,682</u></u>	<u><u>\$230,682</u></u>	<u><u>\$603,736</u></u>	<u><u>\$373,054</u></u>

**City of Solon, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Workers' Compensation Fund*  
*For the Year Ended December 31, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$250,000	\$250,000	\$250,000	\$0
Miscellaneous	7,500	2,500	2,369	(131)
<i>Total Revenues</i>	<u>257,500</u>	<u>252,500</u>	<u>252,369</u>	<u>(131)</u>
<b>Expenses</b>				
Contractual Services	176,688	176,688	122,228	54,460
Claims	115,000	115,000	64,342	50,658
<i>Total Expenses</i>	<u>291,688</u>	<u>291,688</u>	<u>186,570</u>	<u>105,118</u>
<i>Net Change in Fund Equity</i>	(34,188)	(39,188)	65,799	104,987
<i>Fund Equity Beginning of Year</i>	350,428	350,428	350,428	0
Prior Year Encumbrances Appropriated	1,688	1,688	1,688	0
<i>Fund Equity End of Year</i>	<u>\$317,928</u>	<u>\$312,928</u>	<u>\$417,915</u>	<u>\$104,987</u>





City of Solon, Ohio

**STATISTICAL SECTION**



**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**



## Statistical Section

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

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<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 - S11
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City's most significant local revenue source, the municipal income tax.	S12 - S13
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	S14 - S19
<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.	S20- S23
<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.	S24 - S29

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**City of Solon, Ohio**  
*Net Position By Component*  
*Last Ten Years*  
*(Accrual Basis of Accounting)*

	<u>2015 (1)</u>	<u>2014 (2)</u>	<u>2013 (2)</u>	<u>2012 (2)</u>
<b>Governmental Activities</b>				
Net Investment in Capital Assets	\$134,680,020	\$132,982,006	\$129,835,381	\$131,699,509
Restricted:				
Capital Projects	15,834,281	15,842,874	14,110,621	9,310,451
Debt Service	4,730,040	5,218,753	5,029,412	5,437,648
Street Construction, Maintenance and Repair	576,184	758,805	932,586	1,012,409
Cable TV	0	0	0	0
Tree Planting	0	0	0	0
Landfill Improvement	0	0	126,143	405,313
Other Purposes	1,241,761	4,489,465	2,440,106	924,004
Unrestricted (Deficit)	<u>(9,313,888)</u>	<u>(10,005,809)</u>	<u>17,480,395</u>	<u>15,590,196</u>
 <i>Total Governmental Activities</i>				
<i>Net Position</i>	<u>\$147,748,398</u>	<u>\$149,286,094</u>	<u>\$169,954,644</u>	<u>\$164,379,530</u>
 <b>Business Type - Activities</b>				
Net Investment in Capital Assets	\$54,911,896	\$53,710,234	\$53,266,832	\$53,582,076
Unrestricted	<u>9,243,031</u>	<u>9,232,600</u>	<u>9,479,041</u>	<u>7,845,110</u>
 <i>Total Business-Type Activities</i>				
<i>Net Position</i>	<u>\$64,154,927</u>	<u>\$62,942,834</u>	<u>\$62,745,873</u>	<u>\$61,427,186</u>
 <b>Primary Government</b>				
Net Investment in Capital Assets	\$189,591,916	\$186,692,240	\$183,102,213	\$185,281,585
Restricted	22,382,266	26,309,897	22,638,868	17,089,825
Unrestricted	<u>(70,857)</u>	<u>(773,209)</u>	<u>26,959,436</u>	<u>23,435,306</u>
 <i>Total Primary Government</i>				
<i>Net Position</i>	<u>\$211,903,325</u>	<u>\$212,228,928</u>	<u>\$232,700,517</u>	<u>\$225,806,716</u>

(1) The City reported the impact of GASB Statement No. 68 beginning in 2014.

(2) The City implemented GASB 54 in 2010, causing the classification of net position to change.

<u>2011 (2)</u>	<u>2010 (2)</u>	<u>2009 (2)</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$116,112,789	\$117,330,135	\$104,060,699	\$92,250,325	\$87,878,235	\$82,030,598
6,925,143	5,006,205	9,236,362	19,795,982	21,802,881	19,874,834
7,219,254	7,642,496	7,866,320	8,824,240	4,245,100	5,043,568
1,070,267	1,108,641	1,081,065	1,084,825	971,182	933,208
0	0	0	553,060	488,084	505,445
0	0	0	249,116	243,136	240,376
641,520	922,799	1,178,514	1,400,493	1,394,909	1,399,637
1,102,110	988,518	981,745	1,507,140	792,373	549,219
13,281,133	10,607,262	12,398,272	12,324,836	14,084,752	13,134,426
<u>\$146,352,216</u>	<u>\$143,606,056</u>	<u>\$136,802,977</u>	<u>\$137,990,017</u>	<u>\$131,900,652</u>	<u>\$123,711,311</u>
\$52,758,649	\$52,548,182	\$52,711,512	\$51,496,779	\$50,615,585	\$49,301,117
6,906,080	4,735,569	4,519,543	5,470,918	4,291,875	3,265,336
<u>\$59,664,729</u>	<u>\$57,283,751</u>	<u>\$57,231,055</u>	<u>\$56,967,697</u>	<u>\$54,907,460</u>	<u>\$52,566,453</u>
\$168,871,438	\$169,878,317	\$156,772,211	\$143,747,104	\$138,493,820	\$131,331,715
16,958,294	15,668,659	20,344,006	33,414,856	29,937,665	28,546,287
20,187,213	15,342,831	16,917,815	17,795,754	18,376,627	16,399,762
<u>\$206,016,945</u>	<u>\$200,889,807</u>	<u>\$194,034,032</u>	<u>\$194,957,714</u>	<u>\$186,808,112</u>	<u>\$176,277,764</u>

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

	2015 (2)	2014	2013	2012
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services:				
Security of Persons and Property				
Police	\$506,861	\$378,418	\$332,192	\$457,894
Fire	977,231	792,556	778,753	811,123
Prosecutor (1)	0	0	11,105	13,582
Public Health and Welfare	6,492	4,795	4,259	5,209
Leisure Time Activities	2,413,658	3,095,565	3,155,533	3,195,633
Community Environment	108,610	74,866	64,887	171,619
Basic Utility Services	131,537	107,745	89,937	117,275
Transportation	219,444	179,665	164,649	265,769
General Government	797,517	479,069	435,208	287,796
Operating Grants and Contributions	1,384,483	1,397,904	1,342,871	1,396,049
Capital Grants, Contributions and Assessments	765,240	4,424,025	612,187	1,587,921
<i>Total Governmental Activities Program Revenues</i>	<u>7,311,073</u>	<u>10,934,608</u>	<u>6,991,581</u>	<u>8,309,870</u>
Business-Type Activities:				
Charges for Services:				
Water Reclamation	5,432,617	6,128,207	6,676,379	6,419,239
Grantwood Recreation	993,270	1,005,682	1,041,292	1,093,922
Operating Grants and Contributions	0	0	0	0
Capital Grants	0	0	52,843	0
<i>Total Business-Type Activities Program Revenues</i>	<u>6,425,887</u>	<u>7,133,889</u>	<u>7,770,514</u>	<u>7,513,161</u>
<i>Total Primary Government Program Revenues</i>	<u>13,736,960</u>	<u>18,068,497</u>	<u>14,762,095</u>	<u>15,823,031</u>
<b>Expenses</b>				
Governmental Activities:				
Security of Persons and Property				
Police	8,559,644	8,237,667	8,007,356	9,007,166
Fire	7,819,699	7,615,180	7,334,283	8,248,104
Prosecutor (1)	0	0	251,821	246,888
Public Health and Welfare	92,425	93,873	96,589	94,691
Leisure Time Activities	5,584,774	5,301,362	5,676,149	6,588,533
Community Environment	2,529,159	2,508,436	2,349,548	3,087,942
Basic Utility Services	2,750,465	2,998,985	2,963,992	2,921,098
Transportation	11,007,744	11,674,750	10,795,448	13,093,694
General Government	11,358,095	9,881,256	9,642,905	5,857,841
Interest and Fiscal Charges	181,061	198,713	217,759	440,111
<i>Total Governmental Activities Expenses</i>	<u>49,883,066</u>	<u>48,510,222</u>	<u>47,335,850</u>	<u>49,586,068</u>
Business-Type Activities				
Water Reclamation	5,428,605	5,502,840	5,439,254	5,302,029
Grantwood Recreation	1,044,679	1,054,277	1,074,235	1,191,495
<i>Total Business-Type Activities Expenses</i>	<u>6,473,284</u>	<u>6,557,117</u>	<u>6,513,489</u>	<u>6,493,524</u>
<i>Total Primary Government Program Expenses</i>	<u>56,356,350</u>	<u>55,067,339</u>	<u>53,849,339</u>	<u>56,079,592</u>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	(42,571,993)	(37,575,614)	(40,344,269)	(41,276,198)
Business-Type Activities	(47,397)	576,772	1,257,025	1,019,637
<i>Total Primary Government Net Expense</i>	<u>(\$42,619,390)</u>	<u>(\$36,998,842)</u>	<u>(\$39,087,244)</u>	<u>(\$40,256,561)</u>

2011	2010	2009	2008	2007	2006
\$354,441	\$398,302	\$421,753	\$487,454	\$473,157	\$467,125
711,236	338,162	367,317	436,985	432,286	410,437
10,242	13,810	16,910	19,725	22,654	21,545
3,391	4,434	4,901	5,406	7,485	8,328
3,165,390	3,131,685	3,075,799	3,081,121	3,064,735	2,901,646
124,986	159,952	113,636	157,036	163,455	151,067
73,489	96,456	52,604	157,087	110,039	223,131
201,984	289,778	358,670	325,144	327,922	293,743
237,449	257,817	257,235	455,053	469,342	521,404
1,407,239	1,512,849	1,620,631	1,405,593	1,259,666	1,186,197
149,004	241,789	3,022,448	5,742,816	663,457	1,597,434
<u>6,438,851</u>	<u>6,445,034</u>	<u>9,311,904</u>	<u>12,273,420</u>	<u>6,994,198</u>	<u>7,782,057</u>
7,797,724	5,659,317	5,421,385	5,842,685	5,783,498	5,245,086
951,371	978,466	1,079,991	1,329,215	1,378,801	1,358,772
158,528	0	0	585	0	0
0	0	0	0	0	0
<u>8,907,623</u>	<u>6,637,783</u>	<u>6,501,376</u>	<u>7,172,485</u>	<u>7,162,299</u>	<u>6,603,858</u>
<u>15,346,474</u>	<u>13,082,817</u>	<u>15,813,280</u>	<u>19,445,905</u>	<u>14,156,497</u>	<u>14,385,915</u>
8,501,513	8,673,149	8,534,822	8,558,640	7,893,398	7,454,568
8,137,648	8,075,434	8,054,144	8,312,572	7,052,821	7,187,188
258,477	255,132	293,094	299,401	299,085	296,403
85,571	81,915	84,955	82,050	98,755	114,569
6,594,011	6,347,442	6,463,393	6,607,556	6,385,083	5,959,263
2,793,632	2,994,824	2,831,678	3,343,663	3,289,985	2,907,697
2,668,113	2,758,637	2,331,673	2,159,306	2,694,417	1,840,017
14,847,835	10,227,176	16,375,233	15,653,183	13,287,441	10,519,856
5,426,644	4,592,923	5,364,048	6,037,327	6,591,856	7,003,004
533,090	641,829	857,669	1,232,429	1,374,360	1,354,604
<u>49,846,534</u>	<u>44,648,461</u>	<u>51,190,709</u>	<u>52,286,127</u>	<u>48,967,201</u>	<u>44,637,169</u>
5,265,324	5,910,432	6,472,968	6,005,663	4,446,862	5,768,265
1,048,003	927,306	1,142,923	1,395,175	1,336,801	1,262,934
<u>6,313,327</u>	<u>6,837,738</u>	<u>7,615,891</u>	<u>7,400,838</u>	<u>5,783,663</u>	<u>7,031,199</u>
<u>56,159,861</u>	<u>51,486,199</u>	<u>58,806,600</u>	<u>59,686,965</u>	<u>54,750,864</u>	<u>51,668,368</u>
(43,407,683)	(38,203,427)	(41,878,805)	(40,012,707)	(41,973,003)	(36,855,112)
2,594,296	(199,955)	(1,114,515)	(228,353)	1,378,636	(427,341)
<u>(\$40,813,387)</u>	<u>(\$38,403,382)</u>	<u>(\$42,993,320)</u>	<u>(\$40,241,060)</u>	<u>(\$40,594,367)</u>	<u>(\$37,282,453)</u>

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

	2015 (2)	2014	2013	2012
<b>General Revenues and Other Changes in Net Position</b>				
<i>Governmental Activities</i>				
Property Taxes Levied For:				
General Purposes	\$1,367,077	\$1,800,977	\$2,027,253	\$1,358,974
Debt Service	295,964	386,528	576,082	1,282,647
Police Pension	789,297	779,430	403,397	403,221
Fire Pension	1,183,923	603,692	583,335	604,834
Service and Safety Equipment	396,031	389,085	387,456	388,325
Community Center	0	0	0	0
Municipal Income Taxes levied for:				
General Purposes	26,802,677	30,826,373	29,856,263	30,796,894
Debt Service	0	0	0	0
Infrastructure	9,080,861	10,262,562	9,999,877	9,791,741
General Capital Improvements	91,791	83,629	85,948	76,524
Grants and Entitlements not Restricted to Specific Programs				
Specific Programs	588,171	797,599	1,452,480	1,896,700
Investment Income	312,338	366,629	(55,709)	171,550
Gain on Sale of Capital Assets	82,178	66,285	32,754	65,299
Miscellaneous	1,213,331	1,064,259	570,247	834,994
<i>Total Governmental Activities</i>	<u>42,203,639</u>	<u>47,427,048</u>	<u>45,919,383</u>	<u>47,671,703</u>
<i>General Revenues</i>				
Special Item - Bainbridge Road Improvements	0	0	0	12,223,401
Special Item - Gain on the Sale of Land	0	0	0	0
Transfers	(1,169,342)	(637,298)	0	(591,592)
<i>Total Governmental Activities</i>	<u>41,034,297</u>	<u>46,789,750</u>	<u>45,919,383</u>	<u>59,303,512</u>
<i>Business-Type Activities</i>				
Investment Income	56,418	59,949	(3,627)	52,757
Gain on Sale of Capital Assets	4,500	1,270	0	55,950
Miscellaneous	29,230	38,532	65,289	42,521
<i>Total Business-Type Activities</i>	<u>90,148</u>	<u>99,751</u>	<u>61,662</u>	<u>151,228</u>
<i>General Revenues</i>				
Transfers	1,169,342	637,298	0	591,592
<i>Total Business-Type Activities</i>	<u>1,259,490</u>	<u>737,049</u>	<u>61,662</u>	<u>742,820</u>
<i>Total Primary Government General Revenues and Other Changes in Net Position</i>	<u>42,293,787</u>	<u>47,526,799</u>	<u>45,981,045</u>	<u>60,046,332</u>
<b>Change in Net Position</b>				
Governmental Activities	(1,537,696)	9,214,136	5,575,114	18,027,314
Business-Type Activities	1,212,093	1,313,821	1,318,687	1,762,457
<i>Total Primary Government Change in Net Position</i>	<u>(\$325,603)</u>	<u>\$10,527,957</u>	<u>\$6,893,801</u>	<u>\$19,789,771</u>

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

(2) Expenses are first impacted by the implementation of GASB Statement No. 68 beginning in 2015.



2011	2010	2009	2008	2007	2006
\$1,338,758	\$847,731	\$830,331	\$931,232	\$951,950	\$1,012,667
1,419,400	1,928,116	2,227,871	1,933,192	2,535,666	2,291,480
407,280	411,492	425,385	474,758	486,686	440,914
610,920	616,532	637,371	711,430	729,324	654,279
389,788	393,218	392,947	457,470	471,740	452,365
0	0	0	305,922	0	0
29,071,231	28,336,758	25,569,132	26,663,509	30,601,737	27,042,160
0	0	0	3,607	41,358	0
9,524,829	9,120,696	8,360,524	9,179,725	9,682,464	8,136,936
78,167	69,329	76,178	74,141	0	0
1,846,601	1,772,443	1,813,161	2,389,085	1,941,816	2,229,329
607,074	895,577	998,629	2,807,067	3,242,148	2,426,337
47,632	13,894	27,013	0	0	31,726
522,228	814,795	650,783	582,432	397,834	260,020
45,863,908	45,220,581	42,009,325	46,513,570	51,082,723	44,978,213
0	0	0	0	0	0
0	0	0	1,799,567	0	0
289,935	(214,075)	(1,317,560)	(2,211,065)	(920,379)	(2,543,731)
46,153,843	45,006,506	40,691,765	46,102,072	50,162,344	42,434,482
0	0	0	0	0	0
0	0	0	0	1,498	2,518
76,617	38,576	60,313	77,525	40,494	41,620
76,617	38,576	60,313	77,525	41,992	44,138
(289,935)	214,075	1,317,560	2,211,065	920,379	2,543,731
(213,318)	252,651	1,377,873	2,288,590	962,371	2,587,869
45,940,525	45,259,157	42,069,638	46,591,095	51,124,715	45,022,351
2,746,160	6,803,079	(1,187,040)	6,089,365	8,189,341	5,579,370
2,380,978	52,696	263,358	2,060,237	2,341,007	2,160,528
\$5,127,138	\$6,855,775	(\$923,682)	\$8,149,602	\$10,530,348	\$7,739,898

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>General Fund</b>				
Nonspendable	\$973,400	\$1,045,014	\$892,677	\$912,423
Restricted	0	0	0	0
Committed	259,789	208,801	188,187	557,390
Assigned	6,860,864	1,477,408	1,971,534	911,372
Unassigned	19,853,352	27,905,155	23,790,512	22,232,615
Reserved	0	0	0	0
Unreserved	0	0	0	0
Total General Fund	<u>27,947,405</u>	<u>30,636,378</u>	<u>26,842,910</u>	<u>24,613,800</u>
<b>All Other Governmental Funds</b>				
Restricted	15,874,447	16,355,734	15,447,234	11,107,256
Committed	652,048	1,101,454	1,281,567	925,688
Unassigned (Deficit)	0	0	0	0
Reserved	0	0	0	0
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	0	0	0	0
Debt Service Funds	0	0	0	0
Capital Projects Funds	0	0	0	0
Total All Other Governmental Funds	<u>16,526,495</u>	<u>17,457,188</u>	<u>16,728,801</u>	<u>12,032,944</u>
<b>Total Governmental Funds</b>	<u><u>\$44,473,900</u></u>	<u><u>\$48,093,566</u></u>	<u><u>\$43,571,711</u></u>	<u><u>\$36,646,744</u></u>

Note: The City implemented GASB 54 in 2010.

2011	2010	2009	2008	2007	2006
\$732,687	\$555,472	\$623,912	\$0	\$0	\$0
377	96,972	83,358	0	0	0
1,003,676	1,182,073	1,101,884	0	0	0
909,960	359,302	459,812	0	0	0
20,646,611	19,479,061	22,636,438	0	0	0
0	0	0	406,585	2,625,689	2,746,771
0	0	0	26,104,831	25,889,682	25,898,002
<u>23,293,311</u>	<u>21,672,880</u>	<u>24,905,404</u>	<u>26,511,416</u>	<u>28,515,371</u>	<u>28,644,773</u>
9,577,187	8,408,663	11,473,009			
1,012,836	1,188,298	1,234,298	0	0	0
0	(2,125)	(3,790,560)	0	0	0
0	0	0	455,015	5,339,021	1,902,166
0	0	0	4,488,030	3,563,983	3,185,684
0	0	0	1,485,082	1,074,820	1,529,697
0	0	0	13,198,823	6,549,744	10,924,870
<u>10,590,023</u>	<u>9,594,836</u>	<u>8,916,747</u>	<u>19,626,950</u>	<u>16,527,568</u>	<u>17,542,417</u>
<u>\$33,883,334</u>	<u>\$31,267,716</u>	<u>\$33,822,151</u>	<u>\$46,138,366</u>	<u>\$45,042,939</u>	<u>\$46,187,190</u>

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

	2015	2014	2013	2012
<b>Revenues</b>				
Property Taxes	\$4,022,407	\$3,975,911	\$3,990,357	\$4,084,821
Municipal Income Taxes	36,289,382	41,225,082	39,837,052	40,209,345
Special Assessments	359,689	607,313	601,538	708,400
Intergovernmental	2,764,421	5,075,368	3,267,683	4,734,703
Investment Income	312,338	366,629	(55,709)	171,550
Fees, Licenses and Permits	1,034,147	995,024	712,763	1,079,485
Fines and Forfeitures	305,412	341,694	364,383	372,559
Rentals	24,796	29,605	31,187	25,319
Charges for Services	3,711,139	3,746,356	3,928,190	3,848,537
Contributions and Donations	77,262	91,552	137,481	156,356
Miscellaneous	1,008,383	1,061,743	574,959	844,994
<b>Total Revenues</b>	<b>49,909,376</b>	<b>57,516,277</b>	<b>53,389,884</b>	<b>56,236,069</b>
<b>Expenditures</b>				
Current:				
Security of Persons and Property				
Police	7,873,259	7,738,602	7,563,495	8,538,190
Fire	7,111,110	7,036,681	6,960,704	7,877,662
Prosecutor (1)	0	0	251,157	246,909
Public Health and Welfare	92,425	93,873	96,589	94,691
Leisure Time Activities	4,822,756	4,784,990	5,009,856	5,952,381
Community Environment	2,506,900	2,503,875	2,313,356	3,075,063
Basic Utility Services	1,917,474	2,123,557	2,064,763	2,002,298
Transportation	4,410,331	4,886,506	4,875,931	5,983,241
General Government	10,747,164	8,926,410	9,116,673	4,649,342
Capital Outlay	13,260,578	14,044,012	7,134,614	9,245,520
Debt Service:				
Principal Retirement	701,923	714,860	884,521	5,415,516
Interest and Fiscal Charges	189,953	207,341	230,001	469,946
<b>Total Expenditures</b>	<b>53,633,873</b>	<b>53,060,707</b>	<b>46,501,660</b>	<b>53,550,759</b>
<i>Excess of Revenues Over</i> <i>(Under) Expenditures</i>	<u>(3,724,497)</u>	<u>4,455,570</u>	<u>6,888,224</u>	<u>2,685,310</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	104,831	66,285	36,743	78,100
OWDA Loans Issued	0	0	0	0
Transfers In	3,072,067	2,105,000	3,002,761	5,300,000
Transfers Out	(3,072,067)	(2,105,000)	(3,002,761)	(5,300,000)
<b>Total Other Financing Sources (Uses)</b>	<b>104,831</b>	<b>66,285</b>	<b>36,743</b>	<b>78,100</b>
<b>Special Item</b>				
Proceeds from Sale of Land	0	0	0	0
<b>Net Change in Fund Balances</b>	<b><u>(\$3,619,666)</u></b>	<b><u>\$4,521,855</u></b>	<b><u>\$6,924,967</u></b>	<b><u>\$2,763,410</u></b>
Debt Service as a Percentage of Noncapital Expenditures	2.0%	2.1%	2.7%	12.4%

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

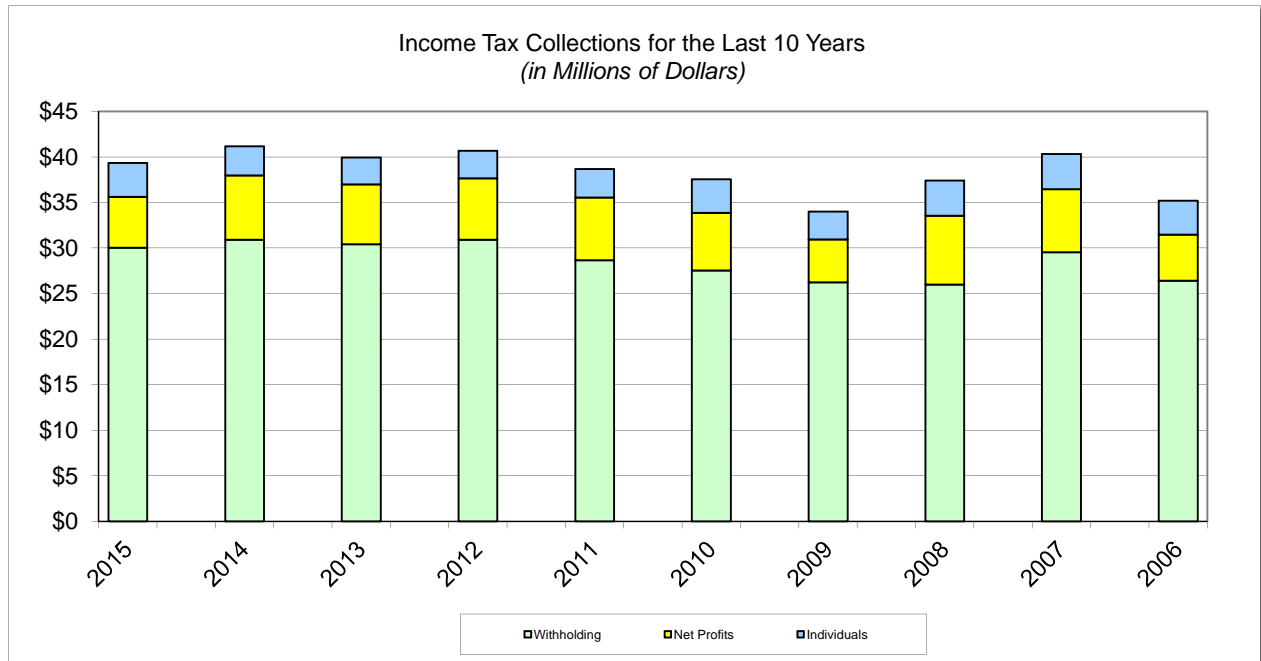
2011	2010	2009	2008	2007	2006
\$4,175,477	\$4,200,659	\$4,439,830	\$4,850,270	\$5,167,986	\$4,857,332
38,635,456	37,011,203	33,433,337	36,379,832	38,530,269	36,029,136
722,102	812,268	788,768	1,121,553	1,003,236	850,556
3,369,326	3,418,929	6,379,986	3,996,592	3,127,153	4,360,538
607,074	895,577	998,629	2,807,067	3,242,148	2,426,337
722,408	772,364	670,840	856,198	989,533	978,890
397,909	342,265	337,471	401,852	353,490	379,355
31,134	23,083	24,097	18,525	13,598	18,343
3,741,157	3,562,684	3,646,417	3,758,436	3,714,454	3,621,838
98,588	99,555	75,173	130,287	103,806	111,152
522,228	814,795	650,587	582,432	397,834	260,020
53,022,859	51,953,382	51,445,135	54,903,044	56,643,507	53,893,497
8,077,151	8,264,487	8,078,371	7,985,861	7,290,455	7,020,044
7,444,523	7,429,107	7,574,187	7,750,303	7,025,219	6,605,778
257,217	252,624	297,440	299,953	294,804	300,436
85,571	81,915	84,955	82,050	98,755	114,569
6,023,319	5,669,661	5,793,337	5,900,904	5,602,008	5,248,742
2,838,647	3,001,106	2,801,923	3,316,686	3,139,019	2,219,670
1,894,005	1,890,447	1,641,022	1,920,896	2,044,148	1,846,896
6,181,872	6,429,141	6,491,425	6,095,752	5,405,428	4,910,127
4,966,488	4,327,183	4,061,450	4,790,951	5,692,537	6,117,606
10,388,586	14,549,895	22,775,769	13,280,808	13,649,066	13,399,863
2,070,153	1,995,556	3,271,373	1,732,382	5,886,095	2,547,369
546,106	657,129	879,836	1,246,408	1,406,201	1,263,066
50,773,638	54,548,251	63,751,088	54,402,954	57,533,735	51,594,166
2,249,221	(2,594,869)	(12,305,953)	500,090	(890,228)	2,299,331
66,462	112,607	83,882	14,175	54,216	72,236
0	0	0	0	612,140	1,789,236
4,363,775	7,529,125	5,553,280	8,344,130	10,425,148	6,994,821
(4,063,840)	(7,601,298)	(5,647,424)	(10,281,118)	(11,345,527)	(7,151,930)
366,397	40,434	(10,262)	(1,922,813)	(254,023)	1,704,363
0	0	0	2,518,150	0	0
\$2,615,618	(\$2,554,435)	(\$12,316,215)	\$1,095,427	(\$1,144,251)	\$4,003,694
5.7%	6.4%	8.2%	6.1%	14.8%	11.1%

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

Tax Year (1)	Tax Rate (2)	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes From Net Profits	Percentage of Taxes from Net Profits	Taxes From Individuals	Percentage of Taxes from Individuals
2015	2.00 %	\$39,348,836	\$30,038,901	76.34%	\$5,583,600	14.19%	\$3,726,335	9.47%
2014	2.00	41,172,564	30,915,983	75.09	7,065,014	17.16	3,191,567	7.75
2013	2.00	39,942,088	30,410,326	76.13	6,585,577	16.49	2,946,185	7.38
2012	2.00	40,665,159	30,887,176	75.96	6,758,924	16.62	3,019,059	7.42
2011	2.00	38,674,227	28,643,077	74.06	6,882,485	17.80	3,148,665	8.14
2010	2.00	37,526,783	27,519,770	73.33	6,341,666	16.90	3,665,347	9.77
2009	2.00	34,005,834	26,232,767	77.14	4,716,335	13.87	3,056,732	8.99
2008	2.00	37,416,449	25,989,242	69.46	7,547,808	20.17	3,879,399	10.37
2007	2.00	40,325,559	29,517,754	73.20	6,937,835	17.20	3,869,970	9.60
2006	2.00	35,179,096	26,402,804	75.05	5,075,164	14.43	3,701,128	10.52

(1) 2006 through 2015 are on an Accrual Basis.

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



**City of Solon, Ohio**  
*Principal Income Taxpayers*  
*Current Year and Nine Years Ago*

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

<u>2015 Taxpayers</u>	<u>Ranking</u>
Swagelok Manufacturing Company	1
Nestle Food Company	2
Solon Board of Education	3
Erico Products Inc.	4
Caremark LLC	5
The Cleveland Clinic Foundation	6
City of Solon	7
National Enterprise Systems Inc.	8
MRI Software LLC	9
Fleetmatics USA Holdings	10

<u>2006 Taxpayers</u>	<u>Ranking</u>
Nestle Food Company	1
Swagelok Manufacturing Company	2
Solon Board of Education	3
Erico Products Inc.	4
Agilysys Incorporated	5
Keithley Instruments Inc.	6
National Enterprise Systems	7
City of Solon	8
L'Oreal USA Products, Inc.	9
Kennametal Inc.	10

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

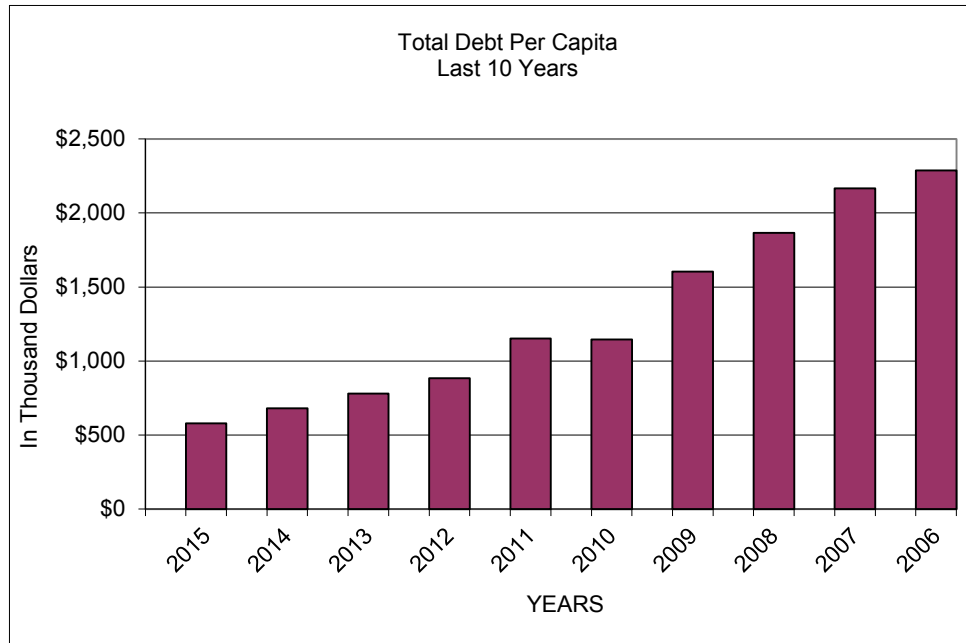
Source: Information provided by City's Finance Department.

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

Governmental Activities

Year	General Obligation Bonds	Special Assessment Bonds	OWDA Loans	OPWC Loans	General Obligation Bond Anticipation Notes
2015	\$0	\$0	\$6,780,233	\$0	\$0
2014	0	0	7,458,349	23,807	0
2013	0	0	8,119,077	77,939	0
2012	0	0	8,942,950	138,587	0
2011	4,470,000	84,895	9,742,923	199,235	0
2010	5,620,000	167,497	10,519,826	259,883	0
2009	6,720,000	247,805	11,274,426	320,531	4,707,351
2008	9,150,000	325,818	12,007,462	350,855	5,739,897
2007	10,150,000	401,537	12,603,477	411,503	9,400,888
2006	15,210,000	474,961	12,683,360	472,151	7,112,751

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





<u>Business-Type Activities</u>			
<u>OWDA Loans</u>	<u>Total Debt</u>	<u>Percentage of Personal Income (1)</u>	<u>Per Capita (1)</u>
\$6,758,641	\$13,538,874	1.24%	\$580
8,416,870	15,899,026	1.45	681
10,025,013	18,222,029	1.67	780
11,541,487	20,623,024	1.89	883
12,381,524	26,878,577	2.46	1,151
10,171,586	26,738,792	2.44	1,145
11,688,947	34,959,060	4.53	1,603
13,110,071	40,684,103	5.27	1,866
14,275,277	47,242,682	6.12	2,167
13,942,003	49,895,226	6.47	2,289

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

<u>Year</u>	<u>Population (1)</u>	<u>Estimated True Values of Taxable Property (2)</u>	<u>Bonded Debt (3)</u>	<u>Ratio of Bonded Debt to Estimated True Values of Taxable Property</u>	<u>Bonded Debt Per Capital</u>
2015	23,348	\$3,117,668,606	\$0	0.00 %	\$0.00
2014	23,348	3,125,680,192	\$0	0.00 %	\$0.00
2013	23,348	3,112,770,336	0	0.00	0.00
2012	23,348	3,223,292,544	0	0.00	0.00
2011	23,348	3,232,882,651	4,470,000	0.14	191.45
2010	23,348	3,238,635,274	5,620,000	0.17	240.71
2009	21,802	3,629,826,351	6,720,000	0.19	308.23
2008	21,802	3,970,061,706	9,150,000	0.23	419.69
2007	21,802	4,250,386,170	10,150,000	0.24	465.55
2006	21,802	3,741,137,847	15,210,000	0.41	697.64

Sources:

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

(2) Cuyahoga County Fiscal Officer

(3) Includes all general obligation bonded debt.

Note: Although the general obligation bond retirement fund is restricted for debt service, it is not specifically restricted to the payment of principal. Therefore, these resources are not shown as a deduction from general obligation bonded debt.

**City of Solon, Ohio**  
*Computation of Direct and Overlapping Governmental Activities Debt*  
*December 31, 2015*

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City of Solon
<b>Direct - City of Solon</b>			
OWDA Loans	\$6,780,233	100.00%	\$6,780,233
<b>Overlapping</b>			
Solon City School District			
General Obligation Bonds	9,623,658	97.86%	9,417,712
Capital Lease Obligations	20,323	97.86%	19,888
Orange School District			
General Obligation Bonds	21,492,807	2.14%	459,946
Capital Lease Obligations	267,763	2.14%	5,730
Cuyahoga County (2)			
General Obligation Bonds	265,325,306	3.87%	10,268,089
Revenue Bonds	632,267,039	3.87%	24,468,734
Certificates of Participation	256,864,058	3.87%	9,940,639
Loans Payable	3,641,944	3.87%	140,943
Capital Lease Obligations	454,910,836	3.87%	17,605,049
Greater Cleveland Regional Transit Authority			
	133,153,266	3.87%	5,153,031
<i>Total Overlapping Debt</i>	<u>1,777,567,000</u>		<u>77,479,763</u>
<b>Total</b>	<u>\$1,784,347,233</u>		<u>\$84,259,996</u>

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

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

Source: Cuyahoga County Fiscal Officer

**City of Solon, Ohio**  
*Ratios of Bonded Debt Outstanding and Legal Debt Margin*  
*Last Ten Years*

	2015	2014	2013	2012
Population	23,348	23,348	23,348	23,348
Total Assessed Property Value	<u>\$1,104,634,310</u>	<u>\$1,106,828,600</u>	<u>\$1,101,210,810</u>	<u>\$1,138,853,530</u>
General Bonded Debt Outstanding:				
General Obligation Bonds	\$0	\$0	\$0	\$0
Special Assessment Bonds	0	0	0	0
Bond Anticipation Notes	0	0	0	0
OPWC Loans	0	23,807	77,939	138,587
OWDA Loans	<u>13,538,874</u>	<u>15,875,219</u>	<u>18,144,090</u>	<u>20,484,437</u>
Total Gross Indebtedness	13,538,874	15,899,026	18,222,029	20,623,024
Less:				
Special Assessment Bonds	0	0	0	0
OWDA Loans	(13,538,874)	(15,875,219)	(18,144,090)	(20,484,437)
General Obligation Bond Retirement Fund Balance (1)	<u>0</u>	<u>(23,807)</u>	<u>(77,939)</u>	<u>(138,587)</u>
Total Net Debt Applicable to Debt Limit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>115,986,603</u>	<u>116,217,003</u>	<u>115,627,135</u>	<u>119,579,621</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$115,986,603</u>	<u>\$116,217,003</u>	<u>\$115,627,135</u>	<u>\$119,579,621</u>
Legal Debt Margin as a Percentage of the Debt Limit	100.00%	100.00%	100.00%	100.00%
Unvoted Debt Limitation 5 ½ % of Assessed Valuation	<u>\$60,754,887</u>	<u>\$60,875,573</u>	<u>\$60,566,595</u>	<u>\$62,636,944</u>
Total Gross Indebtedness	13,538,874	15,899,026	18,222,029	20,623,024
Less:				
Voted General Obligation Bonds	0	0	0	0
Special Assessment Bonds	0	0	0	0
OWDA Loans	(13,538,874)	(15,875,219)	(18,144,090)	(20,484,437)
General Obligation Bond Retirement Fund Balance	<u>0</u>	<u>(23,807)</u>	<u>(77,939)</u>	<u>(138,587)</u>
Net Debt Within 5 ½ % Limitations	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$60,754,887</u>	<u>\$60,875,573</u>	<u>\$60,566,595</u>	<u>\$62,636,944</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	100.00%	100.00%	100.00%	100.00%

Source: City Financial Records

(1) 2012 through 2015, the Bond Retirement Fund Balance was limited to the outstanding balance of OPWC debt.

2011	2010	2009	2008	2007	2006
23,348	23,348	21,802	21,802	21,802	21,802
<u>\$1,141,833,370</u>	<u>\$1,138,422,059</u>	<u>\$1,179,483,022</u>	<u>\$1,189,301,755</u>	<u>\$1,268,462,154</u>	<u>\$1,185,343,677</u>
\$4,470,000	\$5,620,000	\$6,720,000	\$9,150,000	\$10,150,000	\$15,210,000
84,895	167,497	247,805	325,818	401,537	474,961
0	0	4,700,000	5,700,000	9,390,000	7,100,000
199,235	259,883	320,531	350,855	411,503	472,151
<u>22,124,447</u>	<u>20,691,412</u>	<u>22,963,373</u>	<u>25,117,533</u>	<u>26,878,754</u>	<u>26,625,363</u>
26,878,577	26,738,792	34,951,709	40,644,206	47,231,794	49,882,475
(84,895)	(167,497)	(247,805)	(325,818)	(401,537)	(474,961)
(22,124,447)	(20,691,412)	(22,963,373)	(25,117,533)	(26,878,754)	(26,625,363)
<u>(2,114,990)</u>	<u>(1,800,852)</u>	<u>(1,186,990)</u>	<u>(1,485,082)</u>	<u>(1,074,820)</u>	<u>(1,529,697)</u>
<u>2,554,245</u>	<u>4,079,031</u>	<u>10,553,541</u>	<u>13,715,773</u>	<u>18,876,683</u>	<u>21,252,454</u>
119,892,504	119,534,316	123,845,717	124,876,684	133,188,526	124,461,086
<u>\$117,338,259</u>	<u>\$115,455,285</u>	<u>\$113,292,176</u>	<u>\$111,160,911</u>	<u>\$114,311,843</u>	<u>\$103,208,632</u>
97.87%	96.59%	91.48%	89.02%	85.83%	82.92%
\$62,800,835	\$62,613,213	\$64,871,566	\$65,411,597	\$69,765,418	\$65,193,902
26,878,577	26,738,792	34,951,709	40,644,206	47,231,794	49,882,475
0	(240,000)	(465,000)	(2,060,000)	(2,250,000)	(2,430,000)
(84,895)	(167,497)	(247,805)	(325,818)	(401,537)	(474,961)
(22,124,447)	(20,691,412)	(22,963,373)	(25,117,533)	(26,878,754)	(26,625,363)
<u>(2,114,990)</u>	<u>(1,800,852)</u>	<u>(1,186,990)</u>	<u>(1,485,082)</u>	<u>(1,074,820)</u>	<u>(1,529,697)</u>
<u>2,554,245</u>	<u>3,839,031</u>	<u>10,088,541</u>	<u>11,655,773</u>	<u>16,626,683</u>	<u>18,822,454</u>
<u>\$60,246,590</u>	<u>\$58,774,182</u>	<u>\$54,783,025</u>	<u>\$53,755,824</u>	<u>\$53,138,735</u>	<u>\$46,371,448</u>
95.93%	93.87%	84.45%	82.18%	76.17%	71.13%

**City of Solon, Ohio**  
Principal Employers  
2014 and 2005

2014		
Employer	W-2's	Percentage of Total City W-2's
Swagelok Company	3,238	6.43 %
Nestle Food Company	2,283	4.53
Solon Board of Education	1,058	2.10
City of Solon	932	1.85
National Enterprise Systems	870	1.73
The Cleveland Clinic Foundation	843	1.67
Riser Foods Company	690	1.37
Pennsylvania Life	619	1.23
Erico Products Inc.	531	1.05
Marriott WW Reservation	515	1.02
<b>Total</b>	<b>11,579</b>	<b>22.98 %</b>
<b>Total W-2's Received</b>	<b>50,385</b>	

2005		
Employer	W-2's	Percentage of Total City W-2's
Swagelok Company	2,303	4.74 %
Nestle Food Company	1,770	3.65
Solon Board of Education	1,070	2.20
City of Solon	936	1.93
Erico Products Inc.	545	1.12
Keithley Instruments Inc.	505	1.04
L'Oreal USA Products, Inc.	478	0.98
Kennametal Inc.	367	0.76
Datavantage	354	0.73
Renaissance Hotel Operating	339	0.71
<b>Total</b>	<b>8,667</b>	<b>17.86 %</b>
<b>Total W-2's Received</b>	<b>48,541</b>	

Note: 2015 information was unavailable at the time of publication.

Source: Information provided by City's Finance Department.

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**City of Solon, Ohio**  
*Demographic and Economic Statistics*  
*Last Ten Years*

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)
2015	23,348	\$1,093,853,800	\$46,850	\$95,881	43
2014	23,348	1,093,853,800	46,850	95,881	43
2013	23,348	1,093,853,800	46,850	95,881	43
2012	23,348	1,093,853,800	46,850	95,881	43
2011	23,348	1,093,853,800	46,850	95,881	43
2010	23,348	1,093,853,800	46,850	95,881	43
2009	21,802	771,659,988	35,394	78,903	39
2008	21,802	771,659,988	35,394	78,903	39
2007	21,802	771,659,988	35,394	78,903	39
2006	21,802	771,659,988	35,394	78,903	39

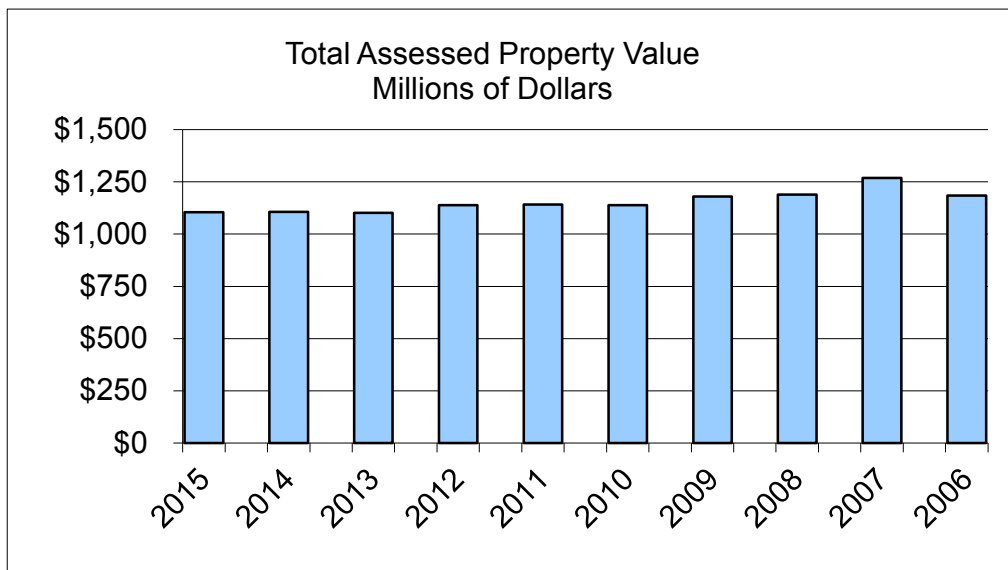
(1) Source: U. S. Census

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

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

(4) Source: Cuyahoga County Fiscal Officer

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





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<u>Educational Attainment: Bachelor's Degree or Higher (1)</u>	<u>School Enrollment (2)</u>	<u>Cuyahoga County Unemployment Rate (3)</u>	<u>Total Assessed Property Value (4)</u>
57.0%	4,722	4.0%	\$1,104,634,310
57.0	4,764	6.4	1,106,828,600
57.0	4,871	7.2	1,101,210,810
57.0	4,909	7.3	1,138,853,530
57.0	5,043	7.1	1,141,833,370
57.0	5,171	8.6	1,138,422,059
50.4	5,214	9.0	1,179,483,022
50.4	5,292	7.1	1,189,301,755
50.4	5,357	6.1	1,268,462,154
50.4	5,366	5.5	1,185,343,677

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

Function/Program	2015	2014	2013	2012
Security of Persons and Property				
Police	47.00	46.00	46.00	46.00
Dispatch and Clerks	17.00	18.00	17.00	17.00
Corrections	10.00	10.00	10.00	10.00
Fire	59.00	59.00	57.00	57.00
Leisure Time Activities				
Recreation	11.00	11.00	12.00	12.00
Senior Services	4.00	4.00	4.00	4.00
Arts Center	4.00	4.00	3.00	2.00
Grantwood Golf Course	4.00	5.00	5.00	5.00
Community Environment				
Planning	6.00	6.00	6.00	6.00
Building	3.00	3.00	3.00	3.00
Engineering	11.00	9.00	8.00	9.00
Public Works	0.00	0.00	0.00	0.00
Basic Utility Services				
Water Reclamation	17.00	17.00	17.00	18.00
Transportation				
Service	65.00	65.00	68.00	69.00
General Government				
City Council	2.00	2.00	2.00	2.00
Mayors Office	2.00	2.00	2.00	2.00
Finance	10.00	11.00	10.00	9.00
Income Tax	0.00	2.00	4.00	4.00
Prosecutor Clerk	0.00	0.00	1.00	1.00
Human Resources	2.00	2.00	1.00	2.00
Network Administrator	3.00	3.00	3.00	3.00
City Hall Custodial	2.00	2.00	2.00	2.00
Receptionist	1.00	1.00	1.00	1.00
Totals:	<u>280.00</u>	<u>282.00</u>	<u>282.00</u>	<u>284.00</u>

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

**Method:** Using 1.0 for each full-time employee at December 31.

No part-time or seasonal employees are included.

2011	2010	2009	2008	2007	2006
44.00	46.00	47.00	46.00	46.00	46.00
18.00	17.00	19.00	19.00	16.00	16.00
7.00	8.00	10.00	10.00	10.00	10.00
58.00	60.00	61.00	61.00	61.00	61.00
12.00	13.00	14.00	15.00	16.00	16.00
4.00	5.00	5.00	5.00	5.00	5.00
4.00	4.00	4.00	4.00	3.00	3.00
5.00	5.00	5.00	6.00	7.00	7.00
6.00	6.00	6.00	6.00	6.00	6.00
3.00	4.00	4.00	5.00	6.00	6.00
10.00	11.00	11.00	10.00	8.00	8.00
0.00	1.00	2.00	2.00	2.00	2.00
17.00	23.00	23.00	22.00	24.00	23.00
68.00	66.00	70.00	68.00	67.00	65.00
2.00	2.00	2.00	2.00	2.00	2.00
2.00	2.00	2.00	2.00	2.00	2.00
10.00	11.00	11.00	10.00	11.00	11.00
4.00	4.00	4.00	4.00	4.00	4.00
1.00	1.00	1.00	1.00	1.00	1.00
2.00	2.00	2.00	2.00	2.00	1.00
3.00	3.00	3.00	3.00	3.00	3.00
2.00	2.00	2.00	2.00	2.00	2.00
1.00	1.00	1.00	1.00	1.00	1.00
<u>283.00</u>	<u>297.00</u>	<u>309.00</u>	<u>306.00</u>	<u>305.00</u>	<u>301.00</u>

**City of Solon, Ohio**  
*Operating Indicators by Function/Program*  
*Last Ten Years*

Function/Program	2015	2014	2013	2012
<b>Security of Persons &amp; Property</b>				
<i><b>Police</b></i>				
Number of traffic citations issued	3,376	3,927	3,768	3,893
DUI Arrests	131	132	131	151
Prisoners Processed	1,900	1,905	1,927	1,819
<i><b>Fire</b></i>				
Fire Responses	742	772	715	671
EMS Calls	2,191	2,067	2,104	1,737
Safety Inspections	2,646	2,095	1,794	2,480
Plan Reviews	171	324	617	393
<b>Leisure Time Activities</b>				
<i><b>Parks and Recreation</b></i>				
Community Center Memberships (4)	6,681	6,876	7,417	7,811
Summer Camp Participants	1,223	1,138	1,186	1,129
Baseball/Softball Teams	45	55	56	64
<i><b>Senior Services</b></i>				
Program Attendance (1)	60,191	47,664	40,292	37,912
<i><b>Arts Center</b></i>				
Class Registrations	3,512	3,056	2,906	3,204
Percentage of Solon Residents	80%	82%	81%	77%
<i><b>Grantwood Golf Course</b></i>				
Rounds Played (18 holes)	11,978	12,497	9,918	10,256
Rounds Played (9 holes)	15,689	15,957	17,152	16,768
Range Balls (3)	43,864	45,340	45,704	44,795
<b>Community Environment</b>				
<i><b>Building</b></i>				
Building Permits Issued	2,104	1,241	988	927
<b>Basic Utility Services</b>				
<i><b>Waste Water Treatment</b></i>				
Average Daily Flow (millions of gallons)	3.470	3.567	3.526	3.452
<b>Transportation</b>				
<i><b>Service</b></i>				
Tons of Salt Purchased	11,372	12,785	9,996	9,318
Tons of Rubbish Collected	7,062	7,607	7,654	7,473
Yards of Leaves Collected (2)	13,153	14,625	12,293	13,653
Tons of Recycling Materials Collected	2,058	1,664	1,453	1,394
<b>General Government</b>				
<i><b>City Council</b></i>				
Ordinances or Resolutions Introduced	262	281	273	302
<i><b>Finance</b></i>				
Accounts Payable Checks Processed	8,176	8,545	9,216	10,052
Purchase Orders Issued	3,333	3,250	3,986	4,425
<i><b>Network Administration</b></i>				
Computer Workstations	265	260	257	256

- (1) Indicator changed from prior year reports and new indicator data not available prior to 2008.  
(2) Indicator changed from prior year reports and new indicator data not available prior to 2012.  
(3) Indicator changed from prior year reports and new indicator data not available prior to 2009.  
(4) Indicator does not include Silver Sneakers members. Silver Sneakers has increased each year and is pay as you go for seniors.

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

2011	2010	2009	2008	2007	2006
3,744	4,673	4,266	4,743	4,672	4,901
132	118	126	135	117	109
1,732	1,521	1,376	1,445	1,489	1,472
746	737	785	753	833	705
1,726	1,789	1,725	1,831	1,844	1,739
1,529	1,589	1,703	2,600	2,763	2,408
247	150	231	293	287	273
8,341	8,495	9,550	9,950	10,600	11,056
1,201	1,248	1,295	1,475	1,520	1,500
81	99	108	117	118	136
36,817	31,678	25,545	12,518	n/a	n/a
3,160	3,274	3,508	3,040	2,683	2,332
79%	81%	83%	87%	88%	83%
14,025	12,021	12,649	12,464	12,598	12,266
10,967	17,148	19,289	19,398	20,492	20,720
34,082	35,292	36,825	n/a	n/a	n/a
793	819	706	726	775	819
4.131	3.733	3.291	3.787	3.957	4.045
10,119	16,000	12,700	11,509	9,497	7,515
7,835	7,868	8,147	8,987	12,255	11,309
n/a	n/a	n/a	n/a	n/a	n/a
1,422	1,334	1,199	1,069	1,573	987
255	286	311	372	324	311
9,333	9,547	10,838	10,525	10,022	9,971
4,829	4,355	4,880	4,828	4,523	4,698
237	235	235	225	217	205

**City of Solon, Ohio**  
*Capital Assets Statistics by Function/Program*  
*Last Ten Years*

Function/Program	2015	2014	2013	2012
<b>Security of Persons and Property</b>				
<i><b>Police</b></i>				
Square Footage of Station	37,168	37,168	37,168	37,168
Vehicles	27	29	26	29
<i><b>Fire</b></i>				
Square Footage of Station #1	37,168	37,168	37,168	37,168
Square Footage of Station #2	16,200	16,200	16,200	16,200
Square Footage of Station #3	9,610	9,610	9,610	9,610
Vehicles	18	19	19	20
<b>Leisure Time Activities</b>				
<i><b>Parks and Recreation</b></i>				
Square Footage of Community Center	92,500	92,500	92,500	92,500
Vehicles	4	7	7	8
<i><b>Senior Services</b></i>				
Vehicles	4	5	4	4
<i><b>Arts Center</b></i>				
Square Footage of Building	15,000	15,000	15,000	15,000
<i><b>Grantwood Golf Course</b></i>				
Square Footage of Clubhouse	7,200	7,200	7,200	7,200
Square Footage of Maintenance Building	5,000	5,000	5,000	5,000
Vehicles	1	1	1	1
<b>Community Environment</b>				
<i><b>Planning Department</b></i>				
Vehicles	2	2	2	2
<i><b>Building Department</b></i>				
Vehicles	3	3	4	3
<i><b>Engineering Department</b></i>				
Vehicles	8	8	7	8
<b>Basic Utility Services</b>				
<i><b>Waste Water Treatment</b></i>				
Square Footage of Buildings	56,000	56,000	56,000	56,000
Vehicles	7	6	9	10
<b>Transportation</b>				
<i><b>Service</b></i>				
Square Footage of Building	70,461	70,461	70,461	70,461
Vehicles	72	73	73	73
<b>General Government</b>				
<i><b>City Hall</b></i>				
Square Footage of Building	55,950	55,950	55,950	55,950
Mayor's Vehicle	1	1	1	1
Tax/Finance's Vehicle	1	1	1	1
Network Administration's Vehicle	0	0	1	1
City Hall Vehicle	2	2	2	2

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

2011	2010	2009	2008	2007	2006
37,168	37,168	37,168	37,168	37,168	37,168
28	27	25	24	24	24
37,168	37,168	37,168	37,168	37,168	37,168
16,200	16,200	16,200	16,200	16,200	9,000
9,610	9,610	9,610	9,610	9,610	9,610
19	21	21	23	22	21
92,500	92,500	92,500	92,500	92,500	92,500
7	7	7	8	8	7
4	4	6	5	3	4
15,000	15,000	15,000	15,000	15,000	15,000
7,200	7,200	7,200	7,200	7,200	7,200
5,000	5,000	5,000	5,000	5,000	5,000
1	1	1	1	1	1
2	2	2	2	2	2
4	4	5	5	5	5
9	8	8	9	9	8
56,000	56,000	56,000	56,000	56,000	56,000
12	12	12	13	13	13
70,461	70,461	70,461	70,461	70,461	70,461
71	70	73	67	66	58
55,950	55,950	55,950	55,950	55,950	55,950
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1

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City of Solon, Ohio



**SUSAN A. DRUCKER, MAYOR**

34200 BAINBRIDGE ROAD, SOLON OH 44139

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*Cover design by Solon Center for the Arts*



# Dave Yost • Auditor of State

CITY OF SOLON

CUYAHOGA COUNTY

## CLERK'S CERTIFICATION

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

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
AUGUST 10, 2017