

**CITY OF EUCLID
CUYAHOGA COUNTY, OHIO**

AUDIT REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2017**

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



Dave Yost • Auditor of State

City Council
City of Euclid
585 East 222nd Street
Euclid, Ohio 44123

We have reviewed the *Independent Auditor's Report* of the City of Euclid, Cuyahoga County, prepared by James G. Zupka, CPA, Inc., for the audit period January 1, 2017 through December 31, 2017. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost
Auditor of State

September 10, 2018

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**CITY OF EUCLID
CUYAHOGA COUNTY, OHIO
AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2017**

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**CITY OF EUCLID
CUYAHOGA COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Grant Number/ Pass-Through Entity Identifying Number	Pass Through to Sub-recipients	Total Federal Expenditures
<u>U.S. Department of Housing and Urban Development</u>				
<i>Direct Award</i>				
CDBG-Entitlement Grants Cluster:				
Community Development Block Grant/Entitlement Grants	14.218	B-15MC-39-0006	\$ 0	\$ 273,359
Community Development Block Grant/Entitlement Grants	14.218	B-16MC-39-0006	0	486,636
Community Development Block Grant/Entitlement Grants	14.218	B-17MC-39-0006	50,000	201,767
Total Community Development Block Grants/Entitlement Grants Cluster			<u>50,000</u>	<u>961,762</u>
Neighborhood Stabilization Program (NSP)	14.256	B-08-MN-39-0008	0	20,990
Neighborhood Stabilization Program (NSP)	14.256	B-11-MN-39-0008	0	18,695
<i>Total CFDA #14.256</i>			<u>0</u>	<u>39,685</u>
<i>Passed Through Cuyahoga County</i>				
Home Investment Partnerships Program	14.239	N/A	0	230,843
<i>Total CFDA #14.239</i>			<u>0</u>	<u>230,843</u>
Total U.S. Department of Housing and Urban Development			<u>50,000</u>	<u>1,232,290</u>
<u>U.S. Department of Homeland Security</u>				
<i>Direct Award</i>				
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	EMW-2014-FO-05042	0	444,934
Assistance to Firefighters Grant	97.044	N/A	0	46,594
Total U.S. Department of Homeland Security			<u>0</u>	<u>491,528</u>
<u>U.S. Department of Justice</u>				
<i>Direct Award</i>				
Bulletproof Vest Partnership Program	16.607	2016BUBX15077144	0	3,836
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	0	13,368
Total U.S. Department of Justice			<u>0</u>	<u>17,204</u>
<u>U.S. Department of Transportation</u>				
<i>Pass Through Ohio Department of Transportation</i>				
Highway Planning and Construction Cluster:				
Highway Planning and Construction	20.205	N/A	0	53,444
Highway Safety Cluster:				
OVI Task Force Grant	20.600	OVI-2017-University Hospitals C/V-00010	0	12,077
Total Highway Safety Cluster			<u>0</u>	<u>12,077</u>
Total U.S. Department of Transportation			<u>0</u>	<u>65,521</u>
<u>U.S. Department of Environmental Protection Agency</u>				
<i>Direct Award</i>				
Great Lakes Program - Green Infrastructure - Parking Lot	66.469	N/A	0	29
Total U.S. Department of Environmental Protection Agency			<u>0</u>	<u>29</u>
<u>U.S. Department of Commerce</u>				
<i>Pass Through the Ohio Office of Coastal Management (OCM)</i>				
Coastal Management Administrative Awards	11.419	N/A	0	37,587
Total U.S. Department of Commerce			<u>0</u>	<u>37,587</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 50,000</u>	<u>\$ 1,844,159</u>

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

**CITY OF EUCLID
CUYAHOGA COUNTY, OHIO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 1: BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Euclid, Ohio, under programs of the federal government for the year ended December 31, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Euclid, Ohio, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City of Euclid, Ohio.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3: INDIRECT COST RATE

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

NOTE 4: SUBRECIPIENTS

The City passes through certain federal assistance received from the U.S. Department of Housing and Urban Development (HUD) to other governments or not-for-profit agencies (subrecipients). As described above in Note 2, the City records expenditures of federal monies to subrecipients when paid in cash.

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

NOTE 5: MATCHING REQUIREMENTS

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

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

Certified Public Accountants

5240 East 98th Street

Garfield Hts., Ohio 44125

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Ohio Society of Certified Public Accountants

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

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

The Honorable Dave Yost
Auditor of State
State of Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Euclid, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2017, 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 26, 2018.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of This Report

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



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

June 26, 2018

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

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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 and the Audit
Committee
City of Euclid
Euclid, Ohio

The Honorable Dave Yost
Auditor of State
State of Ohio

Report on Compliance for Each Major Federal Program

We have audited the City of Euclid, Cuyahoga County, Ohio's (the City) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on the City's major federal program for the year ended December 31, 2017. The City's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the City of Euclid complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2017.

Report on Internal Control over Compliance

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

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

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

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

We have also audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 26, 2018, which contained unmodified opinions on those financial statements. 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 26, 2018

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**CITY OF EUCLID
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED DECEMBER 31, 2017**

1. SUMMARY OF AUDITOR'S RESULTS

2017(i)	Type of Financial Statement Opinion	Unmodified
2017(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
2017(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
2017(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2017(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
2017(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
2017(v)	Type of Major Programs' Compliance Opinions	Unmodified
2017(vi)	Are there any reportable findings under 2 CFR 200.516(a)?	No
2017(vii)	Major Programs (list): Community Development Block Grants/Entitlement Grants Cluster - CFDA #14.218	
2017(iii)	Dollar Threshold: A/B Programs	Type A: \$750,000 Type B: All Others
2017(ix)	Low Risk Auditee?	Yes

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

**CITY OF EUCLID
CUYAHOGA COUNTY, OHIO
STATUS OF PRIOR FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2017**

The prior audit report, as of December 31, 2016, included no findings or instances of noncompliance. Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

City of Euclid



2017

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FOR THE YEAR ENDING DECEMBER 31, 2017



Euclid, Ohio

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CITY OF EUCLID, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED

DECEMBER 31, 2017

Issued by The Finance Department

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INTRODUCTORY SECTION

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

www.cityofeuclid.com

June 26, 2018

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

We are pleased to submit to you the City of Euclid's Comprehensive Annual Financial Report (CAFR). This CAFR represents the official report of the City of Euclid's operations and financial position for the fiscal year ended December 31, 2017 and has been developed to accurately detail the status of the City's finances to Euclid residents and elected officials, investment institutions and underwriters, rating agencies and other interested parties. This report is done in compliance with GASB Statement No. 34, *Basic Financial Statements-and Management Discussion and Analysis-for State and Local Governments*.

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

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

PROFILE OF THE GOVERNMENT

The City

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

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

City Government

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

City Services

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

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

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

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

Reporting Entity

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

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

FACTORS AFFECTING FINANCIAL CONDITION

Economic Condition and Outlook

An acceleration of economic growth occurred in the City of Euclid in 2017 as a number of major projects were announced. These new developments along with general stability and growth at existing employment centers in Euclid are expected to boost municipal tax collections in the future.

On September 29, 2017, the City of Euclid welcomed an announcement by Amazon.com, Inc. that the company had selected the former Euclid Square Mall site for a second massive distribution facility in Northeast Ohio. By the end of the year, the company had purchased the 68 acre site and received approval for the construction of an 857,470 square foot facility in Euclid.

The Euclid Amazon facility is expected to open in March 2019. The company will employ at least 1,000 full-time equivalent individuals with an annual total income of at least \$22 million. Workers at the facility will gather small items such as books and electronics, pack them into boxes and ship them to customers. The employees will have immediate access to health care and retirement benefits. Additional educational opportunities will also be provided by the company.

Also in 2017, local developer Ray Fogg Building Methods broke ground on a third building at Bluestone Business Park, a modern industrial park of 80 acres. Bluestone Business Center Building Number 3 will measure roughly 75,000 square feet. With an estimated completion date of August 2018, the building represents an immediate opportunity to attract new business to the City of Euclid.

The move by Ray Fogg Building Methods follows the full occupancy of the two existing buildings at Bluestone Business Park, which total over 230,000 square feet of building space. The buildings are now home to three companies and over 200 employees. An additional 62 acres of shovel-ready land remains available at the park for future development.

A noticeable increase in expansion projects at existing companies was also seen in 2017. In July, American Punch Corporation announced the start of construction on a major plant expansion that will nearly double the size of its production facility in Euclid.

The new addition to the existing facility will add 23,000 square feet of plant space and 1,000 square feet of office space. The additional space will increase the company's manufacturing capacity and employment.

A few months later, Keene Building Products broke ground on their own building addition at the company's manufacturing facility on St. Clair Avenue. The expansion will create more available space to manufacture and distribute products that are needed to meet the continuing growth of the company. Keene Building Products is a premier innovator and manufacturer of products for the building envelope, roofing and noise control markets.

In December 2017, Rick Case Honda executives joined members of the Euclid Chamber of Commerce and City of Euclid officials to celebrate the opening of a 2,250 square foot addition to the company's existing dealership in Euclid. The half-million dollar investment provides new service bays featuring state-of-the-art technology and detailing facilities. The company has experienced steady growth since first opening in Euclid in 2000.

By the end of 2017, The Lincoln Electric Company was nearing completion of the company's new Welding Technology and Training Center on St. Clair Avenue in the City of Euclid. The \$30 Million center is expected to attract visitors from around the world to Lincoln's headquarters campus in Euclid to learn the latest techniques in the field of welding. The project will create at least 40 new jobs in the City and helps to secure Euclid as the focal point of Lincoln's growth and advancement. Completion is set for March 2018.

Gains were also seen in the City of Euclid's retail sector. Northeast Factory Direct relocated its eastside furniture showroom and distribution center into a nearly 40,000 square foot building which had been previously occupied by B&B Appliance. The new location provides Northeast Factory Direct with excellent freeway access and visibility.

Plans were approved in 2017 for the construction of a new O'Reilly Auto Parts at East 200th Street and Lindbergh Avenue, which is expected to open in late 2018. Euclid City Council designated the development site a tax increment financing district, which will leverage the investment by the private developer to complete public improvements in the area.

A new Chipotle Mexican Grill was opened in Downtown Euclid, adding to the vibrant restaurant and entertainment scene in the City's central shopping district. As a national retailer with wide appeal, Chipotle is expected to attract visitors and perhaps the attention of other national franchise operators that may consider locating in Downtown Euclid as additional spaces become available.

The City continued to make progress towards implementation of its Waterfront Improvement Plan in 2017. This ambitious vision calls for shoreline stabilization and construction of a multi-purpose trail along three quarters of a mile of the Lake Erie shoreline. At the end of the year, permits for the project were under review by state and federal regulatory agencies. Construction is expected to begin in 2018.

The City's housing inventory was closely examined in 2017 as the City of Euclid partnered with the Western Reserve Land Conservancy and four other first ring suburbs of Cleveland to conduct a comprehensive housing survey. *Communities at the Crossroads: A Survey of Five First-Ring Suburbs* found 98% of the buildings in Euclid to be in excellent or good condition. While a small number of vacant homes remain scattered throughout the City, the report will allow the City to target problem properties and create tailored housing programs to meet the specific needs of the community.

In an effort to continue the trend of positive economic development in the industrial and retail corridors and to improve housing and neighborhood conditions, the City of Euclid began the process to create a new city-wide masterplan in 2017. Facilitated by the Cuyahoga County Planning Commission, the plan will establish a common understanding of current conditions and a shared vision for the City's future. The masterplan is expected to be completed and adopted in early 2018.

Long-Term Financial Planning

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

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

FINANCIAL INFORMATION

Summary of Accounting Policies and Budgetary Control

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

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

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

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

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

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

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

In accordance with State law, all funds, with the exception of agency funds, are legally required to be budgeted and appropriated. Council controls appropriations at the personal services and other expenditures object level within each department for all funds.

Modifications or amendments to control levels in the Appropriation Ordinance require Council approval; internal City financial policies permit fund transfers within control levels with approval by the Mayor and Finance Director. The County Fiscal Officer through the statutory authority of the County Budget Commission must certify that the City's Annual Appropriation does not exceed the amounts set forth in the Budget Commission's Certificate of Estimated Resources.

The City employs an encumbrance system documenting purchase commitment amounts prior to generation and release of official City purchase orders. Purchasing practices within the City require departmental review and authorization of all purchase requisitions. Where applicable, proposed purchases in excess of administrative approval limits are subject to competitive bid requirements of Council and are awarded subsequent to approved legislation authorizing the procurement of goods or services. The Finance Director certifies all purchase orders for availability of funds and the estimated expenditure is encumbered against the appropriate departmental or fund appropriation. On the government fund financial statements, these encumbrances are reported as a component of fund balance at December 31, 2017. Unencumbered appropriations lapse at year-end and become available for future appropriations.

Internal Accounting and Reporting Control

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

OTHER INFORMATION

Independent Audit

In accordance with Ohio law, an annual independent audit is required to be performed on all financial operations of the City. The Auditor of the State of Ohio has authorized the audit for 2017 to be performed by the independent public accounting firm of James G. Zupka, CPA, Inc. The independent accountants' unmodified opinion has been included in this report. The administration plans to continue this audit procedure as required by law as part of the preparation of a Comprehensive Annual Financial Report. The annual audit and management letter submitted by James G. Zupka, CPA, Inc. provides information to the City to enable it to maintain and strengthen the City's accounting and budgeting controls.

The City receives federal financial assistance through various federal grant programs. An audit in accordance with Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), Audits of State and Government Auditing Standards, issued by the Comptroller General of the United States, has been performed for the fiscal year ended December 31, 2017. The required reports on supplementary information, compliance, and internal controls, along with various supplementary schedules, are included in a separate report.

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2016. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for one year only. We believe our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Respectfully submitted,



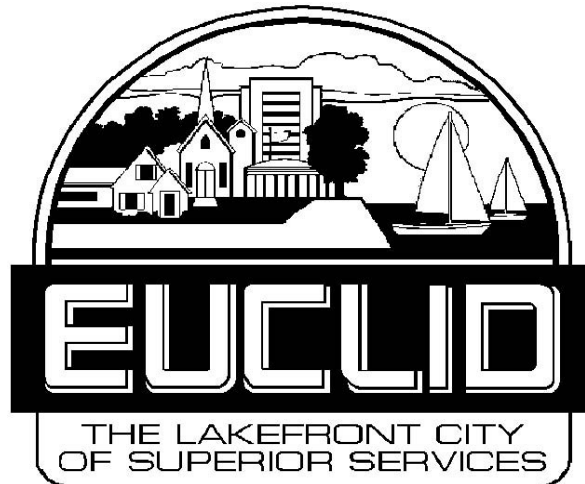
Kirsten Holzheimer Gail
Mayor

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CITY OF EUCLID, OHIO

“A City of Superior Services”

KIRSTEN HOLZHEIMER GAIL – Mayor



Directors & Chiefs

KELLEY SWEENEY-Law

DAN KNECHT-Public Service

JAMES SMITH- Finance

CHIEF CHRIS HADDOCK-Fire

JONATHAN HOLODY –Economic Development

CHIEF SCOTT MEYER –Police

LETITIA LINKER – Administrative Director

MAC STEPHENS - Recreation

Municipal Court

DEBORAH LEBARRON –Judge

Euclid City Council

JOHN W. MONROE- President of Council

STEPHANA C. CAVINESS – Ward I

CHARLENE MANCUSO- Ward V

MADLINE SCARNIENCH – Ward II

PATRICK M. DELANEY – Ward VI

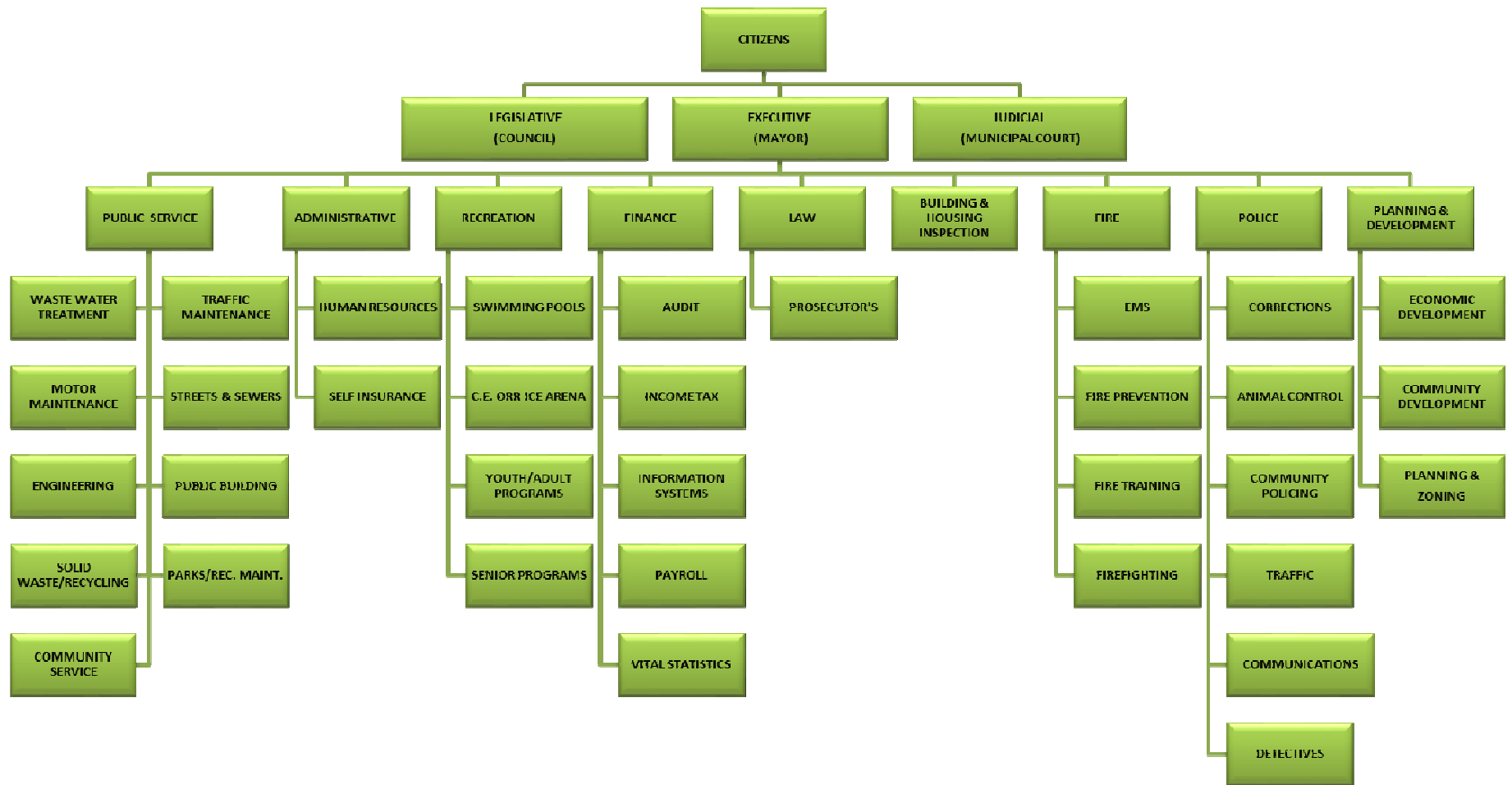
TANEIKA HILL – Ward III

DARYL K. LANGMAN – Ward VII

KRIS JAROSZ – Ward IV

LAURA J. GORSHE – Ward VIII

City of Euclid, Ohio
Organizational Chart
 December 31, 2017





Government Finance Officers Association

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

Presented to

**City of Euclid
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

FINANCIAL SECTION

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

Certified Public Accountants

5240 East 98th Street

Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

The Honorable Dave Yost
Auditor of State
State of Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Euclid, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Euclid as of December 31, 2017, 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.

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 26, 2018, 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 26, 2018

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City of Euclid, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

The discussion and analysis of the City of Euclid's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2017. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter and the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2017 are as follows:

- Total assets and deferred outflows of resources of the City exceeded liabilities and deferred inflows of resources at the close of 2017 by \$61,463,374 compared to \$61,042,108 at the end of 2016, an increase of \$421,266 or 0.69 percent.
- Total assets increased by \$28,765,551 with governmental activities decreasing by \$4,851,626 and business-type activities increasing by \$33,617,177. The governmental activities decrease is reflected primarily in capital assets. The business-type activities increase is reflected primarily in capital assets.
- Municipal income tax revenue for 2017 was \$23,451,267 versus \$26,199,511 in 2016, a decrease of \$2,748,244 or 10.49 percent.
- Property and other local taxes for governmental activities slightly decreased by \$85,624, or 1.79 percent, to \$4,689,074.
- Together, municipal income taxes and property and other local taxes accounted for \$28,140,341 in revenue, or 60.01 percent, of all revenues in governmental activities.
- Grants and entitlements not restricted to specific programs slightly decreased by \$43,388, to \$2,184,167.
- Governmental Activities all other revenues decreased by \$818,686 mainly due to the proceeds from the sale of cell towers in 2016.
- Charges for services in business-type activities increased by \$3,471,023, or 19.57 percent, from \$17,733,635 in 2016 to \$21,204,658 in 2017. Operating grants and contributions decreased by \$942,157. Capital grants and contributions decreased by \$3,765,160 in business-type activities due to the addition of OWDA projects higher in 2016 than 2017.

City of Euclid, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

Overview of the Financial Statements

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

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

The *Statement of Net Position* presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the residual reported as net position. Over time, increases or decreases in the City's net position are one indicator of whether the City's financial health is improving or deteriorating. In 2017, Governmental Activities unrestricted net position decreased by \$3,997,090 or 14.95 percent. In Business-Type Activities, unrestricted net position increased by \$5,552,940 or 45.32 percent. There were a number of sewer system improvement construction projects that were partially funded by the Wastewater Treatment Fund. The City has continued negotiations with the EPA to define the necessary steps in the implementation of a Long Term Storm Water Runoff Control Plan.

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

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

For 2017, Business-Type Activities' expenses increased by \$2,525,800 or 20.43 percent. This increase was due to fewer contractual services related to waste water and waterline projects.

City of Euclid, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

Revenues in Business-Type Activities slightly increase by \$154,250 or 0.71 percent. This reflects an increase in Charges for Services revenue collected by the Waste Water Treatment Fund and a decrease in operating and capital grants and contributions, due to decreases in operating and capital grants and contributions from the City of Cleveland and from the Ohio Public Works Commission (OPWC).

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

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

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

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

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

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

City of Euclid, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

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

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

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

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

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

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

City of Euclid, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2017
Unaudited

Government-Wide Financial Analysis

Information regarding the government-wide net position of the City is presented in the following table for 2017 and 2016.

Table 1 - Net Position

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
ASSETS						
Current and other assets	\$ 29,364,604	\$ 29,533,342	\$ 31,715,639	\$ 26,485,146	\$ 61,080,243	\$ 56,018,488
Capital assets, net	44,622,631	49,305,519	130,214,944	101,828,260	174,837,575	151,133,779
Total Assets	73,987,235	78,838,861	161,930,583	128,313,406	235,917,818	207,152,267
DEFERRED OUTFLOWS OF RESOURCES						
Deferral on Refundings	174,444	237,193	52,678	79,629	227,122	316,822
Pension	11,341,482	13,062,756	1,966,444	1,562,589	13,307,926	14,625,345
Total Deferred Outflows of Resources	11,515,926	13,299,949	2,019,122	1,642,218	13,535,048	14,942,167
LIABILITIES						
Current and other liabilities	1,607,724	1,698,410	776,919	556,335	2,384,643	2,254,745
Long-term liabilities:						
Due within one year	5,209,467	4,321,235	2,058,829	2,225,311	7,268,296	6,546,546
Due in more than one year						
Net Pension Liability	51,131,139	49,849,239	5,085,996	4,078,895	56,217,135	53,928,134
Other Amounts	25,325,865	27,712,785	90,314,249	64,340,658	115,640,114	92,053,443
Total Liabilities	83,274,195	83,581,669	98,235,993	71,201,199	181,510,188	154,782,868
DEFERRED INFLOWS OF RESOURCES						
Property taxes	4,177,151	3,901,669	-	-	4,177,151	3,901,669
Payments in lieu of taxes	328,268	340,186	-	-	328,268	340,186
Pension	1,693,941	1,673,401	279,944	354,202	1,973,885	2,027,603
Total Deferred Inflows of Resources	6,199,360	5,915,256	279,944	354,202	6,479,304	6,269,458
NET POSITION						
Net investment in capital assets	21,530,048	24,766,951	47,629,041	46,148,436	69,159,089	70,915,387
Restricted	5,234,805	4,613,091	-	-	5,234,805	4,613,091
Unrestricted	(30,735,247)	(26,738,157)	17,804,727	12,251,787	(12,930,520)	(14,486,370)
Total Net Position	\$ (3,970,394)	\$ 2,641,885	\$ 65,433,768	\$ 58,400,223	\$ 61,463,374	\$ 61,042,108

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

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

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

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

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

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

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

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

As noted earlier, net position may serve, over time, as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$61,463,374 at the close of the most recent fiscal year.

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

A portion of the City's net position, \$5,234,805, represents resources that are subject to external restrictions on how they may be used. The remaining portion is unrestricted net position which may be used to meet the City's ongoing obligations to citizens and creditors.

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

Table 2 - Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
REVENUES						
Program Revenues:						
Charges for services	\$ 10,452,118	\$ 9,812,837	\$ 21,204,658	\$ 17,733,635	\$ 31,656,776	\$ 27,546,472
Operating grants and contributions	4,044,444	4,986,601	-	-	4,044,444	4,986,601
Capital grants and contributions	509,596	116,470	168,012	3,933,172	677,608	4,049,642
Total Program Revenues	15,006,158	14,915,908	21,372,670	21,666,807	36,378,828	36,582,715
General Revenues:						
Property and other local taxes	4,689,074	4,774,698	-	-	4,689,074	4,774,698
Municipal income taxes	23,451,267	26,199,511	-	-	23,451,267	26,199,511
Payments in lieu of taxes	340,398	246,429	-	-	340,398	246,429
Grants and entitlements	2,184,167	2,227,555	-	-	2,184,167	2,227,555
Investment income	245,311	195,775	1,629	-	246,940	195,775
Gain on Sale of Capital Assets	14,888	45,904	-	-	14,888	45,904
All other revenues	962,964	1,781,650	447,603	845	1,410,567	1,782,495
Total General Revenues	31,888,069	35,471,522	449,232	845	32,337,301	35,472,367
Total Revenues	46,894,227	50,387,430	21,821,902	21,667,652	68,716,129	72,055,082
EXPENSES						
Program Expenses:						
Security of persons and property	23,622,226	23,033,620	-	-	23,622,226	23,033,620
Public health	305,534	464,708	-	-	305,534	464,708
Leisure time activities	2,912,241	2,245,540	-	-	2,912,241	2,245,540
Community and economic development	4,236,334	2,746,663	-	-	4,236,334	2,746,663
Sanitation	2,548,206	2,156,988	-	-	2,548,206	2,156,988
Transportation	5,783,848	6,090,854	-	-	5,783,848	6,090,854
General government	13,350,744	14,996,193	-	-	13,350,744	14,996,193
Interest and fiscal charges	645,515	799,472	-	-	645,515	799,472
Waste Water Treatment	-	-	12,690,066	11,157,630	12,690,066	11,157,630
Water Line Improvement	-	-	988,430	312,351	988,430	312,351
Briardale Greens Golf Course	-	-	1,211,719	894,434	1,211,719	894,434
Total Expenses	53,404,648	52,534,038	14,890,215	12,364,415	68,294,863	64,898,453
Change in Net Position before Special Items	(6,510,421)	(2,146,608)	6,931,687	9,303,237	421,266	7,156,629
Transfers	(101,858)	(68,625)	101,858	-	-	(68,625)
Change in Net Position	(6,612,279)	(2,215,233)	7,033,545	9,303,237	421,266	7,088,004
Net Position - Beginning of Year	2,641,885	4,857,118	58,400,223	49,096,986	61,042,108	53,954,104
Net Position - End of Year	\$ (3,970,394)	\$ 2,641,885	\$ 65,433,768	\$ 58,400,223	\$ 61,463,374	\$ 61,042,108

Governmental Activities

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

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

Table 3 - Governmental Activities

	Total Cost of Services 2017	Net Cost of Services 2017
Security of persons and property	\$ 23,622,226	\$ 19,381,257
Public health	305,534	131,520
Leisure time activities	2,912,241	2,392,424
Community and economic development	4,236,334	425,253
Sanitation	2,548,206	739,460
Transportation	5,783,848	3,480,927
General government	13,350,744	11,202,134
Interest and fiscal charges	645,515	645,515
Total cost of service	<u>\$ 53,404,648</u>	<u>\$ 38,398,490</u>

Total expenses increased from 2016 in the amount of \$870,610. Security of Persons and Property expenses totaled \$23,622,226, or 44.23 percent of the total 2017 expenses. A significant portion of these expenses can be attributed to salaries, wages, and employee benefits for police officers and firefighters. As of December 31, 2017, the City employed 91 full time police officers and 81 full time firefighters. General Government expenses totaled \$13,350,744 or 25.00 percent, of total 2017 expenses. General Government is comprised of the following departments: Legislative, Municipal Court, Mayor, Finance, Law, and Administrative. A significant portion of these expenses are related to salaries, wages, and employee benefits.

Business-type Activities

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

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

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Water Line Improvement Fund: The Water Line Improvement Fund accounts for distribution of treated water to individual and commercial users in various parts of the City. During 2017, operating and nonoperating revenues increased by \$653,274 or 35.53 percent. The increase in expenses is mainly attributed to contractual services related to the engineering and design costs of upcoming projects.

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

Financial Analysis of the Government's Funds

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

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

As of December 31, 2017, the City's governmental funds reported an ending combined fund balance of \$11,226,912, an increase of \$1,363,545 in comparison with the prior year. \$6,473,699 of the ending fund balance for 2017 constitutes assigned and unassigned fund balance combined, which is available for spending at the government's discretion. The remainder of fund balance is nonspendable, restricted, or committed to indicate that it is not available for new spending because it is not in spendable form or it has already been restricted by an external constraint or committed by internal constraints.

All governmental funds had total revenues of \$48,592,619 and expenditures of \$48,914,573 (not including other financing sources and uses) with expenditures exceeding revenues by \$321,954. Revenues remained consistent from prior year. Expenditures decreased due to general government expenses.

The General Fund is the chief operating fund of the City. At the beginning of the current year, total fund balance for the General Fund was \$7,755,496. General Fund expenditures (not including other financing uses) for the current year were \$37,596,251, with revenues (not including other financing sources) of \$38,732,212, leaving a total fund balance of \$7,755,496, of which \$5,094,528 is unassigned fund balance.

As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures (not including other financing uses). The General Fund's unassigned fund balance represents 13.55 percent of total General Fund expenditures while total fund balance represents 20.63 percent of that same amount.

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General Fund Budgeting Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts and disbursements. The most significant budgeted fund is the General Fund. During the course of 2017, the City amended its General Fund budget on various occasions. On a cash basis, projected final budgetary fund balance in the General Fund, for year ending 2017 was about \$3.78 million.

For the General Fund, original budgeted revenues (including other financing sources) were \$38,802,266. The final budgeted revenue amount (including other financing sources) was \$38,773,063. The actual revenues (including other financing sources) were lower by \$72,846 mainly due to decrease in income tax revenues, which was offset by increase in charges for services and miscellaneous revenues.

Original General Fund budgeted expenditures (including other financing uses) were \$39,170,511. The final budgeted expenditure amount (including other financing uses) was \$40,396,925. The increase was primarily due to transfers out. The actual expenditures (including other financing uses) were lower by \$1,861,892, mainly due the decrease in Security Persons and Property and General Government expenses.

Actual budgetary fund balance increased by \$165,950 (which includes prior year encumbrances appropriated) taking the actual budgetary fund balance from \$3,510,994 to \$4,020,007.

Analysis of General Fund Revenues

Municipal Income Taxes

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

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

The 2.85 percent income tax is levied upon the net income of corporations and other business entities and on the wages, salaries, and compensation of both individuals working in the City and residents of the City. Residents do receive a tax credit equal up to 2.85 percent of the income tax they pay other municipalities. 2017 income tax revenues were down, by \$2,748,244 or 10.49 percent from 2016.

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This decrease is mainly due to a decrease in municipal income taxes receivable due to a year of estimated returns falling out of the seven year look back period used to calculate delinquencies.

Property Taxes

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

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

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

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

Purpose	2017	2016	2015
General Fund	\$ 6.72	\$ 6.72	\$ 6.72
Recreation Operating	1.30	1.30	1.30
Bond Retirement	3.88	3.88	3.88
Capital Improvements	1.70	1.70	1.70
Total	<u>13.60</u>	<u>13.60</u>	<u>13.60</u>
Assessed Valuation	<u>\$ 559,010,670</u>	<u>\$ 557,393,500</u>	<u>\$ 580,765,910</u>

Property tax collections have dropped significantly when compared to 2012 and prior periods. This change is mainly contributed to a decline in the City’s assessed valuation, in spite of a charter provision that applies HB 920 reduction factors to charter millage as if they were voted levies. The charter amendment takes its name and acts the same as HB 920 which was enacted by the state in the mid 1970’s to freeze the amount of money a voted levy generates over the life of the levy. As property values increase/decrease, property taxes do not change as a result. HB 920, was designed to hold homeowners harmless from the increasing value of their homes and protect them from inflation.

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At the core of HB 920 is the assumption that home prices will remain stable or, even more likely, increase in value as time passes. In a perverse twist, when the housing bubble burst and there was a universal decrease in the market value of homes—and consequently the assessed valuation of homes—HB 920 served to increase many homeowners' property tax bills even as the value of their homes decreased. Property tax collections have dropped significantly when compared to 2012 and prior periods.

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

State Local Government Funds and Other Shared Revenues

The State of Ohio shares various tax revenues with the City and other political subdivisions primarily through the State's Local Government Fund (LGF). As part of a new funding mechanism, the State removed the freeze on LGF payments and replaced it with a percentage of certain state revenues; in addition, the Local Government Revenue Assistance Fund (LGRAAF) was discontinued. The combination of these programs is the City's largest source of non-tax General Fund revenue. In 2017, the City received \$1,343,153 from the State's LGF.

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

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Analysis of the General Obligation Bond Retirement Fund

The City's General Obligation Bond Retirement Fund experienced a slight decrease in fund balance of \$86,268, which decreased the fund balance to \$374,944.

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

Capital Assets and Debt Administration

Capital Assets The City's investment in capital assets for its governmental and business-type activities as of December 31, 2017, amounts to \$174,837,575. This investment in capital assets includes land, construction in progress, land improvements, buildings and improvements, infrastructure, and furniture, fixtures, and equipment. A summary of the City's capital assets at December 31, 2017, is reflected in the table which follows.

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

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 10,775,705	\$ 10,775,705	\$ 8,336,966	\$ 8,336,966	\$ 19,112,671	\$ 19,112,671
Construction in progress	93,750	601,142	79,906,500	50,761,890	80,000,250	51,363,032
Total Non-Depreciable	10,869,455	11,376,847	88,243,466	59,098,856	99,112,921	70,475,703
Land improvements	2,786,306	2,996,937	279,852	330,740	3,066,158	3,327,677
Buildings and Improvements	7,888,254	8,256,311	6,249,795	6,552,561	14,138,049	14,808,872
Furniture, Fixtures, and Equipment	4,926,690	5,437,114	1,866,071	1,320,656	6,792,761	6,757,770
Infrastructure:						
Streets	18,151,926	21,238,310	-	-	18,151,926	21,238,310
Sanitary Sewers	-	-	27,061,756	27,772,921	27,061,756	27,772,921
Storm Sewers	-	-	6,514,004	6,752,526	6,514,004	6,752,526
Total Depreciable,						
 Net of Depreciation	33,753,176	37,928,672	41,971,478	42,729,404	75,724,654	80,658,076
Total Capital Assets,						
 Net of Depreciation	\$ 44,622,631	\$ 49,305,519	\$ 130,214,944	\$ 101,828,260	\$ 174,837,575	\$ 151,133,779

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

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

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Governmental Activities

Euclid Corridor	\$ 93,750
<i>Total Governmental Activities</i>	<u>\$ 93,750</u>

Business-Type Activities

East 219th & 221st I&I reduction	\$ 891,671
BW Pump station SSO	658,980
Headworks & Equalization Basin - Part B	39,916,159
E. 222nd Relief Sewer	1,624,197
Crystal/E. 220th/Bruce Storm & Sanitary	6,374,134
Equalization Basin	1,729,467
MBR	4,044,216
Headworks	16,058,755
Effingham SSO Elimination Design	88,837
WWTP MBR - NRD	8,520,084
<i>Total Business-Type Activities</i>	<u>\$ 79,906,500</u>

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

Debt The City's outstanding General Obligation Debt was downgraded to an "A2" from an "Aa3" long-term bond rating with Moody's Investor Service in June 2016. This investment grade rating is attributed to the weakened economic profile and its reliance on economically sensitive income tax revenue from a fairly concentrated tax base. An additional factor in the rating is the City's moderate debt burden and high pension burden due to the participation in two underfunded cost-sharing retirement plans. As of December 31, 2017, the City's General Obligation Bonded Debt totaled \$19,309,525

A summary of outstanding debt at December 31, 2017 follows.

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
General Obligation Bonds	\$ 11,825,809	\$ 13,646,915	\$ 7,483,716	\$ 8,463,935	\$ 19,309,525	\$ 22,110,850
Special Assessment Bonds	131,287	262,575	-	-	131,287	262,575
Notes Payable	2,004,942	1,504,963	-	-	2,004,942	1,504,963
Special Obligation Bond	6,899,000	6,949,000	-	-	6,899,000	6,949,000
OWDA Loans	-	-	75,476,173	47,995,724	75,476,173	47,995,724
OPWC Loans	1,002,223	1,085,742	7,934,339	8,340,564	8,936,562	9,426,306
Capital Leases	1,416,259	1,623,997	654,347	850,072	2,070,606	2,474,069
Total Outstanding Debt	<u>\$ 23,279,520</u>	<u>\$ 25,073,192</u>	<u>\$ 91,548,575</u>	<u>\$ 65,650,295</u>	<u>\$ 114,828,095</u>	<u>\$ 90,723,487</u>

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

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Debt Capacity: The City is within the statutory limitations for both voted and unvoted debt. The computation of the legal debt margins at December 31, 2017, is included in the Statistical Section of this report under the heading "Legal Debt Margin", along with other related computations and ratios relevant to the City's notes and bonded debt.

The City's 2017 overall legal debt limit established by statutory limitations was \$58,696,120. The City's legal debt margin of \$44,865,369 is within the overall legal debt limit. The City's 2017 unvoted legal debt limit established by statutory limitations was of \$30,745,587. The City's unvoted legal debt margin of \$16,914,836 is within the unvoted legal debt limit.

The ratio of net general bonded debt to assessed valuation and the amount of net bonded debt per capita provide useful information concerning the level of the City's debt to management and investors. The information as of December 31, 2017 for the City is as follows:

	Amount	Bonded Debt to Assessed Value	Debt Per Capita
Net General Obligation Debt (Bonded)	\$ 21,314,467	1.37%	\$ 436

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

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

The City of Euclid experienced a 20.3 percent reduction in the assessed tax value of residential property as a result of the Cuyahoga County sexennial reassessment. This reduction in value caused the City's existing outstanding debt to be in excess of the 10 Mill statutory limitation on debt issuance. Issuance of future General Obligation Debt is restricted until the outstanding debt is reduced below the statutory limitation.

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

The Cuyahoga County Sheriff's Department and the City are in the 4th year of a 5 year agreement that transferred the total operations of the City's correctional facility to the County effective as of August 2014, resulting in a decrease of \$1,000,000 in operating expenses annually.

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For the Year Ended December 31, 2017
Unaudited

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

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

In conclusion, the implementation of GASB Statement No. 68 requires the reader to perform additional calculations to determine the City's Total Net Position at December 31, 2017 without the implementation of GASB Statement No. 68.

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

Governmental Activities	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Total Net Position at December 31, 2017 (with GASB 68)	\$ (3,970,394)	\$ 65,433,768	\$ 61,463,374
GASB 68 Calculations:			
Add: Deferred Inflows related to Pension	1,693,941	279,944	1,973,885
Net Pension Liability	51,131,139	5,085,996	56,217,135
Less: Deferred Outflows related to Pension	(11,341,482)	(1,966,444)	(13,307,926)
Net Pension Asset	(28,909)	(12,248)	(41,157)
Total Net Position at December 31, 2017 (without GASB 68)	<u>\$ 37,484,295</u>	<u>\$ 68,821,016</u>	<u>\$ 106,305,311</u>

Contacting the City's Finance Department

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

Basic Financial Statements

City of Euclid, Ohio
Statement of Net Position
December 31, 2017

	Governmental Activities	Business-Type Activities	Total	Component Unit Euclid Development Corporation
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ 7,531,259	\$ 26,573,306	\$ 34,104,565	\$ 800,398
Cash and Cash Equivalents:				
In Segregated Accounts	42,480	11,144	53,624	-
With Fiscal Agents	50,132	-	50,132	-
With Escrow Agents	12,493	-	12,493	-
Materials and Supplies Inventory	136,328	100,392	236,720	-
Accounts Receivable	783,562	4,980,233	5,763,795	-
Accrued Interest Receivable	58,124	-	58,124	-
Intergovernmental Receivable	2,256,004	-	2,256,004	-
Prepaid Items	41,814	15,694	57,508	-
Municipal Income Taxes Receivable	7,718,641	-	7,718,641	-
Property Taxes Receivable	5,046,844	-	5,046,844	-
Payments in Lieu of Taxes Receivable	328,268	-	328,268	-
Notes Receivable	612,439	-	612,439	-
Loans Receivable	-	-	-	2,187,903
Special Assessments Receivable	4,556,147	-	4,556,147	-
Assets held for Resale	161,160	-	161,160	-
Capital Leases Receivable	-	22,622	22,622	-
Nondepreciable Capital Assets	10,869,455	88,243,466	99,112,921	-
Depreciable Capital Assets	33,753,176	41,971,478	75,724,654	-
Net Pension Assets	28,909	12,248	41,157	-
Total Assets	73,987,235	161,930,583	235,917,818	2,988,301
DEFERRED OUTFLOWS OF RESOURCES				
Deferral on Refunding	174,444	52,678	227,122	-
Pension	11,341,482	1,966,444	13,307,926	-
Total Deferred Outflows of Resources	11,515,926	2,019,122	13,535,048	-
LIABILITIES				
Accounts Payable	563,360	579,445	1,142,805	550
Accrued Wages and Benefits	492,386	89,295	581,681	2,017
Intergovernmental Payable	370,730	46,083	416,813	-
Matured Compensated Absences Payable	48,287	-	48,287	-
Accrued Interest Payable	46,698	37,088	83,786	-
Claims Payable	86,263	-	86,263	-
Customer Deposits	-	25,008	25,008	-
Long-term Liabilities:				
Due within one year	5,209,467	2,058,829	7,268,296	-
Due in more than one year:				
Net Pension Liability (See Note 14)	51,131,139	5,085,996	56,217,135	-
Other amounts due in more than one year	25,325,865	90,314,249	115,640,114	-
Total Liabilities	83,274,195	98,235,993	181,510,188	2,567
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	4,177,151	-	4,177,151	-
Payments in Lieu of Taxes	328,268	-	328,268	-
Pension	1,693,941	279,944	1,973,885	-
Total Deferred Inflows of Resources	6,199,360	279,944	6,479,304	-
NET POSITION				
Net Investment in Capital Assets	21,530,048	47,629,041	69,159,089	-
Restricted for:				
Debt Service	962,437	-	962,437	-
Capital Projects	2,081,923	-	2,081,923	-
Transportation	1,100,677	-	1,100,677	-
Community Development	508,524	-	508,524	-
Recreation Center	41,558	-	41,558	-
Public Safety	425,662	-	425,662	-
Courts	114,024	-	114,024	-
Unrestricted	(30,735,247)	17,804,727	(12,930,520)	2,985,734
Total Net Position	\$ (3,970,394)	\$ 65,433,768	\$ 61,463,374	\$ 2,985,734

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

City of Euclid, Ohio
Statement of Activities
For the Year Ended December 31, 2017

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental activities:				
Security of Persons and Property	\$ 23,622,226	\$ 3,695,435	\$ 535,938	\$ 9,596
Public Health	305,534	131,993	42,021	-
Leisure Time Activities	2,912,241	518,824	993	-
Community and Economic Development	4,236,334	2,151,060	1,660,021	-
Sanitation	2,548,206	1,808,746	-	-
Transportation	5,783,848	-	1,802,921	500,000
General Government	13,350,744	2,146,060	2,550	-
Interest and Fiscal Charges	645,515	-	-	-
<i>Total Governmental activities</i>	<u>53,404,648</u>	<u>10,452,118</u>	<u>4,044,444</u>	<u>509,596</u>
Business-type activities:				
Waste Water Treatment	12,690,066	18,130,416	-	168,012
Water Line Improvement	988,430	2,047,715	-	-
Briardale Greens Golf Course	1,211,719	1,026,527	-	-
<i>Total Business-type activities</i>	<u>14,890,215</u>	<u>21,204,658</u>	<u>-</u>	<u>168,012</u>
<i>Total Primary Government</i>	<u>\$ 68,294,863</u>	<u>\$ 31,656,776</u>	<u>\$ 4,044,444</u>	<u>\$ 677,608</u>
Component Unit:				
Euclid Development Corporation	231,418	316,130	-	-
<i>Total Component Unit</i>	<u>\$ 231,418</u>	<u>\$ 316,130</u>	<u>\$ -</u>	<u>\$ -</u>

General Revenues:

Property Taxes levied for:

- General Purposes
- Debt Service Purpose
- Capital Outlay
- Other Purposes

Municipal Income Taxes levied for:

- General Purposes
- Other Local Taxes
- Payments in Lieu of Taxes
- Grants & Entitlements not restricted to specific programs
- Investment Income
- Gain on Sale of Capital Assets
- All Other Revenues

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning of Year

Net Position - End of Year

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

Net (Expense) Revenue and Changes in Net Position			Component
Governmental	Business-type		Unit
Activities	Activities	Total	Euclid
			Development
			Corporation
\$ (19,381,257)	\$ -	\$ (19,381,257)	\$ -
(131,520)	-	(131,520)	-
(2,392,424)	-	(2,392,424)	-
(425,253)	-	(425,253)	-
(739,460)	-	(739,460)	-
(3,480,927)	-	(3,480,927)	-
(11,202,134)	-	(11,202,134)	-
(645,515)	-	(645,515)	-
<u>(38,398,490)</u>	<u>-</u>	<u>(38,398,490)</u>	<u>-</u>
-	5,608,362	5,608,362	-
-	1,059,285	1,059,285	-
-	(185,192)	(185,192)	-
<u>-</u>	<u>6,482,455</u>	<u>6,482,455</u>	<u>-</u>
<u>(38,398,490)</u>	<u>6,482,455</u>	<u>(31,916,035)</u>	<u>-</u>
-	-	-	84,712
-	-	-	84,712
1,568,487	-	1,568,487	-
1,828,240	-	1,828,240	-
396,260	-	396,260	-
303,429	-	303,429	-
23,451,267	-	23,451,267	-
592,658	-	592,658	-
340,398	-	340,398	-
2,184,167	-	2,184,167	-
245,311	1,629	246,940	588
14,888	-	14,888	-
962,964	447,603	1,410,567	1,499
(101,858)	101,858	-	-
31,786,211	551,090	32,337,301	2,087
(6,612,279)	7,033,545	421,266	86,799
2,641,885	58,400,223	61,042,108	2,898,935
<u>\$ (3,970,394)</u>	<u>\$ 65,433,768</u>	<u>\$ 61,463,374</u>	<u>\$ 2,985,734</u>

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

City of Euclid, Ohio
Balance Sheet
Governmental Funds
December 31, 2017

	<u>General Fund</u>	<u>General Obligation Bond Retirement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ 4,175,566	\$ 18,651	\$ 3,306,403	\$ 7,500,620
Cash and Cash Equivalents:				
In Segregated Accounts	42,480	-	-	42,480
With Fiscal Agents	50,132	-	-	50,132
With Escrow Agents	-	-	12,493	12,493
Materials and Supplies Inventory	107,598	-	28,730	136,328
Accrued Interest Receivable	58,124	-	-	58,124
Accounts Receivable	773,460	-	10,102	783,562
Interfund Receivable	238,861	358,313	-	597,174
Intergovernmental Receivable	741,721	131,557	1,382,726	2,256,004
Prepaid Items	38,002	-	3,812	41,814
Municipal Income Taxes Receivable	7,718,641	-	-	7,718,641
Property Taxes Receivable	1,933,033	2,254,105	859,706	5,046,844
Special Assessments Receivable	4,441,008	115,139	-	4,556,147
Notes Receivable	612,439	-	-	612,439
Payments in Lieu of Taxes Receivable	-	-	328,268	328,268
Assets held for Resale	-	-	161,160	161,160
Total Assets	<u>\$ 20,931,065</u>	<u>\$ 2,877,765</u>	<u>\$ 6,093,400</u>	<u>\$ 29,902,230</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 288,916	\$ -	\$ 274,444	\$ 563,360
Accrued Wages and Benefits	453,621	1,176	37,589	492,386
Intergovernmental Payable	348,900	676	21,154	370,730
Matured Compensated Absences Payable	48,287	-	-	48,287
Interfund Payable	-	-	597,174	597,174
Claims Payable	79,493	168	6,602	86,263
Total Liabilities	<u>1,219,217</u>	<u>2,020</u>	<u>936,963</u>	<u>2,158,200</u>
Deferred Inflows of Resources:				
Property Taxes and Payments in Lieu of Taxes	1,602,081	1,862,576	1,040,762	4,505,419
Unavailable Revenue - Delinquent Property Taxes	330,952	391,529	147,212	869,693
Unavailable Revenue - Municipal Income Taxes	4,745,803	-	-	4,745,803
Unavailable Revenue - Other	5,277,516	246,696	871,991	6,396,203
Total Deferred Inflows of Resources	<u>11,956,352</u>	<u>2,500,801</u>	<u>2,059,965</u>	<u>16,517,118</u>
Fund Balances:				
Nonspendable	818,965	-	32,542	851,507
Restricted	-	374,944	3,464,840	3,839,784
Committed	50,027	-	11,895	61,922
Assigned	1,791,976	-	-	1,791,976
Unassigned (Deficit)	5,094,528	-	(412,805)	4,681,723
Total Fund Balances	<u>7,755,496</u>	<u>374,944</u>	<u>3,096,472</u>	<u>11,226,912</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 20,931,065</u>	<u>\$ 2,877,765</u>	<u>\$ 6,093,400</u>	<u>\$ 29,902,230</u>

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

City of Euclid, Ohio
*Reconciliation of Total Governmental Fund Balances to Net
Position of Governmental Activities*
December 31, 2017

Total Governmental Funds Balance 11,226,912

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

Capital Assets used in Governmental Activities are not financial resources
and, therefore, are not reported in the funds 44,622,631

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

Delinquent property taxes	869,693	
Municipal income taxes	4,745,803	
Special assessments	4,556,147	
Intergovernmental	1,499,708	
Charges for services	340,348	
Total		12,011,699

In the Statement of Activities, interest is accrued on outstanding
bonds, whereas in Governmental funds, an interest expenditure
is reported when due. (46,698)

Internal Service funds are used by management to charge the costs
of certain activities, such as insurance to individual funds. The assets
and liabilities of the Internal Service funds are included in Governmental
Activities in the Statement of Net Position. (269,361)

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

Deferred Outflows - Pension	11,341,482	
Deferred Inflows - Pension	(1,693,941)	
Net Pension Asset	28,909	
Net Pension Liability	(51,131,139)	
Total		(41,454,689)

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

General obligation bonds and notes	(13,717,024)	
Income tax special obligation bonds	(6,899,000)	
Special assessment bonds	(130,000)	
Unamortized premiums	(115,014)	
Deferral on refundings	174,444	
Compensated absences	(6,694,448)	
Claims payable	(102,164)	
Capital leases	(1,416,259)	
OPWC loans	(1,002,223)	
Landfill	(159,200)	
Total		(30,060,888)

Net Position of Governmental Activities (3,970,394)

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

City of Euclid, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2017

	General Fund	General Obligation Bond Retirement	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property Taxes	\$ 1,578,210	\$ 1,846,682	\$ 704,564	\$ 4,129,456
Municipal Income Taxes	24,183,801	-	-	24,183,801
Other Local Taxes	592,658	-	-	592,658
Payments in Lieu of Taxes	-	-	340,398	340,398
Intergovernmental	1,673,091	554,508	5,399,943	7,627,542
Interest	244,097	1,045	169	245,311
Fees, Licenses, and Permits	639,869	-	-	639,869
Fines and Forfeitures	1,790,310	-	321,584	2,111,894
Rentals	307,233	-	-	307,233
Charges for Services	6,056,135	-	289,199	6,345,334
Contributions and Donations	7,890	-	12,852	20,742
Special Assessments	960,379	116,470	-	1,076,849
All Other Revenues	698,539	33	272,960	971,532
Total Revenues	38,732,212	2,518,738	7,341,669	48,592,619
EXPENDITURES				
Current:				
Security of Persons and Property	20,016,255	-	999,415	21,015,670
Public Health	298,928	-	-	298,928
Leisure Time Activities	1,634,717	-	837,192	2,471,909
Community and Economic Development	1,275,803	-	2,624,162	3,899,965
Sanitation	2,523,999	-	-	2,523,999
Transportation	2,116	-	1,874,399	1,876,515
General Government	11,836,400	116,223	53,599	12,006,222
Capital Outlay	8,033	-	255,980	264,013
Debt Service:				
Principal Retirement	-	3,561,557	368,838	3,930,395
Interest and Fiscal Charges	-	579,489	36,905	616,394
Debt Issuance Costs	-	10,563	-	10,563
Total Expenditures	37,596,251	4,267,832	7,050,490	48,914,573
Excess of Revenues (Under) Expenditures	1,135,961	(1,749,094)	291,179	(321,954)
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	-	-	66,573	66,573
Inception of Capital Lease	-	-	161,100	161,100
Long-term Bond Anticipation Notes Issued	-	1,501,000	500,000	2,001,000
Premium on Debt Issuance	-	11,826	-	11,826
Transfers In	-	150,000	161,000	311,000
Transfers Out	(866,000)	-	-	(866,000)
Total Other Financing Sources (Uses)	(866,000)	1,662,826	888,673	1,685,499
Net Change in Fund Balances	269,961	(86,268)	1,179,852	1,363,545
Fund Balances - Beginning of Year	7,485,535	461,212	1,916,620	9,863,367
Fund Balances - End of Year	\$ 7,755,496	\$ 374,944	\$ 3,096,472	\$ 11,226,912

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

City of Euclid, Ohio
*Reconciliation of the Statement of Revenues, Expenditures and
 Changes in Fund Balances of Governmental Funds to the
 Statement of Activities*
 For the Year Ended December 31, 2017

Net Change in Fund Balances-Total Governmental Funds \$ 1,363,545

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

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

Capital Outlay	\$	264,013	
Capital Contributions		9,596	
Depreciation		(4,397,420)	
Total			(4,123,811)

In the Statement of Activities, only the loss on the disposal of capital assets is reported, whereas, in the Governmental Funds, the proceeds from the disposals increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets. (559,077)

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

Delinquent property taxes		(33,040)	
Municipal income taxes		(732,534)	
Special assessments		(128,514)	
Intergovernmental		(915,200)	
Charges for services		120,575	
Total			(1,688,713)

Other financing sources in the Governmental funds increase long-term liabilities in the Statement of Net Position. These sources were attributed to the issuance of debt. (2,173,926)

Repayment of City bond principal, notes, OPWC loan, contract and capital leases are expenditures in the Governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 3,930,395

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows 3,780,997

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities. (6,801,712)

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		(94,359)	
Claims		(625)	
Accrued interest on bonds		6,988	
Amortization of bond premiums		37,203	
Amortization of loss on refunding		(62,749)	
Total			(113,542)

Internal Service funds are used by management to charge costs to certain activities, such as insurance to individual funds. The net revenue (expense) of Internal Service funds are reported in the Governmental Activities. (226,435)

Change in Net Position of Governmental Activities \$ (6,612,279)

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

City of Euclid, Ohio
*Statement of Revenues, Expenditures and Changes in Fund Balance –
 Budget (Non-GAAP Basis) and Actual
 General Fund
 For the Year Ended December 31, 2017*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 1,664,652	\$ 1,664,652	\$ 1,578,210	\$ (86,442)
Income Taxes	24,900,000	24,900,000	24,354,737	(545,263)
Other Local Taxes	670,000	670,000	600,388	(69,612)
Intergovernmental	1,775,803	1,775,803	1,673,189	(102,614)
Interest	140,000	140,000	321,554	181,554
Licenses and Permits	514,950	514,950	636,825	121,875
Fines and Forfeitures	1,961,255	1,961,255	1,826,875	(134,380)
Rentals	51,000	51,000	50,683	(317)
Charges for Services	6,028,606	5,989,469	6,172,074	182,605
Contributions and Donations	1,000	1,000	2,550	1,550
Special Assessments	760,000	760,000	807,931	47,931
All Other Revenues	235,000	245,700	575,967	330,267
Total Revenues	38,702,266	38,673,829	38,600,983	(72,846)
Expenditures:				
Current:				
Security of Persons and Property	20,822,300	20,825,590	19,962,480	863,110
Public Health	320,314	320,314	300,115	20,199
Leisure Time Activities	1,032,619	1,044,791	993,348	51,443
Community and Economic Development	946,115	1,180,227	1,081,365	98,862
Sanitation	2,587,487	2,738,832	2,521,830	217,002
General Government	12,949,676	13,117,171	12,505,895	611,276
Total Expenditures	38,658,511	39,226,925	37,365,033	1,861,892
Excess of Revenues Over (Under) Expenditures	43,755	(553,096)	1,235,950	1,789,046
Other Financing Sources (Uses)				
Transfers In	100,000	100,000	100,000	-
Transfers Out	(512,000)	(1,170,000)	(1,170,000)	-
Total Other Financing Sources (Uses)	(412,000)	(1,070,000)	(1,070,000)	-
Net Change in Fund Balance	(368,245)	(1,623,096)	165,950	1,789,046
Fund Balance - Beginning of Year	3,510,994	3,510,994	3,510,994	-
Prior Year Encumbrances Appropriated	343,063	343,063	343,063	-
Fund Balance - End of Year	\$ 3,485,812	\$ 2,230,961	\$ 4,020,007	\$ 1,789,046

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

City of Euclid, Ohio
Statement of Net Position
Proprietary Funds
December 31, 2017

	Enterprise Funds				Governmental Activities
	Waste Water Treatment	Water Line Improvement	Briardale Greens Golf Course	Total	Internal Service Fund
ASSETS					
Current Assets:					
Equity in Pooled Cash and Cash Equivalents	\$ 23,626,582	\$ 2,946,724	\$ -	\$ 26,573,306	\$ 30,639
Cash and Cash Equivalents:					
In Segregated Accounts	-	-	11,144	11,144	-
Materials and Supplies Inventory	77,666	-	22,726	100,392	-
Accounts Receivable	4,390,761	589,472	-	4,980,233	-
Prepaid Items	14,738	-	956	15,694	-
Capital Leases Receivable	-	-	22,622	22,622	-
Total Current Assets	28,109,747	3,536,196	57,448	31,703,391	30,639
Noncurrent Assets:					
Capital Assets:					
Land	1,065,440	-	7,271,526	8,336,966	-
Construction in Progress	79,906,500	-	-	79,906,500	-
Depreciable Assets, Net of Depreciation	40,821,950	-	1,149,528	41,971,478	-
Net Pension Asset	12,248	-	-	12,248	-
Total Noncurrent Assets	121,806,138	-	8,421,054	130,227,192	-
Total Assets	149,915,885	3,536,196	8,478,502	161,930,583	30,639
DEFERRED OUTFLOWS OF RESOURCES					
Deferral on Refunding	9,247	43,431	-	52,678	-
Pension	1,966,444	-	-	1,966,444	-
Total Deferred Outflows of Resources	1,975,691	43,431	-	2,019,122	-
LIABILITIES					
Current Liabilities:					
Accounts Payable	379,911	147,810	51,724	579,445	-
Accrued Wages and Benefits	89,295	-	-	89,295	-
Compensated Absences Payable	71,164	-	-	71,164	-
Customer Deposits Payable	-	-	25,008	25,008	-
Intergovernmental Payable	46,083	-	-	46,083	-
Accrued Interest Payable	17,216	19,872	-	37,088	-
Claims Payable	12,121	-	-	12,121	100,000
General Obligation Bonds Payable	281,848	716,000	-	997,848	-
OWDA Loans Payable	79,925	-	-	79,925	-
OPWC Loans Payable	432,677	264,820	-	697,497	-
Capital Leases Payable	177,652	-	22,622	200,274	-
Total Current Liabilities	1,587,892	1,148,502	99,354	2,835,748	100,000
Noncurrent Liabilities:					
Compensated Absences Payable	726,863	-	-	726,863	-
Claims Payable	14,355	-	-	14,355	200,000
General Obligation Bonds Payable	1,176,626	5,309,242	-	6,485,868	-
OWDA Loans Payable	75,396,248	-	-	75,396,248	-
OPWC Loans Payable	4,564,232	2,672,610	-	7,236,842	-
Capital Leases Payable	454,073	-	-	454,073	-
Net Pension Liability	5,085,996	-	-	5,085,996	-
Total Noncurrent Liabilities	87,418,393	7,981,852	-	95,400,245	200,000
Total Liabilities	89,006,285	9,130,354	99,354	98,235,993	300,000
DEFERRED INFLOWS OF RESOURCES					
Pension	279,944	-	-	279,944	-
Total Deferred Inflows of Resources	279,944	-	-	279,944	-
NET POSITION					
Net Investment in Capital Assets	39,230,609	-	8,398,432	47,629,041	-
Unrestricted	23,374,738	(5,550,727)	(19,284)	17,804,727	(269,361)
Total Net Position	\$ 62,605,347	\$ (5,550,727)	\$ 8,379,148	\$ 65,433,768	\$ (269,361)

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

City of Euclid, Ohio
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2017

	Enterprise Funds				Governmental Activities
	Waste Water Treatment	Water Line Improvement	Briardale Greens Golf Course	Total	Internal Service Fund
OPERATING REVENUES					
Charges for Services	\$ 18,130,416	\$ 2,047,715	\$ 1,026,527	\$ 21,204,658	\$ -
Miscellaneous	3,210	444,393	-	447,603	-
Total Operating Revenues	<u>18,133,626</u>	<u>2,492,108</u>	<u>1,026,527</u>	<u>21,652,261</u>	<u>-</u>
OPERATING EXPENSES					
Salaries	5,450,164	-	-	5,450,164	-
Materials and Supplies	1,859,794	-	-	1,859,794	-
Contractual Services	2,507,592	601,825	1,105,236	4,214,653	43,183
Depreciation	1,387,498	-	106,483	1,493,981	-
Claims	-	-	-	-	658,252
Other	76,271	6,335	-	82,606	-
Total Operating Expense	<u>11,281,319</u>	<u>608,160</u>	<u>1,211,719</u>	<u>13,101,198</u>	<u>701,435</u>
Operating Income (Loss)	<u>6,852,307</u>	<u>1,883,948</u>	<u>(185,192)</u>	<u>8,551,063</u>	<u>(701,435)</u>
NONOPERATING REVENUES (EXPENSES)					
Interest	1,629	-	-	1,629	-
Interest and Fiscal Charges	(1,408,747)	(380,270)	-	(1,789,017)	-
Total Nonoperating Revenues (Expenses)	<u>(1,407,118)</u>	<u>(380,270)</u>	<u>-</u>	<u>(1,787,388)</u>	<u>-</u>
Capital Contributions	168,012	-	21,858	189,870	-
Transfers In	-	-	80,000	80,000	475,000
Change in Net Position	<u>5,613,201</u>	<u>1,503,678</u>	<u>(83,334)</u>	<u>7,033,545</u>	<u>(226,435)</u>
Net Position - Beginning of Year	<u>56,992,146</u>	<u>(7,054,405)</u>	<u>8,462,482</u>	<u>58,400,223</u>	<u>(42,926)</u>
Net Position - End of Year	<u>\$ 62,605,347</u>	<u>\$ (5,550,727)</u>	<u>\$ 8,379,148</u>	<u>\$ 65,433,768</u>	<u>\$ (269,361)</u>

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

City of Euclid, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2017

	Enterprise Funds				Governmental
	Waste Water Treatment	Water Line Improvement	Briardale Greens Golf Course	Total	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Charges for Services	\$ 17,982,415	\$ 2,068,528	\$ 1,026,375	\$ 21,077,318	\$ -
Other Cash Receipts	3,210	444,393	-	447,603	-
Cash Payments to Employees for Services and Benefits	(4,996,401)	-	-	(4,996,401)	-
Cash Payments for Goods and Services	(4,475,705)	(454,015)	(1,106,375)	(6,036,095)	(46,933)
Cash Payments for Claims	-	-	-	-	(465,252)
Other Cash Payments	(60,721)	(6,335)	-	(67,056)	-
Net Cash Provided by (Used in) Operating Activities	8,452,798	2,052,571	(80,000)	10,425,369	(512,185)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Principal Paid on Debt	-	(978,820)	-	(978,820)	-
Interest Paid on Debt	-	(374,755)	-	(374,755)	-
Transfers In	1,745,000	-	80,000	1,825,000	475,000
Transfers Out	(1,745,000)	-	-	(1,745,000)	-
Net Cash Provided by (Used in) Noncapital Financing Activities	-	(1,353,575)	80,000	(1,273,575)	475,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital Grants Received	168,012	-	-	168,012	-
Proceeds from OWDA and OPWC Loans	28,273,337	-	-	28,273,337	-
Principal Paid on Debt	(855,505)	-	(21,859)	(877,364)	-
Interest Paid on Debt	(1,909,118)	-	-	(1,909,118)	-
Payments for Capital Acquisitions	(29,298,250)	-	-	(29,298,250)	-
Contributions from Other Entities	-	-	21,859	21,859	-
Net Cash (Used in) Capital and Related Financing Activities	(3,621,524)	-	-	(3,621,524)	-
Net Increase (Decrease) in Cash and Cash Equivalents	4,832,903	698,996	-	5,531,899	(37,185)
Cash and Cash Equivalents - Beginning of Year	18,793,679	2,247,728	11,144	21,052,551	67,824
Cash and Cash Equivalents - End of Year	\$ 23,626,582	\$ 2,946,724	\$ 11,144	\$ 26,584,450	\$ 30,639
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
Operating Income (Loss)	\$ 6,852,307	\$ 1,883,948	\$ (185,192)	\$ 8,551,063	\$ (701,435)
Adjustments:					
Depreciation	1,387,498	-	106,483	1,493,981	-
(Increase) Decrease in Assets and Deferred Outflows of Resources:					
Accounts Receivable	(148,001)	20,813	1,635	(125,553)	-
Materials and Supplies Inventory	(14,064)	-	(1,787)	(15,851)	-
Prepaid Items	10	-	1,767	1,777	-
Net Pension Asset	(1,268)	-	-	(1,268)	-
Deferred Outflows - Pension	(403,855)	-	-	(403,855)	-
Increase (Decrease) in Liabilities and Deferred Inflows of Resources:					
Accounts Payable	(81,380)	147,810	(2,360)	64,070	(10,750)
Contracts Payable	-	-	(546)	(546)	-
Accrued Wages and Benefits	18,588	-	-	18,588	-
Compensated Absences Payable	(83,421)	-	-	(83,421)	-
Intergovernmental Payable	1,291	-	-	1,291	-
Claims Payable	(7,750)	-	-	(7,750)	200,000
Net Pension Liability	1,007,101	-	-	1,007,101	-
Deferred Inflows - Pension	(74,258)	-	-	(74,258)	-
Net Cash Provided by (Used in) Operating Activities	\$ 8,452,798	\$ 2,052,571	\$ (80,000)	\$ 10,425,369	\$ (512,185)
Schedule of Noncash Investing, Capital, and Related Financing Activities					
Contribution from Governmental Activities	\$ -	\$ -	\$ 21,858	\$ 21,858	\$ -
Inception of a Capital Lease	(420,442)	-	-	(420,442)	-
Net impact of accruals related to capital assets	(140,115)	-	-	(140,115)	-

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

City of Euclid, Ohio
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2017

	<u>Agency Funds</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 402,127
Cash and Cash Equivalents:	
in Segregated Accounts	<u>310,797</u>
Total Assets	<u><u>\$ 712,924</u></u>
 Liabilities	
Deposits Held and Due to Others	<u><u>\$ 712,924</u></u>

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017

NOTE 1: DESCRIPTION OF THE CITY AND REPORTING ENTITY

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

Reporting Entity

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

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

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(Continued)

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

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

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

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(Continued)

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

B. Fund Accounting

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

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

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

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

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

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

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

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(Continued)

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

B. Fund Accounting (Continued)

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

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

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

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

C. Measurement Focus

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

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(Continued)

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

C. **Measurement Focus** (Continued)

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

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

D. **Basis of Accounting**

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

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(Continued)

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

D. Basis of Accounting (Continued)

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

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

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

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, payments in lieu of taxes, pension and unavailable revenues. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2017, but which were levied to finance year 2018 operations. The property taxes and payments in lieu of taxes have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period.

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(Continued)

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

D. Basis of Accounting (Continued)

For the City, unavailable revenue includes delinquent property taxes, municipal income taxes, intergovernmental grants, special assessments, and charges for services. These amounts are deferred and recognized as inflows of resources in the period the amounts become available. Deferred inflows of resources related to pension are reported on the government-wide statement of net position (See Note 14).

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

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

E. Budgetary Process

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

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(Continued)

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

E. Budgetary Process (Continued)

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

F. Cash and Cash Equivalents

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

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

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

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

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

During 2017, the City invested in U.S agency debt securities, municipal debt securities from governmental entities within the State of Ohio, commercial paper, and negotiable certificates of deposit. Investments are reported at fair value, which is based on quoted market prices.

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(Continued)

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

F. Cash and Cash Equivalents (Continued)

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the General Fund during 2017 amounted to \$244,097, which includes \$215,274 assigned from other City funds.

G. Inventory

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

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2017, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

I. Capital Assets

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

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The City was able to estimate the historical cost for the initial reporting of infrastructure by back trending (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 acquisition values as of the date received.

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(Continued)

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

I. Capital Assets (Continued)

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

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

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

For 2017, the City's infrastructure consisted of streets, storm sewers, and sanitary sewers.

J. Interfund Balances

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

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

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(Continued)

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

K. Compensated Absences

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

L. Accrued Liabilities and Long-Term Obligations

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

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

M. Fund Balance

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

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

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(Continued)

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

M. Fund Balance (Continued)

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

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

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

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

Net Position is the residual amount when comparing assets and deferred outflows of resources to liabilities and deferred inflows of resources. The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. The restricted component of net position is reported when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(Continued)

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

N. Net Position

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

O. Operating Revenue and Expenses

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

P. Interfund Activity

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

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

Q. Bond Premium

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

R. Gain/Loss on Refunding

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(Continued)

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

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. No extraordinary or special items occurred in 2017.

T. Estimates

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

U. Pension

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

NOTE 3: **CHANGE IN ACCOUNTING PRINCIPLES**

During the year, the City implemented the following Governmental Accounting Standards Board (GASB) Statements:

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. The implementation of GASB Statement No. 74 did not have an effect on the financial statements of the City.

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(Continued)

NOTE 3: **CHANGE IN ACCOUNTING PRINCIPLES** (Continued)

GASB Statement No. 80, *Blending Requirements for Certain Component Units-an amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*. The implementation of GASB Statement No. 80 did not have an effect on the financial statements of the City.

GASB Statement No. 81, *Irrevocable Split-Interest Agreements*. The object of this statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The implementation of GASB Statement No. 81 did not have an effect on City's beginning net position.

GASB Statement No. 82, *Pension Issues-an amendment of GASB Statements No. 67, No. 68, and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The implementation of GASB Statement No. 82 did not have an effect on City's beginning net position.

NOTE 4: **ACCOUNTABILITY**

The following funds had deficits in fund balance or deficits in net position as of December 31, 2017:

Governmental Funds	
<i>Nonmajor</i>	
Other Grants	\$ 54,492
Public Building Construction	358,313
Total Governmental Funds	\$ 412,805
Enterprise Fund	
Water Line Improvement	\$ 5,550,727
Internal Service Fund	
Self-Insurance	\$ 269,361

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(Continued)

NOTE 5: BUDGETARY BASIS OF ACCOUNTING

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

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

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

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

GAAP Basis	\$	269,961
Net Adjustment for Revenue Accruals		442,258
Net Adjustment for Expenditure Accruals		(35,911)
Funds with Separate Legally Adopted Budgets		41,154
Encumbrances		(551,512)
Budget Basis	<u>\$</u>	<u>165,950</u>

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(Continued)

NOTE 6: FUND BALANCE

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

Fund Balances	General	General Obligation Bond Retirement	Other Governmental Funds	Total
<i>Nonspendable</i>				
Prepaid Items	\$ 38,002	\$ -	\$ 3,812	\$ 41,814
Materials and Supplies Inventory	107,598	-	28,730	136,328
Unclaimed Funds	60,926	-	-	60,926
Notes Receivable	612,439	-	-	612,439
<i>Total Nonspendable</i>	<u>818,965</u>	<u>-</u>	<u>32,542</u>	<u>851,507</u>
<i>Restricted for</i>				
Transportation	-	-	681,162	681,162
Drug & Alcohol Enforcement	-	-	191,392	191,392
Municipal Court	-	-	114,026	114,026
Recreation	-	-	2,663	2,663
Neighborhood Stabilization	-	-	89,040	89,040
Community Development Block Grant	-	-	1,028	1,028
Law Enforcement	-	-	234,270	234,270
Assets Held for Resale	-	-	161,160	161,160
Capital Improvements	-	-	271,278	271,278
Recreation Capital	-	-	1,141,631	1,141,631
TIF Capital Projects	-	-	548,334	548,334
Other Capital Improvements	-	-	28,856	28,856
Bond Retirement	-	374,944	-	374,944
<i>Total Restricted</i>	<u>-</u>	<u>374,944</u>	<u>3,464,840</u>	<u>3,839,784</u>
<i>Committed to</i>				
Nuisance Abatement	36,253	-	-	36,253
Community Television	13,774	-	-	13,774
Animal Shelter	-	-	11,895	11,895
<i>Total Committed</i>	<u>50,027</u>	<u>-</u>	<u>11,895</u>	<u>61,922</u>
<i>Assigned to</i>				
Subsequent Year Appropriations	1,240,859	-	-	1,240,859
Purchases on Order	551,117	-	-	551,117
<i>Total Assigned</i>	<u>1,791,976</u>	<u>-</u>	<u>-</u>	<u>1,791,976</u>
<i>Unassigned (Deficit)</i>	<u>5,094,528</u>	<u>-</u>	<u>(412,805)</u>	<u>4,681,723</u>
Total Fund Balances	<u>\$ 7,755,496</u>	<u>\$ 374,944</u>	<u>\$ 3,096,472</u>	<u>\$ 11,226,912</u>

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(Continued)

NOTE 7: DEPOSITS AND INVESTMENTS

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

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

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

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

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(Continued)

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

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

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

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

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

Cash on Hand

The City had \$6,820 in undeposited cash on hand, which is reported on the balance sheet as part of "Equity in Pooled Cash and Cash Equivalents".

Deposits

Custodial Credit Risk Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in possession of an outside party. At year-end, the carrying amount of the City's deposits was \$15,480,766 (which does not include cash in segregated accounts of \$364,421 and cash with escrow agent of \$12,493) and the bank balance was \$19,236,505. Of the bank balance, \$1,250,000 was covered by Federal depository insurance and \$17,986,505 was exposed to custodial credit risk because it was uninsured but collateralized. Although the securities were held by the pledging institution's trust department and all statutory requirements for the investment of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(Continued)

NOTE 7: DEPOSITS AND INVESTMENTS (Continued)

The City has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or protected by:

Eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. The City's financial institution had enrolled in OPCS as of December 31, 2017.

Investments

Fair value is determined by quoted market prices and acceptable other pricing methodologies. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The following identify the City's recurring fair value measurement as of December 31, 2017. As of December 31, 2017, fair value was \$156,014 below the City's net cost for investments. As of December 31, 2017, the City had the following investments:

	Fair Value	Level Input	Credit Rating
Federal Home Loan Mortgage Corp.	\$ 6,395,186	2	AA+
Federal Home Loan Bank	2,463,929	2	AA+
Federal National Mortgage Association	2,950,913	2	AA+
Negotiable Certificates of Deposit	4,166,798	2	N/A
Federal Farm Credit Bank	299,385	2	AA+
Commercial Paper	2,393,962	2	A-1
Commercial Paper	399,065	2	A-1+
Total Investments	<u>\$ 19,069,238</u>		

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(Continued)

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

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Federal Home Loan Bonds, Federal National Mortgage Association, and Municipal Debt Securities are exposed to custodial credit risk in that they are uninsured, unregistered, and held by the counterparty's trust department or agent but not in the City's name. The City has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Finance Director or qualified trustee. The City's investments in negotiable certificates of deposit of \$4,166,798 were fully covered by the FDIC.

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

Concentration of Credit Risk The City places no limit on the amount it may invest in any one issuer. The following is the City's allocation as of December 31, 2017:

Percentage of Total Investments	
Federal Home Loan Mortgage Corp.	34%
Federal Home Loan Bank	13%
Federal National Mortgage Association	15%
Negotiable Certificates of Deposit	22%
Federal Farm Credit Bank	2%
Commercial Paper	14%
Total	100%

Component Unit - Euclid Development Corporation (EDCOR)

Custodial Credit Risk Custodial credit risk for deposits is the risk that in the event of bank failure, EDCOR will not be able to recover deposits or collateral securities that are in possession of an outside party. At year-end, the carrying amount and bank balance of EDCOR's deposits was \$800,398. Of the bank balance, the full amount was covered by Federal depository insurance.

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(Continued)

NOTE 7: DEPOSITS AND INVESTMENTS (Continued)

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

NOTE 8: RECEIVABLES

Receivables at December 31, 2017, consisted primarily of municipal income taxes, property and other taxes, accounts (billings for utility services), special assessments, accrued interest on investments, and intergovernmental receivables arising from entitlements and shared revenues. All receivables are deemed collectible in full. Special assessments outstanding at December 31, 2017, are \$4,556,147 with delinquent special assessments outstanding being \$1,276,715.

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

A. Property Taxes

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 2017 for real and public utility property taxes represents collections of 2016 taxes. Property tax payments received during 2017 for tangible personal property (other than public utility property) are for delinquent taxes from prior years.

2017 real property taxes are levied after October 1, 2017, on the assessed value as of January 1, 2017, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2016 real property taxes are collected in and intended to finance 2017.

Public utility real and tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2015 public utility property taxes which become a lien December 31, 2016, are levied after October 1, 2017, and are collected in 2017 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2017, was \$13.60 per \$1,000 of assessed value.

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(Continued)

NOTE 8: **RECEIVABLES** (Continued)

A. Property Taxes (Continued)

The assessed values of real and tangible personal property upon which 2017 property tax receipts were based are as follows:

Real Property	\$ 537,164,000
Public Utility Property	21,846,670
Total Valuation	<u>\$ 559,010,670</u>

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

The Cuyahoga County Fiscal Officer collects property taxes on behalf of all taxing districts in the County, including the City of Euclid. The County Fiscal Officer periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and tangible personal property taxes, public utility taxes, and outstanding delinquencies, which are measurable as of December 31, 2017, and for which there is an enforceable legal claim. In the governmental funds, the entire receivable has been offset by deferred inflows of resources since the current taxes were not levied to finance 2017 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue is deferred.

B. Income Tax

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

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(Continued)

NOTE 8: **RECEIVABLES** (Continued)

C. Intergovernmental Receivables

A summary of the principal items of intergovernmental receivables follows:

<i>Governmental Activities</i>	
Local Government (County & State)	\$ 658,200
Gasoline Tax	638,752
Homestead and Rollback	252,364
Motor Vehicle Tax	143,241
Various Grants	<u>563,447</u>
Total Intergovernmental Receivable	<u><u>\$ 2,256,004</u></u>

D. Notes and Loans Receivable

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

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

NOTE 9: **CONTINGENCIES**

A. Grants

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(Continued)

NOTE 9: CONTINGENCIES (Continued)

B. Litigation

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

NOTE 10: CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2017, was as follows:

	Balance 12/30/2016	Additions	Deletions	Balance 12/31/2017
Governmental Activities				
<i>Capital Assets, Not Being Depreciated</i>				
Land	\$ 10,775,705	\$ -	\$ -	\$ 10,775,705
Construction in Progress	601,142	-	507,392	93,750
<i>Total Capital Assets, Not Being Depreciated</i>	<u>11,376,847</u>	<u>-</u>	<u>507,392</u>	<u>10,869,455</u>
<i>Capital Assets, Being Depreciated</i>				
Land Improvements	8,900,435	-	-	8,900,435
Buildings and Improvements	17,290,886	-	-	17,290,886
Furniture, Fixtures, and Equipment	15,001,360	273,609	351,556	14,923,413
Infrastructure:				
Streets	130,935,128	-	-	130,935,128
<i>Total Capital Assets, Being Depreciated</i>	<u>172,127,809</u>	<u>273,609</u>	<u>351,556</u>	<u>172,049,862</u>
Less Accumulated Depreciation:				
Land Improvements	(5,903,498)	(210,631)	-	(6,114,129)
Buildings and Improvements	(9,034,575)	(368,057)	-	(9,402,632)
Furniture, Fixtures, and Equipment	(9,564,246)	(732,348)	(299,871)	(9,996,723)
Infrastructure:				
Streets	(109,696,818)	(3,086,384)	-	(112,783,202)
<i>Total Accumulated Depreciation</i>	<u>(134,199,137)</u>	<u>(4,397,420) *</u>	<u>(299,871)</u>	<u>(138,296,686)</u>
Total Capital Assets, Being Depreciated, Net	<u>37,928,672</u>	<u>(4,123,811)</u>	<u>51,685</u>	<u>33,753,176</u>
Governmental Activities Capital Assets, Net	<u>\$ 49,305,519</u>	<u>\$ (4,123,811)</u>	<u>\$ 559,077</u>	<u>\$ 44,622,631</u>

At December 31, 2017 the City expensed \$507,392 from a construction in progress project that was cancelled in 2017.

*Depreciation Expense was charged to governmental functions as follows:

General Government	\$ 266,832
Security of Persons and Property	523,336
Leisure Time Services	207,488
Community and Economic Development	80,228
Transportation	3,319,536
	<u>\$ 4,397,420</u>

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(Continued)

NOTE 10: CAPITAL ASSETS (Continued)

	Balance 12/31/2016	Additions	Deletions	Balance 12/31/2017
Business-Type Activities				
<i>Capital Assets, Not Being Depreciated</i>				
Land	\$ 8,336,966	\$ -	\$ -	\$ 8,336,966
Construction in Progress	50,761,890	29,144,610	-	79,906,500
<i>Total Capital Assets, Not Being Depreciated</i>	<u>59,098,856</u>	<u>29,144,610</u>	<u>-</u>	<u>88,243,466</u>
<i>Capital Assets, Being Depreciated</i>				
Land Improvements	1,493,948	-	-	1,493,948
Buildings and Improvements	14,527,598	-	-	14,527,598
Furniture, Fixtures, and Equipment	8,862,494	736,055	-	9,598,549
Infrastructure:				
Sanitary Sewers	36,038,278	-	-	36,038,278
Storm Sewers	12,414,136	-	-	12,414,136
<i>Total Capital Assets, Being Depreciated</i>	<u>73,336,454</u>	<u>736,055</u>	<u>-</u>	<u>74,072,509</u>
Less Accumulated Depreciation:				
Land Improvements	(1,163,208)	(50,888)	-	(1,214,096)
Buildings and Improvements	(7,975,037)	(302,766)	-	(8,277,803)
Furniture, Fixtures, and Equipment	(7,541,838)	(190,640)	-	(7,732,478)
Infrastructure:				
Sanitary Sewers	(8,265,357)	(711,165)	-	(8,976,522)
Storm Sewers	(5,661,610)	(238,522)	-	(5,900,132)
<i>Total Accumulated Depreciation</i>	<u>(30,607,050)</u>	<u>(1,493,981)</u>	<u>-</u>	<u>(32,101,031)</u>
Total Capital Assets, Being Depreciated, Net	<u>42,729,404</u>	<u>(757,926)</u>	<u>-</u>	<u>41,971,478</u>
Business-Type Activities Capital Assets, Net	<u>\$ 101,828,260</u>	<u>\$ 28,386,684</u>	<u>\$ -</u>	<u>\$ 130,214,944</u>

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(Continued)

NOTE 11: LONG-TERM OBLIGATIONS

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

Debt Issue	Interest Rate	Original Issue Date	Original Issue Amount	Date of Maturity
<i>General Obligation Bonds:</i>				
Various Purpose Refunding - 2008	4.70-5.125	2008	2,800,000	2018
Various Purpose - 2008	3.00-5.00	2008	7,825,000	2028
Various Purpose and Refunding - 2011A	2.00-4.00	2011	5,437,000	2021
Various Purpose - 2011B	2.00-4.375	2011	2,341,000	2031
Various Purpose Refunding - 2014	2.34	2014	7,023,229	2025
<i>Long-term Notes Payable:</i>				
Various Purpose - 2016	1.800	2016	1,501,000	2017
Various Purpose - 2017	2.000	2017	2,001,000	2018
<i>Income Tax Special Obligation bonds:</i>				
Various Purpose - 2015	2.48	2015	6,999,000	2030
<i>Ohio Public Works Commission</i>				
East 222nd Reconstruction -2006	0.00	2006	1,257,200	2029
<i>Special Assessment Bonds with Governmental Commitment</i>				
Heritage Drive Improvements Refunding - 2011	2.00-3.00	2011	1,005,000	2018
<i>Enterprise General Obligation Bonds:</i>				
Various Purpose Refunding - 2008	2.50-5.00	2004	2,660,000	2018
Waterline Improvement Refunding - 2011A	2.00-4.00	2011	2,488,000	2021
Sewer Improvement - 2011B	2.00-4.375	2011	748,000	2031
Waterline Improvement - 2011B	2.00-4.375	2011	6,376,000	2031
Various Purpose Refunding - 2014	2.34	2014	506,771	2025
<i>Enterprise OWDA Loans*:</i>				
Land Acquisition for Wastewater Treatment Plant	3.36	2012	908,840	2038
<i>Enterprise OPWC Loans*:</i>				
Newton Avenue Improvements - 2000	0.00	2000	1,468,836	2019
East 226th Street/Edgecliff - 2003	0.00	2003	1,528,108	2023
East 197th Street - 2001	0.00	2001	759,025	2020
East 255th Street - 2002	0.00	2002	400,534	2022
East 216th Street - 2004	0.00	2004	581,131	2024
Brandywine Pump Station - 2006	0.00	2006	408,000	2028
Chatworth Dr. Sanitary -2006	0.00	2006	240,400	2028
Euclid Ave/Babbitt Rd -2006	0.00	2006	540,900	2028
Miller Avenue - 2001	0.00	2001	1,689,900	2020
East 222nd Street -2003	0.00	2003	874,958	2023
East 214th Street - 2001	0.00	2001	262,735	2020
Euclid Avenue Improvement - 2008	0.00	2008	552,000	2028
East 222nd Street/Tungsten Road - 2009	0.00	2009	779,300	2039
Dille Road/East 204th Street - 2009	0.00	2009	950,000	2029
East 264th Street - 2010	0.00	2010	439,500	2030
East 248th Street/Shoreview - 2010	0.00	2010	887,600	2040
East 214th Street/Lakeshore - 2010	0.00	2010	958,500	2030
Roadway & Utility Improvement - 2011	0.00	2011	693,360	2031
E. 274th and E. 275th SSO Elimination - 2014	0.00	2014	444,774	2035
Crystal/E. 22nd Street/Bruce Storm and Sanitary - 2015	0.00	2015	1,024,500	2037

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(Continued)

NOTE 11: LONG-TERM OBLIGATIONS (Continued)

	Principal Outstanding 12/31/2016	Additions	Deletions	Principal Outstanding 12/31/2017	Due Within One Year
Governmental Activities					
<i>General Obligation Bonds:</i>					
Various Purpose Refunding - 2008	\$ 420,000	\$ -	\$ 210,000	\$ 210,000	\$ 210,000
Unamortized Premium	13,654	-	9,106	4,548	-
Various Purpose - 2008	3,825,000	-	480,000	3,345,000	510,000
Unamortized Premium	71,704	-	6,236	65,468	-
Various Purpose - 2011A	185,000	-	35,000	150,000	35,000
Unamortized Premium	2,888	-	578	2,310	-
Various Purpose Refunding - 2011A	1,656,000	-	398,000	1,258,000	409,000
Unamortized Premium	27,856	-	6,965	20,891	-
Various Purpose - 2011B	1,884,000	-	97,000	1,787,000	98,000
Unamortized Premium	17,751	-	1,183	16,568	-
Various Purpose Refunding - 2014	5,543,062	-	577,038	4,966,024	590,153
<i>Total General Obligation Bonds</i>	<u>13,646,915</u>	<u>-</u>	<u>1,821,106</u>	<u>11,825,809</u>	<u>1,852,153</u>
<i>Long-term Notes Payable:</i>					
Various Purpose - 2016	1,501,000	-	1,501,000	-	-
Unamortized Premium	3,963	-	3,963	-	-
Various Purpose - 2017	-	2,001,000	-	2,001,000	2,001,000
Unamortized Premium	-	11,826	7,884	3,942	-
<i>Total Long-term Notes Payable</i>	<u>1,504,963</u>	<u>2,012,826</u>	<u>1,512,847</u>	<u>2,004,942</u>	<u>2,001,000</u>
<i>Income Tax Special Obligation Bonds:</i>					
Various Purpose - 2015	6,949,000	-	50,000	6,899,000	457,000
<i>Total Income Tax Special Obligation Bonds:</i>	<u>6,949,000</u>	<u>-</u>	<u>50,000</u>	<u>6,899,000</u>	<u>457,000</u>
<i>Special Assessment Bonds</i>					
<i>with Governmental Commitment</i>					
Refunding Heritage Drive					
Improvements - 2011 Refunding	260,000	-	130,000	130,000	130,000
Unamortized Premium	2,575	-	1,288	1,287	-
<i>Total Special Assessment Bonds</i>	<u>262,575</u>	<u>-</u>	<u>131,288</u>	<u>131,287</u>	<u>130,000</u>
<i>Ohio Public Works Commission</i>					
East 222nd Reconstruction -2006	1,085,742	-	83,519	1,002,223	83,519
<i>Net Pension Liability</i>					
OPERS	9,627,073	2,376,970	-	12,004,043	-
OP&F	40,222,166	-	1,095,070	39,127,096	-
<i>Total Net Pension Liability</i>	<u>49,849,239</u>	<u>2,376,970</u>	<u>1,095,070</u>	<u>51,131,139</u>	<u>-</u>
<i>Other Obligations:</i>					
Capital Leases	1,623,997	161,100	368,838	1,416,259	300,421
Landfill	159,200	-	-	159,200	-
Claims and Judgments Payable	201,539	217,253	16,628	402,164	100,000
Compensated Absences	6,600,089	430,899	336,540	6,694,448	285,374
<i>Total Other Obligations</i>	<u>8,584,825</u>	<u>809,252</u>	<u>722,006</u>	<u>8,672,071</u>	<u>685,795</u>
<i>Total Governmental Activities</i>	<u>\$ 81,883,259</u>	<u>\$ 5,199,048</u>	<u>\$ 5,415,836</u>	<u>\$ 81,666,471</u>	<u>\$ 5,209,467</u>

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(Continued)

NOTE 11: LONG-TERM OBLIGATIONS (Continued)

	Principal Outstanding 12/31/2016	Additions	Deletions	Principal Outstanding 12/31/2017	Due Within One Year
Business-Type Activities					
<i>General Obligation Bonds:</i>					
Waste Water Fund:					
Various Purpose Refunding - 2008	\$ 300,000	\$ -	\$ 135,000	\$ 165,000	\$ 165,000
Unamortized Premium	6,631	-	4,423	2,208	-
Sewer Improvement - 2011B	603,000	-	31,000	572,000	32,000
Unamortized Premium	5,668	-	378	5,290	-
Various Purpose Refunding - 2014	796,938	-	82,962	713,976	84,848
Water Line Fund (a):					
Various Purpose Refunding - 2008	290,000	-	150,000	140,000	140,000
Unamortized Premium	6,338	-	4,228	2,110	-
Waterline Improvement - 2011B	5,133,000	-	262,000	4,871,000	270,000
Unamortized Premium	48,338	-	3,223	45,115	-
Waterline Improvement Refunding- 2011A	1,254,000	-	302,000	952,000	306,000
Unamortized Premium	20,022	-	5,005	15,017	-
<i>Total General Obligation Bonds:</i>	<u>8,463,935</u>	<u>-</u>	<u>980,219</u>	<u>7,483,716</u>	<u>997,848</u>
<i>OWDA Loans:</i>					
Waste Water Fund:					
Land Acquisition for Wastewater Treatment Facilities - 2012					
	822,381	-	26,612	795,769	27,514
Wastewater Treatment Plant Headworks Complex - 2013					
	408,482	-	408,482	-	-
Wastewater Treatment Plant MBR Process Planning & Design - 2013					
	1,794,316	4,350	1,798,666	-	-
SSO Elimination - 2013					
	879,016	-	52,411	826,605	52,411
SSO 25, 26 & 27, E. 220th, E. 194th & E. 222nd - 2014					
	4,233,797	821,237	211,368	4,843,666	-
Preconstruction Services for WWTP Improvements - 2014					
	612,281	1,814	614,095	-	-
WWTP Sludge Transfer Force Main - 2014					
	2,550,097	-	100,896	2,449,201	-
Edgecliff San. Sewer, WWTP Relief Sewer, SSO Elimination - 2014					
	1,631,260	-	124,896	1,506,364	-
WWTP Headworks Phase 1 - 2015					
	8,507,557	777,451	658,001	8,627,007	-
Edgecliff San. Sewer Relining, SSO #28 Elimination - 2015					
	495,609	-	10,768	484,841	-
WWTP MBR - Procurement Phase HAB - 2015					
	1,078,932	453,253	-	1,532,185	-
Headworks part B & EW Basin Phase 1 - 2015					
	24,782,704	17,456,116	-	42,238,820	-
Effingham SSO Elimination Design - 2015					
	86,433	2,805	4,482	84,756	-
Brandywine SSO Elimination - 2016					
	37,915	300	38,215	-	-
East 219th & East 221st I&I Reduction - 2016					
	74,944	361	75,305	-	-
WWTP MBR - NRD - 2017					
	-	10,867,327	-	10,867,327	-
East 219th & East 221st I&I Reduction - 2017					
	-	889,659	-	889,659	-
Brandywine SSO Elimination - 2017					
	-	329,973	-	329,973	-
<i>Total OWDA Loans</i>	<u>47,995,724</u>	<u>31,604,646</u>	<u>4,124,197</u>	<u>75,476,173</u>	<u>79,925</u>

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(Continued)

NOTE 11: LONG-TERM OBLIGATIONS (Continued)

Business-Type Activities (Continued)	Principal Outstanding 12/31/2016	Additions	Deletions	Principal Outstanding 12/31/2017	Due Within One Year
<i>OPWC Loans:</i>					
<i>Waste Water Fund:</i>					
Newton Avenue Improvements - 2000	\$ 220,324	\$ -	\$ 73,442	\$ 146,882	\$ 73,442
East 226th Street/Edgecliff - 2003	496,637	-	76,405	420,232	76,405
East 197th Street - 2001	151,804	-	37,952	113,852	37,952
East 255th Street - 2002	110,148	-	20,027	90,121	20,027
East 216th Street - 2004	232,452	-	29,057	203,395	29,057
Brandywine Pump Station - 2006	194,560	-	16,919	177,641	16,919
Chatworth Dr. Sanitary -2006	135,430	-	11,776	123,654	11,776
Euclid Ave/Babbit Rd -2006	297,939	-	23,835	274,104	23,835
Euclid Avenue Improvement -2008	363,924	-	23,479	340,445	23,479
Dille Road/ East 204 - 2009	545,626	-	36,374	509,252	36,374
E. 264th Street - 2010	149,224	-	9,948	139,276	9,948
E. 274th and E. 275th SSO Elimination - 2014	433,655	-	22,238	411,417	22,238
Edgecliff SSO Elimination - 2015	745,099	-	-	745,099	-
Crystal/E. 22nd Street/Bruce Storm and Sanitary - 2015	1,024,500	-	51,225	973,275	51,225
Brandywine Pump Station SSO Elimination- 2016	36,992	291,272	-	328,264	-
Total Waste Water Fund	5,138,314	291,272	432,677	4,996,909	432,677
<i>Water Line Fund (a):</i>					
Miller Avenue - 2001	337,980	-	84,495	253,485	84,495
East 222nd Street -2003	306,234	-	43,748	262,486	43,748
East 214th Street - 2001	52,547	-	13,136	39,411	13,136
East 222nd/Tungsten Road - 2009	766,312	-	25,976	740,336	25,976
Dille Road/ East 204 - 2009	166,874	-	11,126	155,748	11,126
E. 264th Street - 2010	16,425	-	1,095	15,330	1,095
E. 248th Street/Shoreview - 2010	554,030	-	21,727	532,303	21,727
E. 214 Street/Lake Shore - 2010	447,160	-	28,849	418,311	28,849
Roadway & Utility Improvement - 2011	554,688	-	34,668	520,020	34,668
Total Water Line Fund	3,202,250	-	264,820	2,937,430	264,820
Total OPWC Loan	8,340,564	291,272	697,497	7,934,339	697,497
<i>Other Obligations</i>					
Net Pension Liability - OPERS	4,078,895	1,007,101	-	5,085,996	-
Capital Leases	850,072	-	195,725	654,347	200,274
Claims Payable	34,226	2,424	10,174	26,476	12,121
Compensated Absences	881,448	55,691	139,112	798,027	71,164
Total Other Obligations	5,844,641	1,065,216	345,011	6,564,846	283,559
Total Business-Type Activities	\$ 70,644,864	\$ 32,961,134	\$ 6,146,924	\$ 97,459,074	\$ 2,058,829

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(Continued)

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

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

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

Landfill costs are based on estimates as of December 31, 2017. The actual costs may be higher and they will be paid from the General Fund.

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

There is no repayment schedule for the net pension liability; however, employer pension contributions are made from the General Fund, Court Computerization, Court Special Projects, Animal Shelter, Street Maintenance, Community TV, Recreation, Community Development, Neighborhood Stabilization and Other Grants special revenue funds, and Waste Water enterprise fund. Refer to Note 14 for further information regarding Net Pension Liability.

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

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

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(Continued)

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

At the end of the year, the City had two outstanding projects provided through OPWC loan funding and twelve outstanding projects provided through OWDA loan funding that are not complete and final amortization schedules are not provided as of year-end. As of December 31, 2017, the total loan amounts received for the outstanding projects are reported in the previous schedules.

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

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

On May 3, 2017, the City issued \$2.001 million in various purpose general obligation bond anticipation notes at an interest rate of 2.000 percent with a maturity date of May 3, 2018. The proceeds of these notes were used for various capital improvements.

Prior Years' Debt Defeasance

In prior years, the City has defeased various bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. Government securities that were placed in the irrevocable trust fund. The investment and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the City's government-wide financial statements. As of December 31, 2017, the amount of defeased debt outstanding but removed from the government-wide financial statements amounted to \$6,551,000.

Legal Debt Margin

The City's overall legal debt margin was \$44,865,369 and the unvoted debt margin was \$16,914,836 at December 31, 2017.

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(Continued)

NOTE 11: LONG-TERM OBLIGATIONS (Continued)

Principal and Interest Requirements

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2017 are as follows:

	<u>Governmental Activities</u>					
	<u>General Obligation Bonds</u>		<u>Income Tax Special Obligation Bonds</u>		<u>Special Assessment Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 1,852,153	\$ 391,845	457,000	171,715	\$ 130,000	\$ 3,900
2019	1,426,639	325,748	467,000	165,429	-	-
2020	1,477,753	280,471	480,000	153,971	-	-
2021	1,037,896	231,902	490,000	142,228	-	-
2022	1,031,009	200,486	501,000	130,200	-	-
2023-2027	3,976,575	545,506	2,711,000	393,787	-	-
2028-2032	913,999	79,975	1,793,000	67,419	-	-
Total	<u>\$ 11,716,024</u>	<u>\$ 2,055,933</u>	<u>\$ 6,899,000</u>	<u>\$ 1,224,749</u>	<u>\$ 130,000</u>	<u>\$ 3,900</u>

	<u>Governmental Activities</u>		
	<u>OPWC Loan</u>	<u>Total</u>	
	<u>Principal</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 83,519	\$ 2,065,672	\$ 395,745
2019	83,519	1,510,158	325,748
2020	83,519	1,561,272	280,471
2021	83,519	1,121,415	231,902
2022	83,519	1,114,528	200,486
2023-2027	417,592	4,394,167	545,506
2028-2032	167,036	1,081,035	79,975
Total	<u>\$ 1,002,223</u>	<u>\$ 12,848,247</u>	<u>\$ 2,059,833</u>

	<u>Business Type Activities</u>						
	<u>General Obligation Bonds</u>		<u>OWDA Loans</u>		<u>OPWC Loans</u>	<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 997,848	\$ 282,711	\$ 27,514	\$ 26,509	\$ 697,497	\$ 1,722,859	\$ 309,220
2019	718,362	259,260	28,446	25,576	697,497	1,444,305	284,836
2020	737,247	223,089	29,410	24,613	624,055	1,390,712	247,702
2021	422,105	195,099	30,406	23,616	488,472	940,983	218,715
2022	433,989	179,636	31,436	22,586	478,460	943,885	202,222
2023-2027	2,233,425	648,849	173,900	96,213	1,736,245	4,143,570	745,062
2028-2032	1,871,000	203,540	161,559	54,532	1,298,924	3,331,483	258,072
2033-2037	-	-	234,714	35,398	521,252	755,966	35,398
2038-2042	-	-	78,384	2,649	227,649	306,033	2,649
2043-2046	-	-	-	-	90,925	90,925	-
Total	<u>\$ 7,413,976</u>	<u>\$ 1,992,184</u>	<u>\$ 795,769</u>	<u>\$ 311,692</u>	<u>\$ 6,860,976</u>	<u>\$ 15,070,721</u>	<u>\$ 2,303,876</u>

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(Continued)

NOTE 12: COMPENSATED ABSENCES

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

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

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

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

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

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(Continued)

NOTE 13: RISK MANAGEMENT

A. Property and Liability

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

During 2016, the City negotiated with Love Insurance Company for commercial insurance coverage relating to property, boiler, and machinery insurance. The cost of the current coverage in effect as of December 31, 2017 was \$65,495. The City carries a commercial package property insurance policy for blanket coverage. The City’s total limit of liability is \$150,000,000 as a result of any one occurrence, regardless of the number of perils, coverages or locations involved. The policy coverage includes loss of business income for specific locations, personal property, securities, and property in the open. Included in this blanket is coverage in land marine, equipment breakdown with its own \$10,000 deductible, and crime shield coverage of \$25,000 per loss with a \$250 deductible.

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

The claims liability of \$300,000 reported in the Self-Insurance Internal Service Fund at December 31, 2017 consists of general liability insurance and is based on an estimate of costs relating to incurred but not reported claims and also includes a settled judgment. Changes in the fund’s general liability insurance claims liability amount for the last three years follow:

<u>December 31,</u>	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
2015	165,000	38,107	73,107	130,000
2016	130,000	37,419	67,419	100,000
2017	100,000	575,000	375,000	300,000

B. Health Insurance

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(Continued)

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

C. Workers' Compensation Program

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

The claims liability of \$188,427 reported in governmental activities (with \$86,263 of the \$188,427 considered to be a current liability) and \$26,476 reported in business-type activities is based on the requirements of GASB Statement No. 30, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. Changes in the fund's claims liability amount for the last three years follows:

<u>December 31,</u>	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
2015	350,088	268,510	298,389	320,209
2016	320,209	179,208	221,612	277,805
2017	277,805	99,098	162,000	214,903

NOTE 14: **DEFINED BENEFIT PENSION PLANS**

A. Net Pension Liability

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

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(Continued)

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

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

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

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

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

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

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(Continued)

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

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

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

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(Continued)

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

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

	State and Local
2017 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2017 Actual Contribution Rates	
Employer:	
Pension	13.0 %
Post-Employment Health Care Benefits	1.0
Total Employer	14.0 %
Employee	10.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contributions was \$1,304,319 for 2017. Of this amount, \$108,873 is reported as an intergovernmental payable.

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

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

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(Continued)

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

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

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

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

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

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

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

	Police	Firefighters
2017 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
 2017 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	19.50 %	24.00 %
 Employee	 12.25 %	 12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$2,864,843 for 2017. Of this amount, \$201,596 is reported as an intergovernmental payable.

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(Continued)

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

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

The net pension liability for OPERS was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2016 and was determined by rolling forward the total pension liability as of January 1, 2016, to December 31, 2016. 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:

	OPERS Traditional Pension Plan	OPERS Combined Pension Plan	OP&F Police	OP&F Fire	Total
Proportion of the Net Pension Liability/Asset Prior Measurement Date	0.079128%	0.075810%	0.305028%	0.320213%	
Proportion of the Net Pension Liability/Asset Current Measurement Date	<u>0.075259%</u>	<u>0.073948%</u>	<u>0.297099%</u>	<u>0.320642%</u>	
Change in Proportionate Share	<u>-0.003869%</u>	<u>-0.001862%</u>	<u>-0.007929%</u>	<u>0.000430%</u>	
Proportionate Share of the Net Pension Liability/(Asset)	\$ 17,090,039	\$ (41,157)	\$ 18,817,953	\$ 20,309,143	\$ 56,175,978
Pension Expense	\$ 3,047,530	\$ 30,037	\$ 2,159,411	\$ 2,480,619	\$ 7,717,597

At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS	OP&F Police	OP&F Fire	Total
Deferred Outflows of Resources				
Net difference between projected and actual earnings on pension plan investments	\$ 2,555,146	\$ 1,829,962	\$ 1,974,975	\$ 6,360,083
Changes of assumptions	2,720,718	-	-	2,720,718
Differences between expected and actual experience	23,164	5,323	5,745	34,232
Changes in proportion and differences between City contributions and proportionate share of contributions	4,325	-	19,406	23,731
City contributions subsequent to the measurement date	<u>1,304,319</u>	<u>1,358,593</u>	<u>1,506,250</u>	<u>4,169,162</u>
Total Deferred Outflows of Resources	<u>\$6,607,672</u>	<u>\$3,193,878</u>	<u>\$3,506,376</u>	<u>\$13,307,926</u>
Deferred Inflows of Resources				
Differences between expected and actual experience	\$122,761	\$43,326	\$46,760	\$212,847
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>817,911</u>	<u>746,811</u>	<u>196,316</u>	<u>1,761,038</u>
Total Deferred Inflows of Resources	<u>\$940,672</u>	<u>\$790,137</u>	<u>\$243,076</u>	<u>\$1,973,885</u>

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(Continued)

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

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

\$4,169,162 reported as deferred outflows of resources related to pension resulting from City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2018.

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

Year Ending December 31:	<u>OPERS</u>	<u>OP&F Police</u>	<u>OP&F Fire</u>	<u>Total</u>
2018	\$1,561,295	\$531,461	\$706,423	\$2,799,179
2019	1,986,453	531,461	706,424	3,224,338
2020	893,329	365,625	527,447	1,786,401
2021	(76,071)	(287,697)	(177,647)	(541,415)
2022	(1,092)	(88,780)	(6,088)	(95,960)
Thereafter	<u>(1,233)</u>	<u>(6,922)</u>	<u>491</u>	<u>(7,664)</u>
Total	<u>\$4,362,681</u>	<u>\$1,045,148</u>	<u>\$1,757,050</u>	<u>\$7,164,879</u>

E. Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. In 2016, the Board of Trustees' actuarial consultants conducted an experience study for the period 2011 through 2015, comparing assumptions to actual results. The experience study incorporates both a historical view and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding.

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(Continued)

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

E. *Actuarial Assumptions – OPERS* (Continued)

Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 8.0 percent down to 7.5 percent, for the defined benefit investments. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation COLA or Ad Hoc COLA	3.25 to 10.75 percent including wage inflation Pre 1/7/2013 retirees; 3 percent, simple Post 1/7/2013 retirees; 3 percent, simple through 2018, then 2.15% simple
Investment Rate of Return	7.5 percent
Actuarial Cost Method	Individual Entry Age

The total pension asset in the December 31, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation COLA or Ad Hoc COLA	3.25 to 8.25 percent including wage inflation Pre 1/7/2013 retirees; 3 percent, simple Post 1/7/2013 retirees; 3 percent, simple through 2018, then 2.15% simple
Investment Rate of Return	7.5 percent
Actuarial Cost Method	Individual Entry Age

Mortality rates were based on the RP-2014 Health Annuitant Mortality table. For males, Health Annuitant Mortality tables were used, adjusted for mortality improvement back to the observant period base of 2006 and then established the base year as 2015. For females, Health Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled Mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(Continued)

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

E. *Actuarial Assumptions – OPERS* (Continued)

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 401(h) Health Care Trust portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The 401(h) Health Care Trust portfolio was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. 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. The Defined Benefit portfolio historically included the assets of the Member-Directed retiree medical accounts funded through the VEBA Trust. However, the VEBA Trust was closed as of June 30, 2016. 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 annual money weighted rate of return expressing investment performance, net of investments expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio is 8.3 percent for 2016. 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 2016 and the long-term expected real rates of return. The table below displays the Board-approved asset allocation policy for 2015 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.75 %
Domestic Equities	20.70	6.34
Real Estate	10.00	4.75
Private Equity	10.00	8.97
International Equities	18.30	7.95
Other investments	18.00	4.92
Total	100.00 %	5.66 %

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(Continued)

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

E. *Actuarial Assumptions – OPERS* (Continued)

Discount Rate The discount rate used to measure the total pension liability was 7.5 percent, post-experience study results. 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 contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the City’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.5 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 (6.5 percent) or one-percentage-point higher (8.5 percent) than the current rate:

City's proportionate share of the net pension liability/(asset)	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Traditional Pension Plan	\$26,108,852	\$17,090,039	\$9,574,450
Combined Plan	\$2,958	(\$41,157)	(\$75,427)

E. *Actuarial Assumptions – OP&F*

OP&F’s total pension liability as of December 31, 2016 is based on the results of an actuarial valuation date of January 1, 2016, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2016, are presented below:

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(Continued)

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

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

Valuation Date	January 1, 2016
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 Simple

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2016 are summarized below:

Asset Class	Target Allocation	10 year Expected Real Rate of Return **	30 year Expected Real Rate of Return **
Cash and Cash Equivalents	- %		
Domestic Equity	16.00	4.46 %	5.21 %
Non-US Equity	16.00	4.66	5.40
Core Fixed Income *	20.00	1.67	2.37
Global Inflation Protected *	20.00	0.49	2.33
High Yield	15.00	3.33	4.48
Real Estate	12.00	4.71	5.65
Private Markets	8.00	7.31	7.99
Timber	5.00	6.87	6.87
Master Limited Partnerships	8.00	6.92	7.36
Total	120.00 %		

* levered 2x

** numbers are net of expected inflation

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(Continued)

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

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

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

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

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

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$ 52,112,654	\$ 39,127,096	\$ 28,121,657

NOTE 15: **POST-EMPLOYMENT BENEFITS**

A. **Ohio Public Employees Retirement System**

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(Continued)

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

A. Ohio Public Employees Retirement System (Continued)

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional Pension and the Combined plans. The trust is also used to fund health care for Member-Directed Plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, participants can be reimbursed for qualified medical expenses from their vested RMA balance.

In order to qualify for health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. Please see the Plan Statement in the OPERS 2016 CAFR for details.

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care coverage. Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2017, State and Local employers contributed at a rate of 14.00 percent of earnable salary and Public Safety and Law Enforcement employers contributed at 18.10 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.00 percent during calendar year 2017.

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(Continued)

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

A. Ohio Public Employees Retirement System (Continued)

As recommended by the OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0.00 percent for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited for Member-Directed Plan participants for 2017 was 4.0 percent.

The City's actual employer contributions for December 31, 2017, 2016 and 2015 which were used to fund post-employment benefits were \$101,792, \$203,322, and \$206,104, respectively; 92.36 percent has been contributed for 2017 and 100 percent has been contributed for 2016 and 2015.

B. Ohio Police and Fire Pension Fund

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

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

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

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

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(Continued)

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

B. Ohio Police and Fire Pension Fund (Continued)

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 Trust and the Section 401(h) account as the employer contribution for retiree health care benefits. The portion of employer contributions allocated to health care was 0.50 percent of covered payroll from January 1, 2017 thru December 31, 2017.

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

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

The City's contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were \$35,654 and \$31,968 for the year ended December 31, 2017, \$35,493 and \$31,135 for the year ended December 31, 2016, and \$34,436 and \$29,227 for the year ended December 31, 2015, respectively; 93.16 percent for police and 93.06 percent for firefighters have been contributed for 2017, with the remainder being reported as a liability. The full amount has been contributed for 2016 and 2015.

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(Continued)

NOTE 16: CAPITAL LEASES

During 2017 the City entered into a capital lease contract for the purchase of computer software. In previous years the City entered into leases for pumper trucks, vehicles, a VAC/Sewer jet truck, and pump station. In prior years, the City entered into leases for the acquisition various miscellaneous vehicles and equipment. Capital lease payments are reflected as program expenditures on the budgetary statements and part of debt service on the Statement of Revenue, Expenditures, and Changes in Fund Balances. Capital assets acquired by lease have been capitalized and depreciated as follows as of December 31, 2017:

	Governmental Activities	Business-Type Activities
<i>Capital Assets being Depreciated:</i>		
Furniture, Fixtures, and Equipment	\$ 2,196,501	\$ 1,010,442
Less: Accumulated Depreciation	(340,698)	(130,785)
<i>Total Capital Assets being Depreciated</i>	<u>\$ 1,855,803</u>	<u>\$ 879,657</u>
Year Ending December 31,		
2018	\$ 331,137	\$ 214,483
2019	222,424	191,072
2020	200,723	191,071
2021	176,724	88,606
2022	125,385	-
Thereafter	501,536	-
Total Minimum Lease Payments	1,557,929	685,232
Less: Amount Representing Interest	(141,670)	(30,885)
Present Value of Minimum Lease Payments	<u>\$ 1,416,259</u>	<u>\$ 654,347</u>

NOTE 17: CONSTRUCTION AND OTHER COMMITMENTS

A. Construction Commitments

As of December 31, 2017, the City had the following significant commitments with respect to capital projects:

Capital Projects	Remaining Construction Commitment
<i>Business-Type Activities</i>	
Waste Water Projects:	
Edgecliff Sanitary Sewer 2	\$ 1,644,608
Headworks Part B & EQ Basin Ph. 1	20,793,757
WWTP MBR - NRD	54,341,405
Total Business-Type Activities	76,779,770
Total	<u>\$ 76,779,770</u>

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(Continued)

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

B. Other Commitments

The City utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year-end are components of fund balance for subsequent year expenditures and may be reported as part of restricted, committed, or assigned classifications of fund balance. As of December 31, 2017, the City's commitments for encumbrances in the governmental funds were as follows:

	Outstanding Encumbrances
General	\$ 551,117
General Obligation Bond Retirement	45
All Other Governmental Funds	1,011,658
Total	\$ 1,562,820

NOTE 18: **INTERFUND TRANSFERS AND BALANCES**

A. Transfers

Transfers made during the year ended December 31, 2017, were as follows:

	Transfers From General Fund
<u>Transfers To</u>	
Governmental Funds:	
General Obligation Bond Retirement	\$ 150,000
Nonmajor Governmental Funds	161,000
Total Governmental Funds	311,000
Enterprise Funds:	
Briardale Greens Golf Course	80,000
Total Enterprise Funds	80,000
Internal Service Fund	475,000
Total	\$ 866,000

Transfers made from the General Fund to various other funds provided additional resources for current operations. All transfers were made in accordance with Ohio Revised Code Sections 5705.14, 5705.15, and 5705.16. Transfers of \$311,000 between governmental funds are eliminated on the statement of activities. In addition, \$21,858 was transferred out of general capital assets on the governmental statement of activities to account for the capital contribution to the Briardale Greens Golf Course Fund.

City of Euclid, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(Continued)

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

As of December 31, 2017, the \$358,313 interfund receivable in the General Obligation Bond Retirement Debt Service Fund is from manuscript notes from the Public Building Construction Capital Projects Fund. This interfund loan is used to fund repairs to the clubhouse located at the Briardale Greens Golf Course. The Public Building Construction Capital Projects Fund will repay this portion of the interfund loan with annual transfers from the General Fund. The interfund payables in the Community Development Block Grant Fund and the Other Grants Fund in the amounts of \$29,650 and \$209,211, respectively, is from a negative cash balance from grants not yet received.

NOTE 19: **TAX ABATEMENTS**

As of December 31, 2017, the City of Euclid provides tax incentives under two programs: The Community Reinvestment Area Program and the Euclid Incentive Grant Program.

Real Estate Tax Abatement

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

Income Tax Abatement

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

The following are the tax abatements or other economic incentives provided in 2017 by the City, identified by dollar amount and type:

\$96,891 Total real property taxes exempted through six active Community Reinvestment Area Program districts (tax year 2016, collection year 2017).

\$61,967 Total Euclid Incentive Grant Program rebates paid after confirmation that participating companies met their annual employment and payroll requirements.

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

Traditional Plan	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.075259%	0.079128%	0.090545%	0.090545%
City's Proportionate Share of the Net Pension Liability	\$17,090,039	\$13,705,968	\$10,920,739	\$10,674,076
City's Covered-Employee Payroll	\$9,728,775	\$9,852,258	\$11,137,600	\$11,744,800
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	175.66%	139.11%	98.05%	90.88%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.25%	81.08%	86.45%	86.36%
Combined Plan	2017	2016	2015	2014
City's Proportion of the Net Pension (Asset)	0.073948%	0.075810%	0.091255%	0.091255%
City's Proportionate Share of the Net Pension (Asset)	(\$41,157)	(\$36,890)	(\$35,135)	(\$9,574)
City's Covered-Employee Payroll	\$287,842	\$275,908	\$336,092	\$305,492
City's Proportionate Share of the Net Pension (Asset) as a Percentage of its Covered Employee Payroll	14.30%	13.37%	10.45%	3.13%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	116.55%	116.90%	114.83%	104.33%

(1) Information prior to 2014 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

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

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

Police	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.2970990%	0.3050281%	0.3163172%	0.3163172%
City's Proportionate Share of the Net Pension Liability	\$ 18,817,953	\$19,622,671	\$16,790,476	\$15,405,640
City's Covered-Employee Payroll	\$7,115,032	\$6,904,947	\$7,018,626	\$7,005,067
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	264.48%	284.18%	239.23%	219.92%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.36%	66.77%	71.71%	73.00%
Fire	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.3206420%	0.3202125%	0.3259162%	0.3259162%
City's Proportionate Share of the Net Pension Liability	\$20,309,143	\$20,599,495	\$17,300,002	\$15,873,141
City's Covered-Employee Payroll	\$6,281,809	\$5,861,060	\$5,860,983	\$5,772,279
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	323.30%	351.46%	295.17%	274.99%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.36%	66.77%	71.71%	73.00%

(1) Information prior to 2014 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

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

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>Contractually Required Contributions</u>					
Traditional Plan	1,271,002	1,167,453	1,182,271	1,336,512	1,526,824
Combined Plan	<u>33,317</u>	<u>34,541</u>	<u>33,109</u>	<u>40,331</u>	<u>39,714</u>
Total Required Contributions	\$1,304,319	\$1,201,994	\$1,215,380	\$1,376,843	\$1,566,538
Contributions in Relation to the Contractually Required Contribution	<u>(\$1,304,319)</u>	<u>(\$1,201,994)</u>	<u>(\$1,215,380)</u>	<u>(\$1,376,843)</u>	<u>(\$1,566,538)</u>
Contribution Deficiency / (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's Covered-Employee Payroll					
Traditional Plan	\$9,776,938	\$9,728,775	\$9,852,258	\$11,137,600	\$11,744,800
Combined Plan	\$256,285	\$287,842	\$275,908	\$336,092	\$305,492
<u>Pension Contributions as a Percentage of Covered-Employee Payroll</u>					
Traditional Plan	13.00%	12.00%	12.00%	12.00%	13.00%
Combined Plan	13.00%	12.00%	12.00%	12.00%	13.00%

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

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<u>Contractually Required Contributions</u>										
Police	\$1,358,593	\$1,351,856	\$1,311,940	\$1,333,539	\$1,101,897	\$864,597	\$1,177,259	\$857,023	\$890,220	\$843,281
Fire	<u>\$1,506,250</u>	<u>\$1,476,225</u>	<u>\$1,377,349</u>	<u>\$1,377,331</u>	<u>\$1,167,732</u>	<u>\$972,345</u>	<u>\$1,269,215</u>	<u>\$914,674</u>	<u>\$912,383</u>	<u>\$894,648</u>
Total Required Contributions	\$2,864,843	\$2,828,081	\$2,689,289	\$2,710,870	\$2,269,629	\$1,836,942	\$2,446,474	\$1,771,697	\$1,802,603	\$1,737,929
Contributions in Relation to the Contractually Required Contribution	<u>(\$2,864,843)</u>	<u>(\$2,828,081)</u>	<u>(\$2,689,289)</u>	<u>(\$2,710,870)</u>	<u>(\$2,269,629)</u>	<u>(\$1,836,942)</u>	<u>(\$2,446,474)</u>	<u>(\$1,771,697)</u>	<u>(\$1,802,603)</u>	<u>(\$1,737,929)</u>
Contribution Deficiency / (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>City's Covered-Employee Payroll</u>										
Police	\$7,150,489	\$7,115,032	\$6,904,947	\$7,018,626	\$7,005,067	\$6,781,153	\$9,233,404	\$6,721,749	\$6,982,118	\$6,613,969
Fire	\$6,409,574	\$6,281,809	\$5,861,060	\$5,860,983	\$5,772,279	\$5,636,783	\$7,357,768	\$5,302,458	\$5,289,177	\$5,186,365
<u>Pension Contributions as a Percentage of Covered-Employee Payroll</u>										
Police	19.00%	19.00%	19.00%	19.00%	[1]	12.75%	12.75%	12.75%	12.75%	12.75%
Fire	23.50%	23.50%	23.50%	23.50%	[1]	17.25%	17.25%	17.25%	17.25%	17.25%

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

City of Euclid, Ohio
Notes to the Required Supplementary Information
For the Year Ended December 31, 2017

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2014-2017.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016. For 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the expected investment return was reduced from 8.00% to 7.50%, (b) the expected long-term average wage inflation rate was reduced from 3.75% to 3.25%, (c) the expected long-term average price inflation rate was reduced from 3.00% to 2.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality rates were updated to the RP-2014 Health Annuitant Mortality Table, adjusted for mortality improvement back to the observant period base year of 2006 and then established the base year as 2015 (f) mortality rates used in evaluating disability allowances were updated to the RP-2014 Disabled Mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and a base year of 2015 for males and 2010 for females (g) Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2014-2017.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2017. See the notes to the basic financial statements for the methods and assumptions in this calculation.

Combining Statements

Fund Descriptions – Nonmajor Governmental Funds

Non-Major Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

Fund Descriptions – Nonmajor Governmental Funds

Non-Major Special Revenue Funds (continued)

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

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

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

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

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

Non-Major Capital Project Funds

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

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

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

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

Public Building Construction Fund - This fund accounts for tax revenues used for the construction of public buildings. This fund did not have any budgetary activity in 2017, therefore, budgetary information is not provided.

Fund Descriptions – Nonmajor Governmental Funds

Non-Major Capital Project Funds (continued)

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

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

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

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

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

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

City of Euclid, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2017

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS			
Equity in Pooled Cash and Cash Equivalents	\$ 1,328,589	\$ 1,977,814	\$ 3,306,403
Cash and Cash Equivalents:			
With Escrow Agents	-	12,493	12,493
Materials and Supplies Inventory	28,730	-	28,730
Accounts Receivable	10,102	-	10,102
Intergovernmental Receivable	1,361,597	21,129	1,382,726
Prepaid Items	3,812	-	3,812
Property Taxes Receivable	373,949	485,757	859,706
Payments in Lieu of Taxes Receivable	-	328,268	328,268
Assets Held for Resale	161,160	-	161,160
Total Assets	\$ 3,267,939	\$ 2,825,461	\$ 6,093,400
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 274,444	\$ -	\$ 274,444
Accrued Wages and Benefits	37,589	-	37,589
Intergovernmental Payable	21,154	-	21,154
Interfund Payable	238,861	358,313	597,174
Claims Payable	6,394	208	6,602
Total Liabilities	578,442	358,521	936,963
Deferred Inflows of Resources:			
Property Taxes and Payments in Lieu of Taxes	309,926	730,836	1,040,762
Unavailable Revenue - Delinquent Property Taxes	64,023	83,189	147,212
Unavailable Revenue - Other	850,862	21,129	871,991
Total Deferred Inflows of Resources	1,224,811	835,154	2,059,965
Fund Balances:			
Nonspendable	32,542	-	32,542
Restricted	1,474,741	1,990,099	3,464,840
Committed	11,895	-	11,895
Unassigned (Deficit)	(54,492)	(358,313)	(412,805)
Total Fund Balances	1,464,686	1,631,786	3,096,472
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 3,267,939	\$ 2,825,461	\$ 6,093,400

City of Euclid, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2017

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES			
Property Taxes	\$ 305,310	\$ 399,254	\$ 704,564
Payments in Lieu of Taxes	-	340,398	340,398
Intergovernmental	5,357,686	42,257	5,399,943
Interest	169	-	169
Fines and Forfeitures	321,584	-	321,584
Charges for Services	289,199	-	289,199
Contributions and Donations	12,852	-	12,852
All Other Revenues	271,460	1,500	272,960
Total Revenues	<u>6,558,260</u>	<u>783,409</u>	<u>7,341,669</u>
EXPENDITURES			
Current:			
Security of Persons and Property	863,822	135,593	999,415
Leisure Time Activities	766,970	70,222	837,192
Community and Economic Development	2,482,140	142,022	2,624,162
Transportation	1,859,534	14,865	1,874,399
General Government	-	53,599	53,599
Capital Outlay	69,880	186,100	255,980
Debt Service:			
Principal Retirement	-	368,838	368,838
Interest and Fiscal Charges	-	36,905	36,905
Total Expenditures	<u>6,042,346</u>	<u>1,008,144</u>	<u>7,050,490</u>
Excess of Revenues Over (Under) Expenditures	<u>515,914</u>	<u>(224,735)</u>	<u>291,179</u>
OTHER FINANCING SOURCES			
Sale of Capital Assets	-	66,573	66,573
Inception of Capital Lease	-	161,100	161,100
Bond Anticipation Notes Issued	500,000	-	500,000
Transfers In	161,000	-	161,000
Total Other Financing Sources	<u>661,000</u>	<u>227,673</u>	<u>888,673</u>
Net Change in Fund Balances	1,176,914	2,938	1,179,852
Fund Balances - Beginning of Year	287,772	1,628,848	1,916,620
Fund Balances - End of Year	<u>\$ 1,464,686</u>	<u>\$ 1,631,786</u>	<u>\$ 3,096,472</u>

City of Euclid, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2017

	<u>State Highway</u>	<u>Indigent Drivers Alcohol Treatment</u>	<u>Court Computer- ization</u>	<u>Court Special Projects</u>
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ 11,318	\$ 148,458	\$ 100,190	\$ 7,489
Materials and Supplies Inventory	-	-	-	-
Accounts Receivable	-	512	4,795	4,795
Intergovernmental Receivable	57,052	-	-	-
Prepaid Items	-	-	-	-
Property Taxes Receivable	-	-	-	-
Assets Held for Resale	-	-	-	-
Total Assets	<u>\$ 68,370</u>	<u>\$ 148,970</u>	<u>\$ 104,985</u>	<u>\$ 12,284</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 7,181	\$ -	\$ -	\$ -
Accrued Wages and Benefits	-	-	481	1,302
Intergovernmental Payable	-	-	277	761
Interfund Payable	-	-	-	-
Claims Payable	-	-	72	350
Total Liabilities	<u>7,181</u>	<u>-</u>	<u>830</u>	<u>2,413</u>
Deferred Inflows of Resources:				
Property Taxes	-	-	-	-
Unavailable Revenue - Delinq. Property Taxes	-	-	-	-
Unavailable Revenue - Other	38,515	-	-	-
Total Deferred Inflows of Resources	<u>38,515</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	22,674	148,970	104,155	9,871
Committed	-	-	-	-
Unassigned (Deficit)	-	-	-	-
Total Fund Balances (Deficit)	<u>22,674</u>	<u>148,970</u>	<u>104,155</u>	<u>9,871</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 68,370</u>	<u>\$ 148,970</u>	<u>\$ 104,985</u>	<u>\$ 12,284</u>

(Continued)

City of Euclid, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2017
(Continued)

	Animal Shelter	Indigent Drivers Interlock and Alcohol Monitoring	Street Maintenance & Construction
ASSETS			
Equity in Pooled Cash and Cash Equivalents	\$ 14,069	\$ 42,422	\$ 551,604
Materials and Supplies Inventory	-	-	28,730
Accounts Receivable	-	-	-
Intergovernmental Receivable	-	-	724,941
Prepaid Items	-	-	-
Property Taxes Receivable	-	-	-
Assets Held for Resale	-	-	-
Total Assets	\$ 14,069	\$ 42,422	\$ 1,305,275
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ -	\$ -	\$ 104,790
Accrued Wages and Benefits	1,284	-	22,846
Intergovernmental Payable	739	-	12,153
Interfund Payable	-	-	-
Claims Payable	151	-	3,252
Total Liabilities	2,174	-	143,041
Deferred Inflows of Resources:			
Property Taxes	-	-	-
Unavailable Revenue - Delinq. Property Taxes	-	-	-
Unavailable Revenue - Other	-	-	475,016
Total Deferred Inflows of Resources	-	-	475,016
Fund Balances:			
Nonspendable	-	-	28,730
Restricted	-	42,422	658,488
Committed	11,895	-	-
Unassigned (Deficit)	-	-	-
Total Fund Balances (Deficit)	11,895	42,422	687,218
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 14,069	\$ 42,422	\$ 1,305,275

Recreation Operating	Community Development Block Grant	Neighborhood Stabilization Program	Other Grants	Law Enforcement Trust	Total Nonmajor Special Revenue Funds
\$ 21,764	\$ -	\$ 197,005	\$ -	\$ 234,270	\$ 1,328,589
-	-	-	-	-	28,730
-	-	-	-	-	10,102
16,157	40,475	-	522,972	-	1,361,597
3,812	-	-	-	-	3,812
373,949	-	-	-	-	373,949
-	-	161,160	-	-	161,160
<u>\$ 415,682</u>	<u>\$ 40,475</u>	<u>\$ 358,165</u>	<u>\$ 522,972</u>	<u>\$ 234,270</u>	<u>\$ 3,267,939</u>
\$ 10,237	\$ -	\$ 106,776	\$ 45,460	\$ -	\$ 274,444
4,648	5,174	989	865	-	37,589
2,871	3,399	200	754	-	21,154
-	29,650	-	209,211	-	238,861
1,345	1,224	-	-	-	6,394
<u>19,101</u>	<u>39,447</u>	<u>107,965</u>	<u>256,290</u>	<u>-</u>	<u>578,442</u>
309,926	-	-	-	-	309,926
64,023	-	-	-	-	64,023
16,157	-	-	321,174	-	850,862
<u>390,106</u>	<u>-</u>	<u>-</u>	<u>321,174</u>	<u>-</u>	<u>1,224,811</u>
3,812	-	-	-	-	32,542
2,663	1,028	250,200	-	234,270	1,474,741
-	-	-	-	-	11,895
-	-	-	(54,492)	-	(54,492)
<u>6,475</u>	<u>1,028</u>	<u>250,200</u>	<u>(54,492)</u>	<u>234,270</u>	<u>1,464,686</u>
<u>\$ 415,682</u>	<u>\$ 40,475</u>	<u>\$ 358,165</u>	<u>\$ 522,972</u>	<u>\$ 234,270</u>	<u>\$ 3,267,939</u>

City of Euclid, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2017

	State Highway	Indigent Drivers Alcohol Treatment	Court Computer- ization	Court Special Projects	Animal Shelter
REVENUES					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	114,088	-	-	-	-
Interest	-	-	-	-	-
Fines and Forfeitures	-	13,426	74,569	74,461	-
Charges for Services	-	-	-	-	32,342
Contributions and Donations	-	-	-	-	-
All Other Revenues	-	-	-	-	-
Total Revenues	<u>114,088</u>	<u>13,426</u>	<u>74,569</u>	<u>74,461</u>	<u>32,342</u>
EXPENDITURES					
Current:					
Security of Persons and Property	-	5,436	89,727	91,944	93,793
Leisure Time Activities	-	-	-	-	-
Community and Economic Development	-	-	-	-	-
Transportation	130,950	-	-	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>130,950</u>	<u>5,436</u>	<u>89,727</u>	<u>91,944</u>	<u>93,793</u>
Excess of Revenues Over (Under) Expenditures	<u>(16,862)</u>	<u>7,990</u>	<u>(15,158)</u>	<u>(17,483)</u>	<u>(61,451)</u>
OTHER FINANCING SOURCES					
Bond Anticipation Notes Issued	-	-	-	-	-
Transfers In	-	-	-	-	48,000
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,000</u>
Net Change in Fund Balances	(16,862)	7,990	(15,158)	(17,483)	(13,451)
Fund Balances - Beginning of Year	39,536	140,980	119,313	27,354	25,346
Fund Balances - End of Year	<u>\$ 22,674</u>	<u>\$ 148,970</u>	<u>\$ 104,155</u>	<u>\$ 9,871</u>	<u>\$ 11,895</u>

Indigent Drivers Interlock and Alcohol Monitoring	Street Maintenance & Construction	Recreation Operating	Community Development Block Grant	Neighborhood Stabilization Program	Other Grants	Law Enforcement Trust	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ 305,310	\$ -	\$ -	\$ -	\$ -	\$ 305,310
-	1,676,373	32,314	1,011,762	95,566	2,427,583	-	5,357,686
-	-	-	-	-	-	169	169
4,686	-	-	-	-	3,473	150,969	321,584
-	-	256,857	-	-	-	-	289,199
-	-	993	-	-	11,859	-	12,852
-	231,208	250	8,568	4,412	27,022	-	271,460
<u>4,686</u>	<u>1,907,581</u>	<u>595,724</u>	<u>1,020,330</u>	<u>99,978</u>	<u>2,469,937</u>	<u>151,138</u>	<u>6,558,260</u>
-	-	-	-	-	542,528	40,394	863,822
-	-	766,970	-	-	-	-	766,970
-	-	-	998,776	174,274	1,309,090	-	2,482,140
-	1,728,584	-	-	-	-	-	1,859,534
-	-	-	-	-	-	69,880	69,880
-	<u>1,728,584</u>	<u>766,970</u>	<u>998,776</u>	<u>174,274</u>	<u>1,851,618</u>	<u>110,274</u>	<u>6,042,346</u>
<u>4,686</u>	<u>178,997</u>	<u>(171,246)</u>	<u>21,554</u>	<u>(74,296)</u>	<u>618,319</u>	<u>40,864</u>	<u>515,914</u>
-	-	-	-	-	500,000	-	500,000
-	53,000	60,000	-	-	-	-	161,000
-	53,000	60,000	-	-	500,000	-	661,000
<u>4,686</u>	<u>231,997</u>	<u>(111,246)</u>	<u>21,554</u>	<u>(74,296)</u>	<u>1,118,319</u>	<u>40,864</u>	<u>1,176,914</u>
<u>37,736</u>	<u>455,221</u>	<u>117,721</u>	<u>(20,526)</u>	<u>324,496</u>	<u>(1,172,811)</u>	<u>193,406</u>	<u>287,772</u>
<u>\$ 42,422</u>	<u>\$ 687,218</u>	<u>\$ 6,475</u>	<u>\$ 1,028</u>	<u>\$ 250,200</u>	<u>\$ (54,492)</u>	<u>\$ 234,270</u>	<u>\$ 1,464,686</u>

City of Euclid, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2017

	General Permanent Improvement	Recreation Capital	Sidewalk Repair & Replacement	Public Building Construction
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ 258,785	\$ 1,141,839	\$ 7,999	\$ -
Cash and Cash Equivalents:				
With Escrow Agents	12,493	-	-	-
Intergovernmental Receivable	12,428	8,701	-	-
Property Taxes Receivable	287,654	198,103	-	-
Payments in Lieu of Taxes Receivable	-	-	-	-
Total Assets	\$ 571,360	\$ 1,348,643	\$ 7,999	\$ -
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Interfund Payable	\$ -	\$ -	\$ -	\$ 358,313
Claims Payable	-	208	-	-
Total Liabilities	-	208	-	358,313
Deferred Inflows of Resources:				
Property Taxes and Payments in Lieu of Taxes	238,405	164,163	-	-
Unavailable Revenue - Delinquent Property Taxes	49,249	33,940	-	-
Unavailable Revenue - Other	12,428	8,701	-	-
Total Deferred Inflows of Resources	300,082	206,804	-	-
Fund Balances:				
Restricted	271,278	1,141,631	7,999	-
Unassigned (Deficit)	-	-	-	(358,313)
Total Fund Balances (Deficit)	271,278	1,141,631	7,999	(358,313)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 571,360	\$ 1,348,643	\$ 7,999	\$ -

<u>Euclid Endowment</u>	<u>Sims Park</u>	<u>Bennington Hamlet</u>	<u>CMP Properties</u>	<u>Harbor Town TIF</u>	<u>Downtown District A TIF</u>	<u>Total Nonmajor Capital Projects Funds</u>
\$ 16,550	\$ 4,307	\$ 53,018	\$ 104,448	\$ 314,808	\$ 76,060	\$ 1,977,814
-	-	-	-	-	-	12,493
-	-	-	-	-	-	21,129
-	-	-	-	-	-	485,757
-	-	74,799	68,939	115,774	68,756	328,268
<u>\$ 16,550</u>	<u>\$ 4,307</u>	<u>\$ 127,817</u>	<u>\$ 173,387</u>	<u>\$ 430,582</u>	<u>\$ 144,816</u>	<u>\$ 2,825,461</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 358,313
-	-	-	-	-	-	208
-	-	-	-	-	-	358,521
-	-	74,799	68,939	115,774	68,756	730,836
-	-	-	-	-	-	83,189
-	-	-	-	-	-	21,129
-	-	74,799	68,939	115,774	68,756	835,154
16,550	4,307	53,018	104,448	314,808	76,060	1,990,099
-	-	-	-	-	-	(358,313)
<u>16,550</u>	<u>4,307</u>	<u>53,018</u>	<u>104,448</u>	<u>314,808</u>	<u>76,060</u>	<u>1,631,786</u>
<u>\$ 16,550</u>	<u>\$ 4,307</u>	<u>\$ 127,817</u>	<u>\$ 173,387</u>	<u>\$ 430,582</u>	<u>\$ 144,816</u>	<u>\$ 2,825,461</u>

City of Euclid, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2017

	General Permanent Improvement	Recreation Capital	Sidewalk Repair & Replacement	Public Building Construction
REVENUES				
Property Taxes	\$ 234,843	\$ 164,411	\$ -	\$ -
Payment in Lieu of Taxes	-	-	-	-
Intergovernmental	24,855	17,402	-	-
All Other Revenues	-	1,500	-	-
Total Revenues	259,698	183,313	-	-
EXPENDITURES				
Current:				
Security of Persons and Property	135,593	-	-	-
Leisure Time Activities	-	70,222	-	-
Community Environment	9,210	-	-	-
Transportation	-	-	14,865	-
General Government	53,599	-	-	-
Capital Outlay	186,100	-	-	-
Debt Service:				
Principal Retirement	368,838	-	-	-
Interest and Fiscal Charges	36,905	-	-	-
Total Expenditures	790,245	70,222	14,865	-
Excess of Revenues (Under) Expenditures	(530,547)	113,091	(14,865)	-
OTHER FINANCING SOURCES				
Sale of Capital Assets	60,669	-	-	-
Inception of Capital Lease	161,100	-	-	-
Total Other Financing Sources	221,769	-	-	-
Net Change in Fund Balances	(308,778)	113,091	(14,865)	-
Fund Balances - Beginning of Year	580,056	1,028,540	22,864	(358,313)
Fund Balances - End of Year	\$ 271,278	\$ 1,141,631	\$ 7,999	\$ (358,313)

Euclid Endowment	Sims Park	Bennington Hamlet	CMP Properties	Harbor Town TIF	Downtown District A TIF	Total Nonmajor Capital Projects Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 399,254
-	-	75,517	72,439	120,972	71,470	340,398
-	-	-	-	-	-	42,257
-	-	-	-	-	-	1,500
<u>-</u>	<u>-</u>	<u>75,517</u>	<u>72,439</u>	<u>120,972</u>	<u>71,470</u>	<u>783,409</u>
-	-	-	-	-	-	135,593
-	-	-	-	-	-	70,222
-	-	75,221	13,274	28,754	15,563	142,022
-	-	-	-	-	-	14,865
-	-	-	-	-	-	53,599
-	-	-	-	-	-	186,100
-	-	-	-	-	-	368,838
-	-	-	-	-	-	36,905
<u>-</u>	<u>-</u>	<u>75,221</u>	<u>13,274</u>	<u>28,754</u>	<u>15,563</u>	<u>1,008,144</u>
<u>-</u>	<u>-</u>	<u>296</u>	<u>59,165</u>	<u>92,218</u>	<u>55,907</u>	<u>(224,735)</u>
5,904	-	-	-	-	-	66,573
-	-	-	-	-	-	161,100
<u>5,904</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>227,673</u>
5,904	-	296	59,165	92,218	55,907	2,938
<u>10,646</u>	<u>4,307</u>	<u>52,722</u>	<u>45,283</u>	<u>222,590</u>	<u>20,153</u>	<u>1,628,848</u>
<u>\$ 16,550</u>	<u>\$ 4,307</u>	<u>\$ 53,018</u>	<u>\$ 104,448</u>	<u>\$ 314,808</u>	<u>\$ 76,060</u>	<u>\$ 1,631,786</u>

Fund Descriptions – 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. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. Agency funds are purely custodial (assets equals liabilities) and thus do not involve measurement of results of operations.

Agency Funds

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

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

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

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

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

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

Temporary Suspense Fund - This fund accounts for miscellaneous funds temporarily on deposit with the City. There was no activity in this fund in 2017.

City of Euclid, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2017

	Balance 12/31/2016	Additions	Deletions	Balance 12/31/2017
<u>Municipal Court and Jail Commissary</u>				
Assets				
Cash and Cash Equivalents:				
in Segregated Accounts	\$ 220,920	\$ 5,139,463	\$ 5,106,164	\$ 254,219
Liabilities				
Deposits Held and Due to Others	\$ 220,920	\$ 5,139,463	\$ 5,106,164	\$ 254,219
<u>Employee Flex Spending</u>				
Assets				
Cash and Cash Equivalents:				
in Segregated Accounts	\$ 50,187	\$ 265,341	\$ 258,950	\$ 56,578
Liabilities				
Deposits Held and Due to Others	\$ 50,187	\$ 265,341	\$ 258,950	\$ 56,578
<u>Retirees Insurance Payments</u>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 12,655	\$ 11,685	\$ 7,322	\$ 17,018
Liabilities				
Deposits Held and Due to Others	\$ 12,655	\$ 11,685	\$ 7,322	\$ 17,018
<u>Building Deposits</u>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 105,267	\$ 65,641	\$ 31,022	\$ 139,886
Liabilities				
Deposits Held and Due to Others	\$ 105,267	\$ 65,641	\$ 31,022	\$ 139,886
<u>Street Opening</u>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 62,375	\$ 10,000	\$ 2,000	\$ 70,375
Liabilities				
Deposits Held and Due to Others	\$ 62,375	\$ 10,000	\$ 2,000	\$ 70,375
<u>Revolving</u>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 757,148	\$ 31,291,131	\$ 31,873,431	\$ 174,848
Liabilities				
Deposits Held and Due to Others	\$ 757,148	\$ 31,291,131	\$ 31,873,431	\$ 174,848
<u>Total - All Agency Funds</u>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 937,445	\$ 31,378,457	\$ 31,913,775	\$ 402,127
Cash and Cash Equivalents:				
in Segregated Accounts	271,107	5,404,804	5,365,114	310,797
Total Assets	\$ 1,208,552	\$ 36,783,261	\$ 37,278,889	\$ 712,924
Liabilities				
Deposits Held and Due to Others	\$ 1,208,552	\$ 36,783,261	\$ 37,278,889	\$ 712,924

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

City of Euclid, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 General Fund
 For the Year Ended December 31, 2017*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Property Taxes	\$ 1,664,652	\$ 1,578,210	\$ (86,442)
Income Taxes	24,900,000	24,354,737	(545,263)
Hotel Taxes	670,000	600,388	(69,612)
Intergovernmental	1,775,803	1,673,189	(102,614)
Interest	140,000	321,554	181,554
Licenses and Permits	514,950	636,825	121,875
Fines and Forfeitures	1,961,255	1,826,875	(134,380)
Rentals	51,000	50,683	(317)
Charges for Services	5,989,469	6,172,074	182,605
Contributions and Donations	1,000	2,550	1,550
Special Assessments	760,000	807,931	47,931
All Other Revenues	245,700	575,967	330,267
Total Revenues	38,673,829	38,600,983	(72,846)
Expenditures:			
Current:			
Security of Persons and Property			
Police			
Personal Services	9,945,467	9,598,422	347,045
Other	1,087,783	1,069,174	18,609
Total Police	11,033,250	10,667,596	365,654
Police Administration			
Personal Services	516,671	489,215	27,456
Other	168,291	155,095	13,196
Total Police Administration	684,962	644,310	40,652
Corrections			
Other	400,000	400,000	-
Total Corrections	400,000	400,000	-
Fire			
Personal Services	8,552,567	8,100,942	451,625
Other	77,787	73,621	4,166
Total Fire	8,630,354	8,174,563	455,791
Fire Administration			
Personal Services	57,525	56,516	1,009
Other	19,499	19,495	4
Total Fire Administration	77,024	76,011	1,013
Total Security of Persons and Property	20,825,590	19,962,480	863,110

(Continued)

City of Euclid, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 General Fund
 For the Year Ended December 31, 2017
 (Continued)*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Public Health			
Health			
Personal Services	56,764	39,698	17,066
Other	263,550	260,417	3,133
Total Public Health	<u>320,314</u>	<u>300,115</u>	<u>20,199</u>
Community and Economic Development			
Planning and Development			
Personal Services	170,402	170,332	70
Other Expenses	17,900	15,770	2,130
Total Planning and Development	<u>188,302</u>	<u>186,102</u>	<u>2,200</u>
Building/Housing			
Personal Services	754,302	725,009	29,293
Other Expenses	237,623	170,254	67,369
Total Building/Housing	<u>991,925</u>	<u>895,263</u>	<u>96,662</u>
Total Community and Economic Development	<u>1,180,227</u>	<u>1,081,365</u>	<u>98,862</u>
Sanitation			
Public Works			
Personal Services	87,382	86,537	845
Other Expenses	5,450	4,477	973
Total Public Works	<u>92,832</u>	<u>91,014</u>	<u>1,818</u>
Sanitation			
Other Expenses	2,646,000	2,430,816	215,184
Total Sanitation	<u>2,646,000</u>	<u>2,430,816</u>	<u>215,184</u>
Total Sanitation	<u>2,738,832</u>	<u>2,521,830</u>	<u>217,002</u>
Leisure Time Activities			
Parks			
Personal Services	761,024	718,228	42,796
Other Expenses	35,723	33,631	2,092
Total Parks	<u>796,747</u>	<u>751,859</u>	<u>44,888</u>
Senior Center			
Personal Services	206,894	205,566	1,328
Other Expenses	41,150	35,923	5,227
Total Senior Center	<u>248,044</u>	<u>241,489</u>	<u>6,555</u>
Total Leisure Time Activities	<u>1,044,791</u>	<u>993,348</u>	<u>51,443</u>

(Continued)

City of Euclid, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 General Fund
 For the Year Ended December 31, 2017
 (Continued)*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
General Government			
Council			
Personal Services	180,927	143,269	37,658
Other Expenses	2,124	2,115	9
Total Council	<u>183,051</u>	<u>145,384</u>	<u>37,667</u>
Court			
Personal Services	836,268	782,560	53,708
Other Expenses	172,450	157,495	14,955
Total Court	<u>1,008,718</u>	<u>940,055</u>	<u>68,663</u>
Mayor			
Personal Services	259,284	259,187	97
Other Expenses	4,400	4,155	245
Total Mayor	<u>263,684</u>	<u>263,342</u>	<u>342</u>
Human Resources			
Personal Services	99,946	96,961	2,985
Other Expenses	3,911	1,525	2,386
Total Human Resources	<u>103,857</u>	<u>98,486</u>	<u>5,371</u>
Civil Services			
Personal Services	19,615	18,870	745
Other Expenses	19,300	17,428	1,872
Total Civil Services	<u>38,915</u>	<u>36,298</u>	<u>2,617</u>
Law			
Personal Services	503,603	500,609	2,994
Other Expenses	166,508	165,340	1,168
Total Law Department	<u>670,111</u>	<u>665,949</u>	<u>4,162</u>
Finance Department			
Personal Services	394,358	365,195	29,163
Other Expenses	109,799	105,213	4,586
Total Finance	<u>504,157</u>	<u>470,408</u>	<u>33,749</u>
Tax			
Personal Services	297,220	297,177	43
Other Expenses	124,059	121,685	2,374
Total Tax	<u>421,279</u>	<u>418,862</u>	<u>2,417</u>

(Continued)

City of Euclid, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 General Fund
 For the Year Ended December 31, 2017
 (Continued)*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Information Technology			
Personal Services	237,471	94,736	142,735
Other Expenses	242,449	198,955	43,494
Total Information Technology	479,920	293,691	186,229
Public Buildings			
Personal Services	515,072	494,396	20,676
Other Expenses	138,906	138,496	410
Total Public Buildings	653,978	632,892	21,086
Motor Maintenance			
Personal Services	567,841	536,239	31,602
Other Expenses	409,884	401,473	8,411
Total Motor Maintenance	977,725	937,712	40,013
Engineering			
Personal Services	6	5	1
Other Expenses	75,003	74,102	901
Total Engineering	75,009	74,107	902
Planning and Zoning			
Personal Services	178,159	160,397	17,762
Other	11,195	9,641	1,554
Total Planning and Zoning	189,354	170,038	19,316
General Services			
Personal Services	5,339,668	5,275,179	64,489
Other Expenses	2,207,745	2,083,492	124,253
Total General Services	7,547,413	7,358,671	188,742
Total General Government	13,117,171	12,505,895	611,276
Total Expenditures	39,226,925	37,365,033	1,861,892
Excess of Revenues Over (Under) Expenditures	(553,096)	1,235,950	1,789,046
Other Financing Sources (Uses)			
Transfers In	100,000	100,000	-
Transfers Out	(1,170,000)	(1,170,000)	-
Total Other Financing Sources (Uses)	(1,070,000)	(1,070,000)	-
Net Change in Fund Balance	(1,623,096)	165,950	1,789,046
Fund Balance - Beginning of Year	3,510,994	3,510,994	-
Prior Year Encumbrances Appropriated	343,063	343,063	-
Fund Balance - End of Year	\$ 2,230,961	\$ 4,020,007	\$ 1,789,046

City of Euclid, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 General Obligation Bond Retirement Fund
 For the Year Ended December 31, 2017*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Property Taxes	\$ 2,003,253	\$ 1,846,682	\$ (156,571)
Intergovernmental	995,002	554,508	(440,494)
Interest	1,875	1,045	(830)
Special Assessments	208,992	116,470	(92,522)
Total Revenues	<u>3,209,123</u>	<u>2,518,705</u>	<u>(690,418)</u>
Expenditures:			
Current:			
General Government			
Personal Services	78,585	73,398	5,187
Other	72,640	43,032	29,608
Total General Government	<u>151,225</u>	<u>116,430</u>	<u>34,795</u>
Debt Service:			
Principal	4,861,206	4,858,918	2,288
Total Debt Service	<u>4,861,206</u>	<u>4,858,918</u>	<u>2,288</u>
Total Expenditures	<u>5,012,431</u>	<u>4,975,348</u>	<u>37,083</u>
Excess of Revenues Over (Under) Expenditures	(1,803,308)	(2,456,643)	(653,335)
Other Financing Sources			
Notes Issued	59	33	(26)
Bond Anticipation Notes Issued	2,693,376	1,501,000	(1,192,376)
Premium on Note Issuance	2,266	1,263	(1,003)
Transfers In	269,158	150,000	(119,158)
Total Other Financing Sources	<u>2,964,860</u>	<u>1,652,296</u>	<u>(1,312,564)</u>
Net Change in Fund Balance	1,161,552	(804,347)	(1,965,899)
Fund Balance - Beginning of Year	822,909	822,909	-
Fund Balance - End of Year	<u>\$ 1,984,506</u>	<u>\$ 18,607</u>	<u>\$ (1,965,899)</u>

City of Euclid, Ohio
*Schedule of Revenues, Expenses and Changes in Fund Equity -
 Budget (Non-GAAP Basis) and Actual
 Waste Water Treatment Fund
 For the Year Ended December 31, 2017*

	Budgeted Amounts <u>Final</u>	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$ 14,513,101	\$ 17,973,900	\$ 3,460,799
Tap-in Fees	8,832	8,515	(317)
Interest	1,829	1,629	(200)
Intergovernmental	29,691,833	28,441,349	(1,250,484)
Other Services	3,329	3,210	(119)
Total Revenues	<u>44,218,925</u>	<u>46,428,603</u>	<u>2,209,678</u>
Expenses:			
Current:			
Personal Services	5,599,865	4,996,907	602,958
Contractual Services	2,189,678	1,970,769	218,909
Materials and Supplies	2,364,963	2,219,076	145,887
Capital Outlay	37,476,954	31,408,706	6,068,248
Other Expenses	2,582,979	60,722	2,522,257
Other	87,300	-	87,300
Debt Service:			
Principal Retirement	4,162,126	2,700,501	1,461,625
Total Expenses	<u>54,463,865</u>	<u>43,356,681</u>	<u>11,107,184</u>
Excess of Revenues Over (Under) Expenses	(10,244,940)	3,071,922	13,316,862
Other Financing Sources (Uses)			
Transfer In	1,745,000	1,745,000	-
Transfer Out	(1,745,000)	(1,745,000)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Equity	(10,244,940)	3,071,922	13,316,862
Fund Equity - Beginning of Year	25,962,755	25,962,755	-
Prior Year Encumbrances Appropriated	2,598,170	2,598,170	-
Fund Equity - End of Year	<u>\$ 18,315,985</u>	<u>\$ 31,632,847</u>	<u>\$ 13,316,862</u>

City of Euclid, Ohio
*Schedule of Revenues, Expenses and Changes in Fund Equity -
 Budget (Non-GAAP Basis) and Actual
 Water Line Improvement Fund
 For the Year Ended December 31, 2017*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Charges for Services	\$ 2,428,313	\$ 2,068,528	\$ (359,785)
All Other Revenues	521,687	444,393	(77,294)
Total Revenues	<u>2,950,000</u>	<u>2,512,921</u>	<u>(437,079)</u>
Expenses:			
Current:			
Contractual Services	1,877,000	699,827	1,177,173
Capital Outlay	568,523	454,015	114,508
Other	187,802	61,785	126,017
Total Expenses	<u>2,633,325</u>	<u>1,215,627</u>	<u>1,417,698</u>
Net Change in Fund Equity	316,675	1,297,294	980,619
Fund Equity - Beginning of Year	1,561,911	1,561,911	-
Prior Year Encumbrances Appropriated	32,068	32,068	-
Fund Equity - End of Year	<u>\$ 1,910,654</u>	<u>\$ 2,891,273</u>	<u>\$ 980,619</u>

City of Euclid, Ohio
*Schedule of Revenues, Expenses and Changes in Fund Equity -
 Budget (Non-GAAP Basis) and Actual
 Briardale Greens Golf Course Fund
 For the Year Ended December 31, 2017*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Charges for Services	\$ 720,000	\$ 1,026,375	\$ 306,375
Total Revenues	<u>720,000</u>	<u>1,026,375</u>	<u>306,375</u>
Expenses:			
Current:			
Other	\$ 812,000	\$ 1,106,375	\$ (294,375)
Total Expenses	<u>812,000</u>	<u>1,106,375</u>	<u>(294,375)</u>
Excess of Revenues Over (Under) Expenses	(92,000)	(80,000)	12,000
Other Financing Sources			
Transfer In	80,000	80,000	-
Total Other Financings Sources	<u>80,000</u>	<u>80,000</u>	<u>-</u>
Net Change in Fund Equity	(12,000)	-	12,000
Fund Equity - Beginning of Year	11,144	11,144	-
Fund Equity - End of Year	<u>\$ (856)</u>	<u>\$ 11,144</u>	<u>\$ 12,000</u>

City of Euclid, Ohio
*Schedule of Revenues, Expenses and Changes in Fund Equity -
 Budget (Non-GAAP Basis) and Actual
 Self Insurance Fund
 For the Year Ended December 31, 2017*

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
Expenses:			
Current:			
Other	\$ 526,000	\$ 514,912	\$ 11,088
Total Expenses	<u>526,000</u>	<u>514,912</u>	<u>11,088</u>
Excess of Revenues Over (Under) Expenses	(526,000)	(514,912)	11,088
Other Financing Sources			
Transfer In	475,000	475,000	-
Total Other Financings Sources	<u>475,000</u>	<u>475,000</u>	<u>-</u>
Net Change in Fund Equity	(51,000)	(39,912)	11,088
Fund Equity - Beginning of Year	67,824	67,824	-
Fund Equity - End of Year	<u>\$ 16,824</u>	<u>\$ 27,912</u>	<u>\$ 11,088</u>

City of Euclid, Ohio

*Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
State Highway Fund
For the Year Ended December 31, 2017*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Intergovernmental	\$ 114,100	\$ 114,100	\$ -
Total Revenues	114,100	114,100	-
Expenditures:			
Current:			
Transportation			
Other	144,000	143,818	182
Total Expenditures	144,000	143,818	182
Net Change in Fund Balance	(29,900)	(29,718)	182
Fund Balance - Beginning of Year	40,974	40,974	-
Fund Balance - End of Year	\$ 11,074	\$ 11,256	\$ 182

City of Euclid, Ohio

*Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Indigent Drivers Alcohol Treatment Fund
For the Year Ended December 31, 2017*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Final			
Revenues:				
Fines and Forfeitures	\$ 13,550		\$ 13,544	\$ (6)
Total Revenues	13,550		13,544	(6)
Expenditures:				
Current:				
Security of Persons and Property				
Other	10,000		5,436	4,564
Total Expenditures	10,000		5,436	4,564
Net Change in Fund Balance	3,550		8,108	4,558
Fund Balance - Beginning of Year	140,350		140,350	-
Fund Balance - End of Year	\$ 143,900		\$ 148,458	\$ 4,558

City of Euclid, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Court Computerization Fund
 For the Year Ended December 31, 2017*

	Budgeted Amounts <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 75,220	\$ 75,218	\$ (2)
Total Revenues	<u>75,220</u>	<u>75,218</u>	<u>(2)</u>
Expenditures:			
Current:			
Security of Persons and Property			
Personal Services	37,086	34,871	2,215
Other	86,781	55,021	31,760
Total Expenditures	<u>123,867</u>	<u>89,892</u>	<u>33,975</u>
Net Change in Fund Balance	(48,647)	(14,674)	33,973
Fund Balance - Beginning of Year	114,643	114,643	-
Prior Year Encumbrances Appropriated	21	21	-
Fund Balance - End of Year	<u>\$ 66,017</u>	<u>\$ 99,990</u>	<u>\$ 33,973</u>

City of Euclid, Ohio

*Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Court Special Projects Fund
For the Year Ended December 31, 2017*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Final			
Revenues:				
Fines and Forfeitures	\$ 95,085		\$ 75,182	\$ (19,903)
Total Revenues	95,085		75,182	(19,903)
Expenditures:				
Current:				
Security of Persons and Property				
Personal Services	106,258		84,485	21,773
Other	13,000		7,513	5,487
Total Expenditures	119,258		91,998	27,260
Net Change in Fund Balance	(24,173)		(16,816)	7,357
Fund Balance - Beginning of Year	24,305		24,305	-
Fund Balance - End of Year	\$ 132		\$ 7,489	\$ 7,357

City of Euclid, Ohio

*Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Animal Shelter Fund
For the Year Ended December 31, 2017*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Final			
Revenues:				
Charges for Services	\$ 32,343		\$ 32,342	\$ (1)
Total Revenues	32,343		32,342	(1)
Expenditures:				
Current:				
Security of Persons and Property				
Personal Services	82,260		79,159	3,101
Other	19,440		14,944	4,496
Total Expenditures	101,700		94,103	7,597
Excess of Revenues Over (Under) Expenditures	(69,357)		(61,761)	7,596
Other Financing Sources				
Transfers In	48,002		48,000	(2)
Total Other Financing Sources	48,002		48,000	(2)
Net Change in Fund Balance	(21,355)		(13,761)	7,594
Fund Balance - Beginning of Year	27,382		27,382	-
Prior Year Encumbrances Appropriated	42		42	-
Fund Balance - End of Year	\$ 6,069		\$ 13,663	\$ 7,594

City of Euclid, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Nuisance Abatement Fund
 For the Year Ended December 31, 2017*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Charges for Services	\$ 12,169	\$ 12,169	\$ -
Special Assessments	152,449	152,449	-
Total Revenues	<u>164,618</u>	<u>164,618</u>	<u>-</u>
Expenditures:			
Current:			
Community and Economic Development			
Other	83,109	79,226	3,883
Total Expenditures	<u>83,109</u>	<u>79,226</u>	<u>3,883</u>
Excess of Revenues Over (Under) Expenditures	81,509	85,392	3,883
Other Financing (Uses)			
Transfers Out	(50,000)	(100,000)	(50,000)
Total Other Financing (Uses)	<u>(50,000)</u>	<u>(100,000)</u>	<u>(50,000)</u>
Net Change in Fund Balance	31,509	(14,608)	(46,117)
Fund Balance - Beginning of Year	43,112	43,112	-
Prior Year Encumbrances Appropriated	5,121	5,121	-
Fund Balance - End of Year	<u>\$ 79,742</u>	<u>\$ 33,625</u>	<u>\$ (46,117)</u>

City of Euclid, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Indigent Drivers Interlock and Alcohol Monitoring Fund
 For the Year Ended December 31, 2017*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Fines and Forfeitures	\$ 4,700	\$ 4,686	\$ (14)
Total Revenues	<u>4,700</u>	<u>4,686</u>	<u>(14)</u>
Expenditures:			
Current:			
Security of Persons and Property			
Police and Others:			
Other	5,000	-	5,000
Total Expenditures	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Net Change in Fund Balance	(300)	4,686	4,986
Fund Balance - Beginning of Year	37,736	37,736	-
Fund Balance - End of Year	<u>\$ 37,436</u>	<u>\$ 42,422</u>	<u>\$ 4,986</u>

City of Euclid, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Street Maintenance and Construction Fund
 For the Year Ended December 31, 2017*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Intergovernmental	\$ 1,677,438	\$ 1,676,553	\$ (885)
All Other Revenues	233,062	232,911	(151)
Total Revenues	<u>1,910,500</u>	<u>1,909,464</u>	<u>(1,036)</u>
Expenditures:			
Current:			
Transportation			
Personal Services	1,279,170	1,190,145	89,025
Other	770,425	531,475	238,950
Total Expenditures	<u>2,049,595</u>	<u>1,721,620</u>	<u>327,975</u>
Excess of Revenues Over (Under) Expenditures	<u>(139,095)</u>	<u>187,844</u>	<u>326,939</u>
Other Financing Sources			
Transfers In	53,000	53,000	-
Total Other Financing Sources	<u>53,000</u>	<u>53,000</u>	<u>-</u>
Net Change in Fund Balance	(86,095)	240,844	326,939
Fund Balance - Beginning of Year	214,653	214,653	-
Prior Year Encumbrances Appropriated	22,593	22,593	-
Fund Balance - End of Year	<u>\$ 151,151</u>	<u>\$ 478,090</u>	<u>\$ 326,939</u>

City of Euclid, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Community Television Fund
 For the Year Ended December 31, 2017*

	Budgeted Amounts <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$ 400	\$ 400	\$ -
Total Revenues	<u>400</u>	<u>400</u>	<u>-</u>
Expenditures:			
Current:			
Community and Economic Development			
Personal Services	90,133	87,617	2,516
Other	<u>2,100</u>	<u>879</u>	<u>1,221</u>
Total Expenditures	<u>92,233</u>	<u>88,496</u>	<u>3,737</u>
Excess of Revenues Over (Under) Expenditures	(91,833)	(88,096)	3,737
Other Financing Sources			
Transfers In	<u>94,000</u>	<u>94,000</u>	<u>-</u>
Total Other Financing Sources	<u>94,000</u>	<u>94,000</u>	<u>-</u>
Net Change in Fund Balance	2,167	5,904	3,737
Fund Balance - Beginning of Year	10,182	10,182	-
Prior Year Encumbrances Appropriated	42	42	-
Fund Balance - End of Year	<u>\$ 12,391</u>	<u>\$ 16,128</u>	<u>\$ 3,737</u>

City of Euclid, Ohio

*Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Recreation Operating Fund
For the Year Ended December 31, 2017*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Property Taxes	\$ 322,031	\$ 305,310	\$ (16,721)
Intergovernmental	63,745	32,314	(31,431)
Charges for Services	552,803	280,231	(272,572)
Contributions and Donations	1,959	993	(966)
All Other Revenues	493	250	(243)
Total Revenues	<u>941,031</u>	<u>619,098</u>	<u>(321,933)</u>
Expenditures:			
Current:			
Leisure Time Activities			
Personal Services	425,149	403,323	21,826
Other	421,609	394,676	26,933
Total Expenditures	<u>846,758</u>	<u>797,999</u>	<u>48,759</u>
Excess of Revenues Over (Under) Expenditures	94,273	(178,901)	(273,174)
Other Financing Sources			
Transfers In	60,000	60,000	-
Total Other Financing Sources	<u>60,000</u>	<u>60,000</u>	<u>-</u>
Net Change in Fund Balance	154,273	(118,901)	(273,174)
Fund Balance - Beginning of Year	124,463	124,463	-
Prior Year Encumbrances Appropriated	9,799	9,799	-
Fund Balance - End of Year	<u>\$ 288,535</u>	<u>\$ 15,361</u>	<u>\$ (273,174)</u>

City of Euclid, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Community Development Block Grant Fund
 For the Year Ended December 31, 2017*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Intergovernmental	\$ 1,816,094	\$ 1,071,937	\$ (744,157)
All Other Revenues	14,516	8,568	(5,948)
Total Revenues	<u>1,830,610</u>	<u>1,080,505</u>	<u>(750,105)</u>
Expenditures:			
Current:			
Community and Economic Development			
Personal Services	599,512	469,244	130,268
Other	1,130,680	609,088	521,592
Total Expenditures	<u>1,730,192</u>	<u>1,078,332</u>	<u>651,860</u>
Net Change in Fund Balance	100,418	2,173	(98,245)
Fund Balance - Beginning of Year	(120,620)	(120,620)	-
Prior Year Encumbrances Appropriated	20,510	20,510	-
Fund Balance - End of Year	<u>\$ 308</u>	<u>\$ (97,937)</u>	<u>\$ (98,245)</u>

City of Euclid, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Neighborhood Stabilization Program Fund
 For the Year Ended December 31, 2017*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Intergovernmental	\$ 181,065	\$ 95,566	\$ (85,499)
All Other Revenues	265,135	139,938	(125,197)
Total Revenues	<u>446,200</u>	<u>235,504</u>	<u>(210,696)</u>
Expenditures:			
Current:			
Community and Economic Development			
Personal Services	28,700	11,455	17,245
Other	418,668	28,231	390,437
Total Expenditures	<u>447,368</u>	<u>39,686</u>	<u>407,682</u>
Net Change in Fund Balance	(1,168)	195,818	196,986
Fund Balance - Beginning of Year	-	(17,497)	(17,497)
Prior Year Encumbrances Appropriated	18,684	18,684	-
Fund Balance - End of Year	<u>\$ 17,516</u>	<u>\$ 197,005</u>	<u>\$ 179,489</u>

City of Euclid, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Other Grants Fund
 For the Year Ended December 31, 2017*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Intergovernmental	\$ 9,984,614	\$ 2,860,989	\$ (7,123,625)
Fines and Forfeitures	13,694	3,924	(9,770)
Contributions and Donations	41,387	11,859	(29,528)
All Other Revenues	94,305	27,022	(67,283)
Total Revenues	10,134,000	2,903,794	(7,230,206)
Expenditures:			
Current:			
Security of Persons and Property			
Police and Others:			
Personal Services	\$ 543,084	\$ 470,392	\$ 72,692
Other	249,958	66,798	183,160
Total Police and Others	793,042	537,190	255,852
Community Development			
Personal Services	58,416	50,291	8,125
Other	2,433,910	1,823,125	610,785
Total Community Development	2,492,326	1,873,416	618,910
General Government			
Personal Services	4,110	3,914	196
Other	5,607,120	7,014	5,600,106
Total General Government	5,611,230	10,928	5,600,302
Total Expenditures	8,896,598	2,421,534	6,475,064
Net Change in Fund Balance	1,237,402	482,260	(755,142)
Fund Balance - Beginning of Year	(1,290,739)	(1,290,739)	-
Prior Year Encumbrances Appropriated	54,037	54,037	-
Fund Balance - End of Year	\$ 700	\$ (754,442)	\$ (755,142)

City of Euclid, Ohio

*Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Law Enforcement Trust Fund
For the Year Ended December 31, 2017*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Interest	\$ 169	\$ 169	\$ (0)
Fines and Forfeitures	158,831	158,670	(161)
Total Revenues	<u>159,000</u>	<u>158,839</u>	<u>(161)</u>
Expenditures:			
Current:			
Security of Persons and Property			
Personal Services	40,000	8,216	31,784
Other	190,000	109,983	80,017
Total Expenditures	<u>230,000</u>	<u>118,199</u>	<u>111,801</u>
Net Change in Fund Balance	(71,000)	40,640	111,640
Fund Balance - Beginning of Year	193,630	193,630	-
Fund Balance - End of Year	<u>\$ 122,630</u>	<u>\$ 234,270</u>	<u>\$ 111,640</u>

City of Euclid, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Shore Corporation Fund
 For the Year Ended December 31, 2017*

	Budgeted Amounts <u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
All Other Revenues	\$ 12,800	\$ 12,763	\$ (37)
Total Revenues	<u>12,800</u>	<u>12,763</u>	<u>(37)</u>
Expenditures:			
Current:			
Leisure Time Activities			
Other	247,763	247,762	1
Total Expenditures	<u>247,763</u>	<u>247,762</u>	<u>1</u>
Excess of Revenues Over (Under) Expenditures	(234,963)	(234,999)	(36)
Other Financing Sources			
Transfers In	200,000	200,000	-
Total Other Financing Sources	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Net Change in Fund Balance	(34,963)	(34,999)	(36)
Fund Balance - Beginning of Year	36,796	36,796	-
Fund Balance - End of Year	<u>\$ 1,833</u>	<u>\$ 1,797</u>	<u>\$ (36)</u>

City of Euclid, Ohio

*Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
General Permanent Improvement Fund
For the Year Ended December 31, 2017*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Property Taxes	\$ 247,716	\$ 234,843	\$ (12,873)
Intergovernmental	219,091	24,855	(194,236)
Total Revenues	<u>466,807</u>	<u>259,698</u>	<u>(207,109)</u>
Expenditures:			
Current:			
Capital Outlay:			
Other	761,685	260,634	501,051
Debt Service:			
Principal	796,996	360,043	436,953
Total Debt Service	<u>796,996</u>	<u>360,043</u>	<u>436,953</u>
Total Expenditures	<u>1,558,681</u>	<u>620,677</u>	<u>938,004</u>
Excess of Revenues Over (Under) Expenditures	(1,091,874)	(360,979)	730,895
Other Financing Sources			
Sale of Capital Assets	534,783	60,669	(474,114)
Total Other Financing Sources	<u>534,783</u>	<u>60,669</u>	<u>(474,114)</u>
Net Change in Fund Balance	(557,091)	(300,310)	256,781
Fund Balance - Beginning of Year	367,941	367,941	-
Prior Year Encumbrances Appropriated	189,159	189,159	-
Fund Balance - End of Year	<u>\$ 9</u>	<u>\$ 256,790</u>	<u>\$ 256,781</u>

City of Euclid, Ohio

*Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Recreation Capital Fund
For the Year Ended December 31, 2017*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Property Taxes	\$ 173,401	\$ 164,411	\$ (8,990)
Intergovernmental	-	17,402	17,402
All Other Revenues	-	1,500	1,500
Total Revenues	<u>173,401</u>	<u>183,313</u>	<u>9,912</u>
Expenditures:			
Current:			
Capital Outlay:			
Personal Services	562	-	562
Other	1,104,467	420,355	684,112
Total Expenditures	<u>1,105,029</u>	<u>420,355</u>	<u>684,674</u>
Net Change in Fund Balance	(931,628)	(237,042)	694,586
Fund Balance - Beginning of Year	1,026,367	1,026,367	-
Prior Year Encumbrances Appropriated	2,515	2,515	-
Fund Balance - End of Year	<u>\$ 97,254</u>	<u>\$ 791,840</u>	<u>\$ 694,586</u>

City of Euclid, Ohio

*Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Sidewalk Repair and Replacement Fund
For the Year Ended December 31, 2017*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Expenditures:			
Capital Outlay:			
Other	22,800	22,800	-
Total Expenditures	22,800	22,800	-
 Net Change in Fund Balance	 (22,800)	 (22,800)	 -
 Fund Balance - Beginning of Year	 22,864	 22,864	 -
Fund Balance - End of Year	\$ 64	\$ 64	\$ -

City of Euclid, Ohio

*Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Euclid Endowment Fund
For the Year Ended December 31, 2017*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Charges for Services	\$ -	\$ 5,904	\$ 5,904
Total Revenues	<u>-</u>	<u>5,904</u>	<u>5,904</u>
Expenditures:			
Current:			
Capital Outlay:			
Community Development	10,578	-	10,578
Total Expenditures	<u>10,578</u>	<u>-</u>	<u>10,578</u>
Excess of Revenues Over (Under) Expenditures	(10,578)	5,904	16,482
Net Change in Fund Balance	(10,578)	5,904	16,482
Fund Balance - Beginning of Year	8,868	8,868	-
Prior Year Encumbrances Appropriated	1,778	1,778	-
Fund Balance - End of Year	<u>\$ 68</u>	<u>\$ 16,550</u>	<u>\$ 16,482</u>

City of Euclid, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Sims Park Fund
 For the Year Ended December 31, 2017*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Final			
Expenditures:				
Capital Outlay:				
Other	\$ 4,307		\$ -	\$ 4,307
Total Expenditures	4,307		-	4,307
Net Change in Fund Balance	(4,307)		-	4,307
Fund Balance - Beginning of Year	4,307		4,307	-
Fund Balance - End of Year	\$ -		\$ 4,307	\$ 4,307

City of Euclid Ohio

*Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Bennington Hamlet Fund
For the Year Ended December 31, 2017*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Payments in Lieu of Taxes	\$ 75,500	\$ 75,517	\$ 17
Total Revenues	<u>75,500</u>	<u>75,517</u>	<u>17</u>
Expenditures:			
Capital Outlay:			
Other	78,068	75,221	2,847
Total Expenditures	<u>78,068</u>	<u>75,221</u>	<u>2,847</u>
Net Change in Fund Balance	(2,568)	296	2,864
Fund Balance - Beginning of Year	49,906	49,906	-
Prior Year Encumbrances Appropriated	2,816	2,816	-
Fund Balance - End of Year	<u>\$ 50,154</u>	<u>\$ 53,018</u>	<u>\$ 2,864</u>

City of Euclid, Ohio
*Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 CMP Properties Fund
 For the Year Ended December 31, 2017*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:			
Payments in Lieu of Taxes	\$ 73,000	\$ 72,439	\$ (561)
Total Revenues	<u>73,000</u>	<u>72,439</u>	<u>(561)</u>
Expenditures:			
Capital Outlay:			
Other	<u>103,463</u>	<u>28,152</u>	<u>75,311</u>
Net Change in Fund Balance	(30,463)	44,287	74,750
Fund Balance - Beginning of Year	46,699	46,699	-
Prior Year Encumbrances Appropriated	6,731	6,731	-
Fund Balance - End of Year	<u>\$ 22,967</u>	<u>\$ 97,717</u>	<u>\$ 74,750</u>

City of Euclid, Ohio
*Schedule of Revenues, Expenses and Changes in Fund Balance -
 Budget (Non-GAAP Basis) and Actual
 Harbor Town TIF Fund
 For the Year Ended December 31, 2017*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Payments in Lieu of Taxes	\$ 139,097	\$ 120,972	\$ (18,125)
Total Revenues	<u>139,097</u>	<u>120,972</u>	<u>(18,125)</u>
Expenditures:			
Capital Outlay:			
Other	361,687	35,554	326,133
Total Expenditures	<u>361,687</u>	<u>35,554</u>	<u>326,133</u>
Net Change in Fund Balance	(222,590)	85,418	308,008
Fund Balance - Beginning of Year	166,115	166,115	-
Prior Year Encumbrances Appropriated	56,475	56,475	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ 308,008</u>	<u>\$ 308,008</u>

City of Euclid, Ohio
*Schedule of Revenues, Expenses and Changes in Fund Equity -
 Budget (Non-GAAP Basis) and Actual
 Downtown District A TIF Fund
 For the Year Ended December 31, 2017*

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual	
Revenues:			
Payments in Lieu of Taxes	\$ 211,810	\$ 71,470	\$ (140,340)
Total Revenues	<u>211,810</u>	<u>71,470</u>	<u>(140,340)</u>
Expenditures:			
Capital Outlay:			
Other	386,754	170,363	216,391
Total Expenditures	<u>386,754</u>	<u>170,363</u>	<u>216,391</u>
Net Change in Fund Balance	(174,944)	(98,893)	76,051
Fund Balance - Beginning of Year	20,153	20,153	-
Prior Year Encumbrances Appropriated	154,800	154,800	-
Fund Balance - End of Year	<u>\$ 9</u>	<u>\$ 76,060</u>	<u>\$ 76,051</u>

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STATISTICAL SECTION

City of Euclid, Ohio

Statistical Section

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

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	S2 - S8
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources, property taxes and municipal income taxes.	S9 – S14
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	S15 – S20
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	S21 – S22
Operating Information These schedules contain service data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	S23 – S28

Sources: Unless otherwise noted, the information in these schedules is derived from the basic financial statements for the relevant year.

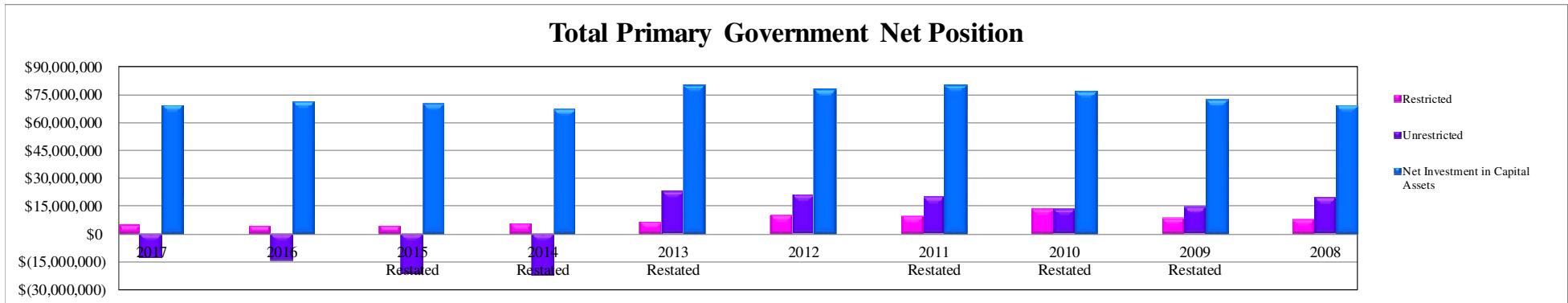
City of Euclid, Ohio

Net Position by Component Accrual Basis of Accounting Last Ten Years

Table 1

	2017	2016	2015 Restated	2014 Restated	2013 Restated	2012	2011 Restated	2010 Restated	2009 Restated	2008
Governmental Activities										
Net Investment in Capital Assets	\$ 21,530,048	\$ 24,766,951	\$ 27,228,440	\$ 30,734,068	\$ 32,235,958	\$ 32,146,243	\$ 36,430,785	\$ 36,290,780	\$ 37,644,890	\$ 39,956,632
Restricted	5,234,805	4,613,091	4,514,553	5,572,849	6,761,817	10,219,167	9,671,191	13,342,663	8,307,210	8,179,008
Unrestricted	(30,735,247)	(26,738,157)	(26,065,765)	(26,559,107)	10,896,260	12,076,435	11,807,492	5,052,623	3,360,059	5,636,227
Total Governmental Activities Net Position	\$ (3,970,394)	\$ 2,641,885	\$ 5,677,228	\$ 9,747,810	\$ 49,894,035	\$ 54,441,845	\$ 57,909,468	\$ 54,686,066	\$ 49,312,159	\$ 53,771,867
Business Type - Activities										
Net Investment in Capital Assets	\$ 47,629,041	\$ 46,148,436	\$ 42,710,192	\$ 36,541,168	\$ 47,755,727	\$ 45,310,310	\$ 43,523,835	\$ 40,280,422	\$ 34,567,361	\$ 29,214,805
Unrestricted	17,804,727	12,251,787	6,386,794	4,187,683	12,158,558	8,658,820	8,144,885	8,285,405	11,352,949	13,829,216
Total Business-Type Activities Net Position	\$ 65,433,768	\$ 58,400,223	\$ 49,096,986	\$ 40,728,851	\$ 59,914,285	\$ 53,969,130	\$ 51,668,720	\$ 48,565,827	\$ 45,920,310	\$ 43,044,021
Primary Government										
Net Investment in Capital Assets	\$ 69,159,089	\$ 70,915,387	\$ 69,938,632	\$ 67,275,236	\$ 79,991,685	\$ 77,456,553	\$ 79,954,620	\$ 76,571,202	\$ 72,212,251	\$ 69,171,437
Restricted	5,234,805	4,613,091	4,514,553	5,572,849	6,761,817	10,219,167	9,671,191	13,342,663	8,307,210	8,179,008
Unrestricted	(12,930,520)	(14,486,370)	(20,499,081)	(22,371,424)	23,054,818	20,735,255	19,952,377	13,338,028	14,713,008	19,465,443
Total Primary Government Net Position	\$ 61,463,374	\$ 61,042,108	\$ 53,954,104	\$ 50,476,661	\$ 109,808,320	\$ 108,410,975	\$ 109,578,188	\$ 103,251,893	\$ 95,232,469	\$ 96,815,888

Note: The City implemented GASB Statement No. 68. As a result, the 2014 and 2015 Net Position was restated.



City of Euclid, Ohio

Changes in Net Position Accrual Basis of Accounting Last Ten Years

Table 2

	2017	2016	2015	2014	2013	2012	2011 Restated	2010 Restated	2009 Restated	2008
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 2,146,060	\$ 1,806,019	\$ 1,899,438	\$ 1,884,612	\$ 1,615,417	\$ 2,066,689	\$ 2,507,033	\$ 4,317,024	\$ 2,301,388	\$ 564,303
Security of Persons and Property	3,695,435	4,039,613	3,520,400	3,316,938	3,643,071	3,919,272	3,448,103	3,732,402	2,845,690	4,073,600
Public Health	131,993	106,213	102,102	91,297	84,625	76,651	77,382	82,068	78,398	83,793
Leisure Time Activities	518,824	308,629	371,949	368,130	403,594	394,730	450,554	433,648	590,597	730,006
Community and Economic Development	2,151,060	1,611,124	1,833,210	1,769,947	1,965,204	1,779,151	1,702,985	1,512,112	1,413,183	1,554,640
Sanitation	1,808,746	1,941,239	1,849,666	1,907,893	1,592,590	2,378,857	1,797,856	1,337,454	0	0
Transportation	0	0	0	0	2,024	600	0	0	114,156	39,637
Subtotal - Charges for Services	10,452,118	9,812,837	9,576,765	9,338,817	9,306,525	10,615,950	9,983,913	11,414,708	7,343,412	7,045,979
Operating Grants and Contributions:										
General Government	2,550	240,924	0	84,216	47,626	0	550,724	587,960	137,338	0
Security of Persons and Property	535,938	697,848	548,918	95,757	398,529	617,370	667,415	1,084,936	491,637	487,231
Public Health	42,021	38,623	40,646	18,326	14,569	0	0	0	0	0
Leisure Time Activities	993	19,415	380	391	368	6,741	51,895	3,766	10,039	4,327
Community and Economic Development	1,660,021	2,238,870	1,593,676	934,765	1,317,949	1,365,971	1,770,441	2,738,366	1,215,829	1,247,025
Sanitation	0	0	0	0	5,000	4,000	0	0	0	0
Transportation	1,802,921	1,750,921	1,773,437	1,874,674	1,576,336	1,691,509	1,707,991	1,819,510	1,699,535	1,861,667
Subtotal - Operating Grants and Contributions	4,044,444	4,986,601	3,957,057	3,008,129	3,360,377	3,685,591	4,748,466	6,234,538	3,554,378	3,600,250
Capital Grants and Contributions:										
General Government	0	116,470	0	191,784	0	18,354	65,527	350,000	0	279,401
Security of Persons and Property	9,596	0	0	0	21,561	124,372	25,511	0	0	0
Public Health	0	0	0	0	30,844	0	0	0	0	0
Transportation	500,000	0	0	0	125,587	34,227	1,514,633	0	0	0
Community and Economic Development	0	0	1,985	0	67,200	13,047	0	0	0	0
Leisure Time Activities	0	0	0	0	252,489	548,313	67,597	0	0	0
Subtotal - Capital Grants and Contributions	509,596	116,470	1,985	191,784	497,681	738,313	1,673,268	350,000	0	279,401
Total Governmental Activities Program Revenues	15,006,158	14,915,908	13,535,807	12,538,730	13,164,583	15,039,854	16,405,647	17,999,246	10,897,790	10,925,630
Business-Type Activities										
Charges for Services:										
Briardale Greens Golf Course	1,026,527	698,725	760,598	709,972	0	0	0	8,746	939,058	1,035,336
Waste Water Treatment	18,130,416	15,196,076	14,618,099	15,433,332	14,615,480	11,112,883	11,068,529	9,238,260	10,663,957	10,887,935
Water Line Improvement	2,047,715	1,838,834	1,785,669	2,003,009	1,682,000	2,895,931	1,606,374	1,551,174	1,967,426	1,623,543
Operating Grants and Contributions:										
Wastewater Treatment	0	0	0	0	0	0	0	184,648	227,712	52,675
Water Line Improvement	0	0	735,805	2,042,210	0	0	0	0	0	0
Capital Grants and Contributions										
Briardale Golf Course	0	70,914	26,598	110,582	86,723	9,300	0	98,794	0	0
Waste Water Treatment	168,012	3,862,258	6,555,091	2,528,406	850,622	0	0	321,351	94,932	276,000
Water Line Improvement	0	0	0	0	0	0	1,053,139	464,161	1,042,281	65,348
Total Business-Type Activities Program Revenues	21,372,670	21,666,807	24,481,860	22,827,511	17,234,825	14,018,114	13,728,042	11,867,134	14,935,366	13,940,837
Total Primary Government Program Revenues	\$ 36,378,828	\$ 36,582,715	\$ 38,017,667	\$ 35,366,241	\$ 30,399,408	\$ 29,057,968	\$ 30,133,689	\$ 29,866,380	\$ 25,833,156	\$ 24,866,467

City of Euclid, Ohio

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

Table 2

	2017	2016	2015	2014	2013	2012	2011	2010 Restated	2009 Restated	2008
<u>Expenses</u>										
Governmental Activities:										
General Government	\$ 13,350,744	\$ 14,996,193	\$ 13,569,848	\$ 13,851,860	\$ 13,381,458	\$ 11,879,530	\$ 14,070,597	\$ 13,105,802	\$ 13,389,365	\$ 12,894,864
Security of Persons and Property	23,622,226	23,033,620	21,344,311	20,975,180	21,090,420	20,602,865	19,892,646	20,607,153	21,052,721	23,445,910
Sanitation	2,548,206	2,156,988	2,292,854	2,274,374	2,310,771	2,063,996	2,185,892	1,916,687	2,251,317	2,506,683
Public Health	305,534	464,708	294,862	279,500	273,361	275,393	285,793	273,641	280,112	260,044
Leisure Time Activities	2,912,241	2,245,540	1,930,889	1,987,341	1,878,910	1,709,689	1,667,298	1,766,298	2,095,133	2,423,707
Community and Economic Development	4,236,334	2,746,663	3,108,042	2,606,619	3,004,987	2,991,518	2,884,982	2,873,059	2,846,921	3,201,584
Transportation	5,783,848	6,090,854	6,476,034	5,930,036	6,026,874	9,489,789	6,057,526	6,647,276	7,382,963	6,343,637
Interest and Fiscal Charges	645,515	799,472	846,847	830,823	993,111	1,210,537	846,954	1,418,378	1,406,102	1,505,395
Total Governmental Activities Expenses	53,404,648	52,534,038	49,863,687	48,735,733	48,959,892	50,223,317	47,891,688	48,608,294	50,704,634	52,581,824
<u>Business-Type Activities</u>										
Briardale Golf Course	1,211,719	894,434	871,822	806,348	88,397	92,343	80,540	131,602	894,060	988,166
Wastewater Treatment	12,690,066	11,157,630	11,958,134	10,053,697	9,997,445	10,203,983	9,601,656	9,938,574	10,920,206	11,061,437
Water Line Improvement	988,430	312,351	3,409,410	2,125,851	1,253,974	1,433,806	800,228	965,870	1,033,398	792,165
Total Business-Type Activities Expenses	14,890,215	12,364,415	16,239,366	12,985,896	11,339,816	11,730,132	10,482,424	11,036,046	12,847,664	12,841,768
Total Primary Government Program Expenses	68,294,863	64,898,453	66,103,053	61,721,629	60,299,708	61,953,449	58,374,112	59,644,340	63,552,298	65,423,592
<u>Net (Expense)/Revenue</u>										
Governmental Activities	(38,398,490)	(37,618,130)	(36,327,880)	(36,197,003)	(35,795,309)	(35,183,463)	(31,486,041)	(30,609,048)	(39,806,844)	(41,656,194)
Business-Type Activities	6,482,455	9,302,392	8,242,494	9,841,615	5,895,009	2,287,982	3,245,618	831,088	2,087,702	1,099,069
Total Primary Government Net Expense	(31,916,035)	(28,315,738)	(28,085,386)	(26,355,388)	(29,900,300)	(32,895,481)	(28,240,423)	(29,777,960)	(37,719,142)	(40,557,125)

City of Euclid, Ohio

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

Table 2

	2017	2016	2015	2014	2013	2012	2011	2010 Restated	2009 Restated	2008
<u>General Revenues and Other Changes in Net Position</u>										
Governmental Activities										
Property and Other Local Taxes	4,096,416	4,774,698	4,687,118	4,746,669	4,765,637	4,898,836	4,940,319	5,162,960	5,069,206	5,158,520
Municipal Income Taxes	23,451,267	26,199,511	24,435,672	22,555,188	23,090,347	22,359,573	24,315,337	22,994,810	22,527,179	24,124,792
Grants and Entitlements not Restricted to										
Specific Programs	2,184,167	2,227,555	2,332,890	2,576,299	2,189,349	3,061,866	4,458,718	6,874,711	5,885,372	6,460,923
Payments in Lieu of Taxes	340,398	246,429	330,248	259,991	261,567	304,822	179,400	174,801	172,310	123,164
Investment Income	245,311	195,775	168,425	64,882	90,253	107,136	94,986	173,483	451,410	921,534
Gain on Sale of Capital Assets	14,888	45,904	48,163	192,874	23,311	0	0	128,453	45,431	0
Miscellaneous	1,555,622	1,781,650	380,129	746,440	827,035	983,607	1,082,783	478,952	1,196,228	1,743,907
Transfers	(101,858)	(68,625)	(125,347)	0	0	0	420,923	(5,215)	0	667,820
Total Governmental Activities	<u>31,786,211</u>	<u>35,402,897</u>	<u>32,257,298</u>	<u>31,142,343</u>	<u>31,247,499</u>	<u>31,715,840</u>	<u>35,492,466</u>	<u>35,982,955</u>	<u>35,347,136</u>	<u>39,200,660</u>
Business-Type Activities										
Property Taxes	0	0	0	0	0	0	11,475	365,166	465,667	639,606
Grants and Entitlements not Restricted to										
Specific Programs	0	0	0	0	0	0	0	0	0	0
Investment Income	1,629	0	127	21	146	196	41,651	9,856	4,339	56,180
Miscellaneous	447,603	845	167	0	0	12,232	483,293	1,434,192	318,581	26,629
Transfers	101,858	0	125,347	0	0	0	(420,923)	5,215	0	(667,820)
Total Business-Type Activities	<u>551,090</u>	<u>845</u>	<u>125,641</u>	<u>21</u>	<u>146</u>	<u>12,428</u>	<u>115,496</u>	<u>1,814,429</u>	<u>788,587</u>	<u>54,595</u>
Total Primary Government General Revenues	<u>32,337,301</u>	<u>35,403,742</u>	<u>32,382,939</u>	<u>31,142,364</u>	<u>31,247,645</u>	<u>31,728,268</u>	<u>35,607,962</u>	<u>37,797,384</u>	<u>36,135,723</u>	<u>39,255,255</u>
Business-Type Activities										
Special Items	0	0	0	(26,263,065)	0	0	0	0	0	0
Total Primary Government General Revenues and Other Changes in Net Position	<u>32,337,301</u>	<u>35,403,742</u>	<u>32,382,939</u>	<u>4,879,299</u>	<u>31,247,645</u>	<u>31,728,268</u>	<u>35,607,962</u>	<u>37,797,384</u>	<u>36,135,723</u>	<u>39,255,255</u>
<u>Change in Net Position</u>										
Governmental Activities	(6,612,279)	(2,215,233)	(4,070,582)	(5,054,660)	(4,547,810)	(3,467,623)	4,006,425	5,373,907	(4,459,708)	(2,455,534)
Business-Type Activities	7,033,545	9,303,237	8,368,135	(16,421,429)	5,895,155	2,300,410	3,361,114	2,645,517	2,876,289	1,153,664
Total Primary Government Change in Net Position	<u>\$ 421,266</u>	<u>\$ 7,088,004</u>	<u>\$ 4,297,553</u>	<u>\$ (21,476,089)</u>	<u>\$ 1,347,345</u>	<u>\$ (1,167,213)</u>	<u>\$ 7,367,539</u>	<u>\$ 8,019,424</u>	<u>\$ (1,583,419)</u>	<u>\$ (1,301,870)</u>

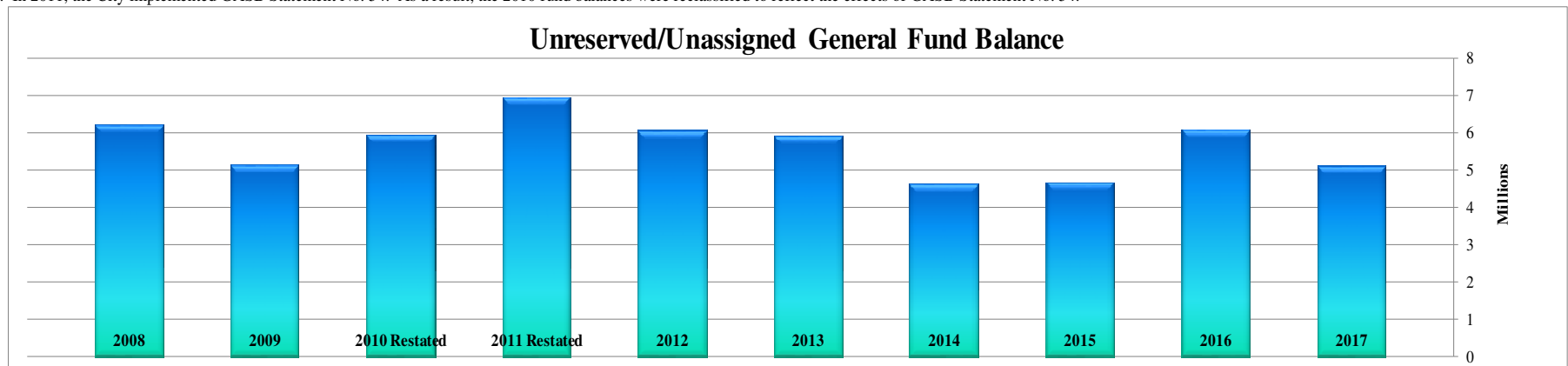
City of Euclid, Ohio

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

Table 3

	2017	2016	2015	2014	2013	2012	2011 Restated	2010 Restated	2009	2008
General Fund										
Nonspendable	\$ 818,965	\$ 977,122	\$ 1,059,658	\$ 1,077,737	\$ 1,278,550	\$ 1,323,212	\$ 1,367,748	\$ 1,460,576	\$ 0	\$ 0
Committed	50,027	92,977	127,031	107,724	63,128	73,615	183,472	216,334	0	0
Assigned	1,791,976	331,822	836,076	69,288	506,881	451,520	36,008	28,105	0	0
Unassigned	5,094,528	6,083,614	4,664,182	4,631,088	5,915,128	6,046,519	6,954,074	5,938,091	0	0
Reserved	0	0	0	0	0	0	0	0	1,389,906	1,529,833
Unreserved	0	0	0	0	0	0	0	0	5,143,251	6,220,960
Total General Fund	7,755,496	7,485,535	6,686,947	5,885,837	7,763,687	7,894,866	8,541,302	7,643,106	6,533,157	7,750,793
All Other Governmental Funds										
Nonspendable	32,542	23,840	93,182	173,105	152,190	159,191	95,779	71,887	0	0
Restricted	3,839,784	3,880,296	2,884,961	4,131,784	3,546,337	3,144,566	6,093,620	8,028,597	0	0
Committed	11,895	25,346	22,959	18,324	12,473	1,077	0	0	0	0
Unassigned	(412,805)	(1,551,650)	(419,411)	(408,930)	(3,851,205)	(1,170,048)	(1,542,936)	(438,584)	0	0
Reserved	0	0	0	0	0	0	0	0	498,970	728,790
Unreserved, Undesignated, Reported in:										
Special Revenue funds	0	0	0	0	0	0	0	0	1,281,141	1,425,191
Debt Service funds	0	0	0	0	0	0	0	0	2,767,975	2,708,149
Capital Projects funds	0	0	0	0	0	0	0	0	2,095,459	2,081,323
Total All Other Governmental Funds	3,471,416	2,377,832	2,581,691	3,914,283	(140,205)	2,134,786	4,646,463	7,661,900	6,643,545	6,943,453
Total Governmental Funds	\$ 11,226,912	\$ 9,863,367	\$ 9,268,638	\$ 9,800,120	\$ 7,623,482	\$ 10,029,652	\$ 13,187,765	\$ 15,305,006	\$ 13,176,702	\$ 14,694,246

Note: In 2011, the City implemented GASB Statement No. 54. As a result, the 2010 fund balances were reclassified to reflect the effects of GASB Statement No. 54.



City of Euclid, Ohio

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

Table 4

	2017	2016	2015	2014	2013	2012	2011 Restated	2010	2009	2008
Revenues										
Property and Other Local Taxes	\$ 4,722,114	\$ 4,820,808	\$ 4,684,888	\$ 4,733,723	\$ 4,758,699	\$ 5,223,856	\$ 5,014,254	\$ 4,908,989	\$ 4,863,732	\$ 5,317,922
Municipal Income Taxes	24,183,801	24,827,667	24,671,958	24,508,171	24,043,014	20,599,919	23,868,290	22,165,312	22,295,312	23,949,387
Charges for Services	6,345,334	6,467,478	6,113,352	6,082,512	5,376,589	6,912,556	6,048,437	6,120,126	4,396,344	4,468,421
Fees, Licenses and Permits	639,869	529,927	462,830	274,714	556,302	161,302	180,020	148,341	136,019	119,297
Fines and Forfeitures	2,111,894	2,302,963	1,931,591	2,049,775	2,294,990	1,975,305	1,607,230	1,778,448	1,849,083	2,115,947
Payments in Lieu of Taxes	340,398	251,094	330,248	259,991	261,566	304,822	179,400	174,801	172,310	123,164
Intergovernmental	7,627,542	6,015,259	5,984,434	5,479,675	6,638,542	7,468,739	9,113,247	13,061,780	9,702,823	10,781,759
Special Assessments	1,076,849	913,178	918,829	1,103,167	1,236,275	1,229,316	1,223,194	335,115	320,199	505,921
Rentals	307,233	52,671	54,197	74,938	142,242	136,385	220,757	205,560	928,741	378,566
Contributions and Donations	20,742	27,401	15,703	50,905	18,780	79,483	1,610,147	57,741	51,034	35,658
Interest	245,311	195,775	168,425	64,882	90,253	107,376	97,802	256,825	500,049	862,215
Miscellaneous	971,532	1,795,553	375,078	342,989	1,304,261	982,197	1,082,783	478,952	1,196,228	891,394
Total Revenues	48,592,619	48,199,774	45,711,533	45,025,442	46,721,513	45,181,256	50,245,561	49,691,990	46,411,874	49,549,651
Expenditures										
Current:										
General Government	12,006,222	14,489,591	13,389,106	13,590,209	12,871,946	12,087,105	13,489,522	13,904,635	12,846,810	13,255,819
Security of Persons and Property	21,015,670	20,637,641	20,172,947	20,997,711	20,885,109	20,379,045	20,598,229	20,337,564	20,493,264	22,504,755
Public Health	298,928	311,695	293,531	273,132	277,146	275,451	289,293	272,263	272,496	260,044
Leisure Time Activities	2,471,909	1,993,717	1,687,257	1,731,598	1,651,776	1,517,664	1,519,385	1,568,545	1,826,333	2,142,829
Community and Economic Development	3,899,965	2,708,395	2,491,988	2,603,656	2,830,876	2,999,577	2,908,927	2,863,379	2,728,006	3,084,899
Sanitation	2,523,999	2,156,988	2,163,084	2,412,938	2,303,563	2,067,356	2,180,946	1,916,687	2,251,317	2,506,683
Transportation	1,876,515	2,686,849	2,140,656	1,931,627	1,905,970	1,909,461	1,862,722	2,109,236	2,232,410	2,596,559
Capital Outlay	264,013	2,034,544	2,159,371	1,297,529	2,514,506	2,658,188	4,967,119	2,547,975	3,015,982	5,376,523
Debt Service:										
Principal Retirement	3,930,395	2,713,679	7,841,552	2,963,741	3,177,581	3,077,574	7,151,780	5,240,760	3,305,944	9,590,395
Interest and Fiscal Charges	616,394	719,439	741,042	643,280	964,494	1,151,530	1,070,780	1,311,229	1,367,743	1,492,737
Debt Issuance Costs	10,563	19,585	74,494	67,315	0	17,592	179,065	0	0	275,697
Advance Refund Escrow	0	0	0	148,751	0	0	123,978	0	0	0
Total Expenditures	48,914,573	50,472,123	53,155,028	48,661,487	49,382,967	48,140,543	56,341,746	52,072,273	50,340,305	63,086,940
Excess of Revenues Over (Under) Expenditures	(321,954)	(2,272,349)	(7,443,495)	(3,636,045)	(2,661,454)	(2,959,287)	(6,096,185)	(2,380,283)	(3,928,431)	(13,537,289)

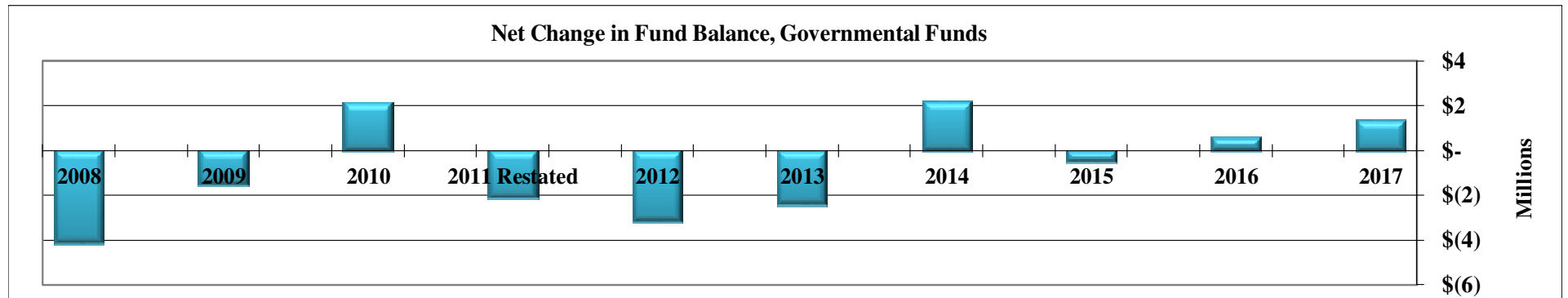
(Continued)

City of Euclid, Ohio

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

Table 4

	2017	2016	2015	2014	2013	2012	2011 Restated	2010	2009	2008
Other Financing Sources (Uses)										
Sale of Capital Assets	66,573	56,581	48,163	192,874	36,125	26,174	62,028	197,309	52,620	55,191
General Obligation Bonds Issued	0	0	0	0	0	0	4,316,000	0	0	10,625,000
Refunding Bonds Issued	0	0	6,999,000	6,548,507	0	0	5,482,000	0	0	0
Premium on Debt Issued	11,826	11,888	0	25,851	0	0	121,632	21,278	0	215,765
OPWC Loan	0	0	0	0	0	0	0	0	18,267	1,119,127
Notes Issued	2,001,000	1,501,000	0	5,265,000	0	0	0	4,290,000	2,340,000	0
Inception of Capital Lease	161,100	1,338,609	0	420,000	292,000	0	0	0	0	205,758
Insurance Recoveries	0	0	0	0	2,159	0	35,500	0	0	0
Transfers In	311,000	430,000	364,850	944,815	2,334,550	4,234,675	342,300	553,800	1,061,859	1,195,820
Transfers Out	(866,000)	(471,000)	(500,000)	(1,077,315)	(2,409,550)	(4,459,675)	(912,300)	(553,800)	(1,061,859)	(528,000)
Payment to Refunded Bond Escrow Agent	0	0	0	(6,507,049)	0	0	(5,468,216)	0	0	(3,489,389)
Total Other Financing Sources (Uses)	1,685,499	2,867,078	6,912,013	5,812,683	255,284	(198,826)	3,978,944	4,508,587	2,410,887	9,399,272
Net Change in Fund Balances	\$ 1,363,545	\$ 594,729	\$ (531,482)	\$ 2,176,638	\$ (2,406,170)	\$ (3,158,113)	\$ (2,117,241)	\$ 2,128,304	\$ (1,517,544)	\$ (4,138,017)
Debt Service as a Percentage of Noncapital Expenditures	9.35%	7.09%	16.38%	7.55%	8.74%	9.28%	16.20%	13.48%	9.70%	19.68%



City of Euclid, Ohio

Property Tax Rates – Direct and Overlapping Governments (Per \$1,000 of Assessed Valuation)

Last Ten Years

Table 5

	Collection Year 2017	Collection Year 2016	Collection Year 2015	Collection Year 2014	Collection Year 2013	Collection Year 2012	Collection Year 2011	Collection Year 2010	Collection Year 2009	Collection Year 2008
Unvoted Millage										
Bond Sinking Fund	3.88	3.88	3.88	3.88	3.88	3.88	3.88	3.88	3.88	3.88
Total Unvoted Millage	3.88	3.88	3.88	3.88	3.88	3.88	3.88	3.88	3.88	3.88
Voted Millage										
1964 Charter Current Expense	6.72	6.72	6.72	6.72	6.72	6.72	6.72	6.72	6.72	6.72
1964 Charter Perm Improvement	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
1964 Charter Recreational	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70
1964 Charter Recreational	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30
1976 Sewage Levy	0.00	0.00	0.00	0.00	0.00	0.00	2.00	2.00	2.00	2.00
Total Voted Millage	9.72	9.72	9.72	9.72	9.72	9.72	11.72	11.72	11.72	11.72
Total Millage	13.60	13.60	13.60	13.60	13.60	13.60	15.60	15.60	15.60	15.60
Overlapping Rates by Taxing District										
City of Euclid										
Residential/Agricultural Effective Rate	7.4435	7.4252	7.3102	7.2808	7.2595	6.3749	6.3560	6.8571	6.5566	6.5540
Commerical/Industrial and Public Utility Effective Rate	10.5317	10.5638	10.2345	9.9585	9.9577	9.5791	9.4690	10.6120	10.3296	10.3634
General Business and Public Utility Personal Property	13.6000	13.6000	13.6000	13.6000	13.6000	13.6000	13.6000	15.6000	15.6000	15.6000
Euclid City Schools										
Residential/Agricultural Effective Rate	86.4056	77.3439	75.9075	74.7478	72.2593	53.3148	54.4667	54.4664	46.1446	39.1132
Commerical/Industrial and Public Utility Effective Rate	99.5527	90.9418	88.8396	86.3873	84.0823	71.9537	72.7342	72.8014	66.1743	59.4467
General Business and Public Utility Personal Property	110.9200	102.0200	101.6000	100.7000	98.4000	88.4000	89.8000	89.9000	85.2000	78.2000
Cuyahoga County										
Residential/Agricultural Effective Rate	13.8802	13.8698	14.0500	14.0500	13.2200	13.1182	13.1866	13.1789	12.6607	11.8688
Commerical/Industrial and Public Utility Effective Rate	14.0124	14.0500	14.0195	13.9495	12.9968	12.7846	12.8412	12.8457	12.8153	12.4535
General Business and Public Utility Personal Property	14.0500	14.0500	14.0500	14.0500	13.2200	13.2200	13.3200	13.3200	13.3200	13.4200
Special Taxing Districts (1)										
Residential/Agricultural Effective Rate	12.3701	10.7674	10.8643	9.9639	9.0635	9.0041	8.9900	7.9811	7.2832	7.2794
Commerical/Industrial and Public Utility Effective Rate	12.4200	10.8676	10.8401	9.8843	8.9621	8.8649	8.8450	7.9119	7.8711	7.8782
General Business and Public Utility Personal Property	12.4800	10.8800	10.8800	9.9800	9.0800	9.0800	9.0800	8.2800	8.2800	8.2800

Source: Cuyahoga County Fiscal Officer

Notes: The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year. The City's basic property tax rate may be increased only by a majority vote of the City's residents.

Charter millage is consistently applied to all types of property.

The real property tax rates for the voted levies of the overlapping taxing districts are reduced so that inflationary increases in value do not generate additional revenue.

Overlapping rates are those of local and county governments that apply to property owners within the City.

(1) Metro Parks (1.85 mills), Port Authority (0.13 mills), Euclid Library (4.00 mills), Community College (3.10 mills)

City of Euclid, Ohio

Assessed Valuations and Estimated Actual Values of Taxable Property

Last Ten Years

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value
2017	\$ 381,595,260	\$ 155,568,740	\$ 1,534,754,286	\$ 21,846,670	\$ 24,825,761
2016	\$ 383,494,150	\$ 153,257,260	\$ 1,533,575,457	\$ 20,642,090	\$ 23,456,920
2015	\$ 396,231,090	\$ 164,449,260	\$ 1,601,943,857	\$ 20,085,560	\$ 22,824,500
2014	\$ 399,245,760	\$ 168,521,720	\$ 1,622,192,800	\$ 19,072,000	\$ 21,672,727
2013	\$ 401,745,490	\$ 168,140,380	\$ 1,628,245,343	\$ 17,368,880	\$ 19,737,364
2012	\$ 546,762,120	\$ 175,905,170	\$ 2,064,763,686	\$ 16,043,950	\$ 18,231,761
2011	\$ 551,393,850	\$ 179,899,430	\$ 2,089,409,371	\$ 15,476,470	\$ 17,586,898
2010	\$ 553,341,120	\$ 181,540,130	\$ 2,099,660,714	\$ 15,108,400	\$ 17,168,636
2009	\$ 615,910,790	\$ 183,124,340	\$ 2,282,957,514	\$ 13,964,270	\$ 15,868,489
2008	\$ 617,695,210	\$ 184,247,970	\$ 2,291,266,229	\$ 21,020,000	\$ 23,886,364

Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

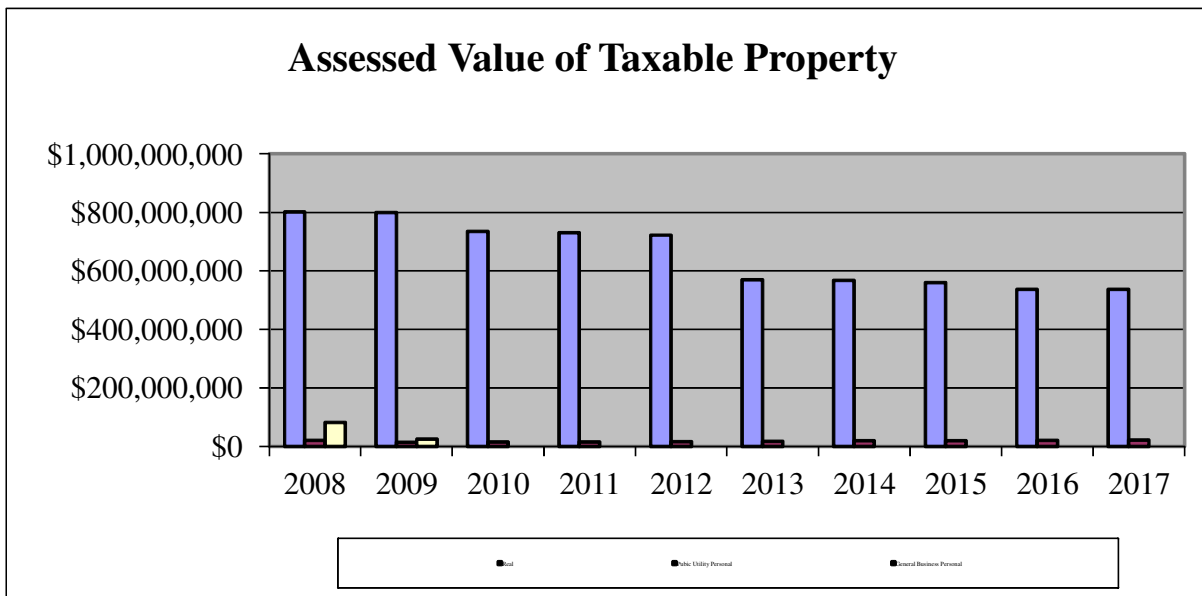
The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax is being phased out beginning in 2006. For collection year 2006 both types of general business tangible personal property were assessed at 18.75 percent. The percentage will be 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10%, 2 1/2% and homestead exemptions before being billed. Beginning in the 2006 collection year, the 10% rollback for commercial/industrial property has been eliminated.

Source: Ohio Department of Taxation

Table 6

Tangible Personal Property		Total		Ratio	Weighted Average Tax Rate
General Business	Estimated Actual Value	Assessed Value	Estimated Actual Value		
\$ -	\$ -	\$ 559,010,670	\$ 1,559,580,047	35.84%	0.0000
\$ -	\$ -	\$ 557,393,500	\$ 1,557,032,377	35.80%	0.0000
\$ -	\$ -	\$ 580,765,910	\$ 1,624,768,357	35.74%	0.0000
\$ -	\$ -	\$ 586,839,480	\$ 1,643,865,527	35.70%	8.2551
\$ -	\$ -	\$ 587,254,750	\$ 1,647,982,707	35.63%	8.2196
\$ -	\$ -	\$ 738,711,240	\$ 2,082,995,447	35.46%	7.2948
\$ -	\$ -	\$ 746,769,750	\$ 2,106,996,269	35.44%	7.2561
\$ -	\$ -	\$ 749,989,650	\$ 2,116,829,351	35.43%	7.9421
\$ 24,916,620	\$ 132,888,640	\$ 837,916,020	\$ 2,431,714,643	34.46%	7.8008
\$ 81,771,053	\$ 436,112,283	\$ 904,734,233	\$ 2,751,264,875	32.88%	8.3575



City of Euclid, Ohio

Property Tax Levies and Collections

Last Ten Years

Table 7

Year	Current Tax Levy	Current Tax Collections (1)	Percent of Current Tax Collections To Tax Levy	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Current Tax Levy
2017	\$ 5,090,507	\$ 4,710,282	92.53%	\$ 243,805	\$ 4,954,087	97.32%	\$ 869,694	17.08%
2016	\$ 5,141,300	\$ 4,748,698	92.36%	\$ 345,719	\$ 5,094,417	99.09%	\$ 902,733	17.56%
2015	\$ 5,201,241	\$ 4,641,127	89.23%	\$ 285,470	\$ 4,926,597	94.72%	\$ 948,843	18.24%
2014	\$ 5,242,049	\$ 4,612,167	87.98%	\$ 302,689	\$ 4,914,856	93.76%	\$ 946,613	18.06%
2013	\$ 5,176,102	\$ 4,667,849	90.18%	\$ 281,672	\$ 4,949,521	95.62%	\$ 933,666	18.04%
2012	\$ 5,752,944	\$ 5,173,294	89.92%	\$ 376,418	\$ 5,549,712	96.47%	\$ 926,729	16.11%
2011	\$ 6,884,315	\$ 5,171,119	75.11%	\$ 316,071	\$ 5,487,190	79.71%	\$ 433,724	6.30%
2010	\$ 7,526,417	\$ 5,778,277	76.77%	\$ 457,077	\$ 6,235,354	82.85%	\$ 496,190	6.59%
2009	\$ 7,636,772	\$ 5,849,893	76.60%	\$ 423,626	\$ 6,273,519	82.15%	\$ 547,502	7.17%
2008	\$ 7,755,667	\$ 6,345,313	81.82%	\$ 489,718	\$ 6,835,031	88.13%	\$ 511,356	6.59%

Source: Cuyahoga County Fiscal Officer

(1) State reimbursement of rollback and homestead exemptions are included.

Note: The County is aware of the requirement to report delinquent tax collections by levy year rather than by collection year. The County's current computer system tracks levy amounts by either current levy or delinquent levy. Once amounts become part of the delinquent levy, the ability to track information by levy year is lost. The County is looking at options to provide this information in the future.

City of Euclid, Ohio

Principal Taxpayers – Real Estate Tax

2017 and 2008

Table 8

Taxpayer	2017	
	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Cleveland Electric Illum Co.	\$ 15,737,810	2.93 %
Euclid Indian Hills, LLC	10,748,540	2.00
Northpointe Towers LTD	7,546,010	1.40
Lincoln Electric Co	7,080,120	1.32
Harbor Crest LTD.	5,481,880	1.02
American Transmission System	3,588,740	0.67
Horizon House LTD	3,088,270	0.57
Euclid Leasing Housing Associates 1, Ltd.	2,954,760	0.55
AE Portfolio, LLC	2,881,200	0.54
Gateway SNF Holdings, LLC	2,644,020	0.49
Total	<u>\$ 61,751,350</u>	<u>11.49 %</u>
Total Assessed Valuation	<u>\$ 537,164,000</u>	
Taxpayer	2008	
	Real Property Assessed Valuation (1)	Percentage of Real Assessed Valuation
Lincoln Electric Co.	\$ 13,361,130	1.66 %
Niederst Indian Hills, LLC	11,822,510	1.47
Cleveland Electric Illuminating Co.	11,445,700	1.43
Northpointe Towers LTD	6,685,000	0.83
Harbor Crest LTD.	5,510,970	0.69
Willo Arms Euclid LLC	5,023,630	0.63
Horizon House LTD	3,638,640	0.45
Depot Land Co., Ltd.	3,255,770	0.41
AE Portfolio, LLC	2,975,000	0.37
Normandy Towers East I & II, LLC	2,664,210	0.33
Total	<u>\$ 66,382,560</u>	<u>8.27 %</u>
Total Assessed Valuation	<u>\$ 801,943,180</u>	

Source: Cuyahoga County Fiscal Officer

(1) The amounts presented represent the assessed values upon which 2017 and 2008 collections were based.

City of Euclid, Ohio

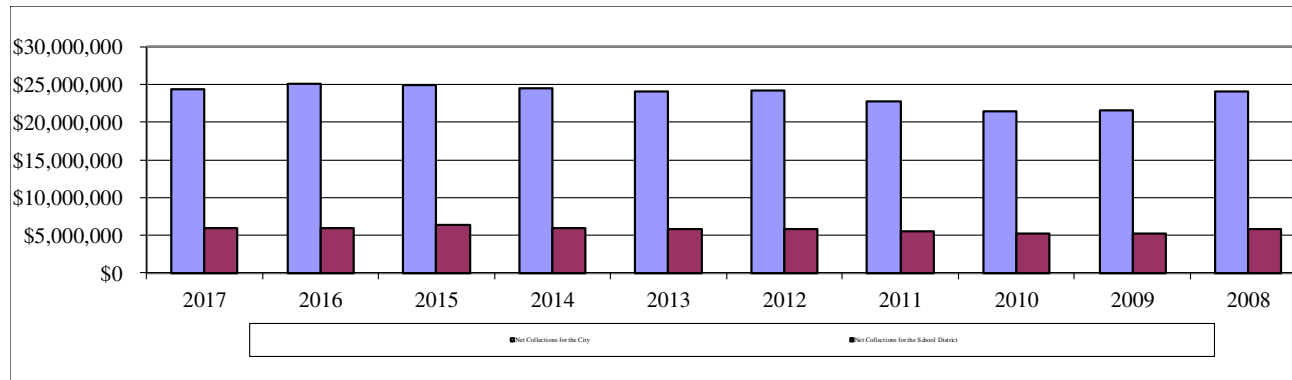
Income Tax Collection

Last Ten Years

Table 9

Year	Tax Rate	Individual	Net Profit	Payroll Withholding	Penalty and Interest	Miscellaneous Revenue/Fees	Gross Collections	Refunds and Adjustments	Net Collections	Net Collections for the City	Net Collections for the School District
2017	2.85%	\$4,691,337	\$4,155,935	\$21,633,888	\$679,049	\$40,541	\$31,200,752	(\$831,661)	\$30,369,090	\$24,354,737	\$6,014,353
2016	2.85%	\$5,395,236	\$4,512,341	\$21,533,377	\$597,022	(\$148,987)	\$31,888,990	(\$743,204)	\$31,145,786	\$25,135,350	\$6,010,436
2015	2.85%	\$4,876,343	\$4,567,901	\$21,697,241	\$600,040	\$2,024	\$31,743,549	(\$607,558)	\$31,322,400	\$24,954,644	\$6,367,756
2014	2.85%	\$4,864,917	\$3,645,543	\$22,189,891	\$605,852	\$32,405	\$31,338,608	(\$890,681)	\$30,447,927	\$24,486,985	\$5,960,942
2013	2.85%	\$4,730,185	\$3,149,071	\$22,024,374	\$535,721	\$177,761	\$30,617,112	(\$607,558)	\$30,009,554	\$24,145,781	\$5,863,773
2012	2.85%	\$4,791,973	\$3,880,111	\$21,381,656	\$595,097	\$199,002	\$30,847,839	(\$791,291)	\$30,056,548	\$24,163,169	\$5,893,379
2011	2.85%	\$5,024,705	\$3,148,360	\$19,758,688	\$625,900	\$187,785	\$28,745,438	(\$465,598)	\$28,279,840	\$22,732,211	\$5,547,629
2010	2.85%	\$5,082,908	\$3,567,641	\$17,882,748	\$586,113	\$92,518	\$27,211,928	(\$458,849)	\$26,753,079	\$21,511,064	\$5,242,015
2009	2.85%	\$5,571,815	\$2,205,169	\$19,127,921	\$501,077	\$139,475	\$27,545,457	(\$710,927)	\$26,834,530	\$21,570,417	\$5,264,113
2008	2.85%	\$5,613,660	\$3,506,412	\$20,750,925	\$658,185	\$31,777	\$30,560,960	(\$621,987)	\$29,938,973	\$24,076,487	\$5,862,486

Note: The information provided was determined on a cash basis.



City of Euclid, Ohio

Ratio of Outstanding Debt to Total Personal Income and Debt Per Capita

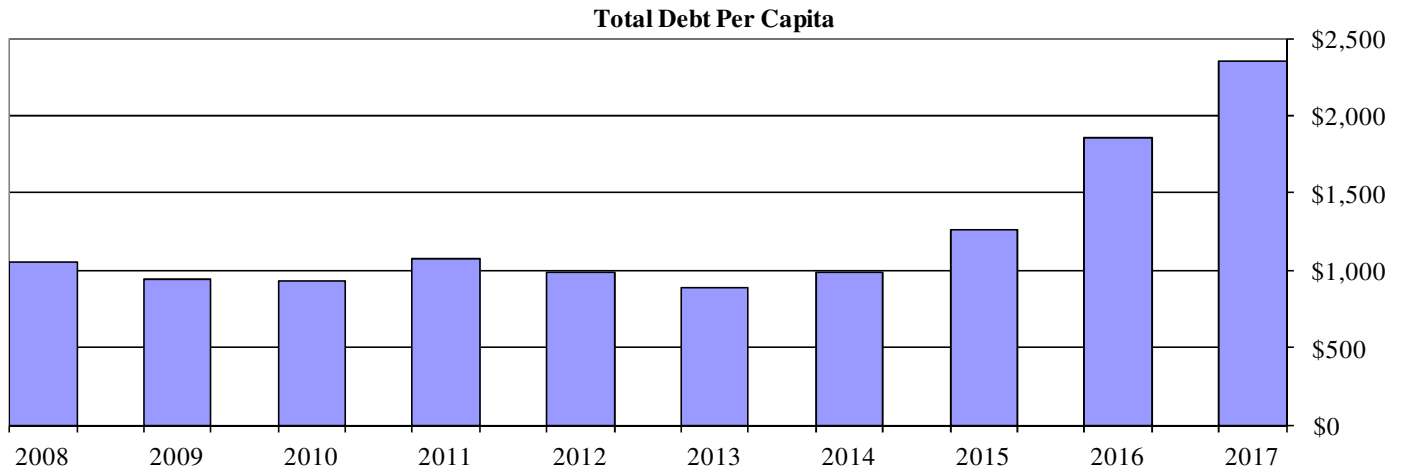
Last Ten Years

Table 10

Year	Governmental Activities							Business-Type Activities				Total Debt	Percentage of Personal Income	Per Capita
	General Obligation Bonds (1)	Long-term Notes Payable (1)	Special Obligation Bonds	Special Assessment Bonds (1)	OPWC Loans	Capital Leases	Development Revenue Bonds (1)	General Obligation Bonds (1)	Capital Leases	OWDA Loans	OPWC Loans			
2017	\$ 11,825,809	\$ 2,004,942	\$ 6,899,000	\$ 131,287	\$ 1,002,223	\$ 1,416,259	\$ -	\$ 7,483,716	\$ 654,347	\$ 75,476,173	\$ 7,934,339	\$ 114,828,095	11.01%	\$ 2,347
2016	\$ 13,646,915	\$ 1,504,963	\$ 6,949,000	\$ 262,575	\$ 1,085,742	\$ 1,623,997	\$ -	\$ 8,463,935	\$ 850,072	\$ 47,995,724	\$ 8,340,564	\$ 90,723,487	8.70%	\$ 1,855
2015	\$ 15,757,778	\$ 0	\$ 6,999,000	\$ 398,863	\$ 1,169,261	\$ 461,253	\$ 185,000	\$ 9,426,897	\$ 546,182	\$ 18,253,817	\$ 8,515,622	\$ 61,713,673	5.91%	\$ 1,262
2014	\$ 17,754,494	\$ 5,276,848	\$ 0	\$ 530,151	\$ 1,252,780	\$ 681,136	\$ 360,000	\$ 10,351,004	\$ 86,012	\$ 4,726,790	\$ 7,171,677	\$ 48,190,892	4.62%	\$ 985
2013	\$ 19,975,891	\$ 0	\$ 0	\$ 570,111	\$ 1,336,299	\$ 375,358	\$ 419,000	\$ 11,098,452	\$ 4,751	\$ 2,523,453	\$ 7,177,596	\$ 43,480,911	4.17%	\$ 889
2012	\$ 22,581,511	\$ 0	\$ 0	\$ 683,133	\$ 1,419,818	\$ 271,420	\$ 547,000	\$ 11,874,105	\$ 57,692	\$ 2,915,302	\$ 7,775,402	\$ 48,125,383	4.61%	\$ 984
2011	\$ 25,114,131	\$ 0	\$ 0	\$ 786,155	\$ 1,503,337	\$ 286,628	\$ 665,000	\$ 12,612,758	\$ 108,395	\$ 3,184,851	\$ 8,134,229	\$ 52,395,484	5.02%	\$ 1,071
2010	\$ 23,114,489	\$ 0	\$ 0	\$ 995,000	\$ 1,586,856	\$ 473,890	\$ 995,000	\$ 5,945,106	\$ 246,279	\$ 4,790,889	\$ 7,372,374	\$ 45,519,883	4.36%	\$ 930
2009	\$ 25,667,580	\$ 0	\$ 0	\$ 1,080,000	\$ 1,670,375	\$ 653,131	\$ 1,120,000	\$ 6,537,151	\$ 357,699	\$ 6,779,135	\$ 5,971,616	\$ 49,836,687	4.81%	\$ 945
2008	\$ 28,354,079	\$ 0	\$ 0	\$ 1,160,000	\$ 1,652,108	\$ 1,085,075	\$ 1,235,000	\$ 6,962,444	\$ 449,192	\$ 8,620,444	\$ 6,079,837	\$ 55,598,179	5.36%	\$ 1,055

(1) Amounts include associated premiums

Note: Population and Personal Income data are presented on Demographic and Economic Statistics



City of Euclid, Ohio

*Ratio of Net General Bonded Debt to Assessed
Value and Net Bonded Debt Per Capita
Last Ten Years*

Table 11

<u>Year</u>	<u>Population (1)</u>	<u>Estimated Actual Value of Taxable Property (2)</u>	<u>Net Bonded Debt (3)</u>	<u>Ratio of Net Bonded Debt to Estimated Actual Value of Taxable Property</u>	<u>Net Bonded Debt Per Capita</u>
2017	48,920	\$ 1,559,580,047	\$21,314,467	1.37 %	\$ 436
2016	48,920	\$ 1,557,032,377	\$23,615,813	1.52 %	\$ 483
2015	48,920	\$ 1,624,768,357	\$25,184,675	1.55 %	\$ 515
2014	48,920	\$ 1,643,865,527	\$33,382,346	2.03 %	\$ 682
2013	48,920	\$ 1,647,982,707	\$31,074,343	1.89 %	\$ 635
2012	48,920	\$ 2,082,995,447	\$34,455,616	1.65 %	\$ 704
2011	48,920	\$ 2,106,996,269	\$34,936,226	1.66 %	\$ 714
2010	48,920	\$ 2,116,829,351	\$25,814,059	1.22 %	\$ 528
2009	52,717	\$ 2,431,714,643	\$28,608,582	1.18 %	\$ 543
2008	52,717	\$ 2,751,264,875	\$31,720,374	1.15 %	\$ 602

Sources:

(1) Source: U. S. Census

(a) Years 2008 and 2009 - 2000 Federal Census

(b) Years 2010 through 2017 - 2010 Federal Census

(2) Cuyahoga County Fiscal Officer

(3) Includes all general obligation bonded debt with the exception of Special Assessment debt minus the debt service fund balance available to pay the general obligation debt.

City of Euclid, Ohio

Computation of Direct and Overlapping Governmental Activities Debt

December 31, 2017

Table 12

Jurisdiction	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City
Direct - City of Euclid (2)			
General Obligation Bonds, net	\$ 11,825,809	100.00%	\$ 11,825,809
Long-term Notes Payable, net	2,004,942	100.00%	2,004,942
Special Obligation Bonds, net	6,899,000	100.00%	6,899,000
Special Assessment Bonds, net	131,287	100.00%	131,287
OPWC Loans	1,002,223	100.00%	1,002,223
Capital Leases	1,416,259	100.00%	1,416,259
Total Direct Debt	<u>23,279,520</u>		<u>23,279,520</u>
Overlapping			
Euclid City School District	131,534,690	100.00%	131,534,690
Cuyahoga County	207,485,000	1.99%	4,133,907
Regional Transit Authority	1,995,000	1.99%	39,748
Total Overlapping Debt	<u>341,014,690</u>		<u>51,749,714</u>
Total	<u>\$ 364,294,210</u>		<u>\$ 75,317,943</u>

Source: Cuyahoga County Fiscal Officer

(1) Percentages were determined by dividing each overlapping subdivision's assessed valuation within the City by its total assessed valuation.

(2) Amounts include associated premiums

City of Euclid, Ohio

Legal Debt Margin

Last Ten Years

	2017	2016	2015	2014	2013
Total Assessed Property Value	<u>\$ 559,010,670</u>	<u>\$ 557,393,500</u>	<u>\$ 580,765,910</u>	<u>\$ 586,839,480</u>	<u>\$ 587,254,750</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	58,696,120	58,526,318	60,980,421	61,618,145	61,661,749
Debt Outstanding:					
General Obligation Bonds	\$ 11,825,809	\$ 13,646,915	\$ 15,757,778	\$ 17,754,494	\$ 20,245,532
General Obligation Bonds - Enterprise	7,483,716	8,463,935	9,426,897	10,351,004	11,249,954
Income Tax Special Obligation Bonds	6,899,000	6,949,000	6,999,000	0	0
Special Assessment Bonds	131,287	262,575	398,863	530,151	661,439
Notes	2,004,942	1,504,963	0	5,276,848	5,278,176
Notes - Enterprise	0	0	0	0	0
OPWC Loans	1,002,223	1,085,742	1,169,261	1,252,780	1,336,299
OPWC Loans - Enterprise	7,934,339	8,340,564	8,515,622	7,171,677	7,177,596
OWDA Loans - Enterprise	75,476,173	47,995,724	18,253,817	4,726,790	2,523,453
Industrial Development Revenue Bonds	0	0	185,000	360,000	530,000
Total Gross Indebtedness	<u>112,757,489</u>	<u>88,249,418</u>	<u>60,706,238</u>	<u>47,423,744</u>	<u>49,002,449</u>
Less:					
General Obligation Bonds - Enterprise	(7,483,716)	(8,463,935)	(9,426,897)	(10,351,004)	(11,249,954)
Income Tax Special Obligation Bonds	(6,899,000)	(6,949,000)	(6,999,000)	0	0
Special Assessment Bonds	(131,287)	(262,575)	(398,863)	(530,151)	(661,439)
Notes	0	0	0	0	0
Notes - Enterprise	0	0	0	0	0
OPWC Loans	(1,002,223)	(1,085,742)	(1,169,261)	(1,252,780)	(1,336,299)
OPWC Loans - Enterprise	(7,934,339)	(8,340,564)	(8,515,622)	(7,171,677)	(7,177,596)
OWDA Loans	(75,476,173)	(47,995,724)	(18,253,817)	(4,726,790)	(2,523,453)
Industrial Development Revenue Bonds	0	0	(185,000)	(360,000)	(530,000)
General Obligation Bond Retirement Fund Balance	0	0	0	0	0
Total Net Debt Applicable to Debt Limit	<u>13,830,751</u>	<u>15,151,878</u>	<u>15,757,778</u>	<u>23,031,342</u>	<u>25,523,708</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$ 44,865,369</u>	<u>\$ 43,374,440</u>	<u>\$ 45,222,643</u>	<u>\$ 38,586,803</u>	<u>\$ 36,138,041</u>
Legal Debt Margin as a Percentage of the Debt Limit	76.44%	74.11%	74.16%	62.62%	58.61%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$ 30,745,587</u>	<u>\$ 30,656,643</u>	<u>\$ 31,942,125</u>	<u>\$ 32,276,171</u>	<u>\$ 32,299,011</u>
Total Gross Indebtedness	\$ 112,757,489	\$ 88,249,418	\$ 60,706,238	\$ 47,423,744	\$ 49,002,449
Less:					
General Obligation Bonds - Enterprise	(7,483,716)	(8,463,935)	(9,426,897)	(10,351,004)	(11,249,954)
Income Tax Special Obligation Bonds	(6,899,000)	(6,949,000)	(6,999,000)	0	0
Special Assessment Bonds	(131,287)	(262,575)	(398,863)	(530,151)	(661,439)
Notes	0	0	0	0	0
Notes - Enterprise	0	0	0	0	0
OPWC Loans	(1,002,223)	(1,085,742)	(1,169,261)	(1,252,780)	(1,336,299)
OPWC Loans - Enterprise	(7,934,339)	(8,340,564)	(8,515,622)	(7,171,677)	(7,177,596)
OWDA Loans	(75,476,173)	(47,995,724)	(18,253,817)	(4,726,790)	(2,523,453)
Industrial Development Revenue Bonds	0	0	(185,000)	(360,000)	(530,000)
General Obligation Bond Retirement Fund Balance	0	0	0	0	0
Net Debt Within 5 ½ % Limitations	<u>13,830,751</u>	<u>15,151,878</u>	<u>15,757,778</u>	<u>23,031,342</u>	<u>25,523,708</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$ 16,914,836</u>	<u>\$ 15,504,765</u>	<u>\$ 16,184,347</u>	<u>\$ 9,244,829</u>	<u>\$ 6,775,303</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	55.02%	50.58%	50.67%	28.64%	20.98%

Source: City Financial Records

Table 13

2012	2011	2010	2009	2008
<u>\$ 738,711,240</u>	<u>\$ 746,769,750</u>	<u>\$ 749,989,650</u>	<u>\$ 837,916,020</u>	<u>\$ 904,734,233</u>
77,564,680	78,410,824	78,748,913	87,981,182	94,997,094
\$ 22,890,262	\$ 25,114,131	\$ 23,114,489	\$ 25,481,000	\$ 28,160,000
12,051,810	12,612,758	5,945,106	6,454,000	6,870,000
0	0	0	0	0
792,727	786,155	995,000	1,080,000	1,160,000
5,276,969	3,432,049	4,290,000	2,340,000	0
0	0	7,040,000	7,040,000	5,600,000
1,419,818	1,503,337	1,586,856	1,670,375	1,652,108
7,775,402	8,134,229	7,372,374	5,971,616	6,079,837
2,915,302	3,184,851	4,790,889	6,779,135	8,620,444
695,000	665,000	995,000	1,120,000	1,235,000
53,817,290	55,432,510	56,129,714	57,936,126	59,377,389
(12,051,810)	(12,612,758)	(5,945,106)	(6,454,000)	(6,870,000)
0	0	0	0	0
(792,727)	(786,155)	(995,000)	(1,080,000)	(1,160,000)
0	0	(4,290,000)	(2,340,000)	0
0	0	(7,040,000)	(7,040,000)	(5,600,000)
(1,419,818)	(1,503,337)	(1,586,856)	(1,670,375)	(1,652,108)
(7,775,402)	(8,134,229)	(7,372,374)	(5,971,616)	(6,079,837)
(2,915,302)	(3,184,851)	(4,790,889)	(6,779,135)	(8,620,444)
(695,000)	(665,000)	(995,000)	(1,120,000)	(1,235,000)
0	(2,790,663)	(3,245,536)	(3,596,149)	(3,596,149)
28,167,231	25,755,517	19,868,953	21,884,851	24,563,851
<u>\$ 49,397,449</u>	<u>\$ 52,655,307</u>	<u>\$ 58,879,960</u>	<u>\$ 66,096,331</u>	<u>\$ 70,433,243</u>
63.69%	67.15%	74.77%	75.13%	74.14%
\$ 40,629,118	\$ 41,072,336	\$ 41,249,431	\$ 46,085,381	\$ 49,760,383
\$ 53,817,290	\$ 55,432,510	\$ 56,129,714	\$ 57,936,126	\$ 59,377,389
(12,051,810)	(12,612,758)	(5,945,106)	(6,454,000)	(6,870,000)
0	0	0	0	0
(792,727)	(786,155)	(995,000)	(1,080,000)	(1,160,000)
0	0	(4,290,000)	(2,340,000)	0
0	0	(7,040,000)	(7,040,000)	(5,600,000)
(1,419,818)	(1,503,337)	(1,586,856)	(1,670,375)	(1,652,108)
(7,775,402)	(8,134,229)	(7,372,374)	(5,971,616)	(6,079,837)
(2,915,302)	(3,184,851)	(4,790,889)	(6,779,135)	(8,620,444)
(695,000)	(665,000)	(995,000)	(1,120,000)	(1,235,000)
0	(2,790,663)	(3,245,536)	(3,596,149)	(3,596,149)
28,167,231	25,755,517	19,868,953	21,884,851	24,563,851
<u>\$ 12,461,887</u>	<u>\$ 15,316,819</u>	<u>\$ 21,380,478</u>	<u>\$ 24,200,530</u>	<u>\$ 25,196,532</u>
30.67%	37.29%	51.83%	52.51%	50.64%

City of Euclid, Ohio

Pledged Revenue Coverage

Industrial Development Revenue Bonds – General Fund

Last Ten Years

Table 14

Year (2)	Net Revenues (1)	Net Revenue Available for Debt Service	Debt Service			Coverage
			Principal	Interest	Total	
2017	\$ 109,336	\$ 109,336	\$ -	\$ -	\$ -	0.00
2016	\$ 109,336	\$ 109,336	\$ 185,000	\$ 8,048	\$ 193,048	0.57
2015	\$ 109,336	\$ 109,336	\$ 175,000	\$ 15,660	\$ 190,660	0.57
2014	\$ 109,336	\$ 109,336	\$ 170,000	\$ 23,055	\$ 193,055	0.57
2013	\$ 109,336	\$ 109,336	\$ 165,000	\$ 30,233	\$ 195,233	0.56
2012	\$ 109,336	\$ 109,336	\$ 155,000	\$ 36,975	\$ 191,975	0.57
2011	\$ 109,336	\$ 109,336	\$ 165,000	\$ 33,114	\$ 198,114	0.55
2010	\$ 109,336	\$ 109,336	\$ 125,000	\$ 92,400	\$ 217,400	0.50
2009	\$ 109,336	\$ 109,336	\$ 115,000	\$ 101,888	\$ 216,888	0.50
2008	\$ 109,336	\$ 109,336	\$ 105,000	\$ 110,550	\$ 215,550	0.51

(1) Net revenues include principal and interest received from repayment of loan from Lincoln Electric Company

(2) The revenue bond was paid in full as of December 31, 2016.

City of Euclid, Ohio

Principal Employers

2017 and 2008

Table 15

2017		
Employer	Number of W-2 Issued	Percentage of Total City Employment
Lincoln Electric	2,448	10.56%
Cleveland Clinic	1,448	6.24%
Euclid Board of Education	1,000	4.31%
City of Euclid	523	2.26%
Cuyahoga County	506	2.18%
Hose Masters	479	2.07%
Eaton Industrial Corporation	422	1.82%
Babcock & Wilcox Nuclear Operations	354	1.53%
University Hospital Health System	278	1.20%
HC Starck Incorporated	131	0.56%
Total	7,589	32.73%
Total Estimated Employment within the City	<u>23,187</u>	

2008		
Employer	Number of W-2 Issued	Percentage of Total City Employment
Lincoln Electric	2,663	10.86%
Cleveland Clinic	1,454	5.93%
Euclid Board of Education	1,417	5.78%
City of Euclid	712	2.90%
Cuyahoga County	595	2.43%
University Hospitals Health System	521	2.12%
Argo Tech Corporation	448	1.83%
HC Starck Inc.	339	1.38%
Hose Masters	321	1.31%
Nuclear Operations Division	224	0.91%
Total	8,694	35.45%
Total Estimated Employment within the City	<u>24,525</u>	

Source: City Income Tax Department

City of Euclid, Ohio

Demographic and Economic Statistics

Last Ten Years

Table 16

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)	Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Cuyahoga County Unemployment Rate (3)	Average Sales Price of Residential Property (4)	Total Assessed Property Value (4)
2017	48,920	\$1,043,365,760	\$ 21,328	\$ 36,263	41	19.6%	5,218	5.9%	\$ 72,854	\$ 559,010,670
2016	48,920	\$1,043,365,760	\$ 21,328	\$ 36,263	41	19.6%	5,341	5.4%	\$ 63,072	\$ 557,393,500
2015	48,920	\$1,043,365,760	\$ 21,328	\$ 36,263	41	19.6%	5,382	4.0%	\$ 57,125	\$ 580,765,910
2014	48,920	\$1,043,365,760	\$ 21,328	\$ 36,263	41	19.6%	5,277	5.3%	\$ 51,752	\$ 586,839,480
2013	48,920	\$1,043,365,760	\$ 21,328	\$ 36,263	41	19.6%	5,381	7.2%	\$ 56,716	\$ 587,254,750
2012	48,920	\$1,043,365,760	\$ 21,328	\$ 36,263	41	19.6%	5,580	6.6%	\$ 54,872	\$ 738,711,240
2011	48,920	\$1,043,365,760	\$ 21,328	\$ 36,263	41	19.6%	5,793	7.1%	\$ 50,265	\$ 746,769,750
2010	48,920	\$1,043,365,760	\$ 21,328	\$ 36,263	41	19.6%	6,168	9.5%	\$ 71,632	\$ 749,989,650
2009	52,717	\$1,036,627,088	\$ 19,664	\$ 35,151	38.9	19.6%	6,040	9.0%	\$ 69,136	\$ 837,916,020
2008	52,717	\$1,036,627,088	\$ 19,664	\$ 35,151	38.9	19.6%	6,042	7.1%	\$ 81,777	\$ 904,734,233

(1) Source: U. S. Census

(a) Years 2008 and 2009 - 2000 Federal Census

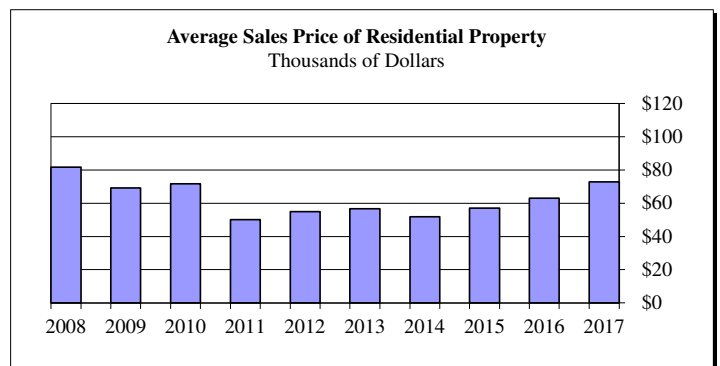
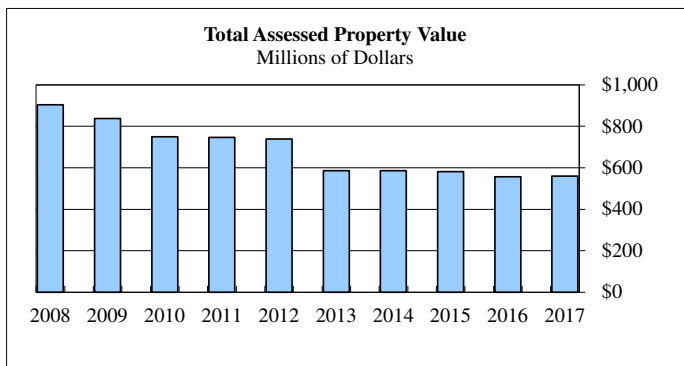
(b) Years 2010 through 2017 - 2010 Federal Census

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

(3) Source: County Planning Commission

(4) Source: County Auditor

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



City of Euclid, Ohio

Full-Time Equivalent City Employees by Function/Program

Last Ten Years

Table 17

<u>Function/Program</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
General Government										
Council	10	10	10	11	11	10	10	10	11	11
Finance	7	9	9	9	11	11	12	14	15	16
Tax	5	6	5	8	8	8	8	8	10	10
Mayor	22	22	24	24	24	22	22	22	22	24
Law	8	6	6	7	10	9	11	11	10	9
Municipal Court	25	23	26	25	28	27	26	28	28	26
Public Service Administration	6	4	5	4	3	4	5	6	7	6
Engineer	0	2	1	3	7	6	6	6	2	3
Public Building	7	7	7	8	8	8	8	8	10	10
Security of Persons and Property										
Police	92	91	93	91	93	92	93	97	96	99
Police - Administration	12	12	12	12	11	11	11	11	11	9
Police - Records Room	6	5	5	6	4	5	5	6	6	6
Police - School Guards	10	10	9	10	11	11	11	11	11	10
Police - Communications	0	0	0	18	18	18	17	16	16	17
Police - Corrections	0	0	0	0	13	29	28	28	28	38
Police - Animal Control	2	2	1	1	1	2	2	2	2	3
Fire	80	81	83	77	76	80	81	79	79	82
Fire - Administration	2	2	2	2	0	0	0	0	0	0
Leisure Time Activities										
Recreation - Administration	4	4	4	4	5	4	4	4	4	5
Parks & Rec Maintenance	14	13	13	13	12	12	12	13	14	15
Recreation - Programs	53	60	67	59	56	56	56	75	75	75
Shore Cultural Center	0	0	0	0	0	0	0	0	0	4
Golf Course	0	0	0	0	0	0	0	0	27	34
Community Development										
Economic Development	6	6	5	6	7	6	7	6	6	8
Building	0	0	2	2	2	3	4	4	5	4
Housing	13	11	12	10	10	11	11	10	12	13
Weatherization	1	2	3	4	5	4	4	5	5	6
Senior Programs	10	8	10	10	11	12	11	8	15	23
Transportation										
Motor Maintenance	8	8	8	9	9	8	8	8	12	12
Traffic Maintenance	0	1	1	1	1	1	1	0	4	4
Street M&R	24	25	25	24	25	25	25	26	29	27
Basic Utility Services										
Wastewater	35	37	39	36	43	43	42	43	43	43
Totals:	<u>462</u>	<u>467</u>	<u>487</u>	<u>494</u>	<u>523</u>	<u>538</u>	<u>541</u>	<u>565</u>	<u>615</u>	<u>652</u>

Source: Annual Operating Budget - Employee Count (Appendix A)

City of Euclid, Ohio

Operating Indicators by Function/Program

Last Ten Years

Table 18

Function/Program	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Government										
<i>Council and Clerk</i>										
Number of Ordinances & Resolutions Passed	150	150	170	141	150	198	183	178	218	250
<i>Finance Department</i>										
Number of checks/ vouchers issued	3,904	6,995	3,840	4,046	4,123	4,312	4,785	4,781	6,492	6,966
Amount of checks written	\$ 24,367,940	\$ 24,941,887	\$ 24,752,868	\$ 16,794,496	\$ 16,606,930	\$ 16,785,380	\$ 19,158,227	\$ 22,146,777	\$ 21,145,225	\$ 21,301,660
Interest earnings for fiscal year (cash basis)	\$ 321,554	\$ 222,218	\$ 148,230	\$ 84,071	\$ 97,847	\$ 91,462	\$ 114,879	\$ 261,703	\$ 578,273	\$ 970,513
Agency Ratings - Moody's Financial Services	A2	A2	Aa2	Aa2	Aa2	Aa2	A1	A1	A1	A1
Health Insurance Costs vs General Fund Expenditures %	11.13%	11.71%	16.03%	12.49%	13.68%	12.45%	11.90%	11.96%	9.89%	8.96%
General Fund Receipts (cash basis)	\$ 38,541,284	\$ 38,878,016	\$ 37,928,351	\$ 37,286,945	\$ 37,981,989	\$ 39,828,625	\$ 38,435,617	\$ 37,792,896	\$ 36,206,654	\$ 38,721,325
General Fund Expenditures (cash basis)	\$ 37,983,039	\$ 38,399,647	\$ 36,909,912	\$ 39,097,396	\$ 37,912,194	\$ 38,430,772	\$ 38,582,867	\$ 36,685,422	\$ 38,143,278	\$ 39,123,349
General Fund Cash Balances	\$ 3,809,240	\$ 3,454,978	\$ 3,324,922	\$ 2,306,483	\$ 4,116,934	\$ 4,047,139	\$ 2,591,536	\$ 2,796,536	\$ 1,689,062	\$ 3,625,687
<i>Income Tax Department</i>										
Number of Individual Returns	25,777	26,443	29,184	36,866	29,203	25,844	25,125	24,552	25,487	32,180
Number of Business Returns	2,960	3,148	3,351	3,414	4,362	3,214	3,168	2,950	2,958	2,928
Number of Business Withholding Accounts	3,791	3,773	3,773	3,514	3,800	3,050	3,022	2,979	3,043	3,050
Amount of Penalties and Interest Collected	\$ 679,049	\$ 597,022	\$ 600,040	\$ 605,852	\$ 535,721	\$ 595,147	\$ 625,900	\$ 586,113	\$ 501,077	\$ 658,185
Annual number of Corporate withholding forms processed	20,129	19,270	17,784	17,016	14,759	16,193	16,720	17,045	17,746	18,434
Annual number of balance due statements forms processed	18,206	20,745	22,695	27,357	22,180	21,563	10,926	7,471	6,484	7,779
Annual number of estimated payment forms processed	15,642	12,923	17,293	15,049	19,331	21,818	22,123	12,844	14,883	15,916
Annual number of reconciliations of withholdings processed	2,341	2,314	2,245	2,247	2,281	2,205	2,391	2,188	3,112	2,230
<i>Municipal Court</i>										
Number of Civil Cases	4,184	4,369	3,454	3,853	3,975	4,009	3,671	3,614	4,234	4,937
Number of Traffic/Criminal cases	4,782	5,474	5,474	7,592	7,862	7,643	6,720	7,430	7,510	8,718
<i>Vital Statistics</i>										
<i>Certificates Filed</i>										
Number of Births	3	0	1	5	5	2	0	4	2	1
Number of Deaths	374	378	404	423	414	368	366	404	430	491
<i>Certificates Issued</i>										
Number of Births	3,803	2,743	2,500	1,969	1,782	1,559	1,616	1,482	1,724	1,855
Number of Deaths	1,312	1,262	1,490	1,577	1,477	1,398	1,391	1,703	1,830	2,128
Burial Permits Issued	742	734	775	743	884	763	639	625	675	601
<i>Civil Service</i>										
Number of police entry tests administered	1	0	0	0	1	0	0	1	0	0
Number of fire entry tests administered	1	0	0	0	1	0	0	1	0	0
Number of police promotional tests administered	0	1	0	0	1	0	2	3	0	0
Number of fire promotional tests administered	0	3	0	0	0	4	0	3	0	3
Number of hires of Police Officers from certified lists	1	0	0	8	6	0	6	4	0	0
Number of hires of Fire/Medics from certified lists	0	0	7	7	5	5	10	0	0	0
Number of promotions from police certified lists	4	1	0	10	0	0	18	0	1	0
Number of promotions from fire certified lists	3	2	0	9	0	7	3	3	0	3
Number of Police Lateral Hires	0	4	5	0	1	6	n/a	n/a	n/a	n/a
Number of Fire Lateral Hires	0	2	0	0	0	0	0	0	0	0

(Continued)

City of Euclid, Ohio

Operating Indicators by Function/Program (continued)

Last Ten Years

Table 18

Function/Program	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Government										
<i>Building Department Indicators</i>										
Estimated Value of Construction	\$ 21,719,393	\$ 22,050,010	\$ 21,058,012	\$ 7,816,356	\$ 22,572,868	\$ 14,571,894	\$ 10,879,053	\$ 22,004,556	\$ 17,632,080	\$ 19,829,373
Number of permits issued	5,607	6,683	3,066	3,419	2,909	3,667	2,978	2,504	2,964	2,430
Amount of Revenue generated from permits	\$ 430,688	\$ 523,049	\$ 449,442	\$ 418,511	\$ 430,184	\$ 421,875	\$ 1,271,562	\$ 325,992	\$ 231,664	\$ 221,555
Number of contractor registrations issued	695	918	927	875	3,863	1,056	989	794	969	919
<i>Housing Department Indicators</i>										
Total dwelling / housing units	26,005	26,020	26,050	26,053	26,111	26,153	26,181	26,205	26,235	26,235
Number of point of sale inspections	1,062	1,049	1,764	923	937	840	654	748	859	1,218
Number of rental inspections performed	4,691	13,614	13,663	11,779	11,845	11,129	11,126	11,138	10,890	10,435
Revenue generated from Housing Fees	\$ 1,451,281	\$ 1,552,292	\$ 1,072,447	\$ 968,029	\$ 846,802	\$ 799,942	\$ 729,035	\$ 735,200	\$ 839,055	\$ 876,234
Security of Persons & Property										
<i>Police</i>										
Total Crimes/Offenses	8,906	8,681	9,240*	11,584	11,288	12,594	13,956	18,130	15,592	17,187
Motor Vehicle Accidents	1,502	1,448	1,367	1,229	1,218	1,282	1,269	1,223	1,149	1,315
Fatalities from Motor Vehicle Accidents	7	1	3	2	2	2	3	2	1	3
Number of criminal arrests	2,870	2,375	2,514	3,017	2,874	3,249	2,665	2,988	2,654	3,201
Number of traffic citations issued	5,228	9,724	8,756	11,678	10,785	11,080	8,983	10,712	12,373	12,023
Number of parking citations issued	4,505	5,278	4,183	4,983	2,511	2,686	3,389	3,208	3,596	5,133
Narcotics & Vice Criminal Charges	2037	2166		1,295	2,043	2,060	1,457	1,760	1,798	2,524
Warrants Processed	3,112	3,682	3,169**	4,256	3,953	2,466	2,390	1,926	2,669	3,351
Emergency Response Team (ERT) calls for service	81	71	40	17	19	14	7	13	29	25
Police Dept. Auxiliary hours worked	1,826.00	1,492.00	1,241.75	1,506.15	1,590.00	2,014.00	2,573.00	1,912.75	2,088.00	2,330.00
Grant Awards	37,407.00	91,736.00	110,832.90	\$ 100,040	\$ 106,584	\$ 548,842	\$ 585,689	\$ 1,807,491	\$ 1,665,907	\$ 296,910
Prisoners (Total Jail Days)	0	0	0	699	10,090	17,390	14,482	20,957	19,166	30,364
Prisoner revenue	0	0	0	\$ 0	\$ 292,111	\$ 399,663	\$ 385,031	\$ 719,895	\$ 469,059	\$ 678,661
Juvenile Diversion Program - referred	101	72	142	156	243	362	240	264	255	165
Juvenile Diversion Program - accepted	37	39	50	85	118	170	205	114	203	82
<i>Fire</i>										
EMS Calls	9,203	8,687	8,091	7,634	7,164	6,796	6,670	6,208	5,636	5,575
Ambulance Billing Collections (net)	\$ 1,437,590	\$ 1,552,703	\$ 1,541,848	\$ 1,107,475	\$ 1,310,616	\$ 1,475,553	\$ 1,370,438	\$ 1,231,380	\$ 1,228,840	\$ 1,178,278
Fire Calls	1,621	1,620	1,464	1,535	1,262	1,389	1,212	1,225	1,152	1,403
Fire Losses	\$ 1,837,000	\$ 1,368,700	\$ 867,217	\$ 1,698,670	\$ 1,427,400	\$ 1,756,825	\$ 3,409,405	\$ 1,256,000	\$ 380,450	\$ 1,585,500
Fire Safety Company Inspections	0	1,063	1,154	1,167	1,060	1,650	1,452	1,460	1,462	1,355
Fire Prevention Bureau Inspections	1,807	438	589	693	1,455	2,850	2,691	2,704	2,978	2,614
EMS Training (Man Hours)	973.00	753.00	826.00	1,920.00	1,920.00	1,500.00	1,450.00	1,255.00	1,452.75	1,334.50
Fire Training (Man Hours)	8,900.00	1,407.00	1,321.00	10,573.00	3,556.00	7,215.00	6,223.00	6,381.00	7,001.25	8,591.00
Public Health and Welfare										
Cemetery burials	0	2	0	0	3	2	5	1	3	1
Cemetery cremations	0	0	0	0	2	2	2	3	2	4
Cemetery sale of lots	0	0	0	0	0	0	0	0	0	0
Cemetery receipts	\$ 0	\$ 400	\$ 0	\$ 0	\$ 1,300	\$ 875	\$ 2,475	\$ 600	\$ 1,000	\$ 1,000

(Continued)

City of Euclid, Ohio

Operating Indicators by Function/Program (continued)

Last Ten Years

Table 18

Function/Program	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Leisure Time Activities										
<i>Recreation</i>										
Swimming pool receipts	\$ 47,887	\$ 44,538	\$ 55,748	\$ 62,021	\$ 82,524	\$ 85,166	\$ 91,655	\$ 96,334	\$ 98,348	\$ 98,716
Ice Arena receipts	\$ 140,653	\$ 118,908	\$ 95,140	\$ 130,171	\$ 129,006	\$ 124,809	\$ 141,293	\$ 115,074	\$ 141,666	\$ 178,106
Youth & Adult Sports receipts	\$ 90,824	\$ 101,952	\$ 110,187	\$ 123,931	\$ 146,593	\$ 142,412	\$ 159,667	\$ 177,020	\$ 179,836	\$ 210,318
Shore Cultural Facility rentals	\$ 393,120	\$ 300,345	\$ 293,480	\$ 285,183	\$ 254,085	\$ 306,324	\$ 360,401	\$ 290,623	\$ 117,887	\$ 211,921
<i>Golf</i>										
Rounds of Golf	28,679	29,345	31,943	28,800	30,800	38,691	31,169	31,856	35,118	40,486
Golf/Pro-shop receipts	\$ 545,650	\$ 572,534	\$ 619,465	\$ 584,158	\$ 642,322	\$ 701,977	\$ 569,643	\$ 601,983	\$ 623,533	\$ 679,953
Food & Beverage receipts	\$ 287,711	\$ 270,879	\$ 298,896	\$ 214,110	\$ 334,121	\$ 348,439	\$ 295,821	\$ 244,397	\$ 318,844	\$ 359,389
Community Development										
Grant amounts received due to Economic Development Dept.	\$ 2,463,099	\$ 3,972,381	\$ 7,428,017	\$ 1,617,312	\$ 1,850,449	\$ 1,260,262	\$ 2,292,241	\$ 3,157,430	\$ 1,245,302	\$ 1,244,705
Transportation										
Motor Maintenance - Number of vehicles & equip. maintained	495	485	499	509	499	493	512	542	544	513
Motor Maintenance - Repair Orders	1,519	1,416	1,459	1,462	2,026	1,277	1,777	1,905	2,151	2,332
Traffic Maintenance - No. of responses to EPD Signals/Signs	300.00	271.00	124.00	398.00	150.00	105.00	N/A	N/A	N/A	239.00
Snow & Ice Removal - Salt (tons)	5,552.76	4,533.58	6,306.74	5,642.00	7,259.00	\$ 4,451	4,483.51	6,763.83	5,261.25	\$ 9,572
Snow & Ice Removal - Salt (cost)	\$ 308,001	\$ 296,021	\$ 413,185	\$ 330,000	\$ 366,548	\$ 210,164.00	\$ 202,215	\$ 311,652	\$ 221,330	\$ 354,225.00
Street Repair Maintenance - Cold Patch (tons)	210.85	120.45	246.15	310.89	184.00	182.00	357.20	291.27	296.97	\$ 577
Street Repair Maintenance - Cold Patch (cost)	\$ 19,407	\$ 12,045	\$ 24,306	\$ 31,089	\$ 15,917	15,295.00	\$ 30,716	\$ 25,807	\$ 29,714	\$ 43,432.00
Street Repair Maintenance - Hot Mix (tons)	673.01	549.00	661.71	719.18	715.00	\$ 744	468.46	904.07	741.38	\$ 657
Street Repair Maintenance - Hot Mix (cost)	\$ 40,381	\$ 34,707	\$ 43,009	\$ 45,308	\$ 42,171	42,400	\$ 26,307	\$ 49,451	\$ 41,493	\$ 29,550
Street Repair Maintenance - Emulsion/Crack Sealer (gallons)	857	214	317	504	1,945	\$ 1,018	909	1,898	1,766	\$ 1,815
Street Repair Maintenance - Emulsion/Crack Sealer (cost)	\$ 4,320	\$ 1,114	\$ 729	\$ 1,159	\$ 4,863	2,545	\$ 2,518	\$ 5,542	\$ 4,681	\$ 3,936
Sewer Jet Cleaning - Sanitary Sewers (feet)	59,465	81,968	51,509	91,220	118,082	121,878	172,530	250,510	193,475	213,225
Sewer Jet Cleaning - Storm Sewers (feet)	39,279	53,207	0	0	0	0	2,000	20,390	2,100	5,225
Sewer Repairs (includes Water Department damage)	53	51	42	40	39	33	36	47	76	71
House Call Sewer Jobs/Residential & Business	1,254	1,194	1,163	1,154	1,361	1,006	1,431	1,058	1,185	1,139
Catch Basin Repairs	49	63	67	30	23	42	62	49	55	66
Catch Basin Cleaning	318	897	531	467	409	488	576	1,134	1,194	849
Man Hole Repairs	23	5	8	8	6	4	20	20	23	13
Sidewalk Repairs	7	21	10	7	11	10	16	14	16	9
Curb & Apron Repairs	29	47	37	39	53	88	40	52	80	31
Leaf Collection - Number of Loads	944	633	871	891	784	815	845	754	750	691
Street Sweeping - Number of Loads (dirt & debris)	390	275	303	434	352	401	248	381	386	471
Street Sweeping - Number of times whole city sweep	4	3	3	3	4	4	3	3	4	8
Water Hole Maintenance - New Water Openings	176	229	170	287	171	197	259	213	250	264
Water Hole Maintenance - Completed (cemented/asphalted)	207	201	185	234	250	314	265	326	288	265
Water Hole Maintenance - Total not completed	31	78	60	90	40	130	361	363	538	493
Fire Hydrants Painted	0	0	0	0	0	0	0	0	0	2,034

(Continued)

City of Euclid, Ohio

Operating Indicators by Function/Program (continued)

Last Ten Years

Table 18

Function/Program	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Wastewater Department										
Wastewater Rates for Water Consumption Based Customers (per 1000 MCF)										
Euclid	\$ 62.24	\$ 58.76	\$ 56.23	\$ 56.23	\$ 52.20	\$ 48.17	\$ 35.17	\$ 33.01	\$ 31.01	\$ 29.01
Cuyahoga County (So.Euclid, Highland Hts, Richmond Hts)	39.25	36.19	35.19	35.19	34.19	33.49	29.21	29.05	29.05	29.05
Willoughby Hills	35.45	32.38	31.38	31.38	30.38	30.38	24.16	24.16	24.16	24.16
Waste Water Flow MGD (Million Gallons per Day)										
Euclid	\$ 12.73	\$ 12.18	\$ 13.02	\$ 14.46	\$ 13.88	\$ 12.86	\$ 15.50	\$ 11.70	\$ 10.59	\$ 13.80
Wickliffe	2.34	2.11	2.20	2.35	2.46	2.36	2.93	1.93	1.92	2.14
Willowick	1.73	1.67	1.73	1.75	1.82	1.72	2.25	1.70	1.88	2.08
Total	16.80	15.96	16.95	18.56	18.16	16.94	20.68	15.33	14.39	18.02
Water Line Construction Fund										
Euclid (charges included with wastewater billing) (per 1000 MCF)	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 9.00	\$ 9.00	\$ 9.00	\$ 8.00
Wastewater Rates										
Wickliffe & Willowick (master metered per 1,000 GA)										
Operating, Maintenance & Repairs	\$ 1.72	\$ 1.72	\$ 1.71	\$ 1.71	\$ 1.70	\$ 1.70	\$ 1.39	\$ 1.39	\$ 1.39	\$ 1.39
Capital Costs	0.53	0.39	0.39	0.39	0.39	0.39	0.28	0.28	0.28	0.28
Lakeshore Trunk Sewer Line maintenance	0.00	0.00	0.00	0.00	0.00	0.00	0.06	0.06	0.06	0.06
Total	2.25	2.11	2.10	2.10	2.09	2.09	1.73	1.73	1.73	1.73
Willoughby Hills (per MCF of water consumption)										
Operating, Maintenance & Repairs	\$ 26.60	\$ 26.60	\$ 25.60	\$ 25.60	\$ 24.60	\$ 24.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60
Capital Costs	8.85	5.78	5.78	5.78	5.78	5.78	4.08	4.08	4.08	4.08
Satellite Sewer Discharge Program services	0.00	0.00	0.00	0.00	0.00	0.00	0.48	0.48	0.48	0.48
Total	35.45	32.38	31.38	31.38	30.38	30.38	24.16	24.16	24.16	24.16
Cuyahoga County (So.Euclid, Highland Hts, Richmond Hts)										
Operating, Maintenance & Repairs	\$ 26.60	\$ 26.60	\$ 25.60	\$ 25.60	\$ 24.60	\$ 24.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60
Capital Costs	8.85	5.78	5.78	5.78	5.78	5.78	4.08	4.08	4.08	4.08
Satellite Sewer Discharge Program services	0.00	0.00	0.00	0.00	0.00	0.00	0.48	0.48	0.48	0.48
Equalization under billing (2nd quarter 2000)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Equalization under billing (3rd quarter 2000)	0.00	0.00	0.00	0.00	0.00	0.00	1.94	1.94	1.94	1.94
Meter Reading/Billing Charges (City of Cleveland)	2.30	2.31	2.31	2.31	2.31	1.61	1.61	1.45	1.45	1.45
Administrative Expenses (City of Euclid)	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Total	39.25	36.19	35.19	35.19	34.19	33.49	29.21	29.05	29.05	29.05
Euclid										
Operating, Maintenance & Repairs	\$ 26.60	\$ 26.60	\$ 25.60	\$ 25.60	\$ 24.60	\$ 24.60	\$ 19.60	\$ 19.60	\$ 19.60	\$ 19.60
Capital Costs	13.97	11.18	9.95	9.95	9.41	8.08	4.08	4.08	4.08	4.08
Peterson Construction Fund	19.37	18.67	18.37	18.37	15.88	13.88	9.88	7.88	5.88	3.88
Meter Reading/Billing Charges	2.30	2.31	2.31	2.31	2.31	1.61	1.61	1.61	1.61	1.45
Total	62.24	58.76	56.23	56.23	52.20	48.17	35.17	33.17	31.17	29.01

Source: City Departments
(a) Test not administered
n/a Information not available

City of Euclid, Ohio

Capital Assets Statistics by Function/Program

Last Ten Years

Table 19

Function/Program	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Government										
Square Footage Occupied	11,392	11,392	11,392	11,392	11,392	11,392	11,392	11,392	11,392	11,392
Administrative Vehicles	2	2	2	2	2	2	3	2	1	1
Inspection Vehicles	10	10	10	14	15	14	14	11	12	14
Municipal Court Vehicles	1	1	1	1	1	1	1	1	1	1
Lands & Buildings Vehicles	8	8	8	11	11	12	14	11	11	11
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Mini-stations	2	2	2	2	2	2	2	2	2	2
Square Footage of Buildings	58,384	58,384	58,384	58,384	58,384	58,384	58,384	58,384	58,384	58,384
Vehicles	58	58	62	62	65	64	63	63	64	64
Fire										
Stations	3	3	3	3	3	3	3	3	3	3
Square Footage of Buildings	27,389	27,389	27,389	27,389	27,389	27,389	27,389	27,389	27,389	27,389
Vehicles	20	20	18	19	18	18	18	13	16	18
Recreation										
Number of Parks	6	6	6	6	6	6	6	3	3	3
Acres of Parks	106	106	106	106	106	106	106	106	106	106
Acres of Playgrounds/Recreation	254	254	254	254	254	254	254	254	254	254
Number of Playgrounds	14	14	14	14	14	14	14	14	14	14
Number of Tennis Courts	6	6	6	6	6	6	6	6	6	6
Number of Skateboarding Areas	1	1	1	1	1	1	1	1	1	1
Number of Baseball Diamonds	9	9	9	9	9	9	9	9	9	9
Number of Soccer Fields	7	7	7	7	7	7	7	7	7	7
Number of Swimming Pools	4	4	4	4	4	4	4	5	6	6
Number of Spray Parks	1	1	1	1	1	0	0	0	0	0
Number of Ice Rinks	1	1	1	1	1	1	1	1	1	1
Acres of Golf Course	126	126	126	126	126	126	126	126	126	126
Square Footage of Shore Center Building	153,525	153,525	153,525	153,525	153,525	153,525	153,525	153,525	153,525	153,525
Vehicles	14	14	12	13	17	16	16	n/a	n/a	n/a
Other Public Works										
Streets (miles)	143.065	143.065	143.065	143.065	143.065	143.065	143.065	143.065	143.065	143.065
Service Vehicles	59	59	57	57	57	58	54	43	43	40
Wastewater										
Sanitary Sewers (miles)	262.38	262.38	262.38	262.38	262.38	262.38	262.38	262.38	262.38	262.38
Vehicles	13	13	13	11	10	10	10	11	10	11
Water Department										
Water Lines (miles)	139.65	139.65	139.65	139.65	139.65	139.65	139.65	139.65	139.65	139.65

Source: City Departments

(1) Information prior to 2004 is not available



Dave Yost • Auditor of State

CITY OF EUCLID

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
SEPTEMBER 25, 2018