

**CITY OF LAKEWOOD  
CUYAHOGA COUNTY, OHIO**

**SINGLE AUDIT REPORT**

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

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





# Dave Yost • Auditor of State

Members of City Council  
City of Lakewood  
12650 Detroit Avenue  
Lakewood, Ohio 44107

We have reviewed the *Independent Auditors' Report* of the City of Lakewood, 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 Lakewood is responsible for compliance with these laws and regulations.

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

Dave Yost  
Auditor of State

June 1, 2018

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

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

<b>Federal Grantor/ Pass-Through Grantor/ Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Entity Number</b>	<b>Pass-Through to Subrecipient</b>	<b>Total Federal Expenditures</b>
<b><u>U.S. Department of Housing and Urban Development</u></b>				
<i>Direct Programs</i>				
<u>CDBG-Entitlement Grants Cluster</u>				
Community Development Block Grants/Entitlement Grants	14.218	N/A	\$ 275,282 *	\$ 2,246,439
Total CDBG-Entitlement Grants Cluster			<u>275,282</u>	<u>2,246,439</u>
Emergency Solutions Grant Program	14.231	N/A	0	144,127
<i>Total Direct Programs</i>			<u>275,282</u>	<u>2,390,566</u>
<i>Pass-Through Ohio Department of Development</i>				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	A-Z-08-282-1	0 *	84
<i>Pass-Through Cuyahoga County Housing Consortium</i>				
HOME Investment Partnerships Program Grant	14.239	CE-0400-354-01	0 *	306,963
<i>Total Pass-Through Programs</i>			<u>0</u>	<u>307,047</u>
<b>Total U.S. Department of Housing and Urban Development</b>			<u>275,282</u>	<u>2,697,613</u>
<b><u>U.S. Department of Justice</u></b>				
<i>Direct Program</i>				
JLEO-Joint Law Enforcement Operations - Overtime Reimbursement	16.111	N/A	0	42,608
<b>Total U.S. Department of Justice</b>			<u>0</u>	<u>42,608</u>
<b><u>U.S. Department of Health and Human Services</u></b>				
<i>Pass-Through Western Reserve Area Agency on Aging</i>				
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	N/A	0	62,001
<b>Total U.S. Department of Health and Human Services</b>			<u>0</u>	<u>62,001</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 275,282</u>	<u>\$ 2,802,222</u>

\* Includes program income.

See notes to the Schedule of Expenditures of Federal Awards.

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

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**NOTE 1: BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Lakewood, 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 Lakewood, Ohio, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Lakewood, 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 Lakewood, Ohio, has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**NOTE 4: SUBRECIPIENTS**

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

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

**NOTE 5: MATCHING REQUIREMENTS**

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

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

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NOTE 6: **U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT AND HOME PROGRAM GRANTS**

The City has established a revolving loan program to provide low-interest loans to persons from low to moderate income households to rehabilitate their homes. The U.S. Department of Housing and Urban Development (HUD) grants monies for these loans directly to the City. The initial loan of these monies is recorded as a disbursement on the accompanying Schedule. Loans repaid, including interest, are used to make additional loans. Such subsequent loans are subject to certain compliance requirements imposed by HUD, but are not included as disbursements on this Schedule. These loans are collateralized by mortgages on the property. At December 31, 2017, the gross amount of loans outstanding under this program is \$1,352,443. The Emergency Shelter Grant and the Homelessness Prevention and Rapid Re-Housing Program Grant are directly received by the City. HUD's HOME Program grant is passed through the Cuyahoga County Housing Authority Consortium.

NOTE 7: **FOOD DISTRIBUTION**

The U.S. Department of Health and Human Services allocated \$62,001 to the City for the Congregate Meal Program and the Home Delivered Meal Program, and these funds were passed through the Western Reserve Area Agency on Aging. Meals received from the Western Reserve Area Agency on Aging are valued at \$4.80 for the Congregate Meal Program per meal served and \$4.98 for the Home Delivered Meal Program per meal served. For the year ended December 31, 2017, the City served 248 and 23,543 meals through the City's Office on Aging Congregate Meal Program and Home Delivered Meal Program, respectively.

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

*Certified Public Accountants*

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

*Garfield Hts., Ohio 44125*

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Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

**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 Lakewood  
Lakewood, Ohio

The Honorable Dave Yost  
Auditor of State  
State of Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lakewood, 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 May 9, 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

May 9, 2018

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

*Certified Public Accountants  
5240 East 98<sup>th</sup> Street  
Garfield Hts., Ohio 44125*

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

To the Members of City Council and the Audit  
Committee  
City of Lakewood  
Lakewood, 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 Lakewood, 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 Lakewood 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, 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 May 9, 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

May 9, 2018

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

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**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 Grant Cluster - CFDA #14.218	
2017(viii)	Dollar Threshold: A/B Program	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 LAKEWOOD  
CUYAHOGA COUNTY, OHIO  
SCHEDULE OF PRIOR FINDINGS AND RECOMMENDATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

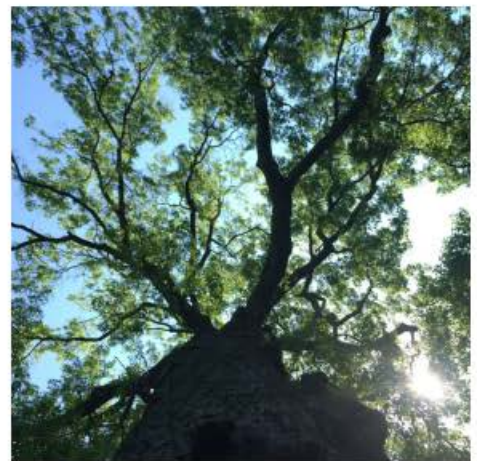
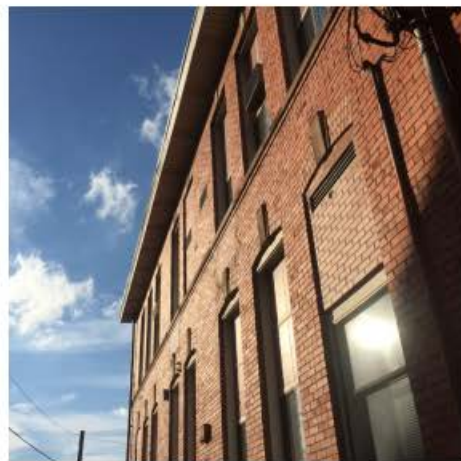
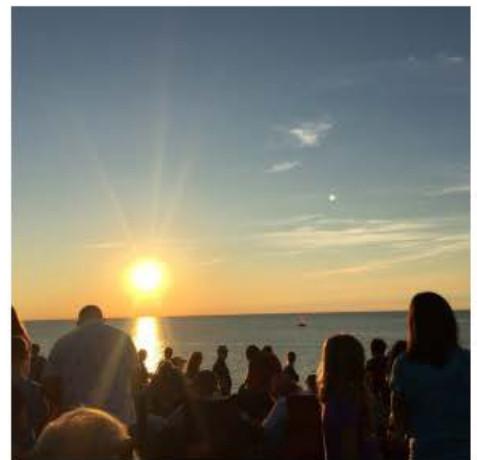
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The prior audit report, as of December 31, 2016, included no citations or instances of noncompliance. Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

City of Lakewood, Ohio

# Comprehensive Annual Financial Report

For the Year Ending December 31, 2017



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# CITY OF LAKEWOOD, OHIO



## COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED

DECEMBER 31, 2017

Issued by:

City of Lakewood  
Department of Finance

Jennifer R. Pae, Finance Director  
Keith D. Schuster, CPA, Assistant Finance Director  
John Hribar, Accounting Manager

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# **INTRODUCTORY SECTION**



**City of Lakewood, Ohio**  
*Comprehensive Annual Financial Report*  
*For the Year Ended December 31, 2017*  
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12650 DETROIT AVENUE • 44107 • 216/529-6092 • FAX 216/529-6806

Jennifer R. Pae  
Director of Finance

May 9, 2018

Dear Members of Council,  
and the Citizens of the City of Lakewood:

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Lakewood (the “City”) for the year ended December 31, 2017.

This report enables the City to comply with Ohio Administrative Code Section 117-2-03(B), which requires reporting on a Generally Accepted Accounting Principles (GAAP) basis; and Ohio Revised Code Section 117.38, which requires cities reporting on a GAAP basis to file unaudited General Purpose External Financial Statements with the Auditor of State within 150 days of the year’s end.

The City—and, more specifically, the Department of Finance—assumes responsibility for the accuracy, completeness, and reliability of presentation based upon a comprehensive framework of internal control that has been established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The independent public accounting firm of James G. Zupka, C.P.A., Inc., has issued an unmodified (“clean”) opinion on the City of Lakewood’s financial statements for the year ended December 31, 2017. The Independent Auditor’s Report is located at the front of the financial section of this report.

The Management’s Discussion and Analysis (MD&A) immediately follows the Independent Auditor’s Report, and provides a narrative introduction, overview, and analysis of the Basic Financial Statements. The MD&A complements this letter of transmittal, which should be read in conjunction with it.

### **City of Lakewood’s Profile**

The City is primarily a residential community covering 5.66 square miles, and is located in on the shores of Lake Erie in Northeast Ohio, about five miles west of downtown Cleveland. The City is home to a population of 52,131 residents according to the 2010 Federal Census. The City enjoys close proximity to major cultural, educational, and medical facilities in Northeast Ohio, as well as ease of access to many interstate highways and Cleveland Hopkins International Airport—which makes it a desirable location for residents and commercial enterprises.

The City was incorporated in 1911. The City operates and is governed by the laws of the State of Ohio, and its own charter that provides for a mayor-council form of government. The City's chief executive and administrative officer is the Mayor, who is elected to a four-year term and serves in a full-time capacity. Legislative authority is vested in a seven member council, which consists of three at-large and four ward representatives. Council members are elected to four-year terms. All members of Council serve in a part-time capacity. The Lakewood Municipal Court provides judicial services for the City.

Established by charter, the municipal government currently consists of seven departments. A director, who is appointed by and reports directly to the Mayor, heads each department. All directors work closely with the Mayor to provide quality services to the citizens of the City.

**The Law Department**, under the direction of the City's Law Director, functions as the attorney for the City and its officials by providing legal advice to the Mayor, City Council, and all departments. The Law Department represents the City in all court proceedings and before any administrative body. The Law Department prepares legislation, contracts, and all legal documents to ensure all business of the City is conducted in a proper and legal manner.

**The Finance Department** performs the following administrative functions: financial reporting, general accounting (including accounts receivable and accounts payable), payroll, purchasing, debt issuance, cash management, risk management, income tax collection, utility billing, and vital statistics.

**The Department of Public Works** is responsible for the administrative control and supervision of eight divisions: Parks and Public Property, Streets and Forestry, Fleet Management, Water and Wastewater Collection, Wastewater Treatment, Refuse and Recycling, Engineering, and Winterhurst Ice Rink.

**The Department of Public Safety** consists of the Division of Police, the Division of Fire and the Division of Housing and Building. The Mayor serves as the ex-officio Director of Public Safety and appoints the chiefs of the Divisions of Police and Fire. The chiefs have exclusive control of assignment of duties and stationing of all other officers and employees of their respective divisions. The Division of Building and Housing is under the Department of Public Safety, but is overseen by the Director of Planning and Development.

**The Department of Planning and Development** coordinates long-range planning, zoning, and economic development for the City as well as administers the Federal Community Development Block Grant Funds awarded to the City by the U.S. Department of Housing and Urban Development. The Department works directly with the Lakewood Planning Commission, the Board of Zoning Appeals, the Board of Building Standards/Architectural Board of Review and Sign Review Board, the Lakewood Heritage Advisory Board, and the Citizens Advisory Committee.

**The Department of Human Services** provides a continuum of responsive programs and services that enhance and promote the health and well-being of individuals, families, and the community. The department is comprised of the Aging, Youth, and Early Childhood divisions.

**The Department of Human Resources** is responsible for recruitment, retention and selection of employees; employee classification and compensation; labor relations; ensuring equal employment opportunity; employee training and development; administering employee benefits; administering the City's worker's compensation program; and human resources management and employee relations.

### **Local Economy**

The City has fared well compared to its peer cities despite a challenging national and regional economy. The City's population density, cost of living and access to regional resources buttress the local economy.

## **Employment**

The City's 2017 unemployment rate held steady at 3.8 percent, compared to the Cuyahoga County rate of 5.6 percent. Throughout the last two years, Cuyahoga County communities have experienced unemployment trends that decreased from the previous year signaling a strengthening and stable economy. Trends continue to suggest that unemployment rates will hold steady in 2018.

## **Retail**

The retail sector nationally continues to see pressure and uncertainty based on shopping and behavioral habits of consumers, specifically related to online retail options. With that in mind, 2017 marked another year during which retailers recognized value in Lakewood's commercial corridors, and this resulted in both openings and major expansions or renovations. A number of notable examples include: Liliana Bridal House, Good Kind Coffee, Rising Star Coffee, Playgrounds Coffee, Rood Food and Pie, Mars Bar, Harlow's Pizza, Blushing Beauty Salon, Prime and Process, Sugar Bar, Window Universe, Art Forum, The Diner on Clifton, Salt Restaurant, Healthmarkets, Molto Bene, Smokin Thyme Kitchen, and Insomnia Cookies. These examples are equally distributed across both Detroit and Madison Avenues, which is a healthy sign of both major commercial districts. Small business owners in the retail industry are still seeing value in Lakewood's 1,200 to 2,400 square foot retail spaces because they are unique, are on walkable corridors, and are affordable. Lakewood's commercial corridors are positioned well to continue to appeal to small business owners and entrepreneurs in the retail space.

## **Commercial Office and Industrial**

One trend the City continues to see is business owners recognizing and acting on the value in commercial real estate along Detroit and Madison Avenues. Two examples are Balance Foot & Ankle Wellness Center, as well as Lakewood Periodontics on Madison Avenue. In 2017, both companies decided to purchase separate commercial properties to run their businesses and to invest in commercial real estate, which is a healthy trend for Lakewood's building stock and local economy.

University Tees and 717 Inc continue to show impressive growth in the former Lake Erie Screw Factory in Birdtown. In 2017 the company began an expansion project to bring on more employees, and plan to show steady growth in the coming years. The company is currently one of the top 20 employers in the city. Growth-in-place of this anchor employer is an effective strategy to directly impact the further long term stability of the neighborhood and Lakewood as a whole.

Two other notable projects include the major renovation of a former funeral home on Detroit Avenue into a commercial office building known as Bratz Manor, and the major renovation of the former Payless Shoes building on Detroit into an Urgent Care and Rebound Physical Therapy. Both projects serve as examples of how creative reuse of existing structures is showing value to small business owners and entrepreneurs.

In 2017, the remainder of the former Hinkley Lighting property completed its multi-million dollar transition into a storage facility for contractors and homeowners.

## **Residential**

Housing is the City's largest economic engine, and that strength comes from a diversity of housing types and styles at price points that meet the needs of most, anywhere in the community. The majority of Lakewood's 13,000 one-and two-family homes were built before the Depression and are of such a quality that they will last for another century if well maintained.

To assist in supporting the next century of housing, the City launched Housing Forward in 2011 to better coordinate proactive code enforcement and residents reinvesting in their homes. Since 2011, the City has completed two city-wide housing surveys to help create strategic focus by identifying properties that need to be brought into housing code compliance. The city will take on its third citywide survey in the fall of 2018, and continue this successful strategy to ensure Lakewood housing and building stock remains in great condition.

The improvements in housing stock are being demonstrated in property value. The City saw an 8% growth in housing value as of the 2015 tri-annual reappraisal—one of only three communities in the County to see such an improvement. The single family home median sale price has increased from \$114,500 in 2011 to \$159,000 in 2017.

In addition to educating property owners on best practices to improve their homes, the City is making significant effort to connect these owners to resources for improvements through the Division of Community Development. In the years from 2014 to 2017, approximately 87 properties were improved using the City's low interest loan and grant programs.

Part of the Housing Forward initiative also includes the City's purchase of dilapidated properties that have a negative impact on neighborhood stability and vibrancy. In 2017, the City broke ground on four new residential homes on lots that were previously dilapidated properties, and looks forward to six additional houses breaking ground in 2018. The strategy remains to take the worst property on the block and make it the best.

In late 2017, Phase 1 of the major renovation of Lakewood Center North office building into market rate apartments was complete. 53 apartments were added to the Downtown District, while Phase 2 remains underway. Once completed, the building will feature around 180 market rate apartments; the top two floors will remain commercial office space for the foreseeable future, and the first floor will remain retail, which is currently occupied by Forage Public House restaurant.

## **Redevelopment**

As a built-out inner ring suburb, the City does not typically have significant acreage to redevelop for new projects. Although, when opportunities arise to reposition key real estate, the community is able to see gains due to strategic partnerships and a clearly articulated Community Vision.

Construction will soon be complete at the Cleveland Clinic Foundation's new Family Health Center and 24/7 Emergency Department. This 60,000 square foot, \$34 million project in the heart of the City's downtown district will be completed in July of 2018 and provide leading edge healthcare services to the community.

The City has identified the best and most qualified developer to reimagine an entire city block at the former hospital site across the street from the new Cleveland Clinic Family Health Center. Carnegie Development Corporation will redevelop the 5.7 acres into a new mixed use development with tens of millions in post construction value. The community planning process will begin in the summer of 2018, and construction is likely to begin on the project in 2019.

Two major redevelopment projects that both nearly came to completion in 2017 include the McKinley Place and Rockport townhome projects. McKinley Place is a new infill neighborhood of 40 residential units on Lakewood's West End, and Rockport includes 51 townhomes on the city's east end. Together, the total market value of both projects represents \$28 million in private investment.

In addition to the investment at Rockport, major commercial investment occurred at 11770 Detroit Avenue where Rebound Physical Therapy and Urgent Care completed a major renovation of the property and opened for business in early 2017.

Another notable example of a commercial redevelopment projects are two commercial buildings at the corner of Elbur and Madison Avenue that have been on the market for nearly 4 years being purchased and currently renovated by a local business owner. George Anthony has purchased two underutilized buildings on Madison and is actively renovating each building and creating fresh new spaces to market to tenants. George has landed an All State agency and a gyro shop in two of the renovated spaces already.

Lastly, two school institutions broke ground on major renovation projects in 2017. Both St Edwards High School and Virginia Marti School of Art and Design began major building improvements to improve each of its respective campuses. St Edwards is building out a brand new innovation center, and Virginia Marti acquired a commercial building adjacent to its headquarters for expansion and growth of its programming and school.

### **Major Initiatives Going Forward**

During 2017, the City continued the visioning and strategic planning that began in 2013 as detailed in that year's Comprehensive Annual Financial Report.

The following reflects the Vision, Mission, Values, Focus, and Goals developed in 2013:

**Vision**            *What the City Wants to Be / Achieve*

A Unique Destination to Live, Work, Play and Grow for Generations to Come.

**Mission**            *Defines the City's Purpose / Describes Why It Exists*

Deliver exceptional essential services and promote a high quality of life for residents, visitors and businesses.

**Values**            *Beliefs that Are Shared Among the Stakeholders of an Organization*

- We constantly challenge the status quo.
- We lead collaboratively.
- We make sustainable investments.
- We exhibit personal integrity in every decision.

**Focus**            *What Should We Be Investing in Terms of Time, Energy and Resources?*

- Economic Development
- Vibrant Neighborhood
- Safe and Secure City
- Sound Governance

The following list is the administration's 2017 and beyond Strategic Initiatives:

### **Strategic Initiatives**

- **Structurally Balanced Budget**
  - New labor union agreements
- **Clean Water Lakewood Plan Development**
  - Integrated Wet Weather Plan (IWWP) finalized
  - Sewer Rate structure optimized
- **Former Hospital Site Development**
  - RFQ issuance and a partner picked
  - Development plans initiated
- **Community Health & Wellness Improvement**
  - Wellness Foundation implementation
  - Age in Place Senior Citizen plans
  - Senior Center upgrade
  - Transportation programs improved
- **Continued Civic Engagement**
  - Government data sharing/mobile platform access/citizen engagement
- **Implement Housing Forward- Phase III**
  - Higher standards of the three rated homes
  - Rehab support/process improvement
    - LakewoodAlive partnership
- **Upgrade City's Enterprise Software**
- **Citywide Parks Planning**
  - Develop long term swimming pool plan
  - Finish neighborhood parks master plans: Kauffman, Cove, Wagar, Webb & St. Charles Green
- **Infrastructure Maintained and Improved**
  - Roads resurfacing
  - Urban Forest improvement
  - Sidewalks- year 5
  - Lake Ave Resurfacing plan/lane designs developed
- **Fight centralized income collection- State Legislature**
- **Continue to support ongoing initiatives and plans:**
  - Active Living recommendations
  - Performance culture/performance reviews
  - Bike Lakewood
  - Gold Coast 2<sup>nd</sup> 50 year strategies
  - Sustainability- Digester power generation
  - LEAN Lakewood
  - Service Excellence- Core Services

**Council Budget Priorities**

During 2017, Lakewood City Council worked on developing priorities that they would like to see reflected in the 2017 and beyond budget.

Proposal	Summary	Submitted by:
1. Implement Bicycle Master Plan	Allocate \$50,000 - \$100,000 to support design, small-scale infrastructure improvements, and public education pertinent to bicycles and in line with the existing Bicycle Master Plan	Bullock
2. Ensure a net gain of 500 new trees for 2017	Allocate \$125,000 toward new tree plantings so that the City meets the recommendation of the Tree Task Force to see a net gain of 500 new trees per year	Bullock & Marx
3. Pool Equipment	Invest \$25,000 for additional deck chairs, canopies, and other auxiliary equipment to improve the user experience of Lakewood’s two pools	Bullock & Marx
4. Block Club Coordinator Position	Resume the practice of employing a dedicated staff person to take charge of the City’s block club program.	Litten
5. Make St. Charles Green a City Park	Enhance usability of this green space by incorporating St. Charles Green into the existing Parks Maintenance Plan	O’Leary
6. Clifton Road Extension – Road Diet & All-purpose Trail Project		Anderson
7. Redesign of Webb Park – Master Plan for 2017		Anderson
8. Reforestation of the West End Sewer Project Area		Anderson

**Long-Term Financial Planning**

In addition to the Strategic Objectives, according to Article VIII, Section 3 of the City of Lakewood Second Amended Charter, the Director of Finance shall annually prepare and submit to the Mayor and Council a recommended five-year financial plan for the City’s operating and capital needs. The Director’s recommended financial plan shall be prepared after consultation with the Mayor and heads of other City departments affected thereby. Such recommended financial plan shall be advisory only and need not be followed in the adoption of the City’s tax budget, annual, temporary or supplemental appropriation measures or ordinances, resolutions or other actions concerning capital programs or permanent improvements.

The City also utilizes long-term planning for the future of capital projects. A five-year capital plan is updated annually, which lists all capital projects by year, as well as expected funding sources. The funding sources are reconciled to estimated balances and revenues to ensure that proper resources will be available for the project when a contract is signed.

## Awards and Acknowledgements

### *Awards:*

- The City of Lakewood received the Auditor of State Award with Distinction for its 2016 Comprehensive Annual Financial Report for the fourth year in a row. The award is presented to the top five percent of governments that meet specific criteria during their financial audit. The Auditor of State Award with Distinction is given to entities that file an annual CAFR and timely financial reports, as well as receive a “clean” audit report. The clean audit report means that Lakewood’s financial audit did not contain findings for recovery, material citations, material weaknesses, significant deficiencies, Single Audit findings or any questioned costs.
- The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lakewood for its (CAFR) for the year ended December 31, 2016. This was the 36th consecutive year the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of only one year. The Finance Department believes the current CAFR continues to meet the Certificate of Achievement Program’s requirements, and is submitting it to the GFOA for determination of eligibility for another certificate.

### *Acknowledgements:*

This CAFR was prepared by the Finance Department with the dedicated services of its entire staff, as well as with support of numerous departments throughout the City. In addition, we would like to thank the members of City Council for their continuing support toward the preparation of this report.

On behalf of the City, we want to personally thank our auditors from the firm of James G. Zupka, CPA, Inc. We would also like to thank the auditor’s staff for their efforts and professional conduct throughout the audit engagement.

Respectfully submitted,



Michael P. Summers  
Mayor



Jennifer R. Pae  
**Director of Finance**





Government Finance Officers Association

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

Presented to

**City of Lakewood  
Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2016**

*Christopher P. Morvill*

Executive Director/CEO

**City of Lakewood, Ohio**

*Elected Officials  
December 31, 2017*

Mayor..... Michael Summers

Municipal Court Judge..... Patrick Carroll

City Council At Large..... Thomas Bullock

City Council At Large..... Cindy Marx

City Council At Large..... Ryan Nowlin

City Council by Wards:

Ward 1..... David Anderson

Ward 2..... Sam O’Leary, Council President

Ward 3..... John Litten

Ward 4..... Daniel O’Malley

**City of Lakewood, Ohio**

*Appointed Officials*

*December 31, 2017*

**Office of Council**

Clerk of Council..... Mary Hagan

**Municipal Court**

Clerk of Court ..... Terri O'Neill

Magistrates.....David Briggs, Jerome Dowling, and Regis McGann

**Department of Law**

Director of Law ..... Kevin Butler

**Department of Finance**

Director of Finance ..... Jennifer R. Pae

**Department of Public Works**

Director of Public Works ..... Joseph Beno

**Department of Public Safety**

Chief of Fire..... Scott Gilman

Chief of Police ..... Timothy Malley

**Department of Human Services**

Director of Human Services..... Antoinette Gelsomino

**Department of Planning and Community Development**

Director of Planning and Development ..... Bryce Sylvester

**Department of Human Resources**

Director of Human Resources..... Jean Yousefi

**City of Lakewood, Ohio**  
*Organizational Chart*  
*December 31, 2017*

CITIZENS

CITY COUNCIL

At Large  
Thomas Bullock (Term expires 12/31/17)  
Cindy Marx (Term expires 12/31/17)  
Ryan Nowlin (Term expires 12/31/17)  
Ward I (Term expires 12/31/19)  
David Anderson, Vice-President  
Ward II (Term expires 12/31/19)  
Sam O' Leary, President  
Ward III (Term expires 12/31/19)  
John Litten  
Ward IV (Term expires 12/31/19)  
Dan O' Malley

MAYOR

Term expires 12/31/19  
Michael P. Summers

MUNICIPAL COURT JUDGE

Term expires 12/31/21  
Judge Patrick Carroll

HUMAN SERVICES

Director Antoinette Gelsomino

FINANCE

Director Jennifer R. Pae

LAW

Director Kevin Butler

PLANNING & DEVELOPMENT

Director Bryce Sylvester

PUBLIC WORKS

Director Joseph Beno

PUBLIC SAFETY

Chief Timothy Malley, Police  
Chief Scott Gilman, Fire

HUMAN RESOURCES

Director Jean Yousefi

# **FINANCIAL SECTION**



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

*Certified Public Accountants  
5240 East 98<sup>th</sup> Street  
Garfield Hts., Ohio 44125*

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Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT**

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

The Honorable Dave Yost  
Auditor of State  
State of Ohio

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lakewood, 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, each major fund, and the aggregate remaining fund information of the City of Lakewood as of December 31, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparisons for the General Fund and the Police and Fire Pension Fund, Community Development Block Grant Fund, and Lakewood Hospital 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 May 9, 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

May 9, 2018

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

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The discussion and analysis of the City of Lakewood'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:

- Overall, governmental activities revenues (including transfers) of \$55,168,106 did not exceed the expenses which came in at \$59,984,564 resulting in a decrease in net position by \$4,816,458 for the year 2017. The total governmental activities' net position was \$41,537,776 compared to \$46,354,234 in the previous year.
- Overall, business-type activities revenues of \$24,458,895 exceeded the expenses (including transfers) which came in at \$18,652,637 resulting in an increase in net position by \$5,806,258 for the year 2017. The total business-type activities' net position was \$81,144,687 compared to \$75,338,429 in the previous year.
- The City issued bond anticipation notes during 2017 for roadway improvements to sixteen streets, various park improvements, sidewalk improvements, and building improvements.
- The City is committed to providing the Citizens of Lakewood with the highest quality of services while maintaining efficiency and cost effectiveness. The City actively pursues grants to offset costs of providing services and to offer new programs.

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

This 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 financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what dollars remain for future spending. The fund financial statements also look at the City's most significant funds with all other non-major funds represented in total in one column.

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

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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 being reported as net position. Over time, increases or decreases in net position serve as useful indicators of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of 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).

The governmental activities of the City include general government, security of persons and property, public health services, transportation, community environment, basic utility services, and leisure time activities. The City's business-type activities include Water, Sewer, Parking Facilities, and Winterhurst Ice Rink. The City also has hospitalization and workers' compensation internal service funds.

The government-wide financial statements can be found starting on page 21 of this report.

**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 City funds 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 funds 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 is 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 balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains various individual governmental funds. Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, Police and Fire Pension Fund, Community Development Block Grant Fund, Lakewood Hospital Fund and Debt Service Fund; all of which are considered to be major funds. Data from the other non-major governmental funds are combined into a single fund, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

**Proprietary Funds.** The City maintains four proprietary 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 Water, Sewer (which includes the Wastewater Treatment Plant), Parking Facilities and Winterhurst Ice Rink. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its hospitalization and workers' compensation. Because these services predominately benefit governmental rather than business-type functions, they have 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 Water and Sewer funds, both of which are considered to be major funds of the City. Data from the other two non-major enterprise funds are combined into a single fund, aggregated presentation. Individual fund data for each of these non-major proprietary funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 32-35 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 statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statement can be found on page 36 of this report.

**Notes to the Financial Statements.** The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 37-87 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain other information that the City believes readers will find useful. After the notes to the financial statements, the required supplementary information related to the net pension liability, the combining statements referred to earlier in connection with non-major governmental and proprietary funds are presented, as well as individual detailed budgetary comparisons for non-major funds. This information can be found on pages 88-162 of the report.

### **Government-Wide Financial Analysis**

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and asks the question "How did we do financially during 2017?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by the private sector. The basis of this accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

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These two statements report the City's net position and the changes in net position. The change in net position is important because it tells the reader whether the financial position of the City has improved or diminished. However, in evaluating the overall position of the City, non-financial information such as changes in the City's tax base and the condition of the City's capital assets will also need to be evaluated. The Statement of Net Position and the Statement of Activities are divided into the following categories:

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

**The City of Lakewood as a Whole**

Recall that the Statement of Net Position looks at the City as a whole. The following table on page 9 provides a summary of the City's net position for 2017 compared to 2016.

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	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
<b>ASSETS</b>						
Current and other assets	\$74,563,950	\$74,321,370	\$29,439,630	\$25,442,191	\$104,003,580	\$99,763,561
Capital assets, net	84,741,346	82,628,258	106,249,856	98,689,723	190,991,202	181,317,981
Net Pension Asset	28,335	24,216	6,989	5,974	35,324	30,190
<b>Total Assets</b>	<b>159,333,631</b>	<b>156,973,844</b>	<b>135,696,475</b>	<b>124,137,888</b>	<b>295,030,106</b>	<b>281,111,732</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferral on Refunding Pension	72,532	269,137	298,247	321,095	370,779	590,232
	14,975,506	16,177,649	1,875,821	1,449,738	16,851,327	17,627,387
<b>Total Deferred Outflows of Resources</b>	<b>15,048,038</b>	<b>16,446,786</b>	<b>2,174,068</b>	<b>1,770,833</b>	<b>17,222,106</b>	<b>18,217,619</b>
<b>LIABILITIES</b>						
Current and other liabilities	3,425,209	3,258,635	2,957,739	1,968,653	6,382,948	5,227,288
Long-term liabilities:						
Due within one year	16,965,848	11,683,566	15,980,507	9,621,495	32,946,355	21,305,061
Due in more than one year:						
Net Pension Liability	59,616,627	57,239,043	4,833,447	3,780,091	64,450,074	61,019,134
Other Amounts	37,433,621	40,529,280	31,306,205	33,561,475	68,739,826	74,090,755
<b>Total Liabilities</b>	<b>117,441,305</b>	<b>112,710,524</b>	<b>55,077,898</b>	<b>48,931,714</b>	<b>172,519,203</b>	<b>161,642,238</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Property Taxes	11,972,636	11,824,956	1,554,887	1,535,708	13,527,523	13,360,664
Payments in Lieu of Taxes	580,536	482,859	0	0	580,536	482,859
Pension	1,449,416	648,057	93,071	102,870	1,542,487	750,927
Promissory Note	1,400,000	1,400,000	0	0	1,400,000	1,400,000
<b>Total Deferred Inflows of Resources</b>	<b>15,402,588</b>	<b>14,355,872</b>	<b>1,647,958</b>	<b>1,638,578</b>	<b>17,050,546</b>	<b>15,994,450</b>
<b>NET POSITION</b>						
Net Investment in						
Capital Assets	43,075,007	42,035,922	59,258,570	55,855,430	102,333,577	97,891,352
Restricted	26,121,452	24,398,129	0	221,408	26,121,452	24,619,537
Unrestricted	(27,658,683)	(20,079,817)	21,886,117	19,261,591	(5,772,566)	(818,226)
<b>Total Net Position</b>	<b>\$41,537,776</b>	<b>\$46,354,234</b>	<b>\$81,144,687</b>	<b>\$75,338,429</b>	<b>\$122,682,463</b>	<b>\$121,692,663</b>

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.

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.

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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.

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/asset 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. Total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$122,682,463 at the close of 2017.

The largest portion of the City's total net position (83 percent) reflects investments in capital assets (e.g. construction in progress, land, land improvements, buildings and improvements, furniture and equipment, vehicles, and various infrastructure), less any related debt to acquire those assets that is still outstanding along with any related deferred outflows/inflows of resources.



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The City uses these capital assets to provide services to its citizens; consequently, these 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 resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Total assets and deferred outflows of resources increased by \$12,922,861 from 2016 to 2017, while the City's total liabilities and deferred inflows of resources increased by \$11,933,061. Total net position increased \$989,800 with governmental activities comprising (\$4,816,458) and business-type activities comprising \$5,806,258 of that amount.

In order to further understand what makes up the changes in net position for the current year, the following table gives readers further details regarding the results of activities for the current year compared to prior year.

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
<b>REVENUES</b>						
Program Revenues:						
Charges for Services	\$8,451,557	\$8,699,511	\$21,069,566	\$20,538,998	\$29,521,123	\$29,238,509
Operating Grants and Contributions	5,193,489	4,855,648	0	0	5,193,489	4,855,648
Capital Grants and Contributions	1,191,332	1,118,577	1,279,891	0	2,471,223	1,118,577
<b>Total Program Revenues</b>	<b>14,836,378</b>	<b>14,673,736</b>	<b>22,349,457</b>	<b>20,538,998</b>	<b>37,185,835</b>	<b>35,212,734</b>
General Revenues:						
Property Taxes	12,375,304	12,100,838	1,607,149	1,571,541	13,982,453	13,672,379
Municipal Income Taxes	21,338,449	23,236,281	0	0	21,338,449	23,236,281
Payments in Lieu of Taxes	521,296	499,544	0	0	521,296	499,544
Grants and Entitlements	3,551,342	3,685,616	66,504	1,686,943	3,617,846	5,372,559
Investment Income	407,277	192,986	168,199	52,435	575,476	245,421
All Other Revenues	424,698	914,982	267,586	326,582	692,284	1,241,564
<b>Total General Revenues</b>	<b>38,618,366</b>	<b>40,630,247</b>	<b>2,109,438</b>	<b>3,637,501</b>	<b>40,727,804</b>	<b>44,267,748</b>
<b>Total Revenues</b>	<b>53,454,744</b>	<b>55,303,983</b>	<b>24,458,895</b>	<b>24,176,499</b>	<b>77,913,639</b>	<b>79,480,482</b>
<b>EXPENSES</b>						
Program Expenses:						
Security of Persons and Property:						
Police and Others	15,229,304	15,636,103	0	0	15,229,304	15,636,103
Fire	13,056,945	12,492,447	0	0	13,056,945	12,492,447
Public Health Services	1,964,825	1,895,266	0	0	1,964,825	1,895,266
Leisure Time Activities	2,944,733	2,827,356	0	0	2,944,733	2,827,356
Community Environment	6,655,555	5,942,684	0	0	6,655,555	5,942,684
Basic Utility Services	3,935,756	3,645,449	0	0	3,935,756	3,645,449
Transportation	3,921,229	4,208,095	0	0	3,921,229	4,208,095
General Government	10,314,519	10,038,205	0	0	10,314,519	10,038,205
Interest and Fiscal Charges	1,961,698	1,453,699	0	0	1,961,698	1,453,699
Water	0	0	8,977,286	9,792,697	8,977,286	9,792,697
Sewer	0	0	7,133,603	6,658,898	7,133,603	6,658,898
Parking Facilities	0	0	427,010	412,670	427,010	412,670
Winterhurst Ice Rink	0	0	401,376	474,323	401,376	474,323
<b>Total Expenses</b>	<b>59,984,564</b>	<b>58,139,304</b>	<b>16,939,275</b>	<b>17,338,588</b>	<b>76,923,839</b>	<b>75,477,892</b>
Change in Net Position before Transfers	(6,529,820)	(2,835,321)	7,519,620	6,837,911	989,800	4,002,590
Transfers	1,713,362	1,478,702	(1,713,362)	(1,478,702)	0	0
Change in Net Position	(4,816,458)	(1,356,619)	5,806,258	5,359,209	989,800	4,002,590
Net Position - Beginning of Year	46,354,234	47,710,853	75,338,429	69,979,220	121,692,663	117,690,073
<b>Net Position - End of Year</b>	<b>\$41,537,776</b>	<b>\$46,354,234</b>	<b>\$81,144,687</b>	<b>\$75,338,429</b>	<b>\$122,682,463</b>	<b>\$121,692,663</b>

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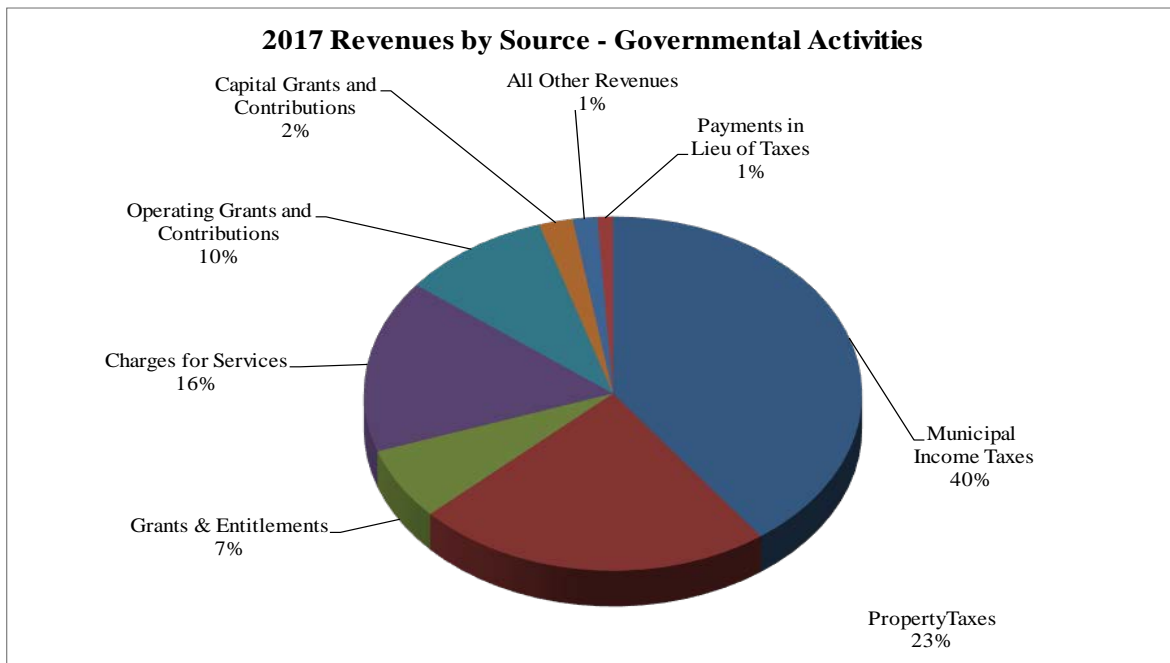
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**Governmental Activities**

Several types of revenues fund the City's governmental activities, with the City's municipal income tax being the biggest contributor. The income tax rate was 1.5 percent in 2017. Both residents and non-residents who work inside the City are subject to the income tax.

However, residents of the City are granted a credit for income taxes paid to other municipalities to a maximum of one-half of one percent of income earned outside the City. The income tax revenue for 2017 was \$21,338,449. Of the \$53,454,744 in total governmental revenues, income tax accounts for 40 percent of that total. Property taxes and payment in lieu of taxes of \$12,896,600 account for 24 percent of total revenues. Operating/capital grants and contributions, and general revenues from grants and entitlements account for 19 percent of total revenues, and charges for services, investment income and other revenue make up the remaining 17 percent.

General revenues from grants and entitlements, such as local government funds, are also revenue generators. The City monitors its sources of revenues very closely for fluctuations, especially income tax.

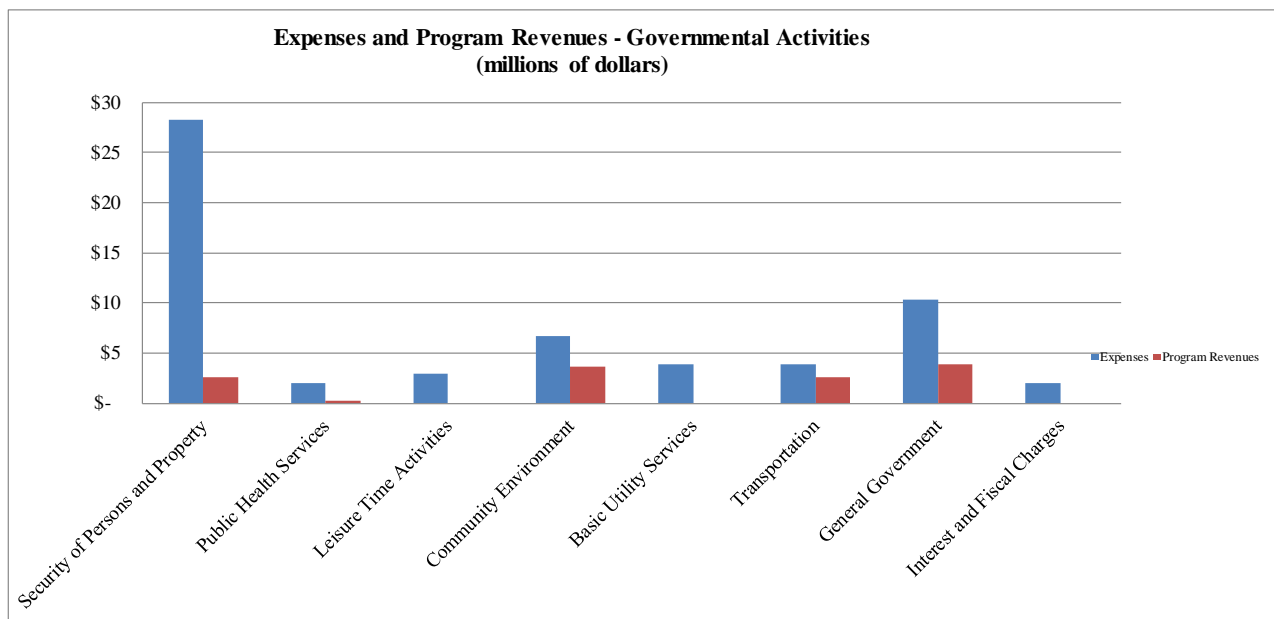


Total revenues for governmental activities decreased by \$1,849,239 from 2016 to 2017. Municipal Income Taxes experienced the largest decrease of \$1,897,832, which was due to which was due to the implementation of HB5 which accelerated the timing of estimated income tax receipts in 2016 and coupled with the full year closure of Lakewood Hospital. All other revenue decreased by \$490,284 due to the first payment per the master agreement designated for demolition and redevelopment of the Lakewood Hospital site in 2016. These decreases were offset by an increase in Operating Grants and Contributions of \$337,841 due to grants received from the State of Ohio Nature Works grant and contribution reimbursements for capital projects.

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Total expenses of governmental activities for 2017 were \$59,984,564. The largest program function for the City relates to Security of Persons and Property, which includes the Police and Fire departments. Total Security of Persons and Property accounted for program expenses of \$28,286,249, which is 47 percent of the program expenses for governmental activities. General Government is the next largest program expense at 17 percent, followed by Community Environment expenses of 11 percent.

Total expenses of governmental activities increased by \$1,845,260 from 2016 to 2017. This was mainly due to increases in Community Environment and Interest and Fiscal Charges of \$712,871 and \$507,999, respectively. These increases were due to the costs associated with the demolition of the Hilliard Theatre.

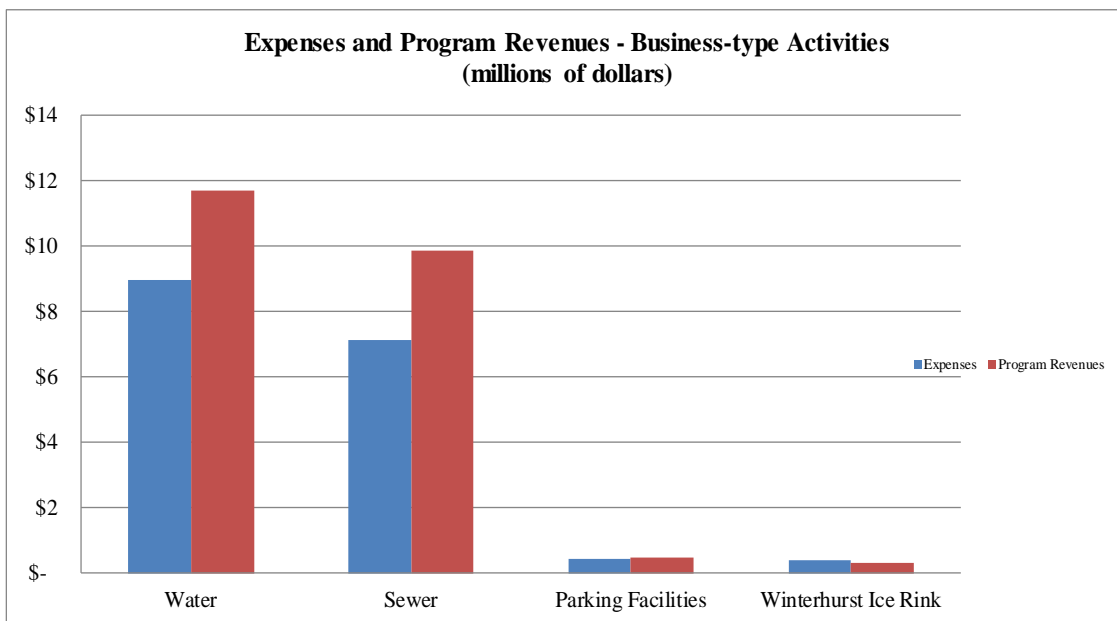
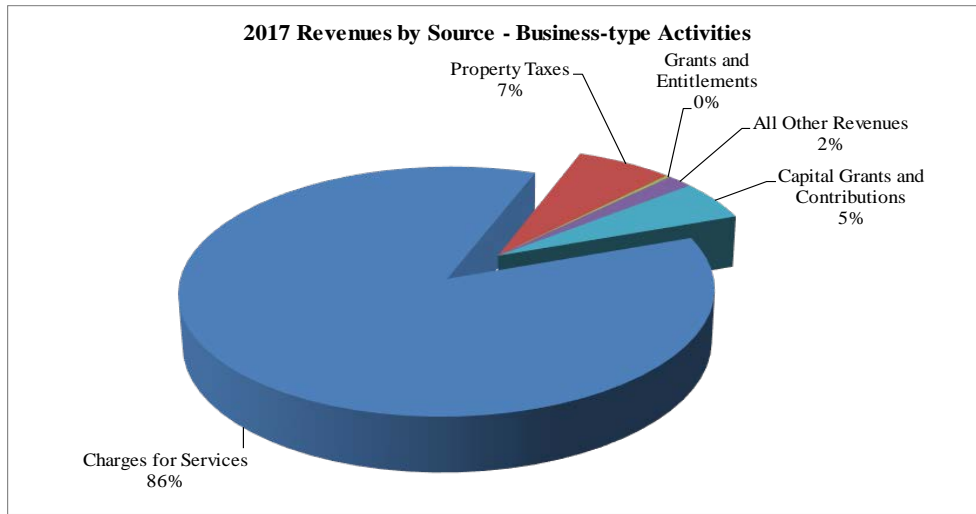


**Business-Type Activities**

Business-type activities increased the City's net position by \$5,806,258. The increase is due primarily to the City's efforts to keep expenses in line with revenues. Total expenses of business-type activities were \$16,939,275, with the Water Department comprising 53 percent of that amount followed by the Sewer Department at 42 percent. Total revenues increased slightly by \$282,396.

Total expense decreased slightly by \$399,313 from 2016 to 2017. This was mainly due to reduced reimbursements from Ohio Public Works Commission for sewer projects.

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**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 serves as a useful measure of a government's net resource available for spending at the end of the fiscal year. Information about the City's governmental funds begins on page 24. These funds are accounted for using the modified accrual basis of accounting.

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As of December 31, 2017, the City's governmental funds reported combined ending fund balances of \$40,112,124, a \$1,546,077 increase from 2016. Of that amount, \$6,087,741 constitutes unassigned fund balances, which are available for spending at the government's discretion. The remainder of fund balance is classified as nonspendable, restricted, committed or assigned to indicate that it is not available for new spending and will be used for loans and to liquidate contracts and purchases of the prior period.

The General Fund had total revenues of \$39,172,674 and expenditures of \$40,575,603 (not including other financing sources and uses) leaving an increase in fund balance after other financing sources and uses of \$283,395. This increase is primarily due to an increase in interest earnings coupled with a decrease in Transfers Out.

The General Fund is the chief operating fund of the City. At the end of the current year, the unassigned fund balance of the General Fund was \$6,258,106, while the total fund balance reached \$14,513,475. As a measure of the General Fund's liquidity, it is useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 15 percent of total General Fund expenditures (including other financing uses), while total fund balance represents 34 percent of that same amount.

The Police and Fire Pension Fund had total revenues of \$2,952,851 and expenditures of \$3,047,402 with a net change in fund balance after other financing uses of (\$94,551).

The Community Development Block Grant Fund had total revenues of \$1,952,585 and expenditures of \$1,986,776 with a net change in fund balance of (\$34,191). The decrease is insignificant compared to the fund balance at year end.

The Lakewood Hospital Fund had total revenues of \$2,854,355 and expenditures of \$2,275,602 with a net change in fund balance after other financing uses of \$577,553. The increase was mainly due to the reallocation of firefighter expenditures to the General Fund.

The Debt Service Fund had total revenues of \$3,999,120, expenditures of \$7,253,312, and a net change in fund balance after other financing sources and uses of \$942,043. The fund balance's increase was due to the issuance and refunding of debt in 2017.

***Proprietary Funds***

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of all enterprise funds at the end of the year amounted to \$21,886,117. The City's Water and Sewer Funds experienced increases in net position during 2017. The City's efforts to keep utility rates sufficient to cover expenses are evident in the increases in net position for 2017.

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**General Fund Budgetary 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, disbursements, and encumbrances. The most significant budgeted fund is the General Fund. During the course of 2017, the City amended its General Fund budget on various occasions. All recommendations for budget changes come to the Finance Committee of City Council for review before going to the whole Council for Ordinance enactment on the change. The legal level of budgetary control is at the object level (i.e. personnel costs). Adjustments to the budget can only be made within a department and then within each category. The General Fund supports many of our major activities such as the Police, Fire and Refuse departments, as well as most legislative and executive activities. The General Fund is monitored closely, looking for possible revenue shortfalls or overspending by individual departments.

For the General Fund, original and final budgeted revenues and other financings sources were \$39,766,265. Actual revenues and other financing sources were \$39,871,816. The main differences between budgeted and actual revenues are property taxes and licenses, permits and fees revenues. Due to economic factors during the year, property taxes, charges for services, miscellaneous, and interest increased in 2017 over 2016 while municipal income taxes, licenses, permits and fees, fines and forfeitures, and intergovernmental decreased in 2017 compared to 2016. Original General Fund budgeted expenditures and other financing uses were \$44,813,517 and the final amended budget was \$46,790,904. Actual General Fund expenditures and other financing uses were \$45,003,935 or \$1,786,969 less than budgeted due to operating expenditures less than originally estimated in all programs of the General Fund. The City's ending unencumbered cash balance in the General Fund of \$6,444,506 was \$1,892,520 above the final budgeted amount of \$4,551,986.

**Capital Assets and Debt Administration**

**Capital Assets** - The City's investment in capital assets for governmental and business-type activities as of December 31, 2017, amounts to \$190,991,202 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, land improvements, furniture and equipment, vehicles, roads, traffic signals, sidewalks, curbing, water lines, and sewer lines.

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	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$6,139,702	\$6,139,702	\$78,140	\$78,140	\$6,217,842	\$6,217,842
Construction in progress	1,272,319	1,346,691	8,754,525	8,007,108	10,026,844	9,353,799
<b>Total Non-Depreciable</b>	<b>7,412,021</b>	<b>7,486,393</b>	<b>8,832,665</b>	<b>8,085,248</b>	<b>16,244,686</b>	<b>15,571,641</b>
Land improvements	5,972,574	6,073,514	10,807,645	4,105,150	16,780,219	10,178,664
Buildings and improvements	12,591,125	12,764,671	11,180,850	11,401,569	23,771,975	24,166,240
Furniture and equipment	2,187,626	2,024,979	3,117,871	3,288,026	5,305,497	5,313,005
Vehicles	7,126,511	7,003,767	1,785,462	1,584,939	8,911,973	8,588,706
Infrastructure:						
Roads	39,253,414	38,694,140	0	0	39,253,414	38,694,140
Traffic Signals	4,924,442	4,516,781	0	0	4,924,442	4,516,781
Sidewalks	4,418,426	3,196,242	63,816	64,467	4,482,242	3,260,709
Curbing	855,207	867,771	0	0	855,207	867,771
Water Lines	0	0	44,566,754	45,157,481	44,566,754	45,157,481
Sewer Lines	0	0	25,894,793	25,002,843	25,894,793	25,002,843
<b>Total Depreciable,</b>						
<b>    Net of Depreciation</b>	<b>77,329,325</b>	<b>75,141,865</b>	<b>97,417,191</b>	<b>90,604,475</b>	<b>174,746,516</b>	<b>165,746,340</b>
<b>Total Capital Assets,</b>						
<b>    Net of Depreciation</b>	<b>\$84,741,346</b>	<b>\$82,628,258</b>	<b>\$106,249,856</b>	<b>\$98,689,723</b>	<b>\$190,991,202</b>	<b>\$181,317,981</b>

As of 12/31/2016 there was a reclassification of \$3,441,271 from Building and Improvements to Land Improvements in Business-Type Activities.

The total increase in the City's capital assets for the current fiscal year was \$9,673,221, a \$2,113,088 increase for governmental activities and a \$7,560,133 increase for business-type activities. The most significant increase in capital assets came in the Sidewalks category within the governmental activities. The most significant increase in capital assets came in the Land Improvements category within the business-type activities.

See Note 10 of the Basic Financial Statements for additional information on the City's capital assets.

**Debt** – As of December 31, 2017, the City had \$94,499,155 in bonds, notes, loans, and capital leases outstanding. Of this amount, \$29,279,401 is due within one year.

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
General Obligation Notes -						
Long-term	\$8,595,326	\$4,105,445	\$13,136,853	\$6,495,052	\$21,732,179	\$10,600,497
General Obligation Notes -						
Short-term	172,000	0	385,000	0	557,000	0
General Obligation Bonds	31,762,253	34,201,316	24,902,427	26,749,900	56,664,680	60,951,216
Revenue Bonds	0	0	0	865,000	0	865,000
OPWC Loan	30,800	61,600	4,348,352	3,453,861	4,379,152	3,515,461
Capital Leases	6,649,243	6,740,329	4,516,901	5,261,051	11,166,144	12,001,380
<b>Total Outstanding Debt</b>	<b>\$47,209,622</b>	<b>\$45,108,690</b>	<b>\$47,289,533</b>	<b>\$42,824,864</b>	<b>\$94,499,155</b>	<b>\$87,933,554</b>

General Obligation Notes represent unvoted general obligation bond anticipation notes payable from ad valorem property taxes.

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

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The General Obligation Bonds outstanding are comprised of unvoted general obligation bonds of the City payable from ad valorem property taxes.

The Ohio Public Works Commission Loans are paid semi-annually from the Water, Sewer and Bond Retirement funds.

The City's overall legal debt margin was \$57,370,354 at December 31, 2017.

See Notes 11, 12, 13, and 14 of the Basic Financial Statements for additional information on the City's debt.

### **Current Financial Related Activities**

During 2017, the City began the process to reimagine an entire city block at the former Lakewood Hospital site across the street from the new Family Health Center. Below is the project schedule used for the process:

- February 2017: Public Launch of RFQ and Pre-submission meeting for development teams
- February & March 2017: Deadline for development teams to submit questions
- March 2017: Round 1 responses due, Invite development teams to interview
- April 2017: Round 1 interview sessions A & B with panel
- May 2017: Announce Round 2 short list & send selected teams proposal guidelines
- June 2017: Round 2 responses due
- August 2017: City & developer due diligence
- Fall 2017: Recommendation to Lakewood City Council

On December 4, 2017 City Council passed Resolution 8967-17 authorizing the Mayor to negotiate a non-binding term sheet with Carnegie Development Corporation as the basis for a development agreement for the city-owned former Lakewood Hospital site. Carnegie's proposal is a multi-story mixed use office/retail/residential development on approximately 5.7 acres of city-owned real property located at Detroit Avenue and Belle and Marlowe Avenues.

Carnegie Development Corporation has been identified by the citizen-led real estate advisory panel as best and most qualified developer to redevelop the site in a manner that supports the Community Vision, the commercial design guidelines and the following articulated development objectives:

- A transformative mixed-use development that meets community housing, employment, shopping, and service needs, including growth opportunities for existing Lakewood businesses.
- Creatively integrate visionary architecture engaging and complimentary of the character and quality of Lakewood's building stock, including design characteristics of the original hospital building.



**City of Lakewood, Ohio**  
*Management's Discussion and Analysis*  
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*Unaudited*

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- Relate to and activate the streetscape to generate street level activity, and provide a safe, inviting pedestrian experience.
- Serve multiple modes of transportation on site, while meeting realistic vehicle parking needs.
- Design Lakewood's finest multi-functional outdoor community gathering space.
- Position the development to respond to shifting market conditions.
- Recognize and restate the historical significance of the site for the community in built form.
- Support environmentally sustainable development practices, including innovative storm water management techniques and energy efficient building practices that go beyond code requirements.
- Sensitivity to the directly adjacent single-family neighborhood.
- Promote joint venture partnership structures to achieve a catalyst economic development project that builds upon the real estate development momentum in Downtown Lakewood.
- Attract diverse businesses that provide residents with a wide range of opportunities.
- Provide housing types that compliment available community housing options.
- Business terms that deliver tangible returns on public investment, including job creation, tax revenue, and property values.

The estimated \$72 million development will generate real estate taxes on this property for the first time and will create new opportunities for income tax growth, most notably through new Class A office space and the addition of residential units that will attract businesses, add jobs, and increase the tax base. The project will generate a conservative estimate of \$1.5 million in combined real estate and income taxes annually, which will directly benefit Lakewood's tax base to support core services, in addition to supporting our other local government partners – the schools, the county, the MetroParks and the public library.

The city is investing in this project through the value of the land, which has an estimated value of between \$5 and \$6 million. The estimated value is primarily based on the fair market appraisal completed for Cleveland Clinic Family Health Center site in 2016, and will be confirmed by a market appraisal on the One Lakewood Place site. The city's investment is critical to achieving the above mentioned tangible benefits of the partnership, in addition to creating an opportunity for the city to be a formal partner throughout the design and approval process. One Lakewood Place will secure the long-term land use as a mixed-use site, which is a recognized urban development best practice that promotes and enhances neighborhood vibrancy and economic vitality, diversifies marketplace risk, and provides ample opportunities for people to engage with the project.

### **Contacting the City's Finance Department**

This financial report is designed to provide our citizens, taxpayers, creditors and investors with a general overview of the City's finances and show accountability for all money it receives, spends, or invests. If you have any questions about this report or need financial information, contact the Director of Finance, Jennifer R. Pae, 12650 Detroit Avenue, Lakewood, Ohio 44107, telephone (216) 529-6092, e-mail [jennifer.pae@lakewoodoh.net](mailto:jennifer.pae@lakewoodoh.net), or visit the City's website at [www.onelakewood.com](http://www.onelakewood.com).

## Basic Financial Statements

**City of Lakewood, Ohio**  
*Statement of Net Position*  
*December 31, 2017*

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Equity in Pooled Cash and Cash Equivalents	\$37,312,433	\$23,081,822	\$60,394,255
Cash and Cash Equivalents:			
In Segregated Accounts	329,436	327,377	656,813
With Fiscal Agents	1,272,285	0	1,272,285
With Escrow Agents	406,841	0	406,841
Materials and Supplies Inventory	532,483	625,966	1,158,449
Accounts Receivable	720,809	4,191,351	4,912,160
Less: Allowance for Doubtful Accounts	0	(77,292)	(77,292)
Accrued Interest Receivable	106,033	42,431	148,464
Intergovernmental Receivable	2,546,725	103,377	2,650,102
Internal Balances	486,238	(486,238)	0
Prepaid Items	389,896	5,833	395,729
Municipal Income Taxes Receivable	11,919,579	0	11,919,579
Property Taxes Receivable	12,512,530	1,625,003	14,137,533
Special Assessments Receivable	1,176,164	0	1,176,164
Payments in Lieu of Taxes Receivable	592,759	0	592,759
Loans Receivable	1,352,443	0	1,352,443
Assets Held for Resale	1,397,700	0	1,397,700
Notes Receivable	1,509,596	0	1,509,596
Net Pension Asset	28,335	6,989	35,324
Nondepreciable Capital Assets	7,412,021	8,832,665	16,244,686
Depreciable Capital Assets	77,329,325	97,417,191	174,746,516
<b>Total Assets</b>	<u>159,333,631</u>	<u>135,696,475</u>	<u>295,030,106</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferral on Refunding	72,532	298,247	370,779
Pension	14,975,506	1,875,821	16,851,327
<b>Total Deferred Outflows of Resources</b>	<u>15,048,038</u>	<u>2,174,068</u>	<u>17,222,106</u>
<b>LIABILITIES</b>			
Accounts Payable	1,733,695	1,893,278	3,626,973
Accrued Wages and Benefits	620,140	63,593	683,733
Intergovernmental Payable	567,463	47,023	614,486
Matured Compensated Absences Payable	45,965	0	45,965
Accrued Interest Payable	235,362	241,468	476,830
Retainage Payable	50,584	327,377	377,961
Notes Payable	172,000	385,000	557,000
Long-term Liabilities:			
Due within one year	16,965,848	15,980,507	32,946,355
Due in more than one year:			
Net Pension Liability (See Note 16)	59,616,627	4,833,447	64,450,074
Other Amounts	37,433,621	31,306,205	68,739,826
<b>Total Liabilities</b>	<u>117,441,305</u>	<u>55,077,898</u>	<u>172,519,203</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	11,972,636	1,554,887	13,527,523
Payments in Lieu of Taxes	580,536	0	580,536
Pension	1,449,416	93,071	1,542,487
Promissory Note	1,400,000	0	1,400,000
<b>Total Deferred Inflows of Resources</b>	<u>15,402,588</u>	<u>1,647,958</u>	<u>17,050,546</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	43,075,007	59,258,570	102,333,577
Restricted for:			
Capital Projects	5,024,221	0	5,024,221
Debt Service	4,385,292	0	4,385,292
Streets and Highways	1,218,751	0	1,218,751
Community Development	1,521,976	0	1,521,976
Indigent Drivers Alcohol Treatment	161,172	0	161,172
Lakewood Hospital	12,178,609	0	12,178,609
Police and Fire	1,072,318	0	1,072,318
Other Purposes	559,113	0	559,113
Unrestricted	(27,658,683)	21,886,117	(5,772,566)
<b>Total Net Position</b>	<u>\$41,537,776</u>	<u>\$81,144,687</u>	<u>\$122,682,463</u>

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

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

	<b>Program Revenues</b>			
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>Primary Government:</b>				
<b>Governmental activities:</b>				
Security of Persons and Property:				
Police and Others	\$15,229,304	\$90,516	\$55,347	\$0
Fire	13,056,945	2,390,092	2,690	0
Public Health Services	1,964,825	65,289	159,083	0
Leisure Time Activities	2,944,733	0	0	0
Community Environment	6,655,555	213,266	2,896,145	592,724
Basic Utility Services	3,935,756	0	0	0
Transportation	3,921,229	932	2,007,041	598,608
General Government	10,314,519	5,691,462	73,183	0
Interest and Fiscal Charges	1,961,698	0	0	0
<b>Total Governmental activities</b>	<b>59,984,564</b>	<b>8,451,557</b>	<b>5,193,489</b>	<b>1,191,332</b>
<b>Business-type activities:</b>				
Water	8,977,286	10,427,310	0	1,279,891
Sewer	7,133,603	9,870,965	0	0
Parking Facilities	427,010	468,581	0	0
Winterhurst Ice Rink	401,376	302,710	0	0
<b>Total Business-type activities</b>	<b>16,939,275</b>	<b>21,069,566</b>	<b>0</b>	<b>1,279,891</b>
<b>Total Primary Government</b>	<b>\$76,923,839</b>	<b>\$29,521,123</b>	<b>\$5,193,489</b>	<b>\$2,471,223</b>

**General Revenues:**

Property Taxes levied for:  
General Purposes  
Debt Service Purpose  
Police and Fire Pension  
Sewer  
Municipal Income Taxes levied for:  
General Purposes  
Payments in Lieu of Taxes  
Grants & Entitlements not restricted to specific programs  
Investment Income  
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 financial statements are an integral part of this statement.

**Net (Expense) Revenue and Changes in Net Position**

<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
(\$15,083,441)	\$0	(\$15,083,441)
(10,664,163)	0	(10,664,163)
(1,740,453)	0	(1,740,453)
(2,944,733)	0	(2,944,733)
(2,953,420)	0	(2,953,420)
(3,935,756)	0	(3,935,756)
(1,314,648)	0	(1,314,648)
(4,549,874)	0	(4,549,874)
<u>(1,961,698)</u>	<u>0</u>	<u>(1,961,698)</u>
<u>(45,148,186)</u>	<u>0</u>	<u>(45,148,186)</u>
0	2,729,915	2,729,915
0	2,737,362	2,737,362
0	41,571	41,571
0	(98,666)	(98,666)
<u>0</u>	<u>5,410,182</u>	<u>5,410,182</u>
<u>(45,148,186)</u>	<u>5,410,182</u>	<u>(39,738,004)</u>
6,951,057	0	6,951,057
2,788,459	0	2,788,459
2,635,788	0	2,635,788
0	1,607,149	1,607,149
21,338,449	0	21,338,449
521,296	0	521,296
3,551,342	66,504	3,617,846
407,277	168,199	575,476
424,698	267,586	692,284
<u>1,713,362</u>	<u>(1,713,362)</u>	<u>0</u>
<u>40,331,728</u>	<u>396,076</u>	<u>40,727,804</u>
<u>(4,816,458)</u>	<u>5,806,258</u>	<u>989,800</u>
<u>46,354,234</u>	<u>75,338,429</u>	<u>121,692,663</u>
<u>\$41,537,776</u>	<u>\$81,144,687</u>	<u>\$122,682,463</u>

**City of Lakewood, Ohio**  
*Balance Sheet*  
**Governmental Funds**  
*December 31, 2017*

	General	Police and Fire Pension	Community Development Block Grant	Lakewood Hospital	Debt Service	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>							
Equity in Pooled Cash and Cash Equivalents	\$10,661,104	\$781,337	\$93,314	\$10,159,593	\$3,203,660	\$9,254,183	\$34,153,191
Cash and Cash Equivalents:							
In Segregated Accounts	230,461	0	7,419	58,391	0	33,165	329,436
With Fiscal Agents	1,272,285	0	0	0	0	0	1,272,285
With Escrow Agents	0	0	0	406,841	0	0	406,841
Materials and Supplies Inventory	439,344	0	0	0	0	93,139	532,483
Accrued Interest Receivable	100,080	0	0	0	5,805	148	106,033
Accounts Receivable	250,687	0	0	456,471	0	13,651	720,809
Interfund Receivable	686,700	0	0	0	0	0	686,700
Intergovernmental Receivable	1,304,937	169,541	15,824	0	179,361	877,062	2,546,725
Prepaid Items	379,629	0	1,685	8,582	0	0	389,896
Municipal Income Taxes Receivable	11,919,579	0	0	0	0	0	11,919,579
Property Taxes Receivable	7,028,143	2,665,006	0	0	2,819,381	0	12,512,530
Special Assessments Receivable	72,304	0	0	15,493	1,088,367	0	1,176,164
Notes Receivable	109,596	0	0	1,400,000	0	0	1,509,596
Payments in Lieu of Taxes Receivable	0	0	0	0	0	592,759	592,759
Loans Receivable	0	0	1,352,443	0	0	0	1,352,443
Assets Held for Resale	0	0	0	1,397,700	0	0	1,397,700
<b>Total Assets</b>	<b>34,454,849</b>	<b>3,615,884</b>	<b>1,470,685</b>	<b>13,903,071</b>	<b>7,296,574</b>	<b>10,864,107</b>	<b>71,605,170</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>							
<b>Liabilities:</b>							
Accounts Payable	\$680,351	\$0	\$119,613	\$119,657	\$0	\$814,074	\$1,733,695
Accrued Wages and Benefits	546,351	0	7,420	15,572	0	50,797	620,140
Intergovernmental Payable	156,117	364,822	5,243	11,011	0	30,270	567,463
Matured Compensated Absences Payable	45,965	0	0	0	0	0	45,965
Retainage Payable	10,000	0	7,419	0	0	33,165	50,584
Interfund Payable	543,403	0	175,444	16,221	0	141,808	876,876
Notes Payable	0	0	0	0	0	172,000	172,000
<b>Total Liabilities</b>	<b>1,982,187</b>	<b>364,822</b>	<b>315,139</b>	<b>162,461</b>	<b>0</b>	<b>1,242,114</b>	<b>4,066,723</b>
<b>Deferred Inflows of Resources:</b>							
Property Taxes and Payments in Lieu of Taxes	6,724,891	2,550,015	0	0	2,697,730	580,536	12,553,172
Promissory Note	0	0	0	1,400,000	0	0	1,400,000
Unavailable Revenue - Delinquent Property Taxes and Payments in Lieu of Taxes	303,252	114,991	0	0	121,651	12,223	552,117
Unavailable Revenue - Income Taxes	9,883,249	0	0	0	0	0	9,883,249
Unavailable Revenue - Other	1,047,795	169,541	0	15,493	1,267,728	537,228	3,037,785
<b>Total Deferred Inflows of Resources</b>	<b>17,959,187</b>	<b>2,834,547</b>	<b>0</b>	<b>1,415,493</b>	<b>4,087,109</b>	<b>1,129,987</b>	<b>27,426,323</b>
<b>Fund Balances:</b>							
Nonspendable	1,615,269	0	1,685	0	0	93,139	1,710,093
Restricted	0	416,515	1,153,861	12,325,117	3,209,465	3,533,442	20,638,400
Committed	0	0	0	0	0	5,035,790	5,035,790
Assigned	6,640,100	0	0	0	0	0	6,640,100
Unassigned (Deficit)	6,258,106	0	0	0	0	(170,365)	6,087,741
<b>Total Fund Balances</b>	<b>14,513,475</b>	<b>416,515</b>	<b>1,155,546</b>	<b>12,325,117</b>	<b>3,209,465</b>	<b>8,492,006</b>	<b>40,112,124</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$34,454,849</b>	<b>\$3,615,884</b>	<b>\$1,470,685</b>	<b>\$13,903,071</b>	<b>\$7,296,574</b>	<b>\$10,864,107</b>	<b>\$71,605,170</b>

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

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

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**Total Governmental Funds Balance** \$40,112,124

*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 84,741,346

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

Delinquent property taxes	539,894	
Delinquent payments in lieu of taxes	12,223	
Municipal income taxes	9,883,249	
Special assessments	1,083,074	
Intergovernmental	1,954,711	
Total		13,473,151

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in Governmental funds, an interest expenditure is reported when due. (235,362)

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.

Net position	3,156,222	
Claims payable	679,434	
Total		3,835,656

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	14,975,506	
Deferred Inflows - Pension	(1,449,416)	
Net Pension Liability/Asset	(59,588,292)	
Total		(46,062,202)

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

Long-term notes payable	(8,577,000)	
General obligation bonds	(30,425,276)	
Unamortized debt premiums	(1,355,303)	
Deferrals on refunding	72,532	
OPWC loans	(30,800)	
Capital leases	(6,649,243)	
Claims payable	(679,434)	
Compensated absences	(6,682,413)	
Total		(54,326,937)

**Net Position of Governmental Activities** \$41,537,776

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

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

	General	Police and Fire Pension	Community Development Block Grant	Lakewood Hospital	Debt Service	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>							
Property Taxes	\$6,892,993	\$2,613,770	\$0	\$0	\$2,765,167	\$0	\$12,271,930
Municipal Income Taxes	23,530,264	0	0	0	0	0	23,530,264
Payments in Lieu of Taxes	0	0	0	0	0	580,535	580,535
Intergovernmental	2,850,696	339,081	1,952,585	2,200	441,990	3,112,160	8,698,712
Interest	373,393	0	0	0	33,693	229	407,315
Fees, Licenses, and Permits	2,559,886	0	0	0	0	0	2,559,886
Fines and Forfeitures	1,405,645	0	0	0	0	196,448	1,602,093
Charges for Services	1,467,455	0	0	2,812,969	0	80,079	4,360,503
Contributions and Donations	0	0	0	0	0	75,165	75,165
Special Assessments	0	0	0	10,528	592,724	9,868	613,120
All Other Revenues	92,342	0	0	28,658	165,546	165,510	452,056
<b>Total Revenues</b>	<b>39,172,674</b>	<b>2,952,851</b>	<b>1,952,585</b>	<b>2,854,355</b>	<b>3,999,120</b>	<b>4,219,994</b>	<b>55,151,579</b>
<b>EXPENDITURES</b>							
Security of Persons and Property:							
Police and Other	12,333,098	1,540,776	0	0	0	157,435	14,031,309
Fire	8,036,537	1,506,626	0	1,267,291	0	0	10,810,454
Public Health Services	408,041	0	0	363,979	0	955,388	1,727,408
Leisure Time Activities	2,246,306	0	0	0	0	0	2,246,306
Community Environment	2,900,874	0	1,986,776	395,532	0	847,711	6,130,893
Basic Utility Services	3,239,444	0	0	0	0	0	3,239,444
Transportation	0	0	0	0	0	2,045,750	2,045,750
General Government	8,803,894	0	0	95,648	0	2,093,519	10,993,061
Capital Outlay	835,953	0	0	0	0	3,079,948	3,915,901
Debt Service:							
Principal Retirement	1,627,606	0	0	127,342	6,151,324	322,827	8,229,099
Interest and Fiscal Charges	143,850	0	0	25,810	1,010,420	80,752	1,260,832
Debt Issuance Costs	0	0	0	0	91,568	0	91,568
<b>Total Expenditures</b>	<b>40,575,603</b>	<b>3,047,402</b>	<b>1,986,776</b>	<b>2,275,602</b>	<b>7,253,312</b>	<b>9,583,330</b>	<b>64,722,025</b>
Excess of Revenues (Under) Expenditures	(1,402,929)	(94,551)	(34,191)	578,753	(3,254,192)	(5,363,336)	(9,570,446)
<b>OTHER FINANCING SOURCES (USES)</b>							
Sale of Capital Assets	159,803	0	0	0	0	32,164	191,967
Inception of Capital Lease	1,657,000	0	0	0	0	0	1,657,000
Refunding Debt Issued	0	0	0	0	5,745,000	0	5,745,000
Bond Anticipation Notes Issued	0	0	0	0	4,099,000	4,478,000	8,577,000
Premium on Debt Issuance	0	0	0	0	67,870	0	67,870
Payment to Refunded Bond Escrow Account	0	0	0	0	(5,843,741)	0	(5,843,741)
Transfers In	1,771,456	0	0	0	2,224,152	750,000	4,745,608
Transfers Out	(1,901,935)	0	0	(1,200)	(2,096,046)	(25,000)	(4,024,181)
<b>Total Other Financing Sources (Uses)</b>	<b>1,686,324</b>	<b>0</b>	<b>0</b>	<b>(1,200)</b>	<b>4,196,235</b>	<b>5,235,164</b>	<b>11,116,523</b>
Net Change in Fund Balances	283,395	(94,551)	(34,191)	577,553	942,043	(128,172)	1,546,077
Fund Balances - Beginning of Year	14,230,080	511,066	1,189,737	11,747,564	2,267,422	8,620,178	38,566,047
<b>Fund Balances - End of Year</b>	<b>\$14,513,475</b>	<b>\$416,515</b>	<b>\$1,155,546</b>	<b>\$12,325,117</b>	<b>\$3,209,465</b>	<b>\$8,492,006</b>	<b>\$40,112,124</b>

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



**City of Lakewood, 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** \$1,546,077

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

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

Capital Outlay	5,383,565	
Depreciation	(2,823,430)	
Total	2,560,135	2,560,135

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. (447,047)

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

Delinquent property taxes	103,374	
Delinquent payments in lieu of taxes	(59,239)	
Municipal income taxes	(2,191,815)	
Special assessments	588,740	
Intergovernmental	(137,895)	
Total	(1,696,835)	(1,696,835)

Other financing sources in the Governmental funds increase long-term liabilities in the Statement of Net Position. These sources were attributed to the inception of capital leases and the issuance of Bond Anticipation Notes and Refunding Debt and the respective premiums issued. (16,046,870)

Repayment of principal on capital leases, bonds, notes, and loans are expenditures in the Governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 13,904,099

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows 4,535,058

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities. (8,912,025)

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	(277,327)	
Accrued interest on bonds	(73,076)	
Amortization of bond premiums	213,839	
Amortization of loss on refunding	(196,605)	
Total	(333,169)	(333,169)

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. 74,119

**Change in Net Position of Governmental Activities** (\$4,816,458)

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

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

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Property Taxes	\$6,613,604	\$6,613,604	\$6,892,993	\$279,389
Municipal Income Taxes	23,333,000	23,333,000	23,436,422	103,422
Charges for Services	1,515,424	1,515,424	1,481,099	(34,325)
Licenses, Permits and Fees	2,159,210	2,159,210	2,559,886	400,676
Fines and Forfeitures	1,493,115	1,493,115	1,416,086	(77,029)
Intergovernmental	3,053,602	3,053,602	2,846,332	(207,270)
Interest	250,000	250,000	495,055	245,055
Miscellaneous	202,290	202,290	152,140	(50,150)
<i>Total Revenues</i>	<u>38,620,245</u>	<u>38,620,245</u>	<u>39,280,013</u>	<u>659,768</u>
<b>Expenditures</b>				
<b>Current:</b>				
General Government	12,953,519	13,538,928	12,524,766	1,014,162
Security of Persons and Property	20,701,936	20,578,044	20,319,505	258,539
Public Health Services	574,870	439,607	416,051	23,556
Community Environment	4,068,183	4,040,214	3,675,046	365,168
Basic Utility Services	3,256,745	3,320,260	3,274,654	45,606
Leisure Time Activities	2,348,264	2,321,913	2,265,278	56,635
<i>Total Expenditures</i>	<u>43,903,517</u>	<u>44,238,966</u>	<u>42,475,300</u>	<u>1,763,666</u>
<i>Excess of Revenues Over Expenditures</i>	<u>(5,283,272)</u>	<u>(5,618,721)</u>	<u>(3,195,287)</u>	<u>2,423,434</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	164,735	164,735	159,803	(4,932)
Advance In	981,285	981,285	432,000	(549,285)
Transfers Out	(910,000)	(1,901,938)	(1,901,935)	3
Advance Out	0	(650,000)	(626,700)	23,300
<i>Total Other Financing Sources (Uses)</i>	<u>236,020</u>	<u>(1,405,918)</u>	<u>(1,936,832)</u>	<u>(530,914)</u>
<i>Net Change in Fund Balance</i>	(5,047,252)	(7,024,639)	(5,132,119)	1,892,520
<i>Fund Balance Beginning of Year</i>	6,357,751	6,357,751	6,357,751	0
<i>Prior Year Encumbrances Appropriated</i>	5,218,874	5,218,874	5,218,874	0
<i>Fund Balance End of Year</i>	<u>\$6,529,373</u>	<u>\$4,551,986</u>	<u>\$6,444,506</u>	<u>\$1,892,520</u>

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

**City of Lakewood, Ohio**  
*Statement of Revenues, Expenditures and Changes in Fund Balances –  
 Budget (Non-GAAP Basis) and Actual  
 Police and Fire Pension Fund  
 For the Year Ended December 31, 2017*

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Property Taxes	\$2,507,962	\$2,507,962	\$2,613,770	\$105,808
Intergovernmental	341,507	341,507	339,081	(2,426)
<i>Total Revenues</i>	<u>2,849,469</u>	<u>2,849,469</u>	<u>2,952,851</u>	<u>103,382</u>
<b>Expenditures</b>				
<b>Current:</b>				
Fringe Benefits Police	1,493,383	1,525,000	1,522,270	2,730
Fringe Benefits Fire	1,548,481	1,550,000	1,491,278	58,722
Security of Persons and Property:	<u>3,041,864</u>	<u>3,075,000</u>	<u>3,013,548</u>	<u>61,452</u>
<i>Excess of Revenues Over Expenditures</i>	(192,395)	(225,531)	(60,697)	164,834
<i>Net Change in Fund Balance</i>	(192,395)	(225,531)	(60,697)	164,834
<i>Fund Balance Beginning of Year</i>	<u>842,034</u>	<u>842,034</u>	<u>842,034</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$649,639</u>	<u>\$616,503</u>	<u>\$781,337</u>	<u>\$164,834</u>

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

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

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$2,797,567	\$2,797,567	\$2,142,642	(\$654,925)
<b>Expenditures</b>				
<b>Current:</b>				
Community Environment:	2,795,317	2,339,745	2,246,439	93,306
<i>Excess of Revenues Over (Under) Expenditures</i>	2,250	457,822	(103,797)	(561,619)
<b>Other Financing Sources</b>				
Advances In	650,000	650,000	172,200	(477,800)
Advances Out	(657,713)	(40,000)	(40,000)	0
<i>Total Other Financing Uses</i>	(7,713)	610,000	132,200	(477,800)
<i>Net Change in Fund Balance</i>	(5,463)	1,067,822	28,403	(1,039,419)
<i>Fund Balance Beginning of Year</i>	72,330	72,330	72,330	0
<i>Fund Balance End of Year</i>	\$66,867	\$1,140,152	\$100,733	(\$1,039,419)

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

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

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Charges for Services	\$2,322,522	\$2,322,522	\$2,320,395	(\$2,127)
Special Assessments	12,129	12,129	10,528	(1,601)
Intergovernmental	75,790	75,790	2,200	(73,590)
Miscellaneous	500	500	28,658	28,158
<i>Total Revenues</i>	<u>2,410,941</u>	<u>2,410,941</u>	<u>2,361,781</u>	<u>(49,160)</u>
<b>Expenditures</b>				
<b>Current:</b>				
Security of Persons and Property	1,597,265	1,447,592	1,399,087	48,505
Public Health Services	384,569	381,306	365,795	15,511
Community Environment	209,872	237,016	230,087	6,929
Debt Service:				
Principal Retirement	185,987	129,190	127,342	1,848
Interest and Fiscal Charges	0	25,810	25,810	0
<i>Total Expenditures</i>	<u>2,377,693</u>	<u>2,220,914</u>	<u>2,148,121</u>	<u>72,793</u>
<i>Excess of Revenues Over Expenditures</i>	<u>33,248</u>	<u>190,027</u>	<u>213,660</u>	<u>23,633</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	0	0	160,000	160,000
Transfers Out	(1,200)	(1,200)	(1,200)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(1,200)</u>	<u>(1,200)</u>	<u>158,800</u>	<u>160,000</u>
<i>Net Change in Fund Balance</i>	32,048	188,827	372,460	183,633
<i>Fund Balance Beginning of Year</i>	<u>9,845,524</u>	<u>9,845,524</u>	<u>9,845,524</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$9,877,572</u>	<u>\$10,034,351</u>	<u>\$10,217,984</u>	<u>\$183,633</u>

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

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

	<b>Business-Type Activities - Enterprise Funds</b>				<b>Governmental Activities</b>
	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Nonmajor Funds</b>	<b>Total</b>	<b>Internal Service Funds</b>
<b>ASSETS</b>					
<b>Current Assets:</b>					
Equity in Pooled Cash and Cash Equivalents	\$8,196,448	\$14,185,417	\$699,957	\$23,081,822	\$3,159,242
Cash and Cash Equivalents:					
In Segregated Accounts	172,895	154,482	0	327,377	0
Materials and Supplies Inventory	166,472	382,121	77,373	625,966	0
Accrued Interest Receivable	42,431	0	0	42,431	0
Accounts Receivable	1,839,502	1,814,222	537,627	4,191,351	0
Less: Allowance for Doubtful Accounts	(44,122)	(33,170)	0	(77,292)	0
Interfund Receivable	0	0	0	0	676,414
Intergovernmental Receivable	0	103,377	0	103,377	0
Prepaid Items	5,833	0	0	5,833	0
Property Taxes Receivable	0	1,625,003	0	1,625,003	0
<b>Total Current Assets</b>	<b>10,379,459</b>	<b>18,231,452</b>	<b>1,314,957</b>	<b>29,925,868</b>	<b>3,835,656</b>
<b>Noncurrent Assets:</b>					
<b>Restricted Assets:</b>					
Equity in Pooled Cash and Cash Equivalents	0	0	0	0	0
Net Pension Asset	2,017	4,679	293	6,989	0
<b>Capital Assets:</b>					
Land	0	1,010	77,130	78,140	0
Construction in Progress	4,317,161	4,437,364	0	8,754,525	0
Depreciable Assets, Net of Depreciation	46,219,176	46,099,300	5,098,715	97,417,191	0
<b>Total Noncurrent Assets</b>	<b>50,538,354</b>	<b>50,542,353</b>	<b>5,176,138</b>	<b>106,256,845</b>	<b>0</b>
<b>Total Assets</b>	<b>60,917,813</b>	<b>68,773,805</b>	<b>6,491,095</b>	<b>136,182,713</b>	<b>3,835,656</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferral on Refunding	84,020	186,927	27,300	298,247	0
Pension	541,230	1,255,919	78,672	1,875,821	0
<b>Total Deferred Outflows of Resources</b>	<b>625,250</b>	<b>1,442,846</b>	<b>105,972</b>	<b>2,174,068</b>	<b>0</b>
<b>LIABILITIES</b>					
<b>Current Liabilities:</b>					
Accounts Payable	588,287	1,158,596	146,395	1,893,278	0
Accrued Wages and Benefits	15,868	44,931	2,794	63,593	0
Retainage Payable	172,895	154,482	0	327,377	0
Intergovernmental Payable	12,802	32,266	1,955	47,023	0
Interfund Payable	21,087	51,907	413,244	486,238	0
Compensated Absences Payable	16,393	125,300	429	142,122	0
Accrued Interest Payable	81,809	159,090	569	241,468	0
Claims Payable	0	0	0	0	679,434
General Obligation Bonds Payable	396,157	1,147,516	42,052	1,585,725	0
Notes Payable	3,631,792	9,890,061	0	13,521,853	0
OPWC Loans Payable	380,903	55,906	0	436,809	0
Capital Leases Payable	331,552	263,601	83,845	678,998	0
<b>Total Current Liabilities</b>	<b>5,649,545</b>	<b>13,083,656</b>	<b>691,283</b>	<b>19,424,484</b>	<b>679,434</b>
<b>Noncurrent Liabilities:</b>					
Compensated Absences Payable	64,121	168,596	7,340	240,057	0
General Obligation Bonds Payable	6,965,226	16,175,679	175,797	23,316,702	0
OPWC Loans Payable	3,431,073	480,470	0	3,911,543	0
Capital Leases Payable	2,825,325	1,012,578	0	3,837,903	0
Net Pension Liability	1,394,592	3,236,138	202,717	4,833,447	0
<b>Total Noncurrent Liabilities</b>	<b>14,680,337</b>	<b>21,073,461</b>	<b>385,854</b>	<b>36,139,652</b>	<b>0</b>
<b>Total Liabilities</b>	<b>20,329,882</b>	<b>34,157,117</b>	<b>1,077,137</b>	<b>55,564,136</b>	<b>679,434</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property Taxes	0	1,554,887	0	1,554,887	0
Pension	26,854	62,315	3,902	93,071	0
<b>Total Deferred Inflows of Resources</b>	<b>26,854</b>	<b>1,617,202</b>	<b>3,902</b>	<b>1,647,958</b>	<b>0</b>
<b>NET POSITION</b>					
Net Investment in Capital Assets	32,658,329	21,698,790	4,901,451	59,258,570	0
Unrestricted	8,527,998	12,743,542	614,577	21,886,117	3,156,222
<b>Total Net Position</b>	<b>\$41,186,327</b>	<b>\$34,442,332</b>	<b>\$5,516,028</b>	<b>\$81,144,687</b>	<b>\$3,156,222</b>

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

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

	<u>Business-Type Activities - Enterprise Funds</u>				<b>Governmental</b>
	<u>Water</u>	<u>Sewer</u>	<u>Nonmajor</u>	<u>Total</u>	<b>Internal</b>
	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>	<u>Funds</u>	<u>Service</u>
					<u>Funds</u>
<b>OPERATING REVENUES</b>					
Charges for Services	\$10,312,626	\$9,796,498	\$771,291	\$20,880,415	\$5,602,235
Miscellaneous	6,717	177,292	83,577	267,586	918,348
<b>Total Operating Revenues</b>	<u>10,319,343</u>	<u>9,973,790</u>	<u>854,868</u>	<u>21,148,001</u>	<u>6,520,583</u>
<b>OPERATING EXPENSES</b>					
Salaries	1,381,226	3,393,866	200,580	4,975,672	0
Property Taxes	0	0	105,746	105,746	0
Materials and Supplies	269,233	292,780	31,797	593,810	0
Utilities	45,445	313,148	287,710	646,303	0
Contractual Services	184,676	554,178	25,668	764,522	178,384
Purchased Water	5,523,167	0	0	5,523,167	0
Depreciation	671,770	1,011,089	119,356	1,802,215	0
Claims	0	0	0	0	7,260,015
Other	434,768	949,234	53,739	1,437,741	0
<b>Total Operating Expense</b>	<u>8,510,285</u>	<u>6,514,295</u>	<u>824,596</u>	<u>15,849,176</u>	<u>7,438,399</u>
Operating Income (Loss)	<u>1,809,058</u>	<u>3,459,495</u>	<u>30,272</u>	<u>5,298,825</u>	<u>(917,816)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Gain (Loss) on Sale of Capital Assets	(3,749)	0	0	(3,749)	0
Interest	168,199	0	0	168,199	0
Interest and Fiscal Charges	(463,252)	(619,308)	(3,790)	(1,086,350)	0
Property Taxes	0	1,607,149	0	1,607,149	0
Intergovernmental	0	66,504	0	66,504	0
Special Assessments	114,684	74,467	0	189,151	0
<b>Total Nonoperating Revenues (Expenses)</b>	<u>(184,118)</u>	<u>1,128,812</u>	<u>(3,790)</u>	<u>940,904</u>	<u>0</u>
Capital Contributions from Grants	1,279,891	0	0	1,279,891	0
Transfers In	0	0	267,371	267,371	991,935
Transfers Out	(15,252)	(1,880,981)	(84,500)	(1,980,733)	0
Change in Net Position	<u>2,889,579</u>	<u>2,707,326</u>	<u>209,353</u>	<u>5,806,258</u>	<u>74,119</u>
Net Position - Beginning of Year	<u>38,296,748</u>	<u>31,735,006</u>	<u>5,306,675</u>	<u>75,338,429</u>	<u>3,082,103</u>
<b>Net Position - End of Year</b>	<u><u>\$41,186,327</u></u>	<u><u>\$34,442,332</u></u>	<u><u>\$5,516,028</u></u>	<u><u>\$81,144,687</u></u>	<u><u>\$3,156,222</u></u>

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

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

	<b>Business-Type Activities - Enterprise Funds</b>				<b>Governmental Activities</b>
	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Nonmajor Funds</b>	<b>Total</b>	<b>Internal Service Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash Received from Charges for Services	\$10,379,264	\$9,719,395	\$691,734	\$20,790,393	\$5,622,918
Cash Received from Other Operating Sources	6,717	177,292	83,577	267,586	918,348
Cash Payments for Employee Services and Benefits	(1,205,830)	(1,192,851)	(173,272)	(2,571,953)	0
Cash Payments for Goods and Services	(6,359,316)	(2,529,025)	(434,348)	(9,322,689)	(178,384)
Cash Payments for Claims	0	0	0	0	(7,279,651)
Cash Payments for Other Operating Expenses	(434,768)	(949,234)	(53,739)	(1,437,741)	0
Net Cash Provided by (Used in) Operating Activities	<u>2,386,067</u>	<u>5,225,577</u>	<u>113,952</u>	<u>7,725,596</u>	<u>(916,769)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Intergovernmental Revenue	0	206,754	0	206,754	0
Property Taxes	0	1,593,724	0	1,593,724	0
Special Assessments	64,715	33,844	0	98,559	0
Advances In	0	0	350,000	350,000	0
Advances Out	0	0	(300,000)	(300,000)	0
Transfers In	0	0	264,590	264,590	991,935
Transfers Out	(15,252)	(1,878,200)	(84,500)	(1,977,952)	0
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>49,463</u>	<u>(43,878)</u>	<u>230,090</u>	<u>235,675</u>	<u>991,935</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Principal Paid on Debt	(3,601,558)	(6,301,365)	(426,820)	(10,329,743)	0
Interest Paid on Debt	(472,702)	(672,175)	(14,819)	(1,159,696)	0
Payments for Capital Acquisitions	(4,095,414)	(4,851,039)	(21,245)	(8,967,698)	0
Bond Anticipation Notes issued	3,625,000	9,870,000	0	13,495,000	0
Refunding Bonds Issued	0	0	145,000	145,000	0
OPWC Loan issued	1,320,000	11,297	0	1,331,297	0
Premium on Debt Issued	27,169	80,245	0	107,414	0
Net Cash (Used in) Capital and Related Financing Activities	<u>(1,917,614)</u>	<u>(1,863,037)</u>	<u>(317,884)</u>	<u>(4,098,535)</u>	<u>0</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest on Investments	149,270	0	0	149,270	0
Net Cash Provided by Investing Activities	<u>149,270</u>	<u>0</u>	<u>0</u>	<u>149,270</u>	<u>0</u>
Net Increase in Cash and Cash Equivalents	667,186	3,318,662	26,158	4,012,006	75,166
Cash and Cash Equivalents - Beginning of Year	<u>7,702,157</u>	<u>11,021,237</u>	<u>673,799</u>	<u>19,397,193</u>	<u>3,084,076</u>
<b>Cash and Cash Equivalents - End of Year</b>	<u><u>\$8,369,343</u></u>	<u><u>\$14,339,899</u></u>	<u><u>\$699,957</u></u>	<u><u>\$23,409,199</u></u>	<u><u>\$3,159,242</u></u>

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



**City of Lakewood, Ohio**  
*Statement of Cash Flows*  
*Proprietary Funds (continued)*  
For the Year Ended December 31, 2017

	<b>Business-Type Activities - Enterprise Funds</b>				<b>Governmental Activities</b>
	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Nonmajor Funds</b>	<b>Total</b>	<b>Internal Service Funds</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>					
Operating Income (Loss)	\$1,809,058	\$3,459,495	\$30,272	\$5,298,825	(\$917,816)
Adjustments:					
Depreciation	671,770	1,011,089	119,356	1,802,215	0
(Increase) Decrease in Assets and Deferred Outflows of Resources:					
Accounts Receivable	66,638	(77,103)	(79,557)	(90,022)	0
Interfund Receivable	0	0	0	0	20,683
Materials and Supplies Inventory	(99,881)	(72,540)	18,398	(154,023)	0
Net Pension Asset	(293)	(680)	(42)	(1,015)	0
Deferred Outflows of Resources	(122,937)	(285,275)	(17,871)	(426,083)	0
Increase (Decrease) in Liabilities and Deferred Inflows of Resources:					
Accounts Payable	(236,914)	459,102	(1,825)	220,363	0
Accrued Wages and Benefits	(263)	4,670	463	4,870	0
Compensated Absences Payable	(3,127)	26,190	1,010	24,073	0
Interfund Payable	(909)	(2,236)	(140)	(3,285)	0
Intergovernmental Payable	1,828	4,171	122	6,121	0
Claims Payable	0	0	0	0	(19,636)
Net Pension Liability	303,924	705,253	44,179	1,053,356	0
Deferred Inflows of Resources	(2,827)	(6,559)	(413)	(9,799)	0
<b>Net Cash Provided by (Used In) Operating Activities</b>	<b>\$2,386,067</b>	<b>\$5,225,577</b>	<b>\$113,952</b>	<b>\$7,725,596</b>	<b>(\$916,769)</b>
<b>Schedule of Noncash Investing, Capital, and Financing Activities:</b>					
Net Impact of accruals related to capital assets	(\$146,733)	(\$251,666)	\$0	(\$398,399)	\$0

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

**City of Lakewood, Ohio**  
*Statement of Fiduciary Assets and Liabilities*  
*Fiduciary Funds*  
*December 31, 2017*

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	<u>Agency Funds</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$2,870,717</u>
<b>Liabilities</b>	
Deposits Held and Due to Others	<u>\$2,870,717</u>

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

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

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**Note 1 – Description of the City and Reporting Entity**

The City of Lakewood (the "City") was incorporated and chartered in 1911. The City operates under an elected Mayor/Council administrative/legislative form of government and provides the following services as authorized by its charter: public safety (police and fire protection), sanitation, planning and zoning, public improvements, culture and recreation, municipal court and general administration services. In addition, the City owns and operates several business-type activities including a water system, a local sewer system, an ice rink facility, and parking facilities.

***Reporting Entity***

The 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 consists of all funds, departments, boards and agencies that are not legally separate from the City.

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; 4) or the City is obligated for the debt of the organization. Component units may also include organizations for which the City authorizes the issuance of debt or levying of taxes, or determining the budget. The City has no component units.

The City is associated with the West Shore Council of Governments, a jointly governed organization. Additional information is included in Note 19.

The following entities are excluded from the accompanying financial statements: Lakewood City School District and Lakewood Public Library.

**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.

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

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**Note 2 - Summary of Significant Accounting Policies (Continued)**

**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. 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 statements distinguish between those activities of the City that are governmental and those that are considered business-type.

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

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

***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. The City reports 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 balance. The following are the City’s major governmental funds:

*General Fund* – The General Fund accounts for and reports all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the City for any purpose, provided it is expended or transferred according to the Charter of the City of Lakewood and/or general laws of Ohio.

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

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**Note 2 - Summary of Significant Accounting Policies (Continued)**

*Police and Fire Pension Fund* - The Police and Fire Pension Fund accounts for and reports restricted property taxes levied for the partial payments of the current and accrued liability for police and firemen disability and pension.

*Community Development Block Grant Fund* - The Community Development Block Grant Fund accounts for and reports revenues received from the federal government restricted for costs prescribed under the Community Development Block Grant program.

*Lakewood Hospital Fund* - To account for and report ambulance service fees committed to providing emergency medical services (paramedic), payments to the City per the terms of the December 15, 2015 Master Agreement with the Cleveland Clinic Foundation, and fees related to various licenses, permits and fees.

*Debt Service Fund* - The Debt Service Fund accounts for and reports restricted property taxes levied for the payment of principal and interest on general long-term obligations.

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 City has two major Enterprise funds.

*Water Fund:* The Water Fund accounts for the provision of water distribution to the residential and commercial users of the City.

*Sewer Fund:* The Sewer Fund accounts for the sanitary sewer services to the residential and commercial users of the City.

The other enterprise funds are used to account for off-street parking services and to account for the operations of the City's ice rink facility.

*Internal Service Funds* - Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's two internal service funds account for workers' compensation costs and a self insurance program for employee hospitalization and medical benefits.

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

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**Note 2 - Summary of Significant Accounting Policies (Continued)**

**Fiduciary Funds** - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: *pension trust funds*, *investment trust funds*, *private-purpose trust funds*, and *agency funds*. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City has no trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City's agency fund accounts for temporary suspense accounts, payroll withholding accounts, evidence trust, unclaimed funds, building and bid deposits and vital statistics.

**C. Measurement Focus**

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

**Fund Financial Statements** - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources along with current liabilities and deferred inflows of resources generally are included on the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include 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 and deferred outflows of resources along with all 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 Fund Net Position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The Statement of Cash Flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

**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 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.

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

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**Note 2 - Summary of Significant Accounting Policies (Continued)**

**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.

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

**Deferred Outflows/Inflows of Resources** - In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide statement of net position for deferred charges on refunding and 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 16.

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, promissory note 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. These amounts 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. For the City, unavailable revenue includes delinquent property taxes (\$539,894) and delinquent payment in lieu of taxes (\$12,223), municipal income taxes (\$9,883,249), intergovernmental grants and entitlements (\$1,954,711), and special assessments (\$1,083,074). 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 16)

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

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**Note 2 - Summary of Significant Accounting Policies (Continued)**

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

***E. 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. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

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 fiscal agents".

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

The City has entered into an agreement with North Point Realty Inc. to manage the Community Health Center and residential properties associated with the December 15, 2015 Master Agreement between the City and the Cleveland Clinic Foundation. As of December 31, 2017, the cash balance held with the escrow agent is \$406,841.

The City has invested in the State Treasury Asset Reserve of Ohio (STAROhio), municipal bond securities, U.S. debt securities, negotiable CDs, and money market mutual funds during 2017. The City's investment in State Treasury Asset Reserve of Ohio (STAR Ohio) is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company and is recognized as an external investment pool by the City. The city measures their investment in STAR Ohio as the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

For 2017, there were no limitation or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

Interest earnings are allocated to City funds according to State statutes, City Charter, grant requirements or debt related restrictions. Interest revenue is distributed to the General Fund, Federal Forfeiture Fund, Debt Service Fund, and Water Fund. Interest revenue credited to the General Fund during 2017 amounted to \$373,393 that includes \$262,982 assigned from other City funds.



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

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**Note 2 - Summary of Significant Accounting Policies (Continued)**

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

***F. Restricted Assets***

Amounts held by trustees that are legally restricted for replacement and improvement, debt service and unspent bond proceeds per the applicable bond covenants are reported as restricted assets.

***G. Inventory***

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

On fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as an expenditure in the governmental funds when consumed. Inventories of the proprietary funds are expensed when used.

Inventory consists of expendable supplies held for consumption.

***H. Assets Held for Resale***

Assets held for resale represents assets consisting of homes purchased and repaired which will be resold through Planning and Development and homes reverted back to the City through the dissolution of Lakewood Hospital Association.

***I. 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.

***J. Capital Assets***

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in the governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective funds. All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The City was able to estimate the historical cost for the initial reporting of infrastructure by backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their acquisition values as of the date received.

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

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**Note 2 - Summary of Significant Accounting Policies (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 an asset or materially extend an asset's life are not. Interest incurred during the construction of proprietary fund capital assets is also capitalized.

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

Description	Estimated Lives
Land Improvements	25 years
Buildings and Improvements	75 years
Furniture and Equipment	10 - 20 years
Vehicles	15 years
Infrastructure	40 - 100 years

The City's infrastructure consists of roads, traffic signals, sidewalks, curbing, water lines and sewer lines, and includes infrastructure acquired prior to December 31, 1980.

***K. Interfund Balances***

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as "Interfund receivables/payables." Interfund balance amounts are eliminated in the Statement of Net Position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

***L. Compensated Absences***

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered, and it is probable that the City will compensate the employees for the benefits through paid time off or some other means. The City records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

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 (those employees who will be eligible to receive termination payments in the next ten years). 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.

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

On governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon occurrence of employee resignations and retirements.

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

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**Note 2 - Summary of Significant Accounting Policies (Continued)**

These amounts are recorded in the account “Matured Compensated Absences Payable” in the fund from which the employees who have accumulated unpaid leave are paid. For proprietary funds, the entire amount of compensated absences is reported as a fund liability.

***M. Accrued Liabilities and Long-term Obligations***

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

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

***N. Pensions***

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.

***O. Fund Balance***

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

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

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

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

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**Note 2 - Summary of Significant Accounting Policies (Continued)**

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

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

**Assigned** Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter or ordinance, typically the finance director, or by State Statute.

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

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

**P. Net Position**

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 Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2017*  
*(Continued)*

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**Note 2 - Summary of Significant Accounting Policies (Continued)**

Net position that is restricted for other purposes includes police and fire pensions, Lakewood Hospital, litter control, juvenile programs, and an emergency shelter program. The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted components of net position are available.

***Q. Operating Revenues and Expenses***

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services such as water, wastewater treatment, parking, ice rink and self insurance programs. Operating expenses are necessary costs incurred to provide the service for the primary activity of the fund. Revenues and expenses not meeting these definitions are reported as nonoperating.

***R. Contributions of Capital***

Contributions of capital in governmental and proprietary fund financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction.

***S. Interfund Activity***

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

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 expenditure/expenses to the funds that initially paid for them are not presented on the financial statements.

***T. Bond Premium***

On the government-wide financial statement, bond premiums are deferred and amortized over the term of the bonds using the straight line method since the results are not significantly different from 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 received in the year the bonds are issued.

***U. Gain/Loss on Refunding***

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

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

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**Note 2 - Summary of Significant Accounting Policies (Continued)**

***V. 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. Neither type of transaction occurred during 2017.

***W. 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.

***X. Budgetary Process***

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations 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 service and other object level within each department and fund. Budgetary modifications may only be made by ordinance of the City Council at the legal level of control.

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 issued during 2017.

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 resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Council during the year.

**Note 3 – Changes in Accounting Principles**

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

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

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**Note 3 – Changes in Accounting Principles (Continued)**

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.

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 the financial statements of the City.

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 – Compliance and Accountability**

**Accountability**

Fund balances at December 31, 2017 included the following individual fund deficits:

	Deficit
Nonmajor Governmental Funds:	
Emergency Shelter Grant	\$31,790
Family to Family Fund	54,663
Tax Increment Financing Bond Retirement	83,912
Total	\$170,365

The General Fund is liable for any deficits in this fund and provides transfers when cash is required not when accruals occur. The deficit fund balance presented above resulted from adjustments for accrued liabilities in accordance with generally accepted accounting principles (GAAP).

**City of Lakewood, 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 on the basis of generally accepted accounting principles (GAAP basis), 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 Balance - Budget (Non-GAAP Basis) and Actual presented for the General Fund and the major special revenue funds are 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:

- 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 balances (GAAP basis);
- Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis); and
- The Community Festival Fund is included in the General Fund (GAAP basis), but has a separate legally adopted budget (budget basis).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund and the major special revenue funds.

	General Fund	Police and Fire Pension Fund	Community Development Block Grant Fund	Lakewood Hospital
GAAP Basis	\$283,395	(\$94,551)	(\$34,191)	\$577,553
Net Adjustment for Revenue Accruals	(3,317,117)	0	190,057	(332,574)
Advances In	432,000	0	172,200	0
Net Adjustment for Expenditure Accruals	2,659,827	33,854	(259,663)	127,481
Advances Out	(626,700)	0	(40,000)	0
Excess of Revenues over Expenditures:				
Community Festival Fund	92	0	0	0
Outstanding Encumbrances	(4,563,616)	0	0	0
	<u>\$ (5,132,119)</u>	<u>\$ (60,697)</u>	<u>\$ 28,403</u>	<u>\$ 372,460</u>
Budget Basis				



**City of Lakewood, 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:

<b>Fund Balances</b>	<b>General</b>	<b>Police and Fire Pension</b>	<b>Community Development Block Grant</b>	<b>Lakewood Hospital</b>	<b>Debt Service</b>	<b>Other Governmental Funds</b>	<b>Total</b>
<i>Nonspendable</i>							
Prepaid Items	\$379,629	\$0	\$1,685	\$0	\$0	\$0	\$381,314
Materials and Supplies Inventory	439,344	0	0	0	0	93,139	532,483
Interfund Balances	686,700	0	0	0	0	0	686,700
Notes Receivable	109,596	0	0	0	0	0	109,596
<b>Total Nonspendable</b>	<b>1,615,269</b>	<b>0</b>	<b>1,685</b>	<b>0</b>	<b>0</b>	<b>93,139</b>	<b>1,710,093</b>
<i>Restricted for</i>							
Streets and Highway Improvements	0	0	0	0	0	792,484	792,484
Police and Fire Pension	0	416,515	0	0	0	0	416,515
Community Development	0	0	1,153,861	0	0	0	1,153,861
Senior Programs	0	0	0	0	0	33,565	33,565
Law Enforcement	0	0	0	0	0	247,267	247,267
Lakewood Municipal Court	0	0	0	0	0	824,230	824,230
HOME Investment Program	0	0	0	0	0	108,467	108,467
FEMA	0	0	0	0	0	2,781	2,781
Neighborhood Stabilization	0	0	0	0	0	307,467	307,467
Litter Control Projects	0	0	0	0	0	5,709	5,709
Debt Service Payments	0	0	0	0	3,209,465	0	3,209,465
Capital Improvements	0	0	0	0	0	1,211,472	1,211,472
Hospital Transition	0	0	0	12,325,117	0	0	12,325,117
<b>Total Restricted</b>	<b>0</b>	<b>416,515</b>	<b>1,153,861</b>	<b>12,325,117</b>	<b>3,209,465</b>	<b>3,533,442</b>	<b>20,638,400</b>
<i>Committed to</i>							
Land Acquisition	0	0	0	0	0	5,000,000	5,000,000
Other Purposes	0	0	0	0	0	35,790	35,790
<b>Total Committed</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,035,790</b>	<b>5,035,790</b>
<i>Assigned to</i>							
Community Festival Projects	2,397	0	0	0	0	0	2,397
Subsequent Appropriations	2,074,087	0	0	0	0	0	2,074,087
Purchases on Order	4,563,616	0	0	0	0	0	4,563,616
<b>Total Assigned</b>	<b>6,640,100</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,640,100</b>
<i>Unassigned (Deficit)</i>	6,258,106	0	0	0	0	(170,365)	6,087,741
<b>Total Fund Balances</b>	<b>\$14,513,475</b>	<b>\$416,515</b>	<b>\$1,155,546</b>	<b>\$12,325,117</b>	<b>\$3,209,465</b>	<b>\$8,492,006</b>	<b>\$40,112,124</b>

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

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**Note 7 - Deposits and Investments**

The City is a charter City and has adopted an investment policy through City Ordinance. The City has elected to follow the provisions of State statute. State statutes classify monies held by the City into three categories.

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

Inactive deposits are public deposits that City 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 will be needed before the end of the current period of designation for 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 may be deposited or invested in the following securities:

1. United States Treasury notes, bills, bonds, or other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any Federal government agency or instrumentality including but not limited to, 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;
3. 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 2 percent and be marked to market daily, and that the term of the agreement must not exceed 30 days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) and (2) 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;
6. The State Treasury Asset Reserve of Ohio (STAR Ohio);

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

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**Note 7 - Deposits and Investments (Continued)**

7. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts; and
8. Certain bankers acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed twenty five percent of the interim monies available for the investment at any one time.

The City may also invest any monies not required to be used for a period of 6 months or more in the following:

1. Bonds of the State of Ohio;
2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this State, to which there is no default of principal, interest, or coupons;
3. 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. An investment must mature within 5 years from the date of purchase, unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

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

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

**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, \$5,185,269 of the City's bank balance of \$6,444,737 was uninsured but collateralized. Although the securities were held by the pledging financial institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

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

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**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.

Two of the City's financial institutions joined OPCS as of December 31, 2017 and one was in the process. The financial institutions still maintained their own 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.

**Investments**

STAR Ohio is measured at net asset value per share while all other investments are measured at fair value. 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 previously discussed Star Ohio is reported at its net asset value. All other investments of the City are valued using quoted market prices (Level 1 and 2 inputs). As of December 31, 2017, the City had investments in STAROhio with a net asset value of \$25,622,556 with a weighted average maturity of 52 days; investments in various municipal bond securities with a total fair value of \$12,176,058 and had maturities of less than four years; investments in various U.S. debt securities with a total fair value of \$14,625,908 and had maturities of less than four years; and investments in negotiable certificates of deposit with a total fair value of \$6,032,030 and had maturities of less than four years. In addition, investments held in money market mutual funds with fiscal agent had a fair values of \$1,272,285. The money market mutual fund had an average maturity of less than one year.

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

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

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**Note 7 - Deposits and Investments (Continued)**

**Credit Risk:** STAROhio carries a rating of AAAM by Standard & Poor's. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service. The highest credit rating of the municipal bond securities was AAA by Standard & Poor's and the lowest credit rating was A- by Standard & Poor's. The credit rating for the U.S debt securities was AA+ by Standard & Poor's. The negotiable certificates of deposit were not rated. The credit ratings for the money market mutual fund was AAAM by Standard & Poor's. The City has no investment policy that addresses credit risk.

**Custodial Credit Risk:** Custodial credit risk for investments is the risk that in the event of bank failure, the City will not be able to recover investments or collateral securities that are in possession of an outside party. At year end, the City's investment in negotiable certificates of deposit of \$6,032,030 was fully covered by the FDIC.

**Note 8 - Receivables**

Receivables at December 31, 2017, consisted primarily of accounts (billings for user charged services), intergovernmental receivables arising from grants, entitlements and shared revenues, municipal income taxes, property taxes, loans (Community Development Block Grant monies loaned to local businesses), special assessments and interfunds.

All receivables, except property taxes, special assessments and loans, are expected to be received within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year. All receivables, except utility accounts receivable, are deemed collectible in full. Utility accounts receivable may be certified and collected as a special assessment, subject to foreclosure for nonpayment.

Allowance for doubtful accounts has been recorded at \$44,122 in the Water Fund and \$33,170 in the Sewer Fund.

Loans receivable to be collected in more than one-year amount to \$1,352,443 in the Community Development Block Grant Fund.

Notes receivable to be collected in more than one-year amount to \$1,400,000 in the Lakewood Hospital Fund.

Special assessments expected to be collected in more than one-year amount to \$1,176,164 in the various governmental funds. The amount of delinquent special assessments at December 31, 2017 was \$15,879.

**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.

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. 2017 real property taxes are collected in and intended to finance 2018 operations.

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

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**Note 8 – Receivables (Continued)**

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 can be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2018 public utility property taxes which became a lien December 31, 2017, are levied after October 1, 2017, and are collected in 2018 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2017, was \$17.40 per \$1,000 of assessed value. The assessed values of real property, public utility tangible property upon which 2017 property tax receipts were based, are as follows:

Category	Assessed Value
Real Estate:	
Residential and Agricultural	\$732,178,570
Commercial/Industrial/Public Utility	152,339,630
Public Utility	16,851,640
Total Assessed Value	\$901,369,840

The Cuyahoga County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Lakewood. The County Fiscal Officer periodically remits to the City its portion of the taxes. Property taxes receivable represents real and public utility property 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 deferred since 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 the accrual basis, collectible delinquent property taxes have been recorded as revenue while on the modified accrual basis the revenue has been deferred.

***B. Income Tax***

The City levies a municipal income tax at a rate of 1.50 percent. The City's income tax is levied upon the net income of corporations and other business entities and on wages, salaries, and other personal service compensation earned by residents of the City and non-residents working within the City. Residents of the City are granted credit for income taxes paid to other municipalities to a maximum of one-half of one percent of income earned outside the City. Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City at least quarterly. Corporations and other self-employed individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually with the City.

**City of Lakewood, 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:

	Amount
<b>Governmental Activities:</b>	
Homestead and Rollback	\$796,010
Local Government	857,053
Gasoline Tax	685,289
Federal Grant Reimbursements	15,824
Motor Vehicle License Registration	127,557
State Grant Reimbursements	41,689
Permissive Motor Vehicle License Tax	22,527
Other	776
<i>Total Governmental Activities</i>	2,546,725
 <b>Business-Type Activities:</b>	
Homestead and Rollback	103,377
<i>Total Business-Type Activities</i>	103,377
<i>Total Entity-wide</i>	\$2,650,102

**D. Payments in Lieu of Taxes**

According to State law, the City has established several tax incremental financing districts within the City under which the City has granted property tax exemptions and agreed to construct certain infrastructure improvements. The property owners have agreed to make payments to the City to help pay the costs of the infrastructure improvements. The amount of those payments generally reflects all or a portion of the property taxes which the property owners would have paid if the property had not been declared exempt. The property owners' contractual promise to make these payments in lieu of taxes generally continues until the costs of the improvement have been paid or the agreement expires, whichever occurs first. Future development by these or others may result in subsequent agreement to make payment in lieu of taxes and may therefore spread the costs of the improvements to a larger number of property owners.

**Note 9 - Contingencies**

**A. Grants**

The City received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and 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 Lakewood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2017*  
(Continued)

**Note 9 – Contingencies (Continued)**

**B. Litigation**

Several claims and lawsuits are pending against the City. The amount of the liability, if any, cannot be reasonably estimated at this time. However, in the opinion of management, any such claims and lawsuits will not have a material adverse effect on the overall financial position of the City at December 31, 2017.

**Note 10 - Capital Assets**

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

	Balance 12/31/16	Additions	Deletions	Balance 12/31/17
<b>Governmental Activities</b>				
<i>Capital Assets, not being Depreciated:</i>				
Land	\$6,139,702	\$0	\$0	\$6,139,702
Construction in Progress	1,346,691	3,988,386	(4,062,758)	1,272,319
<i>Total Capital Assets, not being Depreciated</i>	<u>7,486,393</u>	<u>3,988,386</u>	<u>(4,062,758)</u>	<u>7,412,021</u>
<i>Capital Assets, being Depreciated:</i>				
Land Improvements	9,143,959	190,092	0	9,334,051
Buildings and Improvements	19,436,938	85,208	0	19,522,146
Furniture and Equipment	4,878,575	366,016	(21,549)	5,223,042
Vehicles	13,748,257	1,014,363	(705,280)	14,057,340
Infrastructure				
Roads	53,470,444	1,956,493	(809,823)	54,617,114
Traffic Signals	7,530,963	582,626	0	8,113,589
Sidewalks	4,426,640	1,263,139	0	5,689,779
Curbing	1,434,304	0	0	1,434,304
<i>Total Capital Assets, being Depreciated</i>	<u>114,070,080</u>	<u>5,457,937</u>	<u>(1,536,652)</u>	<u>117,991,365</u>
Less Accumulated Depreciation:				
Land Improvements	(3,070,445)	(291,032)	0	(3,361,477)
Buildings and Improvements	(6,672,267)	(258,754)	0	(6,931,021)
Furniture and Equipment	(2,853,596)	(195,385)	13,565	(3,035,416)
Vehicles	(6,744,490)	(789,140)	602,801	(6,930,829)
Infrastructure				
Roads	(14,776,304)	(1,060,635)	473,239	(15,363,700)
Traffic Signals	(3,014,182)	(174,965)	0	(3,189,147)
Sidewalks	(1,230,398)	(40,955)	0	(1,271,353)
Curbing	(566,533)	(12,564)	0	(579,097)
Total Accumulated Depreciation	<u>(38,928,215)</u>	<u>(2,823,430) *</u>	<u>1,089,605</u>	<u>(40,662,040)</u>
Total Capital Assets being Depreciated, Net	<u>75,141,865</u>	<u>2,634,507</u>	<u>(447,047)</u>	<u>77,329,325</u>
Governmental Activities Capital Assets, Net	<u>\$82,628,258</u>	<u>\$6,622,893</u>	<u>(\$4,509,805)</u>	<u>\$84,741,346</u>



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

**Note 10 - Capital Assets (Continued)**

	Balance 12/31/16	Additions	Deletions	Balance 12/31/17
<b>Business-Type Activities</b>				
<i>Capital Assets, not being Depreciated:</i>				
Land	\$78,140	\$0	\$0	\$78,140
Construction in Progress	8,007,108	8,926,604	(8,179,187)	8,754,525
<i>Total Capital Assets, not being Depreciated</i>	<u>8,085,248</u>	<u>8,926,604</u>	<u>(8,179,187)</u>	<u>8,832,665</u>
<i>Capital Assets, being Depreciated:</i>				
Land Improvements	5,466,718	6,905,180	0	12,371,898
Buildings and Improvements	17,880,431	6,164	0	17,886,595
Furniture and Equipment	10,011,675	106,922	0	10,118,597
Vehicles	2,715,878	390,276	(74,974)	3,031,180
Infrastructure:				
Sidewalks	65,172	0	0	65,172
Water Lines	61,658,061	0	0	61,658,061
Sewer Lines	33,438,623	1,210,133	0	34,648,756
<i>Total Capital Assets, being Depreciated</i>	<u>131,236,558</u>	<u>8,618,675</u>	<u>(74,974)</u>	<u>139,780,259</u>
Less Accumulated Depreciation:				
Land Improvements	(1,361,568)	(202,685)	0	(1,564,253)
Buildings and Improvements	(6,478,862)	(226,883)	0	(6,705,745)
Furniture and Equipment	(6,723,649)	(277,077)	0	(7,000,726)
Vehicles	(1,130,939)	(186,009)	71,225	(1,245,718)
Infrastructure				
Sidewalks	(705)	(651)	0	(1,356)
Water Lines	(16,500,580)	(590,727)	0	(17,091,307)
Sewer Lines	(8,435,780)	(318,183)	0	(8,753,963)
Total Accumulated Depreciation	<u>(40,632,083)</u>	<u>(1,802,215) *</u>	<u>71,225</u>	<u>(42,363,068)</u>
Total Capital Assets, being Depreciated, Net	<u>90,604,475</u>	<u>6,816,460</u>	<u>(3,749)</u>	<u>97,417,191</u>
Business-Type Activities Assets, Net	<u>\$98,689,723</u>	<u>\$15,743,064</u>	<u>(\$8,182,936)</u>	<u>\$106,249,856</u>

As of 12/31/2016 there was a reclassification of \$3,441,271 from Building and Improvements to Land Improvements in the table above.

\* Depreciation expense was charged to governmental and business-type functions as follows:

Governmental Activities		Business-Type Activities	
Security of Persons and Property - Police	\$162,250	Water Fund	\$671,770
Security of Persons and Property - Fire	285,039	Sewer Fund	1,011,089
Public Health Services	21,199	Parking Facilities Fund	39,386
Leisure Time Activities	431,907	Winterhurst Ice Rink Fund	79,970
Community Environment	10,013	Total Depreciation Expense	<u>\$1,802,215</u>
Basic Utility Services	275,471		
Transportation	1,443,404		
General Government	194,147		
Total Depreciation Expense	<u>\$2,823,430</u>		

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

**Note 11 – Conduit Debt Obligations**

From time to time, the City has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

On October 23, 2000, the City issued Educational Facilities Revenue Bonds for the purpose of providing funds to pay costs of acquiring and constructing additional facilities for St. Edward High School. The aggregate principal amount of conduit debt obligations for St. Edward High School was \$10,800,000. As of December 31, 2017, the aggregate principal amount of conduit debt obligation outstanding for St. Edward High School was \$7,405,000. These bonds do not constitute a debt or pledge of the full faith and credit of the City and, therefore, are not reported in the financial statements.

**Note 12- Short-Term Obligations**

The original issue date, interest rate, original issuance amount and maturity date for the City’s short-term obligations follows:

	Balance December 31, 2016	Additions	Deletions	Balance December 31, 2017
<b>Notes Payable</b>				
<i>Governmental Activities</i>				
2016 Various Purpose - 1.25%	\$60,000	\$0	\$60,000	\$0
2017 Various Purpose - 2.00%	0	172,000	0	172,000
<i>Total Governmental Activities</i>	<u>60,000</u>	<u>172,000</u>	<u>60,000</u>	<u>172,000</u>
<i>Business-Type Activities</i>				
2017 Various Purpose - 2.00%	0	385,000	0	385,000
<b>Total Notes Payable</b>	<u><u>\$60,000</u></u>	<u><u>\$557,000</u></u>	<u><u>\$60,000</u></u>	<u><u>\$557,000</u></u>

On April 3, 2017, the City issued \$22,244,000 in various purpose bond anticipation notes to provide resources for future capital improvements at an annual interest rate of 2.00 percent that will mature April 2, 2018. \$557,000 of these notes are considered short-term and the remaining \$21,687,000 are considered long-term.

**Note 13- Long-Term Obligations**

The original issue date, interest rate, original issuance amount and maturity date for each of the City’s long-term obligations follows:

	Original Issue Date	Interest Rate	Original Issue Amount	Date of Maturity
<i>Governmental Activities</i>				
<i>Notes</i>				
Various Purpose	2017	2.00%	\$8,577,000	April 2, 2018
Various Purpose	2016	1.25%	\$4,099,000	April 4, 2017

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

**Note 13- Long-Term Obligations (Continued)**

	<u>Original Issue Date</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>	<u>Date of Maturity</u>
<b>General Obligation Bonds</b>				
Various Purpose Refunding-2007	2007	4.00-5.25%	10,520,000	December 1, 2026
Various Purpose Refunding-2017	2017	2.50%	5,745,000	December 1, 2026
Various Purpose Refunding-2011	2011	2.00-5.00%	3,075,268	December 1, 2028
Various Purpose Refunding-2012	2012	2.00-5.00%	3,097,660	December 1, 2023
Various Purpose Refunding and Improvement Bonds Series 2016A-2005 GO Refunding	2016	1.60-5.00%	1,554,760	December 1, 2025
Various Purpose Refunding and Improvement Bonds Series 2016A	2016	1.60-5.00%	12,417,260	December 1, 2036
<b>Tax Increment Financing</b>				
Various Purpose Refunding and Improvement Bonds Series 2016B	2016	2.50-3.00%	2,890,000	July 1, 2024
Various Purpose Refunding and Improvement Bonds Series 2016A-2005 GO Refunding Vedda	2016	1.60-5.00%	221,784	December 1, 2025
<b>OPWC Loan</b>				
Forest and Clifton Road	1999	0%	616,000	December 1, 2019
<b>Business-Type Activities</b>				
<b>Notes</b>				
<b>Water</b>				
Water Main Improvements	2017	2.00%	3,625,000	April 2, 2018
Water Main Improvements	2016	1.25%	1,640,000	April 4, 2017
<b>Sewer</b>				
Various Purpose	2017	2.00%	9,485,000	April 2, 2018
Various Purpose	2016	1.25%	4,845,000	April 4, 2017
<b>Revenue Bonds</b>				
<b>Water</b>				
Water Main Improvements	1995	4.40-6.60%	2,850,000	December 1, 2020
<b>General Obligation Bonds</b>				
<b>Water</b>				
Various Purpose Refunding and Improvement Bonds Series 2016A	2016	1.60-5.00%	344,055	December 1, 2025
Various Purpose Refunding and Improvement Bonds Series 2016A	2016	1.60-5.00%	6,690,000	December 1, 2031
<b>Sewer</b>				
Sewer Construction Refunding	2012	2.00%	2,347,340	December 1, 2023
Various Purpose Refunding and Improvement Bonds Series 2016A	2016	1.60-5.00%	2,494,400	December 1, 2025
Various Purpose Refunding and Improvement Bonds Series 2016A	2016	1.60-5.00%	9,325,000	December 1, 2031
Various Purpose Refunding and Improvement Series 2016A	2016	1.60-5.00%	3,522,740	December 1, 2036
<b>Winterhurst</b>				
Winterhurst Recreational Facility Refunding	2011	2.00-5.00%	929,732	December 1, 2028
Various Purpose Refunding and Improvement Bonds Series 2016A	2016	1.60-5.00%	114,684	December 1, 2025
<b>Parking</b>				
Meter Replacement	2007	4.00-5.25%	355,000	December 1, 2026
2017 Refunding-Meter Replacement	2017	2.50%	145,000	December 1, 2026
<b>OPWC Loans</b>				
<b>Water</b>				
Water Main Replacements	1999	0%	1,248,464	December 1, 2019
Water Main Replacements	2001	0%	1,944,012	December 1, 2021
Water Main Replacements	2003	0%	994,614	July 1, 2023
Water Main Replacements	2003	0%	1,592,840	July 1, 2023
Belle Avenue Improvements	2003	0%	484,637	December 1, 2023
Water Main Replacements	2015	0%	677,004	July 1, 2036
Water Main Replacements	2016	0%	676,500	December 1, 2036
Water Main Replacements	2017	0%	1,320,000	December 1, 2037
<b>Sewer</b>				
West Clifton Storm Sewer Rehab.	2000	0%	115,101	December 1, 2020
Edgewater Drive-Sewer Separation	2002	0%	604,258	December 1, 2022
West End Sewer Separation	2016	0%	428,399	December 1, 2036

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

**Note 13- Long-Term Obligations (Continued)**

	Balance December 31, 2016	Additions	Deletions	Balance December 31, 2017	Amount Due in One Year
<i>Governmental Activities</i>					
<b>Notes Payable</b>					
Various Purpose-2017	\$0	\$8,577,000	\$0	\$8,577,000	\$8,577,000
Unamortized Premium	0	67,870	49,544	18,326	0
Various Purpose-2016	4,099,000	0	4,099,000	0	0
Unamortized Premium	6,445	0	6,445	0	0
<i>Total Notes Payable</i>	<u>4,105,445</u>	<u>8,644,870</u>	<u>4,154,989</u>	<u>8,595,326</u>	<u>8,577,000</u>
<b>General Obligation Bonds</b>					
Various Purpose Refunding-2007	5,675,000	0	5,675,000	0	0
Unamortized Premium	28,996	0	28,996	0	0
Various Purpose Refunding-2017	0	5,745,000	770,000	4,975,000	810,000
Various Purpose-2011	7,740,000	0	5,000	7,735,000	575,000
Unamortized Premium	1,004	0	1,004	0	0
Various Purpose Refunding-2011	334,018	0	334,018	0	0
Unamortized Premium	36,723	0	36,723	0	0
Various Purpose Refunding-2012	2,429,203	0	327,118	2,102,085	332,807
Unamortized Premium	57,416	0	8,202	49,214	0
Various Purpose Improvement Bonds and Refunding Series 2016A-2005 GO	1,274,694	0	148,220	1,126,474	151,341
Unamortized Premium	114,607	0	12,390	102,217	0
Various Purpose Improvement Bonds and Refunding Series 2016A-2005 Vedita	196,314	0	22,827	173,487	23,308
Unamortized Premium	17,651	0	1,908	15,743	0
Various Purpose Improvement Bonds and Refunding Series 2016A	12,417,260	0	444,030	11,973,230	451,820
Unamortized Premium	1,176,451	0	61,114	1,115,337	0
Refunding Bonds Series 2016B	2,640,000	0	300,000	2,340,000	310,000
Unamortized Premium	61,979	0	7,513	54,466	0
<i>Total General Obligation Bonds</i>	<u>34,201,316</u>	<u>5,745,000</u>	<u>8,184,063</u>	<u>31,762,253</u>	<u>2,654,276</u>
<b>Other Long-Term Obligations</b>					
OPWC Loan-Forest and Clifton Road-1999	61,600	0	30,800	30,800	30,800
Claims Payable	699,070	7,260,016	7,279,652	679,434	679,434
Compensated Absences Payable	6,405,086	3,633,760	3,356,433	6,682,413	3,402,398
Capital Lease Payable	6,740,329	1,657,000	1,748,086	6,649,243	1,621,940
Net Pension Liability					
OPERS	15,320,929	4,269,308	0	19,590,237	0
OP&F	41,918,114	0	1,891,724	40,026,390	0
Total Net Pension Liability	<u>57,239,043</u>	<u>4,269,308</u>	<u>1,891,724</u>	<u>59,616,627</u>	<u>0</u>
<i>Total Other Long-Term Obligations</i>	<u>71,145,128</u>	<u>16,820,084</u>	<u>14,306,695</u>	<u>73,658,517</u>	<u>5,734,572</u>
<i>Total Governmental Activities</i>	<u>\$109,451,889</u>	<u>\$31,209,954</u>	<u>\$26,645,747</u>	<u>\$114,016,096</u>	<u>\$16,965,848</u>

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

**Note 13- Long-Term Obligations (Continued)**

	Balance December 31, 2016	Additions	Deletions	Balance December 31, 2017	Amount Due in One Year
<i>Business-Type Activities</i>					
<b>Notes</b>					
<i>Water</i>					
Water Main Improvements-2017	\$0	\$3,625,000	\$0	\$3,625,000	\$3,625,000
Unamortized Premium	0	27,169	20,377	6,792	6,792
Water Main Improvements-2016	1,640,000	0	1,640,000	0	0
Unamortized Premium	2,543	0	2,543	0	0
<i>Sewer</i>					
Various Purpose-2016	4,845,000	0	4,845,000	0	0
Unamortized Premium	7,509	0	7,509	0	0
Various Purpose-2017	0	9,485,000	0	9,485,000	9,485,000
Unamortized Premium	0	80,245	60,184	20,061	20,061
<i>Total Notes Payable</i>	<u>6,495,052</u>	<u>13,217,414</u>	<u>6,575,613</u>	<u>13,136,853</u>	<u>13,136,853</u>
<b>Revenue Bonds</b>					
<i>Water</i>					
Water Main Improvements-1995	865,000	0	865,000	0	0
<b>General Obligation Bonds</b>					
<i>Water</i>					
Various Purpose Improvement Bonds and Refunding Series 2016A	304,543	0	35,412	269,131	36,157
Unamortized Premium	27,381	0	2,960	24,421	0
Various Purpose Improvement Bonds and Refunding Series 2016A	6,690,000	0	355,000	6,335,000	360,000
Unamortized Premium	788,139	0	55,308	732,831	0
<i>Sewer</i>					
Sewer Construction Refunding Bonds- 2012	1,840,797	0	247,882	1,592,915	252,194
Unamortized Premium	43,510	0	6,215	37,295	0
Various Purpose Improvement Bonds and Refunding Series 2016A	2,207,936	0	256,737	1,951,199	262,142
Unamortized Premium	198,514	0	21,461	177,053	0
Various Purpose Improvement Bonds and Refunding Series 2016A	9,325,000	0	495,000	8,830,000	505,000
Unamortized Premium	1,098,644	0	77,098	1,021,546	0
Various Purpose Improvement Bonds and Refunding Series 2016A	3,522,740	0	125,970	3,396,770	128,180
Unamortized Premium	333,755	0	17,338	316,417	0
<i>Winterhurst</i>					
Recreational Facility Refunding Bonds- 2011	100,982	0	100,982	0	0
Unamortized Premium	11,103	0	11,103	0	0
Various Purpose Improvement Bonds and Refunding Series 2016A	101,513	0	11,804	89,709	12,052
Unamortized Premium	9,127	0	987	8,140	0
<i>Parking</i>					
Meter Replacement-2007	145,000	0	145,000	0	0
Unamortized Premium	1,216	0	1,216	0	0
2017 Refunding-Meter Replacement	0	145,000	25,000	120,000	30,000
<i>Total General Obligation Bonds</i>	<u>\$26,749,900</u>	<u>\$145,000</u>	<u>\$1,992,473</u>	<u>\$24,902,427</u>	<u>\$1,585,725</u>

continued

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

**Note 13- Long-Term Obligations (Continued)**

	Balance December 31, 2016	Additions	Deletions	Balance December 31, 2017	Amount Due in One Year
<b>OPWC Loans</b>					
<i>Water Fund</i>					
Water Main Replacements-1999	\$124,842	\$0	\$62,424	\$62,418	\$62,423
Water Main Replacements-2001	388,799	0	97,200	291,599	97,200
Water Main Replacements-2003	323,248	0	49,730	273,518	49,730
Water Main Replacements-2003	517,674	0	79,642	438,032	79,642
Belle Avenue Improvements-2003	181,738	0	24,232	157,506	24,232
Water Main Replacements-2015	660,079	0	33,850	626,229	33,850
Water Main Replacements-2016	676,500	0	33,826	642,674	33,826
Water Main Replacements-2017	0	1,320,000	0	1,320,000	0
<i>Total Water Fund</i>	<u>2,872,880</u>	<u>1,320,000</u>	<u>380,904</u>	<u>3,811,976</u>	<u>380,903</u>
<i>Sewer</i>					
West Clifton Storm Sewer Rehabilitation-2000	12,815	0	4,269	8,546	4,273
West End Sewer Separation-2016	417,102	11,297	21,420	406,979	21,420
Edgewater Drive-Sewer Separation-2002	151,064	0	30,213	120,851	30,213
<i>Total Sewer Fund</i>	<u>580,981</u>	<u>11,297</u>	<u>55,902</u>	<u>536,376</u>	<u>55,906</u>
<i>Total OPWC Loans</i>	<u>3,453,861</u>	<u>1,331,297</u>	<u>436,806</u>	<u>4,348,352</u>	<u>436,809</u>
<b>Other Long-Term Obligations</b>					
Compensated Absences Payable	358,106	166,127	142,054	382,179	142,122
Capital Lease Payable	5,261,051	0	744,150	4,516,901	678,998
Net Pension Liability - OPERS	3,780,091	1,053,356	0	4,833,447	0
<i>Total Other Long-Term Obligations</i>	<u>9,399,248</u>	<u>1,219,483</u>	<u>886,204</u>	<u>4,899,080</u>	<u>821,120</u>
<i>Total Business-Type Activities</i>	<u>\$46,963,061</u>	<u>\$15,913,194</u>	<u>\$10,756,096</u>	<u>\$52,120,159</u>	<u>\$15,980,507</u>

**Governmental Activities**

**General Obligation Bonds** For governmental activities, general obligation bonds will be retired from the Debt Service and TIF Bond Retirement Debt Service Funds using general property tax and payments in lieu of taxes revenue.

On May 30, 2007, the City issued \$10,875,000 in general obligation bonds, \$10,520,000 of which was related to governmental activities, to refund notes and a portion of the 2005 various purpose general obligation bonds in order to take advantage of lower interest rates. The bonds were issued for twenty years, with final maturity at December 1, 2026. The bonds will be retired from the Debt Service Fund. The proceeds were used to refund a portion of the 2005 various purpose and bond anticipation notes.

The bonds were sold at a premium of \$57,987. Net proceeds of \$4,844,725 were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded portion of the various bonds. As a result, \$4,495,000 of these bonds is considered defeased and the liability for the refunded portion of these bonds has been removed from the City's financial statements. The bond was refunded and paid off as of December 31, 2017.

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

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**Note 13 - Long-Term Obligations (Continued)**

On February 9, 2011, the City issued general obligation bonds, in the amount of \$12,320,000, to refund bonds previously issued in fiscal years 1998 and 2003 for various purposes in the amount of \$4,320,000 and to pay off the \$7,770,000 2010 various purpose notes. The bonds were issued with interest rates varying from 2 percent to 5 percent. The bonds were issued for a seventeen year period with final maturity on December 1, 2028. The bonds will be retired through the Debt Service, and Winterhurst Funds.

The bonds were sold at a premium of \$87,222. Proceeds were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the refunded 1998 Various Purpose bonds. As a result, \$4,445,100 of these bonds was considered defeased and the liability for the refunded bonds has been removed from the City's financial statements. The bond was paid in full as of December 31, 2017.

The City issued \$5,445,000 in various purpose bonds on October 17, 2012 at 2.00 percent. These bonds were issued to retire the \$6,025,000 refunding bond anticipation notes which matured on October 18, 2012. The bonds were issued for an eleven year period with final maturity on December 1, 2023. The bonds will be retired from the City's Debt Service and Sewer Funds, \$3,097,660 and \$2,347,340, respectively.

On April 5, 2016, the City issued general obligation bonds, in the amount of \$39,460,000, to refund bonds previously issued in: 2004 and 2005 for various purposes in the amount of \$13,857,336, in 2004 for the Rockport Square development project in the amount of \$2,890,000, in 2005 for the Vedda Printing Development project in the amount of \$221,784 and in 2006 for water and sewer bonds in the amount of \$22,490,880. The bonds were issued with interest rates varying from 2 percent to 5 percent. The bonds were issued for a twenty year period with final maturity on December 1, 2036. The Rockport Square bonds will be paid through tax increment financing where the payments in lieu of taxes (PILOTS) generated will pay the debt service payments. In the event that insufficient funds are collected, the shortfall will be the responsibility of the developer, per the master agreement. The Vedda Printing Development project bonds will be paid through tax increment financing where the payments in lieu of taxes (PILOTS) generated will pay the debt service payments. All other bonds will be retired through Debt service, Water, Sewer and Winterhurst funds.

The bonds were sold at a premium of \$4,019,806. Proceeds were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the refunded 2004 and 2005 general obligation bonds, Rockport Square Development bonds, Vedda Printing bonds, and the 2005 water and sewer bonds. As a result, \$ 3,090,000 of these bonds was considered defeased and the liability for the refunded bonds has been removed from the City's financial statements.

On June 6, 2017, the City issued general obligation bonds in the amount of \$5,890,000, to refund bonds previously issued in: 2007 for various purposes and meter replacement, in the amounts of \$5,675,000 and \$145,000, respectively. The bonds were issued with an interest rate of 2.5 percent. The bonds were issued for a nine year period with final maturity on December 31, 2026. The bonds will be retired by the City's Debt Service and Parking Funds.

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

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**Note 13 - Long-Term Obligations (Continued)**

Proceeds were deposited in an irrevocable trust with in escrow agent to provide all future debt payments on the refunded 2007 various purpose and meter replacement bonds. As a result, \$5,820,000 of these bonds were considered defeased and the liability for the refunded bonds has been removed from the City's financial statements.

On April 5, 2016, the City issued \$10,644,000 in various purpose and refunding bond anticipation notes at 1.25 percent that will mature April 4, 2017. The proceeds were used to retire previously issued notes within the Governmental Activities and Sewer Fund. \$60,000 of these notes is considered short-term and the remaining \$10,584,000 is considered long-term.

On April 3, 2017, the City issued \$22,244,000 in various purpose and refunding bond anticipation notes at 2.00 percent that will mature April 2, 2018. The proceeds were used to retire previously issued notes within the Governmental Activities, Water and Sewer Fund. \$557,000 of these notes is considered short-term and the remaining \$22,072,000 is considered long-term.

***Other Long-Term Obligations*** Compensated absences will be paid from the General Fund, Streets and Highway, Community Development Block Grant, Office on Aging, and Lakewood Hospital Special Revenue Funds, and the Water, Sewer, and Parking Facilities Enterprise Funds. See Note 16 for information regarding Net Pension Liability.

***Business-Type Activities***

The general obligation bonds, and OPWC loans reported in the Enterprise Funds will be paid from revenues derived by the City from water, sewer and parking meter user charges. The OPWC loans reported in the Enterprise funds are not general obligation and are not backed by the full faith and credit of the City.

In 1995, the City issued \$2,850,000 in Water Main Improvement Revenue Bonds with interest rates varying from 4.40 percent to 6.60 percent. Proceeds were used to improve the City's water mains. The revenue bonds included serial bonds and was paid in full as of December 31, 2017.

The City has pledged future revenues to repay a revenue bond and OPWC loans in the Water Fund. The debt is payable solely from net revenues and is payable through 2036. Annual principal and interest payments on the bonds and loans are expected to require less than 60 percent of net revenues and less than 16 percent of total revenues. The total principal and interest remaining to be paid on the bonds and loans is \$2,491,976. Principal and interest paid for the current year were \$1,359,231, total net revenues were \$2,763,711, and total revenues were \$10,602,226.

The City has pledged future revenues to repay the OPWC loans in the Sewer Fund. The debt is payable solely from net revenues and is payable through 2036. Annual principal and interest payments on the debt is expected to require less than 4.00 percent of net revenues. The total principal and interest remaining to be paid on the debt is \$536,376. Principal and interest paid for the current year were \$55,902, total net revenues were \$9,103,672, and total revenues were \$11,721,910.

The City's overall legal debt margin was \$57,370,354 at December 31, 2017.



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

**Note 13 - Long-Term Obligations (Continued)**

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

	<b>Governmental Activities</b>				
	General Obligation Bonds		OPWC Loans	Total	
	Principal	Interest	Principal	Principal	Interest
2018	\$2,654,276	\$1,086,851	\$30,800	\$2,685,076	\$1,086,851
2019	2,712,398	1,021,419	0	2,712,398	1,021,419
2020	2,800,869	946,128	0	2,800,869	946,128
2021	2,823,633	863,678	0	2,823,633	863,678
2022	2,314,833	765,472	0	2,314,833	765,472
2023-2027	9,473,654	2,683,301	0	9,473,654	2,683,301
2028-2032	4,354,340	1,106,167	0	4,354,340	1,106,167
2033-2036	3,291,273	342,005	0	3,291,273	342,005
	<u>\$30,425,276</u>	<u>\$8,815,021</u>	<u>\$30,800</u>	<u>\$30,456,076</u>	<u>\$8,815,021</u>

	<b>Business Type Activities</b>				
	General Obligation Bonds		OPWC Loans	Total	
	Principal	Interest	Principal	Principal	Interest
2018	\$1,585,725	\$823,028	\$436,809	\$2,022,534	\$823,028
2019	1,612,601	791,441	374,379	1,986,980	791,441
2020	1,664,130	746,057	370,113	2,034,243	746,057
2021	1,626,367	699,157	272,913	1,899,280	699,157
2022	1,670,167	625,963	242,700	1,912,867	625,963
2023-2027	7,316,349	2,407,350	546,510	7,862,859	2,407,350
2028-2032	6,175,660	885,333	445,476	6,621,136	885,333
2033-2036	933,725	97,026	339,452	1,273,177	97,026
	<u>\$22,584,724</u>	<u>\$7,075,355</u>	<u>\$3,028,352</u>	<u>\$25,613,076</u>	<u>\$7,075,355</u>

**Note 14 – Capital Leases**

In 2017, the City entered into a lease for the acquisition of police and fire vehicles, refuse vehicles, street vehicles and computer software upgrades for various City departments. In prior years, the City entered into leases for the acquisition of police vehicles, fiber optic network, refuse vehicles, street vehicles, fire vehicles, forestry vehicles, sewer vehicles, technology equipment, body cameras, computer hardware, copier equipment, building HVAC improvements, sewer flow meters, and water meters. The assets of such agreement are recorded in the Governmental Activities and Business-Type Activities as shown on the Statement of Net Position.

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

**Note 14 – Capital Leases (Continued)**

The following is a schedule of the future minimum lease payments for capital leases and the present value of net minimum lease payments as of December 31, 2017:

	Governmental Activities	Business-Type Activities
Building and Improvements	\$2,100,000	\$3,496,028
Equipment Machinery and Furniture	319,076	310,125
Vehicles	8,695,721	1,311,350
Total Capital Leases, being depreciated	11,114,797	5,117,503
Less Accumulated Depreciation		
Building and Improvements	2,100,000	1,587,074
Equipment Machinery and Furniture	319,076	230,166
Vehicles	5,983,801	1,027,131
Total Accumulated Depreciation	8,402,877	2,844,371
Capital Leases, Net	\$2,711,920	\$2,273,132
	Governmental Activities	Business-Type Activities
2018	\$1,757,472	\$783,754
2019	1,116,575	694,052
2020	1,050,133	694,052
2021	853,391	562,111
2022	648,284	436,334
2023-2027	1,468,859	1,408,839
2028-2032	265,870	436,127
Total minimum lease payments	7,160,584	5,015,269
Less: amount representing interest	(511,341)	(498,368)
Total	\$6,649,243	\$4,516,901

**Note 15 - Risk Management**

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. The City's coverage for general liability, bodily injury and property damage to others, with McGowan Governmental Underwriters is limited to \$1,000,000 per occurrence and has a \$2,000,000 aggregate limit per year. In addition, there is excess umbrella coverage of \$10,000,000 per occurrence, which has a \$10,000,000 aggregate limit per year.

Errors and omissions for public officials and police professional liability are \$1,000,000 per occurrence, and have a \$2,000,000 annual aggregate. Vehicles are covered for \$1,000,000 per each occurrence, no aggregate, with a \$5,000 deductible for comprehensive, \$5,000 deductible for collision. The boiler and machinery is covered at \$136,632,651 with a \$10,000 deductible for all property.

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

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**Note 15 - Risk Management (Continued)**

Coverage for the City's buildings, furniture, fixtures, and contents has a limit of \$136,632,651, with a \$10,000 deductible. Inland marine coverage for all City property that moves has coverage of \$3,445,010 with a \$500 deductible and EDP equipment is covered at \$1,262,146 with a \$500 deductible.

Allied World Assurance Co. Policy covers Cyber liability at \$1,000,000 annual aggregate, with a \$5,000 deductible.

Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

The City maintains the Hospitalization Internal Service Fund to finance the cost of employee hospitalization and medical claims on a cost reimbursement basis. The City offers two plans to its employees that are funded through a third party administrator. Under these plans the third party administrator processes claims on behalf of the employees and bills the City for the amount of actual claims plus administrative costs. A specific excess loss coverage (stop loss) insurance policy covers claims in excess of \$125,000 per claimant, per year.

At December 31, 2017, \$667,120 was accrued for hospitalization and medical claims, representing an estimate of the amount to be paid for claims that have been incurred but not reported based on the requirements of GASB Statement No. 30, which requires a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported if information prior to the issuance of the financial statements and the amount of the loss can be reasonably estimated. The estimate was not affected by incremental claims adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in the balances of claims liabilities during the past two years are as follows:

	2017	2016
Estimated claims payable January 1	\$683,723	\$187,734
Plus: Current year claims	7,058,016	6,894,179
Less: Claim payments	(7,074,619)	(6,398,190)
Estimated claims payable December 31	\$667,120	\$683,723

Historically, under the Ohio Workers' Compensation System for public employer taxing districts, there have been two types of rating plans: base rating and experience rating. Ohio laws were subsequently amended to include an additional plan called retrospective rating, which is offered to Ohio employers who meet the eligibility standards. Under the terms of the State of Ohio's retrospective rating plan, an employer initially pays a fraction of the premium (the minimum premium) it would pay as an experience-rated risk. As costs for the employer's injured workers' claims are incurred, the employer must reimburse the State for those costs, subject to the plans individual claim cost limitation and the employer's premium limitation.

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

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**Note 15 - Risk Management (Continued)**

During 1991, the City applied for and was accepted into the State of Ohio's Retrospective Rating Plan. The City has established a Workers' Compensation Self-Insurance Fund (an Internal Service Fund) to account for and pay workers' compensation claims from accumulated assets of the fund. The City's retrospective rating plan provides for an aggregate stop loss limit on premiums of 200 percent of the employer's normal premium in the year the claim occurred and a \$300,000 limit per individual claim.

As of March 1, 2006, the City became self insured as an alternate method of funding workers' compensation. The City contracts with a third party administrator, who in turn, processes all the claims.

At December 31, 2017, \$12,314 has been accrued for workers' compensation claims. The claims represent estimates of amounts to be paid for reported claims and incurred but not reported claims. It is calculated using trends in actual claims experience based on the requirements of GASB Statement No. 30, which requires a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported if information prior to the issuance of the financial statements and the amount of the loss can be reasonably estimated. The estimate was not affected by incremental claims adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in the balance of claims liabilities during the past two years are as follows:

	2017	2016
Estimated claims payable January 1	\$15,347	\$29,038
Plus: Current year claims	202,000	274,349
Less: Claim payments	(205,033)	(288,040)
Estimated claims payable December 31	\$12,314	\$15,347

**Note 16 - 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.

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

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**Note 16 - Defined Benefit Pension Plans (Continued)**

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.

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. Plan Description – Ohio Public Employees Retirement System (OPERS)**

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

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

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

**Note 16 - Defined Benefit Pension Plans (Continued)**

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

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

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

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

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

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

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**Note 16 - Defined Benefit Pension Plans (Continued)**

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

	State and Local
<b>2017 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee	10.0 %
 <b>2017 Actual Contribution Rates</b>	
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 \$1,917,161 for 2017. Of this amount, \$177,301 is reported as an intergovernmental payable.

**C. Plan Description – Ohio Police & Fire Pension Fund (OP&F)**

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

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

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.

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

**Note 16 - Defined Benefit Pension Plans (Continued)**

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
<b>2017 Statutory Maximum Contribution Rates</b>		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
 <b>2017 Actual Contribution Rates</b>		
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 \$2,997,303 for 2017. Of this amount, \$240,998 is reported as an intergovernmental payable.

***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.



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

**Note 16 - Defined Benefit Pension Plans (Continued)**

The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense: Following is information related to the proportionate share and pension expense:

	OPERS Traditional Pension Plan	OPERS Combined Pension Plan	OP&F Police	OP&F Fire	Total
Proportion of the Net Pension Liability/Asset Prior Measurement Date	0.110275%	0.062040%	0.324326%	0.327278%	
Proportion of the Net Pension Liability/Asset Current Measurement Date	<u>0.107554%</u>	<u>0.063467%</u>	<u>0.318935%</u>	<u>0.313005%</u>	
Change in Proportionate Share	<u>-0.002721%</u>	<u>0.001427%</u>	<u>-0.005391%</u>	<u>-0.014273%</u>	
Proportionate Share of the Net Pension Liability/(Asset)	\$ 24,423,684	\$ (35,324)	\$ 20,200,995	\$ 19,825,395	\$ 64,414,750
Pension Expense	\$ 5,007,436	\$ 24,719	\$ 2,429,400	\$ 2,446,335	\$ 9,907,890

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
<b>Deferred Outflows of Resources</b>				
Net difference between projected and actual earnings on pension plan investments	\$3,645,866	\$1,964,459	\$1,927,933	\$7,538,258
Differences between expected and actual experience	\$33,104	5,715	5,608	44,427
Changes of assumptions	3,882,500	0	0	3,882,500
Changes in proportion and differences between City contributions and proportionate share of contributions	0	0	471,678	471,678
City contributions subsequent to the measurement date	<u>1,917,161</u>	<u>1,517,673</u>	<u>1,479,630</u>	<u>4,914,464</u>
Total Deferred Outflows of Resources	<u>\$9,478,631</u>	<u>\$3,487,847</u>	<u>\$3,884,849</u>	<u>\$16,851,327</u>
<b>Deferred Inflows of Resources</b>				
Differences between expected and actual experience	\$163,421	\$46,512	\$45,647	\$255,580
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>306,873</u>	<u>335,147</u>	<u>644,887</u>	<u>1,286,907</u>
Total Deferred Inflows of Resources	<u>\$470,294</u>	<u>\$381,659</u>	<u>\$690,534</u>	<u>\$1,542,487</u>

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

**Note 16 - Defined Benefit Pension Plans (Continued)**

\$4,914,464 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:	OPERS	OP&F Police	OP&F Fire	Total
2018	\$2,880,937	\$675,866	\$717,745	\$4,274,548
2019	3,040,695	675,867	717,746	4,434,308
2020	1,284,200	497,845	543,033	2,325,078
2021	(108,940)	(203,495)	(145,267)	(457,702)
2022	(1,999)	(52,908)	(106,033)	(160,940)
Thereafter	(3,717)	(4,660)	(12,539)	(20,916)
Total	<u>\$7,091,176</u>	<u>\$1,588,515</u>	<u>\$1,714,685</u>	<u>\$10,394,376</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. 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

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

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**Note 16 - Defined Benefit Pension Plans (Continued)**

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.

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.

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

**Note 16 - Defined Benefit Pension Plans (Continued)**

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	23.00 %	2.75 %
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	<u>100.00 %</u>	<u>5.66 %</u>

**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:

<u>City's proportionate share of the net pension liability/(asset)</u>	<u>1% Decrease (6.50%)</u>	<u>Current Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
Traditional Pension Plan	\$37,312,634	\$24,423,684	\$13,683,020
Combined Plan	\$2,539	(\$35,324)	(\$64,736)

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

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**Note 16 - Defined Benefit Pension Plans (Continued)**

**F. 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:

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.

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

**Note 16 - Defined Benefit Pension Plans (Continued)**

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2016 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>10 year Expected Real Rate of Return **</u>	<u>30 year Expected Real Rate of Return **</u>
Cash and Cash Equivalents	0 %		
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	<u>120.00 %</u>		

\* levered 2x

\*\* numbers are net of expected inflation

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.

	<u>1% Decrease (7.25%)</u>	<u>Current Discount Rate (8.25%)</u>	<u>1% Increase (9.25%)</u>
City's proportionate share of the net pension liability	\$ 53,310,408	\$ 40,026,390	\$ 28,768,004

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

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**Note 17 – 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.

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.

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.

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

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**Note 17 – Post-Employment Benefits (Continued)**

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 \$149,680, \$294,960, and \$291,400, respectively; 91.54 percent has been contributed for 2017, and 100.00 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](http://www.op-f.org).

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

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

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.



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

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**Note 17 – Post-Employment Benefits (Continued)**

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 \$38,058 and \$30,430 for the year ended December 31, 2017, \$38,097 and \$30,419 for the year ended December 31, 2016, and \$36,615 and \$29,872 for the year ended December 31, 2015, respectively. 91.80 percent has been contributed for police and 91.84 percent has been contributed for firefighters for 2017. The full amount has been contributed for 2016 and 2015.

**Note 18 - Other Employee Benefits**

***A. Compensated Absences***

City employees generally earn vacation and sick leave ranging from two to five weeks and fourteen to twenty-five days per year, respectively, based on length of service or hours worked for sick time. Vacation and sick leave accumulate on an hourly basis and are fully vested when earned. Accumulated vacation leave and accumulated sick days cannot exceed 50 or 120 days, respectively, at the end of any year. However, employees convert to cash, on a three-to-one basis, sick days accumulated in excess of 120 days. Twenty-five percent of unused sick leave plus any accumulated vacation leave is paid at termination, retirement or death.

In addition, employees of the City accumulate compensatory time for a portion of overtime hours worked based upon time and a half for police and fire department employees, and time and a half for other union employees. Employees are entitled to receive payments for their accumulated hours upon retirement or other termination from the City's payroll. Police and fire department employees can receive, on a quarterly basis for police and a semi-annual basis for fire, payments for portions of overtime accumulated, upon written request to the respective department Chief.

Fire Department personnel required to work a holiday are granted, at a later time, an eight or twenty-four hour off-duty period. All members may accumulate up to fourteen 24-hour holidays which would be paid at their hourly rate at the time of retirement or termination. Members have the option of receiving a payment of up to 144 holiday hours in lieu of time off. Payment for these hours is received in January of the following year. Police Department personnel who are required to work a holiday are granted a day off at a later time. Members have the option of receiving a payment of up to 120 holiday hours in lieu of time off. Payment for these hours is received in January of the following year.

***B. Health and Life Insurance***

City employees may choose between two health insurance providers. Medical Mutual serves as the third party administrator for the self-insured medical and health coverage to City employees. Minnesota Life Insurance Company provides life insurance and accidental death and dismemberment insurance to the City's employees.

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

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**Note 19 - Jointly Governed Organization**

The West Shore Council of Governments helps foster cooperation between municipalities in areas affecting health, safety, welfare, education, economic conditions and regional development. The Board of Directors is comprised of one member from each of the six participating municipalities. The Board of Directors exercises total control over the operation of the Council including budgeting, appropriating, contracting and designating management. Budgets are adopted by the board. Each City's degree of control is limited to its representation on the Board of Directors. In 2017, the City contributed \$97,582.

**Note 20 – Construction Contractual and Other Commitments**

**A. Construction Contractual Commitments**

The following were significant contractual commitments outstanding at December 31, 2017.

Project	Contract Amount	Amount Paid	Amount Remaining
Park Improvements	\$795,000	\$12,775	\$782,225
Waterline Improvements	4,250,000	4,182,541	67,459
Wastewater Improvements	6,470,000	2,385,687	4,084,313
Totals	<u>\$11,515,000</u>	<u>\$6,581,003</u>	<u>\$4,933,997</u>

**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:

Major Fund:	Encumbrances Outstanding
General	<u>\$4,563,616</u>

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

**Note 21 – Interfund Transfers and Balances**

**A. Transfers**

The General Fund transfers to the major and nonmajor governmental funds and to proprietary funds were made to provide additional resources for current operations. The transfers from General Fund, Lakewood Hospital Fund, Street and Highway Fund, Water Fund, Sewer Fund, Parking Fund and Winterhurst Fund to the Debt Service fund were to cover debt payments and the transfer from General Fund to the Office on Aging Fund was for ongoing operations. The transfers from the Debt Service Fund to the General Fund, General Capital Improvement Fund, and the Winterhurst Fund and the transfer from the Sewer Fund to the Parking Fund were necessary to record the capital lease debt payments in the funds that originally recorded the leases and note.

	TRANSFERS OUT							Total
	Governmental activities				Business-Type Activities			
	Major Funds			Other Governmental Funds	Major Funds		Other Enterprise Funds	
General	Lakewood Hospital	Debt Service	Water		Sewer			
<b>TRANSFERS IN</b>								
<i>Governmental Activities</i>								
<u>Major Funds:</u>								
General	\$0	\$0	\$1,771,456	\$0	\$0	\$0	\$0	\$1,771,456
Debt Service	220,000	1,200	0	25,000	15,252	1,878,200	84,500	2,224,152
<u>Nonmajor Funds:</u>								
Office on Aging	690,000	0	0	0	0	0	0	690,000
Permanent Capital Improvement	0	0	60,000	0	0	0	0	60,000
Total Governmental Activities	910,000	1,200	1,831,456	25,000	15,252	1,878,200	84,500	4,745,608
<i>Business-Type Activities</i>								
<u>Nonmajor Fund:</u>								
Parking	0	0	0	0	0	2,781	0	2,781
Winterhurst	0	0	264,590	0	0	0	0	264,590
Total Business-Type Activities	0	0	264,590	0	0	2,781	0	267,371
<i>Internal Service Funds</i>								
Hospitalization	974,999	0	0	0	0	0	0	974,999
Workers' Compensation	16,936	0	0	0	0	0	0	16,936
Total	\$1,901,935	\$1,200	\$2,096,046	\$25,000	\$15,252	\$1,880,981	\$84,500	\$6,004,914

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

**Note 21 – Interfund Transfers and Balances (Continued)**

***B. Interfund Receivables and Payables***

Interfund receivables and payables are due to the timing of the receipt of grant monies by the major and nonmajor funds and short-term advances from the General Fund. It is also to cover those funds that owe the Hospitalization Fund and Workers' Compensation Fund for monthly premiums. All interfund balances will be repaid within one year. Interfund balances at December 31, 2017, consist of the following:

Interfund Payable	Interfund Receivable			
	General	Workers' Compensation	Hospitalization	Total
<b><i>Governmental Funds</i></b>				
<b>Major Funds:</b>				
General	\$0	\$9,893	\$533,510	\$543,403
Community Development Block Grant	172,200	59	3,185	175,444
Lakewood Hospital	0	295	15,926	16,221
<b>Nonmajor Funds:</b>				
Street and Highway	0	384	20,703	21,087
Office on Aging	0	295	15,926	16,221
Emergency Shelter Grant	11,200	0	0	11,200
Family to Family	93,300	0	0	93,300
<b>Total Governmental Funds</b>	<b>276,700</b>	<b>10,926</b>	<b>589,250</b>	<b>876,876</b>
<b><i>Proprietary Funds</i></b>				
<b>Major Funds:</b>				
Water	0	384	20,703	21,087
Sewer	0	945	50,962	51,907
<b>Nonmajor Funds:</b>				
Parking Facilities	0	59	3,185	3,244
Winterhurst	410,000	0	0	410,000
<b>Total Proprietary Funds</b>	<b>410,000</b>	<b>1,388</b>	<b>74,850</b>	<b>486,238</b>
<b>Total</b>	<b>\$686,700</b>	<b>\$12,314</b>	<b>\$664,100</b>	<b>\$1,363,114</b>

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

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**Note 22 – Tax Abatement Disclosure**

The City of Lakewood has negotiated a property tax abatement agreement under Sections 3735.65 through 3735.70 of the Ohio Revised Code, establishing the boundaries of a Community Reinvestment Area.

As required by Section 3735.66 of the Ohio Revised Code, a survey of housing has been prepared for the area proposed to be included in the Community Reinvestment Area authorized by Resolution 8645-13 passed by Lakewood City Council on May 6, 2013. The survey shows the facts and conditions relating to existing housing in the Community Reinvestment Area, including among other things, evidence of deterioration and lack of new construction in substantial portions of the Area.

The abatement provides for 100% exemption of residential property taxes not to exceed 10 years and must meet all condition and requirements of the Multifamily High Density Zone district.

For the fiscal year ended December 31, 2017, the City abated residential property taxes totaling \$178,123.

**Note 23 - Subsequent Events**

On March 29, 2018, the City issued \$32,287,000 in various purpose income tax revenue improvement notes, series 2018 at 2.50 percent that will mature March 28, 2019. \$21,687,000 of the proceeds was used to retire the outstanding 2 various purposes income tax revenue improvement notes.

**City of Lakewood, 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)*

<b>Traditional Plan</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
City's Proportion of the Net Pension Liability	0.107554%	0.110275%	0.111944%	0.111944%
City's Proportionate Share of the Net Pension Liability	\$24,423,684	\$19,101,020	\$13,501,698	\$13,196,739
City's Covered-Employee Payroll	\$13,903,507	\$13,724,833	\$13,769,800	\$13,724,831
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	175.67%	139.17%	98.05%	96.15%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.25%	81.08%	86.45%	86.36%
<b>Combined Plan</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
City's Proportion of the Net Pension (Asset)	0.063467%	0.062040%	0.046096%	0.046096%
City's Proportionate Share of the Net Pension (Asset)	(\$35,324)	(\$30,190)	(\$17,749)	(\$4,837)
City's Covered-Employee Payroll	\$247,050	\$225,775	\$169,775	\$225,769
City's Proportionate Share of the Net Pension (Asset) as a Percentage of its Covered Employee Payroll	14.30%	13.37%	10.45%	2.14%
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 Lakewood, 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)*

<b>Police</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
City's Proportion of the Net Pension Liability	0.3189346%	0.3243258%	0.3269860%	0.3269860%
City's Proportionate Share of the Net Pension Liability	\$20,200,995	\$20,864,107	\$17,356,788	\$15,925,244
City's Covered-Employee Payroll	\$7,669,200	\$7,416,211	\$7,231,742	\$7,006,764
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	263.40%	281.33%	240.01%	227.28%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.36%	66.77%	71.71%	73.00%
<b>Fire</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
City's Proportion of the Net Pension Liability	0.3130046%	0.3272778%	0.3135738%	0.3135738%
City's Proportionate Share of the Net Pension Liability	\$19,825,395	\$21,054,007	\$16,644,854	\$15,272,028
City's Covered-Employee Payroll	\$6,117,945	\$6,007,864	\$5,630,757	\$5,366,792
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	324.05%	350.44%	295.61%	284.57%
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 Lakewood, Ohio**  
*Required Supplementary Information*  
*Schedule of 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	1,877,246	1,668,421	1,646,980	1,652,376	1,784,228
Combined Plan	<u>39,915</u>	<u>29,646</u>	<u>27,093</u>	<u>20,373</u>	<u>29,350</u>
Total Required Contributions	\$1,917,161	\$1,698,067	\$1,674,073	\$1,672,749	\$1,813,578
Contributions in Relation to the Contractually Required Contribution	<u>(\$1,917,161)</u>	<u>(\$1,698,067)</u>	<u>(\$1,674,073)</u>	<u>(\$1,672,749)</u>	<u>(\$1,813,578)</u>
Contribution Deficiency / (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>City's Covered-Employee Payroll</u>					
Traditional Plan	\$14,440,354	\$13,903,507	\$13,724,833	\$13,769,800	\$13,724,831
Combined Plan	\$307,038	\$247,050	\$225,775	\$169,775	\$225,769
<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 Lakewood, 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	\$1,517,673	\$1,457,148	\$1,409,080	\$1,374,031	\$1,102,164	\$896,221	\$921,634	\$877,675	\$862,453	\$818,886
Fire	<u>\$1,479,630</u>	<u>\$1,437,717</u>	<u>\$1,411,848</u>	<u>\$1,323,228</u>	<u>\$1,085,702</u>	<u>\$936,402</u>	<u>\$959,008</u>	<u>\$925,438</u>	<u>\$972,154</u>	<u>\$956,658</u>
Total Required Contributions	\$2,997,303	\$2,894,865	\$2,820,928	\$2,697,259	\$2,187,866	\$1,832,623	\$1,880,642	\$1,803,113	\$1,834,607	\$1,775,544
Contributions in Relation to the Contractually Required Contribution	<u>(\$2,997,303)</u>	<u>(\$2,894,865)</u>	<u>(\$2,820,928)</u>	<u>(\$2,697,259)</u>	<u>(\$2,187,866)</u>	<u>(\$1,832,623)</u>	<u>(\$1,880,642)</u>	<u>(\$1,803,113)</u>	<u>(\$1,834,607)</u>	<u>(\$1,775,544)</u>
Contribution Deficiency / (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's Covered-Employee Payroll										
Police	\$7,987,753	\$7,669,200	\$7,416,211	\$7,231,742	\$7,006,764	\$7,029,184	\$7,228,502	\$6,883,725	\$6,764,337	\$6,422,635
Fire	\$6,296,298	\$6,117,945	\$6,007,864	\$5,630,757	\$5,366,792	\$5,428,417	\$5,559,467	\$5,364,858	\$5,635,675	\$5,545,843
<u>Pension Contributions as a Percentage of Covered-</u> <u>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 Lakewood, Ohio**  
*Notes to the Required Supplementary Information*  
*For the Year Ended December 31, 2017*

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**OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)**

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

*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*

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### *Non-Major Special Revenue Funds*

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

Street and Highway Fund	To account for and report restricted State gasoline tax and motor vehicle registration fees designated for maintenance of streets within the City as required by the Ohio Revised Code.
Litter Control Grant Fund	To account for and report grants received from Ohio Department of Natural Resources restricted to assist with community cleanup and litter enforcement projects within the City.
Law and Drug Enforcement Trust Fund	To account for and report seized in the commitment of a felony and awarded to the City. Restricted for the purchases of equipment for use in the Police Department.
Federal Forfeiture Fund	To account for and report federal forfeitures restricted for specific law enforcement purposes.
Indigent Drivers Alcohol Treatment Fund	To account for and report fines from persons convicted of "Driving while under the influence of alcohol (D.U.I.)" that are restricted for the rehabilitation of D.U.I. indigent citizens.
Enforcement and Education Fund	To account for and report fines imposed by the Courts which are used for programs aimed at further education and enforcement of D.U.I. laws, restricted for education and enforcement of D.U.I. laws.
Political Subdivision Fund	To account for and report fines imposed by the Courts which are restricted cost related to housing the D.U.I offender.
Computer Research and Maintenance Fund	To account for and report fines imposed by the Courts which are restricted to provide computerized research services and maintenance of the Court's computer system.
Court Special Projects Fund	To account for and report fines imposed by the Courts which are restricted for Special Projects of the Lakewood Municipal Court.
Court Probation Services Fund	To account for and report fines imposed by the Courts which are restricted used for the operations of the Probation Department of the Lakewood Municipal Court.

*Fund Descriptions – Nonmajor Governmental Funds*

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Indigent Drivers Interlock and Alcohol Monitoring Fund (IDIAM)	To account for and report State grants received and restricted to cover costs of immobilizing or disabling devices for indigent defendants.
Emergency Shelter Grant Fund	To account for and report grants received from the United States Department of Housing and Urban Development (HUD) and restricted to funds the renovation, rehabilitation or conversion of buildings for use as emergency shelters for the homeless.
HOME Investment Program Fund	To account for and report grants from the United States Department of Housing and Urban Development (HUD) restricted to help first-time homebuyers with low and moderate income to purchase a new home.
Neighborhood Stabilization Fund	To account for and report grants received from the United States Department of Housing and Urban Development (HUD) restricted for assisting communities in purchasing for demolition or rehab housing structures in the City.
Office on Aging Fund	To account for and report grants received from the Ohio Department of Aging restricted for the various programs assisting the senior citizens in the City.
Help-to-Others Fund	To account for and report camp registrations fees and donations committed to fund a youth program that promotes volunteerism.
Juvenile Diversion Fund	To account for and report grants received from Cuyahoga County restricted to establish or expand community policing programs.
Family to Family Fund	To account for and report grants received from Cuyahoga County restricted to fund wrap around services targeting identified at-risk youth and families.
FEMA Fund	To account for and report grants received from the Federal government restricted to provide safety programs for the City.
Community Festival Fund	To account for and report donations used for various community activities held during the year. This fund is included with the General Fund for GAAP reporting as it does not have a restricted or committed revenue source.

***Fund Descriptions – Nonmajor Governmental Funds***

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***Nonmajor Debt Service Fund***

Debt Service funds are established to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest and to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. A description of the City's debt service fund follows:

Tax Increment Financing (TIF) Bond Retirement Fund	To account for and report all restricted tax increment financing activities.
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***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. A description of the City's capital project funds follows:

Permanent Capital Improvement Fund	To account for and report note proceeds restricted for acquisition of equipment and the construction of general capital assets of the City.
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Land Acquisition Fund	To account for and report transfers received and committed to the acquisition of properties to be developed for recreation, economic or other purposes as deemed appropriate by City Council and Mayor.
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City Park Improvement Fund	To account for and report donations committed to the improvement of the City Park.
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Tax Increment Financing (TIF) Capital Improvement Fund	To account for and report bond proceeds and all payment made to the developers of Rockport and Vedda Printing restricted for TIF activities. This fund did not have any budgetary activity in 2017, therefore, budgetary information is not provided.
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**City of Lakewood, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*December 31, 2017*

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Fund</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>ASSETS</b>				
Equity in Pooled Cash and Cash Equivalents	\$2,220,823	\$597,977	\$6,435,383	\$9,254,183
Cash and Cash Equivalents:				
In Segregated Accounts	0	0	33,165	33,165
Materials and Supplies Inventory	93,139	0	0	93,139
Accrued Interest Receivable	148	0	0	148
Accounts Receivable	13,651	0	0	13,651
Intergovernmental Receivable	877,062	0	0	877,062
Payments in Lieu of Taxes Receivable	0	592,759	0	592,759
<b>Total Assets</b>	<u>\$3,204,823</u>	<u>\$1,190,736</u>	<u>\$6,468,548</u>	<u>\$10,864,107</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	\$104,495	\$681,889	\$27,690	\$814,074
Accrued Wages and Benefits	50,797	0	0	50,797
Intergovernmental Payable	30,270	0	0	30,270
Retainage Payable	0	0	33,165	33,165
Interfund Payable	141,808	0	0	141,808
Notes Payable	0	0	172,000	172,000
<b>Total Liabilities</b>	<u>327,370</u>	<u>681,889</u>	<u>232,855</u>	<u>1,242,114</u>
<b>Deferred Inflows of Resources:</b>				
Payments in Lieu of Taxes	0	580,536	0	580,536
Unavailable Revenue - Delinquent Payments in Lieu of Taxes	0	12,223	0	12,223
Unavailable Revenue - Other	537,228	0	0	537,228
<b>Total Deferred Inflows of Resources</b>	<u>537,228</u>	<u>592,759</u>	<u>0</u>	<u>1,129,987</u>
<b>Fund Balances:</b>				
Nonspendable	93,139	0	0	93,139
Restricted	2,321,970	0	1,211,472	3,533,442
Committed	11,569	0	5,024,221	5,035,790
Unassigned (Deficit)	(86,453)	(83,912)	0	(170,365)
<b>Total Fund Balance</b>	<u>2,340,225</u>	<u>(83,912)</u>	<u>6,235,693</u>	<u>8,492,006</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$3,204,823</u>	<u>\$1,190,736</u>	<u>\$6,468,548</u>	<u>\$10,864,107</u>

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

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Fund</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>REVENUES</b>				
Payments in Lieu of Taxes	\$0	\$580,535	\$0	\$580,535
Intergovernmental	3,049,356	36,554	26,250	3,112,160
Interest	229	0	0	229
Fines and Forfeitures	196,448	0	0	196,448
Charges for Services	80,079	0	0	80,079
Contributions and Donations	75,165	0	0	75,165
Special Assessments	9,868	0	0	9,868
All Other Revenues	138,591	21,718	5,201	165,510
<b>Total Revenues</b>	<u>3,549,736</u>	<u>638,807</u>	<u>31,451</u>	<u>4,219,994</u>
<b>EXPENDITURES</b>				
Security of Persons and Property:				
Police and Other	157,435	0	0	157,435
Public Health Services	955,388	0	0	955,388
Community Environment	847,711	0	0	847,711
Transportation	2,045,750	0	0	2,045,750
General Government	97,253	641,319	1,354,947	2,093,519
Capital Outlay	0	0	3,079,948	3,079,948
Debt Service:				
Principal Retirement	0	322,827	0	322,827
Interest and Fiscal Charges	0	80,752	0	80,752
<b>Total Expenditures</b>	<u>4,103,537</u>	<u>1,044,898</u>	<u>4,434,895</u>	<u>9,583,330</u>
Excess of Revenues Over (Under) Expenditures	<u>(553,801)</u>	<u>(406,091)</u>	<u>(4,403,444)</u>	<u>(5,363,336)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Capital Assets	32,164	0	0	32,164
Bond Anticipation Notes Issued	0	0	4,478,000	4,478,000
Transfer In	690,000	0	60,000	750,000
Transfer Out	(25,000)	0	0	(25,000)
<b>Total Other Financing Sources (Uses)</b>	<u>697,164</u>	<u>0</u>	<u>4,538,000</u>	<u>5,235,164</u>
Net Change in Fund Balances	143,363	(406,091)	134,556	(128,172)
Fund Balances - Beginning of Year	2,196,862	322,179	6,101,137	8,620,178
<b>Fund Balances - End of Year</b>	<u>\$2,340,225</u>	<u>(\$83,912)</u>	<u>\$6,235,693</u>	<u>\$8,492,006</u>



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

	<b>Street and Highway</b>	<b>Litter Control Grant</b>	<b>Law and Drug Enforcement Trust</b>	<b>Federal Forfeiture</b>	<b>Indigent Drivers Alcohol Treatment</b>
<b>ASSETS</b>					
Equity in Pooled Cash and Cash Equivalents	\$603,822	\$5,709	\$129,313	\$60,289	\$161,495
Materials and Supplies Inventory	93,139	0	0	0	0
Accrued Interest Receivable	0	0	0	148	0
Accounts Receivable	0	0	463	0	577
Intergovernmental Receivable	835,373	0	0	0	0
<b>Total Assets</b>	<b>\$1,532,334</b>	<b>\$5,709</b>	<b>\$129,776</b>	<b>\$60,437</b>	<b>\$162,072</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts Payable	\$39,981	\$0	\$8,016	\$0	\$900
Accrued Wages and Benefits	31,036	0	0	0	0
Intergovernmental Payable	17,379	0	0	0	0
Interfund Payable	21,087	0	0	0	0
<b>Total Liabilities</b>	<b>109,483</b>	<b>0</b>	<b>8,016</b>	<b>0</b>	<b>900</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable Revenue - Other	537,228	0	0	0	0
<b>Total Deferred Inflows of Resources</b>	<b>537,228</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Balances:</b>					
Nonspendable	93,139	0	0	0	0
Restricted	792,484	5,709	121,760	60,437	161,172
Committed	0	0	0	0	0
Unassigned (Deficit)	0	0	0	0	0
<b>Total Fund Balances (Deficit)</b>	<b>885,623</b>	<b>5,709</b>	<b>121,760</b>	<b>60,437</b>	<b>161,172</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$1,532,334</b>	<b>\$5,709</b>	<b>\$129,776</b>	<b>\$60,437</b>	<b>\$162,072</b>

(Continued)

**City of Lakewood, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds (continued)*  
*December 31, 2017*

	<b>Enforcement and Education</b>	<b>Political Subdivision</b>	<b>Computer Research and Maintenance</b>	<b>Court Special Projects</b>
<b>ASSETS</b>				
Equity in Pooled Cash and Cash Equivalents	\$27,586	\$18,610	\$43,352	\$410,345
Materials and Supplies Inventory	0	0	0	0
Accrued Interest Receivable	0	0	0	0
Accounts Receivable	316	42	1,931	7,369
Intergovernmental Receivable	0	0	0	0
<b>Total Assets</b>	<b>\$27,902</b>	<b>\$18,652</b>	<b>\$45,283</b>	<b>\$417,714</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	\$0	\$0	\$2,861	\$0
Accrued Wages and Benefits	0	0	0	328
Intergovernmental Payable	0	0	0	173
Interfund Payable	0	0	0	0
<b>Total Liabilities</b>	<b>0</b>	<b>0</b>	<b>2,861</b>	<b>501</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable Revenue - Other	0	0	0	0
<b>Total Deferred Inflows of Resources</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Balances:</b>				
Nonspendable	0	0	0	0
Restricted	27,902	18,652	42,422	417,213
Committed	0	0	0	0
Unassigned (Deficit)	0	0	0	0
<b>Total Fund Balances (Deficit)</b>	<b>27,902</b>	<b>18,652</b>	<b>42,422</b>	<b>417,213</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$27,902</b>	<b>\$18,652</b>	<b>\$45,283</b>	<b>\$417,714</b>

<b>Court Probation Services</b>	<b>Indigent Drivers Interlock and Alcohol Monitoring</b>	<b>Emergency Shelter Grant</b>	<b>HOME Investment Program</b>	<b>Neighborhood Stabilization</b>	<b>Office on Aging</b>
\$83,809	\$117,130	\$9,645	\$109,254	\$307,467	\$74,735
0	0	0	0	0	0
0	0	0	0	0	0
1,702	1,251	0	0	0	0
0	0	0	0	0	14,971
<u>\$85,511</u>	<u>\$118,381</u>	<u>\$9,645</u>	<u>\$109,254</u>	<u>\$307,467</u>	<u>\$89,706</u>
\$469	\$0	\$30,097	\$787	\$0	\$17,855
0	0	97	0	0	13,295
0	0	41	0	0	8,770
0	0	11,200	0	0	16,221
<u>469</u>	<u>0</u>	<u>41,435</u>	<u>787</u>	<u>0</u>	<u>56,141</u>
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
85,042	118,381	0	108,467	307,467	33,565
0	0	0	0	0	0
0	0	(31,790)	0	0	0
<u>85,042</u>	<u>118,381</u>	<u>(31,790)</u>	<u>108,467</u>	<u>307,467</u>	<u>33,565</u>
<u>\$85,511</u>	<u>\$118,381</u>	<u>\$9,645</u>	<u>\$109,254</u>	<u>\$307,467</u>	<u>\$89,706</u>

(Continued)

**City of Lakewood, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds (continued)*  
*December 31, 2017*

	<b>Help-to- Others</b>	<b>Juvenile Diversion</b>	<b>Family to Family</b>	<b>FEMA</b>	<b>Total Nonmajor Special Revenue Funds</b>
<b>ASSETS</b>					
Equity in Pooled Cash and Cash Equivalents	\$11,569	\$19,249	\$24,663	\$2,781	\$2,220,823
Materials and Supplies Inventory	0	0	0	0	93,139
Accrued Interest Receivable	0	0	0	0	148
Accounts Receivable	0	0	0	0	13,651
Intergovernmental Receivable	0	0	26,718	0	877,062
<b>Total Assets</b>	<b>\$11,569</b>	<b>\$19,249</b>	<b>\$51,381</b>	<b>\$2,781</b>	<b>\$3,204,823</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts Payable	\$0	\$0	\$3,529	\$0	\$104,495
Accrued Wages and Benefits	0	525	5,516	0	50,797
Intergovernmental Payable	0	208	3,699	0	30,270
Interfund Payable	0	0	93,300	0	141,808
<b>Total Liabilities</b>	<b>0</b>	<b>733</b>	<b>106,044</b>	<b>0</b>	<b>327,370</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable Revenue - Other	0	0	0	0	537,228
<b>Total Deferred Inflows of Resources</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>537,228</b>
<b>Fund Balances:</b>					
Nonspendable	0	0	0	0	93,139
Restricted	0	18,516	0	2,781	2,321,970
Committed	11,569	0	0	0	11,569
Unassigned (Deficit)	0	0	(54,663)	0	(86,453)
<b>Total Fund Balances (Deficit)</b>	<b>11,569</b>	<b>18,516</b>	<b>(54,663)</b>	<b>2,781</b>	<b>2,340,225</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$11,569</b>	<b>\$19,249</b>	<b>\$51,381</b>	<b>\$2,781</b>	<b>\$3,204,823</b>

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

	<b>Street and Highway</b>	<b>Litter Control Grant</b>	<b>Law and Drug Enforcement Trust</b>	<b>Federal Forfeiture</b>	<b>Indigent Drivers Alcohol Treatment</b>
<b>REVENUES</b>					
Intergovernmental	\$1,978,029	\$0	\$30,000	\$25,309	\$0
Interest	0	0	0	229	0
Fines and Forfeitures	0	0	6,249	0	18,776
Charges for Services	0	0	0	0	0
Contributions and Donations	0	0	0	0	0
Special Assessments	9,868	0	0	0	0
All Other Revenues	97,163	0	37,553	0	0
<b>Total Revenues</b>	<b>2,085,060</b>	<b>0</b>	<b>73,802</b>	<b>25,538</b>	<b>18,776</b>
<b>EXPENDITURES</b>					
Security of Persons and Property					
Police and Other	0	0	144,089	7,278	0
Public Health Services	0	0	0	0	0
Community Environment	0	0	0	0	0
Transportation	2,045,750	0	0	0	0
General Government	0	0	0	0	12,515
<b>Total Expenditures</b>	<b>2,045,750</b>	<b>0</b>	<b>144,089</b>	<b>7,278</b>	<b>12,515</b>
Excess of Revenues Over (Under) Expenditures	39,310	0	(70,287)	18,260	6,261
<b>OTHER FINANCING SOURCES</b>					
Sale of Capital Assets	0	0	32,164	0	0
Transfers In	0	0	0	0	0
Transfers Out	(25,000)	0	0	0	0
<b>Total Other Financing Sources</b>	<b>(25,000)</b>	<b>0</b>	<b>32,164</b>	<b>0</b>	<b>0</b>
Net Change in Fund Balances	14,310	0	(38,123)	18,260	6,261
Fund Balances - Beginning of Year	871,313	5,709	159,883	42,177	154,911
<b>Fund Balances - End of Year</b>	<b>\$885,623</b>	<b>\$5,709</b>	<b>\$121,760</b>	<b>\$60,437</b>	<b>\$161,172</b>

(Continued)

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

	<b>Enforcement and Education</b>	<b>Political Subdivision</b>	<b>Computer Research and Maintenance</b>	<b>Court Special Projects</b>	<b>Court Probation Services</b>
<b>REVENUES</b>					
Intergovernmental	\$0	\$0	\$0	\$0	\$0
Interest	0	0	0	0	0
Fines and Forfeitures	3,475	408	25,080	101,055	27,189
Charges for Services	0	0	0	0	0
Contributions and Donations	0	0	0	0	0
Special Assessments	0	0	0	0	0
All Other Revenues	1,200	0	0	0	0
<b>Total Revenues</b>	<u>4,675</u>	<u>408</u>	<u>25,080</u>	<u>101,055</u>	<u>27,189</u>
<b>EXPENDITURES</b>					
Security of Persons and Property					
Police and Other	6,068	0	0	0	0
Public Health Services	0	0	0	0	0
Community Environment	0	0	0	0	0
Transportation	0	0	0	0	0
General Government	0	0	25,079	54,216	5,443
<b>Total Expenditures</b>	<u>6,068</u>	<u>0</u>	<u>25,079</u>	<u>54,216</u>	<u>5,443</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,393)</u>	<u>408</u>	<u>1</u>	<u>46,839</u>	<u>21,746</u>
<b>OTHER FINANCING SOURCES</b>					
Sale of Capital Assets	0	0	0	0	0
Transfers In	0	0	0	0	0
Transfers Out	0	0	0	0	0
<b>Total Other Financing Sources</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	<u>(1,393)</u>	<u>408</u>	<u>1</u>	<u>46,839</u>	<u>21,746</u>
Fund Balances - Beginning of Year	<u>29,295</u>	<u>18,244</u>	<u>42,421</u>	<u>370,374</u>	<u>63,296</u>
<b>Fund Balances - End of Year</b>	<u><u>\$27,902</u></u>	<u><u>\$18,652</u></u>	<u><u>\$42,422</u></u>	<u><u>\$417,213</u></u>	<u><u>\$85,042</u></u>

<b>Indigent Drivers Interlock and Alcohol Monitoring</b>	<b>Emergency Shelter Grant</b>	<b>HOME Investment Program</b>	<b>Neighborhood Stabilization</b>	<b>Office on Aging</b>
\$0	\$144,124	\$397,498	\$35,280	\$105,260
0	0	0	0	0
14,216	0	0	0	0
0	0	0	0	65,289
0	0	0	0	52,891
0	0	0	0	0
0	0	0	0	0
<u>14,216</u>	<u>144,124</u>	<u>397,498</u>	<u>35,280</u>	<u>223,440</u>
0	0	0	0	0
0	0	0	0	955,388
0	152,536	304,496	84	0
0	0	0	0	0
0	0	0	0	0
<u>0</u>	<u>152,536</u>	<u>304,496</u>	<u>84</u>	<u>955,388</u>
<u>14,216</u>	<u>(8,412)</u>	<u>93,002</u>	<u>35,196</u>	<u>(731,948)</u>
0	0	0	0	0
0	0	0	0	690,000
0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>690,000</u>
<u>14,216</u>	<u>(8,412)</u>	<u>93,002</u>	<u>35,196</u>	<u>(41,948)</u>
<u>104,165</u>	<u>(23,378)</u>	<u>15,465</u>	<u>272,271</u>	<u>75,513</u>
<u>\$118,381</u>	<u>(\$31,790)</u>	<u>\$108,467</u>	<u>\$307,467</u>	<u>\$33,565</u>

(Continued)

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

	<b>Help-to- Others</b>	<b>Juvenile Diversion</b>	<b>Family to Family</b>	<b>FEMA</b>	<b>Total Nonmajor Special Revenue Funds</b>
<b>REVENUES</b>					
Intergovernmental	\$0	\$14,400	\$319,456	\$0	\$3,049,356
Interest	0	0	0	0	229
Fines and Forfeitures	0	0	0	0	196,448
Charges for Services	14,790	0	0	0	80,079
Contributions and Donations	22,274	0	0	0	75,165
Special Assessments	0	0	0	0	9,868
All Other Revenues	0	2,675	0	0	138,591
<b>Total Revenues</b>	<u>37,064</u>	<u>17,075</u>	<u>319,456</u>	<u>0</u>	<u>3,549,736</u>
<b>EXPENDITURES</b>					
Security of Persons and Property					
Police and Other	0	0	0	0	157,435
Public Health Services	0	0	0	0	955,388
Community Environment	37,064	20,167	333,364	0	847,711
Transportation	0	0	0	0	2,045,750
General Government	0	0	0	0	97,253
<b>Total Expenditures</b>	<u>37,064</u>	<u>20,167</u>	<u>333,364</u>	<u>0</u>	<u>4,103,537</u>
Excess of Revenues Over (Under) Expenditures	<u>0</u>	<u>(3,092)</u>	<u>(13,908)</u>	<u>0</u>	<u>(553,801)</u>
<b>OTHER FINANCING SOURCES</b>					
Sale of Capital Assets	0	0	0	0	32,164
Transfers In	0	0	0	0	690,000
Transfers Out	0	0	0	0	(25,000)
<b>Total Other Financing Sources</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>697,164</u>
Net Change in Fund Balances	0	(3,092)	(13,908)	0	143,363
Fund Balances - Beginning of Year	11,569	21,608	(40,755)	2,781	2,196,862
<b>Fund Balances - End of Year</b>	<u>\$11,569</u>	<u>\$18,516</u>	<u>(\$54,663)</u>	<u>\$2,781</u>	<u>\$2,340,225</u>



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

	<b>Permanent Capital Improvement</b>	<b>Land Acquisition</b>	<b>City Park Improvement</b>	<b>Total Nonmajor Capital Projects Funds</b>
<b>ASSETS</b>				
Equity in Pooled Cash and Cash Equivalents	\$1,411,162	\$5,000,000	\$24,221	\$6,435,383
Cash and Cash Equivalents:				
In Segregated Accounts	33,165	0	0	33,165
<b>Total Assets</b>	<u>\$1,444,327</u>	<u>\$5,000,000</u>	<u>\$24,221</u>	<u>\$6,468,548</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	\$27,690	\$0	\$0	\$27,690
Retainage Payable	33,165	0	0	33,165
Notes Payable	172,000	0	0	172,000
<b>Total Liabilities</b>	<u>232,855</u>	<u>0</u>	<u>0</u>	<u>232,855</u>
<b>Fund Balances:</b>				
Restricted	1,211,472	0	0	1,211,472
Committed	0	5,000,000	24,221	5,024,221
<b>Total Fund Balances</b>	<u>1,211,472</u>	<u>5,000,000</u>	<u>24,221</u>	<u>6,235,693</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$1,444,327</u>	<u>\$5,000,000</u>	<u>\$24,221</u>	<u>\$6,468,548</u>

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

	<u>Permanent Capital Improvement</u>	<u>Land Acquisition</u>	<u>City Park Improvement</u>	<u>Total Nonmajor Capital Projects Funds</u>
<b>REVENUES</b>				
Intergovernmental	\$26,250	\$0	\$0	\$26,250
All Other Revenues	0	0	5,201	5,201
<b>Total Revenues</b>	<u>26,250</u>	<u>0</u>	<u>5,201</u>	<u>31,451</u>
<b>EXPENDITURES</b>				
General Government	1,354,947	0	0	1,354,947
Capital Outlay	3,037,338	0	42,610	3,079,948
<b>Total Expenditures</b>	<u>4,392,285</u>	<u>0</u>	<u>42,610</u>	<u>4,434,895</u>
Excess of Revenues (Under) Expenditures	<u>(4,366,035)</u>	<u>0</u>	<u>(37,409)</u>	<u>(4,403,444)</u>
<b>OTHER FINANCING SOURCES</b>				
Bond Anticipation Notes Issued	4,478,000	0	0	4,478,000
Transfer In	60,000	0	0	60,000
<b>Total Other Financing Sources</b>	<u>4,538,000</u>	<u>0</u>	<u>0</u>	<u>4,538,000</u>
Net Change in Fund Balances	171,965	0	(37,409)	134,556
Fund Balances - Beginning of Year	1,039,507	5,000,000	61,630	6,101,137
<b>Fund Balances - End of Year</b>	<u>\$1,211,472</u>	<u>\$5,000,000</u>	<u>\$24,221</u>	<u>\$6,235,693</u>

***Fund Descriptions – Nonmajor Proprietary Funds***

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***Nonmajor Enterprise Funds***

Enterprise Funds are established to account for operations that are financed by user charges for goods or services provided primarily to the general public.

Parking Facilities Fund	To account for and report the off-street parking services provided by the City.
Winterhurst Ice Rink Fund	To account for and report the revenues and costs of operating the municipal ice rink facility.

***Internal Service Funds***

Internal Service Funds are established to account for the financing of significant goods or services provided by one department or agency to other departments or agencies of the City, or other governments on a cost reimbursement basis.

Hospitalization Fund	To account for and report the premiums charged to City funds and the payments incurred for claims.
Workers' Compensation Fund	To account for and report workers' compensation costs incurred under the State's retrospectively rated workers' compensation program.

**City of Lakewood, Ohio**  
*Combining Statement of Net Position*  
*Nonmajor Enterprise Funds*  
*December 31, 2017*

	<b>Parking Facilities</b>	<b>Winterhurst Ice Rink</b>	<b>Total Nonmajor Enterprise Funds</b>
<b>ASSETS</b>			
<b>Current Assets:</b>			
Equity in Pooled Cash and Cash Equivalents	\$657,667	\$42,290	\$699,957
Materials and Supplies Inventory	77,373	0	77,373
Accounts Receivable	0	537,627	537,627
<b>Total Current Assets</b>	<b>735,040</b>	<b>579,917</b>	<b>1,314,957</b>
<b>Noncurrent Assets:</b>			
Net Pension Asset	293	0	293
Capital Assets:			
Land	77,120	10	77,130
Depreciable Capital Assets, Net of Depreciation	705,356	4,393,359	5,098,715
<b>Total Noncurrent Assets</b>	<b>782,769</b>	<b>4,393,369</b>	<b>5,176,138</b>
<b>Total Assets</b>	<b>1,517,809</b>	<b>4,973,286</b>	<b>6,491,095</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferral on Refunding	0	27,300	27,300
Pension	78,672	0	78,672
<b>Total Deferred Outflows of Resources</b>	<b>78,672</b>	<b>27,300</b>	<b>105,972</b>
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Accounts Payable	52,141	94,254	146,395
Accrued Wages and Benefits	2,794	0	2,794
Intergovernmental Payable	1,955	0	1,955
Interfund Payable	3,244	410,000	413,244
Compensated Absences Payable	429	0	429
Accrued Interest Payable	239	330	569
General Obligation Bonds Payable	30,000	12,052	42,052
Capital Leases Payable	0	83,845	83,845
<b>Total Current Liabilities</b>	<b>90,802</b>	<b>600,481</b>	<b>691,283</b>
<b>Noncurrent Liabilities:</b>			
Compensated Absences Payable	7,340	0	7,340
General Obligation Bonds Payable	90,000	85,797	175,797
Net Pension Liability	202,717	0	202,717
<b>Total Noncurrent Liabilities</b>	<b>300,057</b>	<b>85,797</b>	<b>385,854</b>
<b>Total Liabilities</b>	<b>390,859</b>	<b>686,278</b>	<b>1,077,137</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension	3,902	0	3,902
<b>Total Deferred Inflows of Resources</b>	<b>3,902</b>	<b>0</b>	<b>3,902</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	662,476	4,238,975	4,901,451
Unrestricted	539,244	75,333	614,577
<b>Total Net Position</b>	<b>\$1,201,720</b>	<b>\$4,314,308</b>	<b>\$5,516,028</b>

**City of Lakewood, Ohio**  
*Combining Statement of Revenues, Expenses and Changes in Fund Net Position*  
*Nonmajor Enterprise Funds*  
*For the Year Ended December 31, 2017*

	<b>Parking Facilities</b>	<b>Winterhurst Ice Rink</b>	<b>Total Nonmajor Enterprise Funds</b>
<b>OPERATING REVENUES</b>			
Charges for Services	\$468,581	\$302,710	\$771,291
Miscellaneous	77	83,500	83,577
<b>Total Operating Revenues</b>	<b>468,658</b>	<b>386,210</b>	<b>854,868</b>
<b>OPERATING EXPENSES</b>			
Salaries	200,580	0	200,580
Property Taxes	46,878	58,868	105,746
Materials and Supplies	31,797	0	31,797
Utilities	25,567	262,143	287,710
Contractual Services	25,668	0	25,668
Depreciation	39,386	79,970	119,356
Other	53,739	0	53,739
<b>Total Operating Expense</b>	<b>423,615</b>	<b>400,981</b>	<b>824,596</b>
Operating Income (Loss)	45,043	(14,771)	30,272
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest and Fiscal Charges	(3,395)	(395)	(3,790)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(3,395)</b>	<b>(395)</b>	<b>(3,790)</b>
Transfers In	2,781	264,590	267,371
Transfers Out	(4,500)	(80,000)	(84,500)
Change in Net Position	39,929	169,424	209,353
Net Position - Beginning of Year	1,161,791	4,144,884	5,306,675
<b>Net Position - End of Year</b>	<b>\$1,201,720</b>	<b>\$4,314,308</b>	<b>\$5,516,028</b>

**City of Lakewood, Ohio**  
*Combining Statement of Cash Flows*  
*Nonmajor Enterprise Funds*  
*For the Year Ended December 31, 2017*

	<b>Parking Facilities</b>	<b>Winterhurst Ice Rink</b>	<b>Total Nonmajor Enterprise Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Received from Charges for Services	\$468,581	\$223,153	\$691,734
Cash Received from Other Operating Sources	77	83,500	83,577
Cash Payments for Employee Services and Benefits	(173,272)	0	(173,272)
Cash Payments for Goods and Services	(111,268)	(323,080)	(434,348)
Cash Payments for Other Operating Expenses	(53,739)	0	(53,739)
Net Cash Provided by (Used in) Operating Activities	<u>130,379</u>	<u>(16,427)</u>	<u>113,952</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Advances In	0	350,000	350,000
Advances Out	0	(300,000)	(300,000)
Transfers In	0	264,590	264,590
Transfers Out	(4,500)	(80,000)	(84,500)
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>(4,500)</u>	<u>234,590</u>	<u>230,090</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Principal Paid on Debt	(174,987)	(251,833)	(426,820)
Interest Paid on Debt	(2,062)	(12,757)	(14,819)
Payments for Capital Acquisitions	(21,245)	0	(21,245)
Refunding Bonds Issued	145,000	0	145,000
Net Cash Used in Capital and Related Financing Activities	<u>(53,294)</u>	<u>(264,590)</u>	<u>(317,884)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	72,585	(46,427)	26,158
Cash and Cash Equivalents - Beginning of Year	585,082	88,717	673,799
<b>Cash and Cash Equivalents - End of Year</b>	<u><u>\$657,667</u></u>	<u><u>\$42,290</u></u>	<u><u>\$699,957</u></u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED IN) BY OPERATING ACTIVITIES</b>			
Operating Income (Loss)	\$45,043	(\$14,771)	\$30,272
Adjustments:			
Depreciation	39,386	79,970	119,356
(Increase) Decrease in Assets and Deferred Outflows of Resources:			
Accounts Receivable	0	(79,557)	(79,557)
Materials and Supplies Inventory	18,398	0	18,398
Net Pension Asset	(42)	0	(42)
Deferred Outflows of Resources	(17,871)	0	(17,871)
Increase (Decrease) in Liabilities and Deferred Inflows of Resources:			
Accounts Payable	244	(2,069)	(1,825)
Accrued Wages and Benefits	463	0	463
Compensated Absences Payable	1,010	0	1,010
Interfund Payable	(140)	0	(140)
Intergovernmental Payable	122	0	122
Net Pension Liability	44,179	0	44,179
Deferred Inflows of Resources	(413)	0	(413)
Net Cash Provided by (Used in) Operating Activities	<u><u>\$130,379</u></u>	<u><u>(16,427)</u></u>	<u><u>\$113,952</u></u>

**City of Lakewood, Ohio**  
*Combining Statement of Net Position*  
*Nonmajor Internal Service Funds*  
*December 31, 2017*

	<u>Hospitalization</u>	<u>Workers' Compensation</u>	<u>Total Nonmajor Internal Service Funds</u>
<b>ASSETS</b>			
<b>Current Assets:</b>			
Equity in Pooled Cash and Cash Equivalents	\$2,500,950	\$658,292	\$3,159,242
Interfund Receivable	664,100	12,314	676,414
<b>Total Assets</b>	<u>3,165,050</u>	<u>670,606</u>	<u>3,835,656</u>
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Claims Payable	\$667,120	\$12,314	\$679,434
<b>Total Current Liabilities</b>	<u>667,120</u>	<u>12,314</u>	<u>679,434</u>
<b>NET POSITION</b>			
Unrestricted	2,497,930	658,292	3,156,222
<b>Total Net Position</b>	<u>\$2,497,930</u>	<u>\$658,292</u>	<u>\$3,156,222</u>

**City of Lakewood, Ohio**  
*Combining Statement of Revenues, Expenses and Changes in Fund Net Position*  
*Nonmajor Internal Service Funds*  
*For the Year Ended December 31, 2017*

	<u>Hospitalization</u>	<u>Workers' Compensation</u>	<u>Total Nonmajor Internal Service Funds</u>
<b>OPERATING REVENUES</b>			
Charges for Services	\$5,258,702	\$343,533	\$5,602,235
Miscellaneous	910,069	8,279	918,348
<b>Total Operating Revenues</b>	<u>6,168,771</u>	<u>351,812</u>	<u>6,520,583</u>
<b>OPERATING EXPENSES</b>			
Contractual Services	78,564	99,820	178,384
Claims	7,058,016	201,999	7,260,015
<b>Total Operating Expense</b>	<u>7,136,580</u>	<u>301,819</u>	<u>7,438,399</u>
Operating (Loss)	<u>(967,809)</u>	<u>49,993</u>	<u>(917,816)</u>
Transfers In	974,999	16,936	991,935
Change in Net Position	7,190	66,929	74,119
Net Position - Beginning of Year	2,490,740	591,363	3,082,103
<b>Net Position - End of Year</b>	<u>\$2,497,930</u>	<u>\$658,292</u>	<u>\$3,156,222</u>



**City of Lakewood, Ohio**  
*Combining Statement of Cash Flows*  
*Nonmajor Internal Service Funds*  
*For the Year Ended December 31, 2017*

	<u>Hospitalization</u>	<u>Workers'</u> <u>Compensation</u>	<u>Total</u> <u>Nonmajor</u> <u>Internal</u> <u>Service</u> <u>Funds</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Received from Charges for Services	\$5,276,352	\$346,566	\$5,622,918
Cash Received from Other Operating Sources	910,069	8,279	918,348
Cash Payments for Goods and Services	(78,564)	(99,820)	(178,384)
Cash Payments for Claims	(7,074,619)	(205,032)	(7,279,651)
Net Cash Provided by (Used in) Operating Activities	<u>(966,762)</u>	<u>49,993</u>	<u>(916,769)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers In	<u>974,999</u>	<u>16,936</u>	<u>991,935</u>
Net Cash Provided by Noncapital Financing Activities	<u>974,999</u>	<u>16,936</u>	<u>991,935</u>
Net Increase in Cash and Cash Equivalents	8,237	66,929	75,166
Cash and Cash Equivalents - Beginning of Year	<u>2,492,713</u>	<u>591,363</u>	<u>3,084,076</u>
<b>Cash and Cash Equivalents - End of Year</b>	<u><u>\$2,500,950</u></u>	<u><u>\$658,292</u></u>	<u><u>\$3,159,242</u></u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH USED IN OPERATING ACTIVITIES</b>			
Operating Income (Loss)	(\$967,809)	\$49,993	(\$917,816)
Adjustments:			
(Increase) Decrease in Assets:			
Interfund Receivable	17,650	3,033	20,683
Increase (Decrease) in Liabilities:			
Claims Payable	(16,603)	(3,033)	(19,636)
Net Cash Provided by (Used) in Operating Activities	<u><u>(\$966,762)</u></u>	<u><u>\$49,993</u></u>	<u><u>(916,769)</u></u>

## *Fund Descriptions – Fiduciary Funds*

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### *Fiduciary Funds*

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

### *Agency Funds*

Deposits

To hold and report funds received from a contractor, developer, or individual to ensure compliance with the ordinances of the City of Lakewood.

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

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	Balance 12/31/2016	Additions	Deletions	Balance 12/31/2017
<b>Deposits</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	<u>\$2,568,175</u>	<u>\$34,216,216</u>	<u>\$33,913,674</u>	<u>\$2,870,717</u>
<b>Liabilities</b>				
Deposits Held and Due to Others	<u>\$2,568,175</u>	<u>\$34,216,216</u>	<u>\$33,913,674</u>	<u>\$2,870,717</u>

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

**City of Lakewood, 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*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Property Taxes	\$6,613,604	\$6,892,993	\$279,389
Municipal Income Taxes	23,333,000	23,436,422	103,422
Charges for Services	1,515,424	1,481,099	(34,325)
Licenses, Permits and Fees	2,159,210	2,559,886	400,676
Fines and Forfeitures	1,493,115	1,416,086	(77,029)
Intergovernmental	3,053,602	2,846,332	(207,270)
Interest	250,000	495,055	245,055
Miscellaneous	202,290	152,140	(50,150)
<i>Total Revenues</i>	<u>38,620,245</u>	<u>39,280,013</u>	<u>659,768</u>
<b>Expenditures</b>			
<b>Current:</b>			
General Government:			
Council			
Salaries	148,139	147,086	1,053
Fringe Benefits	36,590	35,852	738
Professional Services	6,100	5,902	198
Communications	2,750	2,551	199
Materials and Supplies	1,450	41	1,409
Other	2,125	1,253	872
Total Council	<u>197,154</u>	<u>192,685</u>	<u>4,469</u>
Municipal Court			
Salaries	961,106	903,125	57,981
Fringe Benefits	149,001	135,371	13,630
Travel and Transportation	2,750	2,377	373
Professional Services	58,200	36,078	22,122
Communications	47,280	35,190	12,090
Materials and Supplies	19,171	15,340	3,831
Other	24,588	15,231	9,357
Total Municipal Court	<u>1,262,096</u>	<u>1,142,712</u>	<u>119,384</u>
Civil Service			
Salaries	58,461	58,379	82
Fringe Benefits	22,638	22,414	224
Professional Services	4,100	1,922	2,178
Communications	725	417	308
Materials and Supplies	50	22	28
Other	50	0	50
Total Civil Service	<u>86,024</u>	<u>83,154</u>	<u>2,870</u>

*(continued)*

**City of Lakewood, 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)*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Mayor's Office</b>			
Salaries	\$205,100	\$203,701	\$1,399
Fringe Benefits	72,127	71,499	628
Travel and Transportation	350	0	350
Professional Services	13,351	12,191	1,160
Communications	1,710	945	765
Materials and Supplies	2,985	1,335	1,650
Other	775	557	218
<b>Total Mayor's Office</b>	<b>296,398</b>	<b>290,228</b>	<b>6,170</b>
<b>Human Resources</b>			
Salaries	187,250	186,608	642
Fringe Benefits	68,534	68,419	115
Travel and Transportation	665	631	34
Professional Services	20,410	16,919	3,491
Communications	850	504	346
Materials and Supplies	1,550	1,287	263
Other	2,705	1,515	1,190
<b>Total Human Resources</b>	<b>281,964</b>	<b>275,883</b>	<b>6,081</b>
<b>Community Relations</b>			
Salaries	93,950	88,473	5,477
Fringe Benefits	42,374	40,781	1,593
Professional Services	6,000	5,956	44
Communications	3,950	3,272	678
Contractual Services	5,000	5,000	0
Materials and Supplies	1,635	316	1,319
Other	750	420	330
<b>Total Community Relations</b>	<b>153,659</b>	<b>144,218</b>	<b>9,441</b>
<b>Public Works Administration</b>			
Salaries	47,000	46,064	936
Fringe Benefits	47,918	47,737	181
Travel and Transportation	475	123	352
Professional Services	1,900	986	914
Communications	1,300	456	844
Materials and Supplies	1,730	657	1,073
Other	515	418	97
<b>Total Public Works Administration</b>	<b>100,838</b>	<b>96,441</b>	<b>4,397</b>
<b>Buildings and Facilities-Security</b>			
Salaries	122,000	114,185	7,815
Fringe Benefits	18,800	17,642	1,158
<b>Total Buildings and Facilities</b>	<b>140,800</b>	<b>131,827</b>	<b>8,973</b>

*(continued)*

**City of Lakewood, 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)*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Fleet Management</b>			
Salaries	\$630,587	\$627,389	\$3,198
Fringe Benefits	237,944	237,135	809
Travel and Transportation	150	0	150
Professional Services	11,000	10,552	448
Communications	3,635	2,106	1,529
Contractual Services	31,500	26,402	5,098
Materials and Supplies	585,756	552,719	33,037
Utilities	4,700	3,048	1,652
Other	4,985	631	4,354
<b>Total Fleet Management</b>	<b>1,510,257</b>	<b>1,459,982</b>	<b>50,275</b>
<b>Engineering</b>			
Salaries	89,350	87,708	1,642
Fringe Benefits	55,266	54,405	861
Travel and Transportation	1,750	1,459	291
Professional Services	1,750	1,703	47
Communications	4,475	2,654	1,821
Contractual Services	32,000	30,250	1,750
Materials and Supplies	2,655	2,169	486
Other	9,200	2,040	7,160
<b>Total Engineering</b>	<b>196,446</b>	<b>182,388</b>	<b>14,058</b>
<b>Finance</b>			
Salaries	421,300	420,306	994
Fringe Benefits	164,008	160,332	3,676
Travel and Transportation	1,425	531	894
Professional Services	69,900	66,817	3,083
Communications	5,850	4,472	1,378
Materials and Supplies	3,500	2,378	1,122
Other	6,025	4,921	1,104
<b>Total Finance</b>	<b>672,008</b>	<b>659,757</b>	<b>12,251</b>

*(continued)*

**City of Lakewood, 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)*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Income Tax</b>			
Salaries	\$401,237	\$388,171	\$13,066
Fringe Benefits	146,873	141,689	5,184
Travel and Transportation	2,760	1,939	821
Professional Services	133,550	115,420	18,130
Communications	47,800	44,018	3,782
Contractual Services	1,800	1,767	33
Materials and Supplies	5,900	4,109	1,791
Refunds	585,000	561,223	23,777
Utilities	4,200	3,333	867
Other	93,083	84,691	8,392
<b>Total Income Tax</b>	<b>1,422,203</b>	<b>1,346,360</b>	<b>75,843</b>
<b>Information Systems</b>			
Salaries	306,300	304,455	1,845
Fringe Benefits	102,250	101,249	1,001
Professional Services	30,100	29,100	1,000
Communications	10,000	8,387	1,613
Contractual Services	30,000	27,256	2,744
Materials and Supplies	93,240	87,257	5,983
Capital Outlay	745,449	656,912	88,537
Other	465,525	456,868	8,657
<b>Total Information Systems</b>	<b>1,782,864</b>	<b>1,671,484</b>	<b>111,380</b>
<b>General Administration</b>			
Salaries	100,000	99,964	36
Fringe Benefits	22,722	18,849	3,873
Professional Services	149,000	138,403	10,597
Communications	12,146	5,509	6,637
Contractual Services	5,000	1,981	3,019
Materials and Supplies	16,950	9	16,941
Insurance	1,061,999	703,066	358,933
Other	3,467,523	3,298,544	168,979
<b>Total General Administration</b>	<b>4,835,340</b>	<b>4,266,325</b>	<b>569,015</b>
<b>Law</b>			
Salaries	372,400	365,397	7,003
Fringe Benefits	111,357	110,351	1,006
Travel and Transportation	975	793	182
Professional Services	93,975	89,683	4,292
Communications	3,210	1,570	1,640
Materials and Supplies	15,545	11,419	4,126
Other	3,415	2,109	1,306
<b>Total Law</b>	<b>600,877</b>	<b>581,322</b>	<b>19,555</b>
<b>Total General Government</b>	<b>13,538,928</b>	<b>12,524,766</b>	<b>1,014,162</b>

*(continued)*



**City of Lakewood, 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)*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Security of Persons and Property:			
Police			
Salaries	\$8,355,505	\$8,307,489	\$48,016
Fringe Benefits	1,605,504	1,596,977	8,527
Professional Services	34,800	33,925	875
Communications	54,275	50,503	3,772
Contractual Services	132,425	131,407	1,018
Materials and Supplies	158,300	150,435	7,865
Capital Outlay	88,600	88,326	274
Other	36,200	34,040	2,160
Total Police	<u>10,465,609</u>	<u>10,393,102</u>	<u>72,507</u>
Police Communications			
Salaries	635,815	628,718	7,097
Fringe Benefits	254,175	252,336	1,839
Professional Services	750	0	750
Other	16,350	14,673	1,677
Total Police Communications	<u>907,090</u>	<u>895,727</u>	<u>11,363</u>
School Guards			
Salaries	152,558	152,557	1
Fringe Benefits	27,565	26,318	1,247
Total School Guards	<u>180,123</u>	<u>178,875</u>	<u>1,248</u>
Fire			
Salaries	6,506,112	6,490,483	15,629
Fringe Benefits	1,353,058	1,266,962	86,096
Travel and Transportation	5,615	3,734	1,881
Professional Services	24,400	18,453	5,947
Communications	26,040	21,205	4,835
Contractual Services	15,510	11,363	4,147
Materials and Supplies	132,215	119,606	12,609
Utilities	62,000	55,949	6,051
Other	34,725	29,556	5,169
Total Fire	<u>8,159,675</u>	<u>8,017,311</u>	<u>142,364</u>
Street Lighting			
Other	645,000	621,933	23,067

*(continued)*

**City of Lakewood, 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)*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Animal Control			
Salaries	\$139,251	\$136,355	\$2,896
Fringe Benefits	64,632	62,465	2,167
Communications	1,250	808	442
Contractual Services	3,000	2,566	434
Materials and Supplies	3,664	2,732	932
Utilities	8,000	7,101	899
Other	750	530	220
Total Animal Control	<u>220,547</u>	<u>212,557</u>	<u>7,990</u>
<i>Total Security of Persons and Property</i>	<u>20,578,044</u>	<u>20,319,505</u>	<u>258,539</u>
Public Health Services:			
Support of Prisoners			
Salaries	89,265	82,348	6,917
Fringe Benefits	43,999	40,500	3,499
Professional Services	39,000	35,709	3,291
Contractual Services	23,500	20,948	2,552
Materials and Supplies	37,300	34,472	2,828
Capital Outlay	3,600	3,596	4
Total Support of Prisoners	<u>236,664</u>	<u>217,573</u>	<u>19,091</u>
Human Services Administration			
Salaries	150,000	148,087	1,913
Fringe Benefits	50,318	49,010	1,308
Professional Services	50	49	1
Communications	375	205	170
Materials and Supplies	1,725	787	938
Other	475	340	135
Total Human Services Administration	<u>202,943</u>	<u>198,478</u>	<u>4,465</u>
<i>Total Public Health Services</i>	<u>439,607</u>	<u>416,051</u>	<u>23,556</u>
Community Environment:			
Housing and Building			
Salaries	710,188	703,131	7,057
Fringe Benefits	316,119	313,962	2,157
Travel and Transportation	775	125	650
Professional Services	65,300	60,158	5,142
Communications	13,125	9,637	3,488
Contractual Services	81,000	78,025	2,975
Materials and Supplies	8,050	6,082	1,968
Other	30,500	27,797	2,703
Total Housing and Building	<u>1,225,057</u>	<u>1,198,917</u>	<u>26,140</u>

*(continued)*

**City of Lakewood, 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)*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Forestry</b>			
Salaries	\$239,653	\$228,896	\$10,757
Fringe Benefits	94,166	93,060	1,106
Professional Services	1,500	625	875
Communications	500	235	265
Contractual Services	70,000	66,237	3,763
Materials and Supplies	28,050	21,876	6,174
Capital Outlay	96,000	95,229	771
Other	700	468	232
<b>Total Forestry</b>	<b>530,569</b>	<b>506,626</b>	<b>23,943</b>
<b>Child Care</b>			
Salaries	40,000	39,499	501
Fringe Benefits	20,070	19,629	441
Communications	250	116	134
Materials and Supplies	1,000	608	392
Other	975	387	588
<b>Total Child Care</b>	<b>62,295</b>	<b>60,239</b>	<b>2,056</b>
<b>Youth</b>			
Salaries	116,551	107,707	8,844
Fringe Benefits	102,336	99,203	3,133
Communications	4,200	2,542	1,658
Materials and Supplies	2,750	2,426	324
Utilities	5,150	4,080	1,070
Other	4,495	3,379	1,116
<b>Total Youth</b>	<b>235,482</b>	<b>219,337</b>	<b>16,145</b>
<b>Planning and Development</b>			
Salaries	183,325	176,350	6,975
Fringe Benefits	85,204	81,445	3,759
Travel and Transportation	425	133	292
Professional Services	12,775	8,832	3,943
Communications	4,685	2,394	2,291
Contractual Services	38,000	37,773	227
Materials and Supplies	2,811	1,903	908
Other	1,659,586	1,381,097	278,489
<b>Total Planning and Development</b>	<b>1,986,811</b>	<b>1,689,927</b>	<b>296,884</b>
<b>Total Community Environment</b>	<b>4,040,214</b>	<b>3,675,046</b>	<b>365,168</b>

*(continued)*

**City of Lakewood, 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)*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Basic Utility Services:</b>			
<b>Refuse and Recycling</b>			
Salaries	\$1,561,894	\$1,546,263	\$15,631
Fringe Benefits	643,101	640,036	3,065
Communications	19,365	17,057	2,308
Contractual Services	889,750	877,679	12,071
Materials and Supplies	174,575	169,728	4,847
Utilities	26,500	20,594	5,906
Other	5,075	3,297	1,778
<b>Total Basic Utility Services</b>	<b>3,320,260</b>	<b>3,274,654</b>	<b>45,606</b>
<b>Leisure Time Activities:</b>			
<b>Parks</b>			
Salaries	1,029,766	1,016,819	12,947
Fringe Benefits	416,790	413,368	3,422
Professional Services	3,000	1,455	1,545
Communications	4,820	4,076	744
Contractual Services	100,000	98,536	1,464
Materials and Supplies	187,840	167,758	20,082
Utilities	216,000	214,634	1,366
Capital Outlay	182,000	180,301	1,699
Other	99,595	95,511	4,084
<b>Total Parks</b>	<b>2,239,811</b>	<b>2,192,458</b>	<b>47,353</b>
<b>Band Concerts</b>			
Salaries	250	0	250
Fringe Benefits	39	0	39
Professional Services	10,551	10,550	1
<b>Total Band Concerts</b>	<b>10,840</b>	<b>10,550</b>	<b>290</b>
<b>Museums</b>			
Contractual Services	6,900	1,073	5,827
Materials and Supplies	1,400	1,336	64
Utilities	4,700	2,469	2,231
<b>Total Museums</b>	<b>13,000</b>	<b>4,878</b>	<b>8,122</b>
<b>July 4th Festival</b>			
Salaries	8,332	8,331	1
Fringe Benefits	1,285	1,283	2
Contractual Services	39,121	39,120	1
Materials and Supplies	2,524	2,521	3
<b>Total July 4th Festival</b>	<b>51,262</b>	<b>51,255</b>	<b>7</b>
<b>Tennis Courts</b>			
Utilities	7,000	6,137	863
<b>Total Tennis Courts</b>	<b>7,000</b>	<b>6,137</b>	<b>863</b>
<b>Total Leisure Time Activities</b>	<b>2,321,913</b>	<b>2,265,278</b>	<b>56,635</b>
<b>Total Expenditures</b>	<b>44,238,966</b>	<b>42,475,300</b>	<b>1,763,666</b>
<b>Excess of Revenues Over Expenditures</b>	<b>(5,618,721)</b>	<b>(3,195,287)</b>	<b>2,423,434</b>

*(continued)*

**City of Lakewood, 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)*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Other Financing Sources (Uses)</b>			
Sale of Capital Assets	\$164,735	\$159,803	(\$4,932)
Advance In	981,285	432,000	(549,285)
Transfers Out	(1,901,938)	(1,901,935)	3
Advance Out	(650,000)	(626,700)	23,300
<i>Total Other Financing Sources (Uses)</i>	<u>(1,405,918)</u>	<u>(1,936,832)</u>	<u>(530,914)</u>
<i>Net Change in Fund Balance</i>	(7,024,639)	(5,132,119)	1,892,520
<i>Fund Balance Beginning of Year</i>	6,357,751	6,357,751	0
<i>Prior Year Encumbrances Appropriated</i>	<u>5,218,874</u>	<u>5,218,874</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$4,551,986</u></u>	<u><u>\$6,444,506</u></u>	<u><u>\$1,892,520</u></u>

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

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Property Taxes	\$2,507,962	\$2,613,770	\$105,808
Intergovernmental	341,507	339,081	(2,426)
<i>Total Revenues</i>	<u>2,849,469</u>	<u>2,952,851</u>	<u>103,382</u>
<b>Expenditures</b>			
<b>Current:</b>			
Security of Persons and Property:			
Fringe Benefits Police	1,525,000	1,522,270	2,730
Fringe Benefits Fire	1,550,000	1,491,278	58,722
<i>Total Expenditures</i>	<u>3,075,000</u>	<u>3,013,548</u>	<u>61,452</u>
<i>Excess of Revenues Over Expenditures</i>	(225,531)	(60,697)	164,834
<i>Net Change in Fund Balance</i>	(225,531)	(60,697)	164,834
<i>Fund Balance Beginning of Year</i>	<u>842,034</u>	<u>842,034</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$616,503</u></u>	<u><u>\$781,337</u></u>	<u><u>\$164,834</u></u>

**City of Lakewood, 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*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$2,797,567	\$2,142,642	(\$654,925)
<b>Expenditures</b>			
<b>Current:</b>			
Community Environment:			
Salaries	385,012	355,207	29,805
Fringe Benefits	102,612	92,598	10,014
Travel and Transportation	1,175	26	1,149
Professional Services	16,150	13,408	2,742
Communications	2,241	1,198	1,043
Contractual Services	1,327,644	1,284,865	42,779
Materials and Supplies	325	178	147
Capital Outlay	405,000	404,717	283
Other	99,586	94,242	5,344
<i>Total Expenditures</i>	<u>2,339,745</u>	<u>2,246,439</u>	<u>93,306</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	457,822	(103,797)	(561,619)
<b>Other Financing Sources (Uses)</b>			
Advances In	650,000	172,200	(477,800)
Advances Out	(40,000)	(40,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>610,000</u>	<u>132,200</u>	<u>(477,800)</u>
<i>Net Change in Fund Balance</i>	1,067,822	28,403	(1,039,419)
<i>Fund Balance Beginning of Year</i>	<u>72,330</u>	<u>72,330</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$1,140,152</u>	<u>\$100,733</u>	<u>(\$1,039,419)</u>

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

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$2,322,522	\$2,320,395	(\$2,127)
Special Assessments	12,129	10,528	(1,601)
Intergovernmental	75,790	2,200	(73,590)
Miscellaneous	500	28,658	28,158
<i>Total Revenues</i>	<u>2,410,941</u>	<u>2,361,781</u>	<u>(49,160)</u>
<b>Expenditures</b>			
<b>Current:</b>			
Security of Persons and Property:			
Fire:			
Salaries	665,244	650,174	15,070
Fringe Benefits	234,523	230,196	4,327
Professional Services	86,000	74,303	11,697
Communications	5,050	2,397	2,653
Materials and Supplies	83,475	71,479	11,996
Capital Outlay	347,000	346,966	34
Other	26,300	23,572	2,728
<i>Total Security of Persons and Property</i>	<u>1,447,592</u>	<u>1,399,087</u>	<u>48,505</u>
Public Health Services:			
Health:			
Salaries	104,550	97,437	7,113
Fringe Benefits	44,226	42,127	2,099
Professional Services	525	0	525
Communications	1,475	1,040	435
Contractual Services	216,580	216,547	33
Materials and Supplies	4,115	1,688	2,427
Utilities	5,825	4,374	1,451
Other	4,010	2,582	1,428
<i>Total Public Health Services</i>	<u>381,306</u>	<u>365,795</u>	<u>15,511</u>

*(continued)*



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

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Community Environment:			
Planning and Development:			
Professional Services	\$162,000	\$157,834	\$4,166
Contractual Services	35,000	32,238	2,762
Property Taxes	40,016	40,015	1
<i>Total Community Environment</i>	<u>237,016</u>	<u>230,087</u>	<u>6,929</u>
Debt Service:			
Principal Retirement	129,190	127,342	1,848
Interest and Fiscal Charges	25,810	25,810	0
<i>Total Debt Service</i>	<u>155,000</u>	<u>153,152</u>	<u>1,848</u>
<i>Total Expenditures</i>	<u>2,220,914</u>	<u>2,148,121</u>	<u>72,793</u>
 <i>Excess of Revenues Over Expenditures</i>	 190,027	 213,660	 23,633
 <b>Other Financing Uses</b>			
Sale of Capital Assets	0	160,000	160,000
Transfers Out	(1,200)	(1,200)	0
<i>Total Other Financing Uses</i>	<u>(1,200)</u>	<u>158,800</u>	<u>160,000</u>
 <i>Net Change in Fund Balance</i>	 188,827	 372,460	 183,633
 <i>Fund Balance Beginning of Year</i>	 <u>9,845,524</u>	 <u>9,845,524</u>	 <u>0</u>
 <i>Fund Balance End of Year</i>	 <u><u>\$10,034,351</u></u>	 <u><u>\$10,217,984</u></u>	 <u><u>\$183,633</u></u>

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

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Property Taxes	\$2,653,240	\$2,765,167	\$111,927
Intergovernmental	444,558	441,990	(2,568)
Special Assessments	323,261	592,724	269,463
Interest	10,000	40,749	30,749
Miscellaneous	0	165,546	165,546
<i>Total Revenues</i>	<u>3,431,059</u>	<u>4,006,176</u>	<u>575,117</u>
<b>Expenditures</b>			
<b>Current:</b>			
Debt Service:			
Principal Retirement	13,699,917	13,666,566	33,351
Interest and Fiscal Charges	1,327,132	1,317,515	9,617
Bond Issuance Costs	84,709	84,708	1
<i>Total Expenditures</i>	<u>15,111,758</u>	<u>15,068,789</u>	<u>42,969</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(11,680,699)</u>	<u>(11,062,613)</u>	<u>618,086</u>
<b>Other Financing Sources and Uses</b>			
General Obligation Debt Issued	8,159,000	9,844,000	1,685,000
Premium on General Obligation Debt Issued	0	67,870	67,870
Transfers In	2,204,895	2,224,152	19,257
<i>Total Other Financing Sources and Uses</i>	<u>10,363,895</u>	<u>12,136,022</u>	<u>1,772,127</u>
<i>Net Change in Fund Balance</i>	(1,316,804)	1,073,409	2,390,213
<i>Fund Balance Beginning of Year</i>	<u>2,274,248</u>	<u>2,274,248</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$957,444</u></u>	<u><u>\$3,347,657</u></u>	<u><u>\$2,390,213</u></u>

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

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$10,974,534	\$10,379,264	(\$595,270)
Intergovernmental	718,993	2,599,891	1,880,898
Interest	62,212	219,780	157,568
Special Assessments	0	64,715	64,715
General Obligation Debt Issued	3,625,000	3,625,000	0
Premium on General Obligation Debt Issued	0	27,169	27,169
Miscellaneous	254,309	6,717	(247,592)
<i>Total Revenues</i>	<u>15,635,048</u>	<u>16,922,536</u>	<u>1,287,488</u>
<b>Expenses</b>			
Salaries	917,898	884,790	33,108
Fringe Benefits	327,425	321,040	6,385
Professional Services	280,700	262,036	18,664
Communications	90,325	75,916	14,409
Contractual Services	137,675	129,539	8,136
Materials and Supplies	344,300	291,532	52,768
Capital Outlay	4,102,500	3,881,779	220,721
Purchased Water	6,105,000	5,754,944	350,056
Utilities	58,350	44,733	13,617
Other	557,030	434,768	122,262
Debt Service:			
Principal Retirement	3,628,906	3,613,509	15,397
Interest and Fiscal Charges	494,568	479,011	15,557
Bond Issuance Costs	11,501	10,000	1,501
<i>Total Expenses</i>	<u>17,056,178</u>	<u>16,183,597</u>	<u>872,581</u>
<i>Excess of Revenues Under Expenses before Transfers</i>	(1,421,130)	738,939	2,160,069
<b>Other Financing Uses</b>			
Transfers Out	(15,252)	(15,252)	0
	(15,252)	(15,252)	0
<i>Net Change in Fund Equity</i>	(1,436,382)	723,687	2,160,069
<i>Fund Equity Beginning of Year</i>	<u>7,775,549</u>	<u>7,775,549</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$6,339,167</u></u>	<u><u>\$8,499,236</u></u>	<u><u>\$2,160,069</u></u>

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

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Property Taxes	\$1,529,245	\$1,593,724	\$64,479
Intergovernmental	208,235	218,051	9,816
Charges for Services	10,114,441	9,719,395	(395,046)
Interest	29,443	0	(29,443)
Special Assessments	32,000	33,844	1,844
General Obligation Debt Issued	9,870,000	9,870,000	0
Premium on General Obligation Debt Issued	0	80,244	80,244
Miscellaneous	6,350	177,292	170,942
<i>Total Revenues</i>	<u>21,789,714</u>	<u>21,692,550</u>	<u>(97,164)</u>
<b>Expenses</b>			
Salaries	2,140,098	2,110,938	29,160
Fringe Benefits	846,106	837,393	8,713
Travel and Transportation	3,175	2,180	995
Professional Services	822,400	796,082	26,318
Communications	8,135	4,369	3,766
Contractual Services	1,081,000	1,062,303	18,697
Materials and Supplies	472,205	365,225	106,980
Capital Outlay	3,264,000	3,095,559	168,441
Utilities	290,500	285,697	4,803
Other	955,221	947,054	8,167
Debt Service:			
Principal Retirement	6,397,907	6,390,858	7,049
Interest and Fiscal Charges	707,334	699,661	7,673
<i>Total Expenses</i>	<u>16,988,081</u>	<u>16,597,319</u>	<u>390,762</u>
<i>Excess of Revenues Over Expenses before Transfers</i>	4,801,633	5,095,231	293,598
<b>Other Financing Uses</b>			
Transfers Out	(1,878,200)	(1,878,200)	0
<i>Net Change in Fund Equity</i>	2,923,433	3,217,031	293,598
<i>Fund Equity Beginning of Year</i>	<u>11,021,237</u>	<u>11,021,237</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$13,944,670</u>	<u>\$14,238,268</u>	<u>\$293,598</u>

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

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$1,964,996	\$1,980,265	\$15,269
Special Assessments	0	9,868	9,868
Miscellaneous	70,000	97,163	27,163
<i>Total Revenues</i>	<u>2,034,996</u>	<u>2,087,296</u>	<u>52,300</u>
<b>Expenditures</b>			
<b>Current:</b>			
Transportation:			
Public Works:			
Salaries	940,478	938,488	1,990
Fringe Benefits	361,292	358,974	2,318
Professional Services	3,000	629	2,371
Communications	9,200	5,168	4,032
Contractual Services	239,600	235,996	3,604
Materials and Supplies	417,375	382,359	35,016
Utilities	46,500	43,366	3,134
Capital Outlay	2,000	710	1,290
Other	1,675	830	845
<i>Total Expenditures</i>	<u>2,021,120</u>	<u>1,966,520</u>	<u>54,600</u>
<i>Excess of Revenues Under Expenditures</i>	13,876	120,776	106,900
<b>Other Financing Uses</b>			
Transfers Out	(25,000)	(25,000)	0
<i>Net Change in Fund Balance</i>	(11,124)	95,776	106,900
<i>Fund Balance Beginning of Year</i>	<u>508,046</u>	<u>508,046</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$496,922</u></u>	<u><u>\$603,822</u></u>	<u><u>\$106,900</u></u>

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

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>	\$0	\$0	\$0
<b>Expenditures</b>			
<b>Current:</b>			
Community Environment:			
Refuse:			
Materials and Supplies	2,000	0	2,000
Other	2,000	0	2,000
<i>Total Expenditures</i>	<u>4,000</u>	<u>0</u>	<u>4,000</u>
 <i>Net Change in Fund Balance</i>	 (4,000)	 0	 4,000
<i>Fund Balance Beginning of Year</i>	<u>5,709</u>	<u>5,709</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,709</u></u>	<u><u>\$5,709</u></u>	<u><u>\$4,000</u></u>

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

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$45,000	\$55,347	\$10,347
Fines and Forfeitures	6,472	6,406	(66)
Miscellaneous	0	37,553	37,553
<i>Total Revenues</i>	<u>51,472</u>	<u>99,306</u>	<u>47,834</u>
<b>Expenditures</b>			
<b>Current:</b>			
Security of Persons and Property:			
Police:			
Salaries	4,000	0	4,000
Fringe Benefits	28,600	25,358	3,242
Travel and Transportation	15,750	7,633	8,117
Professional Services	16,731	13,187	3,544
Materials and Supplies	10,025	8,047	1,978
Capital Outlay	105,000	104,503	497
Other	40,419	35,772	4,647
<i>Total Expenditures</i>	<u>220,525</u>	<u>194,500</u>	<u>26,025</u>
<i>Excess of Revenue Under Expenditures</i>	(169,053)	(95,194)	73,859
<b>Other Financing Sources</b>			
Sale of Capital Assets	22,219	32,164	9,945
<i>Total Other Financing Sources (Uses)</i>	<u>22,219</u>	<u>32,164</u>	<u>9,945</u>
<i>Net Change in Fund Balance</i>	(146,834)	(63,030)	83,804
<i>Fund Balance Beginning of Year</i>	<u>217,690</u>	<u>217,690</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$70,856</u></u>	<u><u>\$154,660</u></u>	<u><u>\$83,804</u></u>

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

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$2,321	\$25,309	\$22,988
Fines and Forefeitures	25,347	0	(25,347)
Interest	225	372	147
<i>Total Revenues</i>	<u>27,893</u>	<u>25,681</u>	<u>(2,212)</u>
<b>Expenditures</b>			
<b>Current:</b>			
Security of Persons and Property:			
Police:			
Capital Outlay	<u>7,279</u>	<u>7,278</u>	<u>1</u>
<i>Excess of Revenue Under Expenditures</i>	20,614	18,403	(2,211)
<b>Other Financing Sources</b>			
Transfers Out	<u>(25,347)</u>	<u>0</u>	<u>(25,347)</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(25,347)</u>	<u>0</u>	<u>(25,347)</u>
<i>Net Change in Fund Balance</i>	(4,733)	18,403	23,136
<i>Fund Balance Beginning of Year</i>	<u>42,352</u>	<u>42,352</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$37,619</u></u>	<u><u>\$60,755</u></u>	<u><u>\$23,136</u></u>



**City of Lakewood, 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*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Fines and Forfeitures	\$9,253	\$18,824	\$9,571
<i>Total Revenues</i>	<u>9,253</u>	<u>18,824</u>	<u>9,571</u>
<b>Expenditures</b>			
<b>Current:</b>			
General Government:			
Municipal Court:			
Professional Services	14,016	11,165	2,851
Materials and Supplies	3,501	2,600	901
<i>Total Expenditures</i>	<u>17,517</u>	<u>13,765</u>	<u>3,752</u>
<i>Net Change in Fund Balance</i>	(8,264)	5,059	13,323
<i>Fund Balance Beginning of Year</i>	<u>156,436</u>	<u>156,436</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$148,172</u></u>	<u><u>\$161,495</u></u>	<u><u>\$13,323</u></u>

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

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Fines and Forfeitures	\$7,021	\$3,503	(\$3,518)
Miscellaneous	1,100	1,200	100
<i>Total Revenues</i>	<u>8,121</u>	<u>4,703</u>	<u>(3,418)</u>
<b>Expenditures</b>			
<b>Current:</b>			
Security of Persons and Property:			
Police:			
Materials and Supplies	14,520	8,934	5,586
<i>Total Expenditures</i>	<u>14,520</u>	<u>8,934</u>	<u>5,586</u>
<i>Net Change in Fund Balance</i>	(6,399)	(4,231)	2,168
<i>Fund Balance Beginning of Year</i>	<u>31,817</u>	<u>31,817</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$25,418</u></u>	<u><u>\$27,586</u></u>	<u><u>\$2,168</u></u>

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

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Fines and Forfeitures	\$872	\$366	(\$506)
<b>Expenditures</b>			
<b>Current:</b>			
General Government:			
Municipal Court:			
Professional Services	1,000	0	1,000
<i>Net Change in Fund Balance</i>	(128)	366	494
<i>Fund Balance Beginning of Year</i>	18,244	18,244	0
<i>Fund Balance End of Year</i>	\$18,116	\$18,610	\$494

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

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Fines and Forfeitures	\$26,787	\$25,019	(\$1,768)
<b>Expenditures</b>			
<b>Current:</b>			
General Government:			
Municipal Court:			
Contractual Services	24,926	23,439	1,487
Materials and Supplies	149	73	76
<i>Total Expenditures</i>	25,075	23,512	1,563
<i>Net Change in Fund Balance</i>	1,712	1,507	(205)
<i>Fund Balance Beginning of Year</i>	41,845	41,845	0
<i>Fund Balance End of Year</i>	\$43,557	\$43,352	(\$205)

**City of Lakewood, 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*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Fines and Forfeitures	\$117,438	\$100,718	(\$16,720)
<b>Expenditures</b>			
<b>Current:</b>			
General Government:			
Municipal Court:			
Salaries	7,500	4,762	2,738
Fringe Benefits	1,159	736	423
Professional Services	5,400	400	5,000
Contractual Services	50,000	38,119	11,881
Materials and Supplies	15,451	1,214	14,237
Capital Outlay	10,961	10,483	478
Other	388	388	0
<i>Total Expenditures</i>	90,859	56,102	34,757
<i>Net Change in Fund Balance</i>	26,579	44,616	18,037
<i>Fund Balance Beginning of Year</i>	365,729	365,729	0
<i>Fund Balance End of Year</i>	\$392,308	\$410,345	\$18,037

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

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Fines and Forfeitures	\$35,744	\$27,719	(\$8,025)
<b>Expenditures</b>			
<b>Current:</b>			
General Government:			
Municipal Court:			
Salaries	15,000	0	15,000
Fringe Benefits	2,318	0	2,318
Travel and Transportation	500	0	500
Professional Services	11,355	5,537	5,818
<i>Total Expenditures</i>	29,173	5,537	23,636
<i>Net Change in Fund Balance</i>	6,571	22,182	15,611
<i>Fund Balance Beginning of Year</i>	61,627	61,627	0
<i>Fund Balance End of Year</i>	\$68,198	\$83,809	\$15,611

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

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Fines and Forfeitures	\$22,904	\$15,256	(\$7,648)
<b>Expenditures</b>			
<b>Current:</b>			
General Government:			
Municipal Court:			
Professional Services	5,000	0	5,000
<i>Net Change in Fund Balance</i>	17,904	15,256	(2,648)
<i>Fund Balance Beginning of Year</i>	101,874	101,874	0
<i>Fund Balance End of Year</i>	\$119,778	\$117,130	(\$2,648)

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

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$110,547	\$144,124	\$33,577
<b>Expenditures</b>			
<b>Current:</b>			
Community Environment:			
Planning and Development:			
Salaries	4,965	3,634	1,331
Fringe Benefits	766	559	207
Contractual Services	145,000	139,934	5,066
<i>Total Expenditures</i>	150,731	144,127	6,604
<i>Excess of Revenues Over (Under) Expenditures</i>	(40,184)	(3)	40,181
<b>Other Financing Sources (Uses)</b>			
Advances In	50,000	11,200	(38,800)
Advances Out	(10,000)	(7,000)	3,000
<i>Total Other Financing Sources (Uses)</i>	40,000	4,200	(35,800)
<i>Net Change in Fund Balance</i>	(184)	4,197	4,381
<i>Fund Balance Beginning of Year</i>	5,448	5,448	0
<i>Fund Balance End of Year</i>	\$5,264	\$9,645	\$4,381



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

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$233,608	\$397,498	\$163,890
<b>Expenditures</b>			
<b>Current:</b>			
Community Environment:			
Planning and Development:			
Contractual Services	331,000	306,963	24,037
<i>Total Expenditures</i>	331,000	306,963	24,037
<i>Excess of Revenues Over Expenditures</i>	(97,392)	90,535	187,927
<b>Other Financing Uses</b>			
Advances In	92,768	0	(92,768)
<i>Net Change in Fund Balance</i>	(4,624)	90,535	95,159
<i>Fund Balance Beginning of Year</i>	18,719	18,719	0
<i>Fund Balance End of Year</i>	\$14,095	\$109,254	\$95,159

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

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$30,000	\$35,280	\$5,280
<b>Expenditures</b>			
<b>Current:</b>			
Community Environment:			
Planning and Development:			
Contractual Services	100	84	16
<i>Total Expenditures</i>	100	84	16
<i>Excess of Revenue Under Expenditures</i>	29,900	35,196	5,296
<i>Net Change in Fund Balance</i>	29,900	35,196	5,296
<i>Fund Balance Beginning of Year</i>	272,271	272,271	0
<i>Fund Balance End of Year</i>	\$302,171	\$307,467	\$5,296

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

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$0	\$65,289	\$65,289
Intergovernmental	185,459	111,416	(74,043)
Contributions and Donations	45,378	52,891	7,513
<i>Total Revenues</i>	<u>230,837</u>	<u>229,596</u>	<u>(1,241)</u>
<b>Expenditures</b>			
<b>Current:</b>			
Public Health Services:			
Office on Aging:			
Salaries	577,378	567,963	9,415
Fringe Benefits	241,364	237,128	4,236
Professional Services	1,300	1,219	81
Communications	26,300	22,670	3,630
Contractual Services	51,500	49,914	1,586
Materials and Supplies	43,040	31,292	11,748
Utilities	35,250	29,188	6,062
Capital Outlay	2,657	2,656	1
Other	11,755	6,719	5,036
<i>Total Expenditures</i>	<u>990,544</u>	<u>948,749</u>	<u>41,795</u>
<i>Excess of Revenues Under Expenditures</i>	(759,707)	(719,153)	40,554
<b>Other Financing Sources</b>			
Transfers In	690,000	690,000	0
<i>Net Change in Fund Balance</i>	(69,707)	(29,153)	40,554
<i>Fund Balance Beginning of Year</i>	<u>103,888</u>	<u>103,888</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$34,181</u></u>	<u><u>\$74,735</u></u>	<u><u>\$40,554</u></u>

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

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$15,925	\$14,790	(\$1,135)
Contributions and Donations	25,000	22,274	(2,726)
<i>Total Revenues</i>	<u>40,925</u>	<u>37,064</u>	<u>(3,861)</u>
<b>Expenditures</b>			
<b>Current:</b>			
Community Environment:			
Youth:			
Salaries	31,300	30,003	1,297
Fringe Benefits	5,021	4,635	386
Professional Services	75	65	10
Communications	700	135	565
Materials and Supplies	4,650	2,191	2,459
Other	450	35	415
<i>Total Expenditures</i>	<u>42,196</u>	<u>37,064</u>	<u>5,132</u>
<i>Net Change in Fund Balance</i>	(1,271)	0	1,271
<i>Fund Balance Beginning of Year</i>	<u>11,569</u>	<u>11,569</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$10,298</u></u>	<u><u>\$11,569</u></u>	<u><u>\$1,271</u></u>

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

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$0	\$14,400	\$14,400
Miscellaneous	0	2,675	2,675
<i>Total Revenues</i>	<u>0</u>	<u>17,075</u>	<u>17,075</u>
<b>Expenditures</b>			
<b>Current:</b>			
Community Environment:			
Youth Services:			
Salaries	18,000	17,265	735
Fringe Benefits	2,750	2,676	74
<i>Total Expenditures</i>	<u>20,750</u>	<u>19,941</u>	<u>809</u>
<i>Net Change in Fund Balance</i>	(20,750)	(2,866)	17,884
<i>Fund Balance Beginning of Year</i>	<u>22,115</u>	<u>22,115</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,365</u></u>	<u><u>\$19,249</u></u>	<u><u>\$17,884</u></u>

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

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$350,000	\$317,268	(\$32,732)
<i>Total Revenues</i>	<u>350,000</u>	<u>317,268</u>	<u>(32,732)</u>
<b>Expenditures</b>			
<b>Current:</b>			
Community Environment:			
Child Care:			
Salaries	253,150	240,874	12,276
Fringe Benefits	42,118	37,909	4,209
Travel and Transportation	150	56	94
Professional Services	20,000	17,238	2,762
Communications	4,650	4,182	468
Contractual Services	515	255	260
Materials and Supplies	16,262	15,179	1,083
Utilities	2,550	1,856	694
Capital Outlay	3,089	3,088	1
Other	16,343	13,564	2,779
<i>Total Expenditures</i>	<u>358,827</u>	<u>334,201</u>	<u>24,626</u>
 <i>Excess of Revenues Over Expenditures</i>	 (8,827)	 (16,933)	 (8,106)
<b>Other Financing Sources/Uses</b>			
Advance In	102,897	93,300	(9,597)
Advance out	(85,001)	(85,000)	1
<i>Net Change in Fund Balance</i>	<u>9,069</u>	<u>(8,633)</u>	<u>(17,702)</u>
<i>Fund Balance Beginning of Year</i>	<u>33,296</u>	<u>33,296</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$42,365</u></u>	<u><u>\$24,663</u></u>	<u><u>(\$17,702)</u></u>

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

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	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>	\$0	\$0	\$0
<b>Expenditures</b>	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	2,781	2,781	0
<i>Fund Balance End of Year</i>	\$2,781	\$2,781	\$0

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

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Miscellaneous	\$4,000	\$4,000	\$0
<b>Expenditures</b>			
<b>Current:</b>			
General Government:			
Mayor's Office:			
Salaries	3,552	3,551	1
Fringe Benefits	558	541	17
<i>Total Expenditures</i>	4,110	4,092	18
<i>Net Change in Fund Balance</i>	(110)	(92)	18
<i>Fund Balance Beginning of Year</i>	2,489	2,489	0
<i>Fund Balance End of Year</i>	\$2,379	\$2,397	\$18



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

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Payments in Lieu of Taxes	\$482,858	\$580,535	\$97,677
Intergovernmental	36,366	36,554	188
Miscellaneous	0	21,718	21,718
<i>Total Revenues</i>	<u>519,224</u>	<u>638,807</u>	<u>119,583</u>
<b>Expenditures</b>			
<b>Current:</b>			
General Government:			
Other	40,571	0	40,571
Debt Service:			
Principal Retirement	331,000	330,224	776
Interest and Fiscal Charges	83,000	82,025	975
<i>Total Expenditures</i>	<u>454,571</u>	<u>412,249</u>	<u>42,322</u>
<i>Net Change in Fund Balance</i>	64,653	226,558	161,905
<i>Fund Balance Beginning of Year</i>	<u>362,749</u>	<u>362,749</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$427,402</u></u>	<u><u>\$589,307</u></u>	<u><u>\$161,905</u></u>

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

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$11,874	\$105,000	\$93,126
<i>Total Revenues</i>	<u>11,874</u>	<u>105,000</u>	<u>93,126</u>
<b>Expenditures</b>			
<b>Current:</b>			
General Government:			
Professional Services	1,400,000	1,354,947	45,053
<i>Total General Government</i>	<u>1,400,000</u>	<u>1,354,947</u>	<u>45,053</u>
Transportation			
Capital Outlay	2,738,000	2,566,710	171,290
<i>Total Streets and Highways</i>	<u>2,738,000</u>	<u>2,566,710</u>	<u>171,290</u>
Leisure Time Activities			
Capital Outlay	1,003,001	818,985	184,016
<i>Total Culture and Recreation</i>	<u>1,003,001</u>	<u>818,985</u>	<u>184,016</u>
<i>Total Expenditures</i>	<u>5,141,001</u>	<u>4,740,642</u>	<u>400,359</u>
<i>Excess of Revenues Under Expenditures</i>	(5,129,127)	(4,635,642)	493,485
<b>Other Financing Sources</b>			
General Obligation Notes Issued	4,650,000	4,650,000	0
<i>Total Other Financing Sources (Uses)</i>	<u>4,650,000</u>	<u>4,650,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(479,127)	14,358	493,485
<i>Fund Balance Beginning of Year</i>	<u>1,429,969</u>	<u>1,429,969</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$950,842</u>	<u>\$1,444,327</u>	<u>\$493,485</u>

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

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	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>	\$0	\$0	\$0
<b>Expenditures</b>	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	5,000,000	5,000,000	0
<i>Fund Balance End of Year</i>	\$5,000,000	\$5,000,000	\$0

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

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Miscellaneous	\$6,510	\$5,201	(\$1,309)
<b>Expenditures</b>			
<b>Current:</b>			
Leisure Time Activities:			
Capital Outlay	43,000	42,610	390
<i>Net Change in Fund Balance</i>	(36,490)	(37,409)	(919)
<i>Fund Balance Beginning of Year</i>	61,630	61,630	0
<i>Fund Balance End of Year</i>	\$25,140	\$24,221	(\$919)

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

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$483,156	\$468,581	(\$14,575)
Miscellaneous	1,000	77	(923)
General Obligation Debt Issued	0	145,000	145,000
<i>Total Revenues</i>	<u>484,156</u>	<u>613,658</u>	<u>129,502</u>
<b>Expenses</b>			
Salaries	130,508	126,313	4,195
Fringe Benefits	47,432	46,959	473
Professional Services	12,500	8,801	3,699
Communications	4,550	3,182	1,368
Contractual Services	8,300	5,166	3,134
Materials and Supplies	24,300	10,536	13,764
Capital Outlay	36,000	32,168	3,832
Utilities	28,000	25,637	2,363
Property Taxes	50,000	47,023	2,977
Other	53,779	53,739	40
Debt Service:			
Principal Retirement	173,300	172,206	1,094
Interest and Fiscal Charges	5,111	4,843	268
<i>Total Expenses</i>	<u>573,780</u>	<u>536,573</u>	<u>37,207</u>
<i>Excess of Revenues Over (Under) Expenses before Transfers</i>	(89,624)	77,085	166,709
Transfers Out	(4,500)	(4,500)	0
<i>Net Change in Fund Equity</i>	(94,124)	72,585	166,709
<i>Fund Equity Beginning of Year</i>	<u>585,082</u>	<u>585,082</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$490,958</u></u>	<u><u>\$657,667</u></u>	<u><u>\$166,709</u></u>

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

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$273,042	\$223,153	(\$49,889)
Miscellaneous	25,000	83,500	58,500
<i>Total Revenues</i>	<u>298,042</u>	<u>306,653</u>	<u>8,611</u>
<b>Expenses</b>			
Property Taxes	60,000	59,028	972
Utilities	265,000	264,052	948
<i>Total Expenses</i>	<u>325,000</u>	<u>323,080</u>	<u>1,920</u>
<i>Excess of Revenues Over Expenses before Advances and Transfers</i>	(26,958)	(16,427)	10,531
Advance In	400,000	350,000	(50,000)
Advance Out	(300,441)	(300,000)	441
Transfer Out	(80,000)	(80,000)	0
<i>Total Other Financing Sources(Uses)</i>	<u>19,559</u>	<u>(30,000)</u>	<u>(49,559)</u>
<i>Net Change in Fund Equity</i>	(7,399)	(46,427)	(39,028)
<i>Fund Equity Beginning of Year</i>	<u>88,717</u>	<u>88,717</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$81,318</u></u>	<u><u>\$42,290</u></u>	<u><u>(\$39,028)</u></u>

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

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$5,206,000	\$5,276,352	\$70,352
Miscellaneous	1,050,000	910,069	(139,931)
<i>Total Revenues</i>	<u>6,256,000</u>	<u>6,186,421</u>	<u>(69,579)</u>
<b>Expenses</b>			
Professional Services	84,000	78,564	5,436
Claims	7,697,000	7,074,619	622,381
<i>Total Expenses</i>	<u>7,781,000</u>	<u>7,153,183</u>	<u>627,817</u>
<i>Excess of Revenues Under Expenses before Transfers</i>	(1,525,000)	(966,762)	558,238
Transfers In	978,333	974,999	(3,334)
<i>Net Change in Fund Equity</i>	(546,667)	8,237	554,904
<i>Fund Equity Beginning of Year</i>	<u>2,492,713</u>	<u>2,492,713</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$1,946,046</u></u>	<u><u>\$2,500,950</u></u>	<u><u>\$554,904</u></u>

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

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$365,000	\$346,566	(\$18,434)
Miscellaneous	1,500	8,279	6,779
<i>Total Revenues</i>	<u>366,500</u>	<u>354,845</u>	<u>(11,655)</u>
<b>Expenses</b>			
Professional Services	30,800	29,031	1,769
Workers' Compensation Premium	71,000	70,789	211
Workers' Compensation Claims	221,000	205,032	15,968
<i>Total Expenses</i>	<u>322,800</u>	<u>304,852</u>	<u>17,948</u>
<i>Excess of Revenues Over (Under) Expenses before Transfers</i>	43,700	49,993	6,293
Transfers In	16,937	16,936	(1)
<i>Net Change in Fund Equity</i>	60,637	66,929	6,292
<i>Fund Equity Beginning of Year</i>	<u>591,363</u>	<u>591,363</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$652,000</u></u>	<u><u>\$658,292</u></u>	<u><u>\$6,292</u></u>



# **STATISTICAL SECTION**



# City of Lakewood, Ohio

## Statistical Section

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

<b><u>Contents</u></b>	<b><u>Page(s)</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	S2 – S13
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City's most significant local revenue sources, property taxes and municipal income taxes.	S14 – S20
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	S21 – S29
<b>Economic and Demographic Information</b> These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	S30 – S31
<b>Operating Information</b> These schedules contain service data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	S32 – S39

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

# City of Lakewood, Ohio

*Net Position by Component  
Accrual Basis of Accounting  
Last Ten Years*

	<u>2017</u>	<u>2016</u>	<u>2015 (1)</u>	<u>2014 (1)</u>
<b>Governmental Activities</b>				
Net Investment in Capital Assets	\$43,075,007	\$42,035,922	\$41,107,537	\$39,149,696
Restricted:				
Capital Projects	5,024,221	5,061,630	6,501,371	5,307,076
Debt Service	4,385,292	3,308,652	2,151,445	2,513,589
Other Purposes	16,711,939	16,027,847	14,976,729	5,373,867
Unrestricted	<u>(27,658,683)</u>	<u>(20,079,817)</u>	<u>(17,026,229)</u>	<u>(17,214,472)</u>
<i>Total Governmental Activities Net Position</i>	<u>41,537,776</u>	<u>46,354,234</u>	<u>47,710,853</u>	<u>35,129,756</u>
<b>Business - Type Activities</b>				
Net Investment in Capital Assets	59,258,570	55,855,430	54,036,529	49,186,022
Restricted for Debt Service	0	25,330	931,832	976,525
Restricted for Replacement and Improvement	0	196,078	195,701	195,650
Unrestricted	<u>21,886,117</u>	<u>19,261,591</u>	<u>14,815,158</u>	<u>15,589,980</u>
<i>Total Business-Type Activities Net Position</i>	<u>81,144,687</u>	<u>75,338,429</u>	<u>69,979,220</u>	<u>65,948,177</u>
<b>Primary Government</b>				
Net Investment in Capital Assets	102,333,577	97,891,352	95,144,066	88,335,718
Restricted	26,121,452	24,619,537	24,757,078	14,366,707
Unrestricted	<u>(5,772,566)</u>	<u>(818,226)</u>	<u>(2,211,071)</u>	<u>(1,624,492)</u>
<i>Total Primary Government Net Position</i>	<u>\$122,682,463</u>	<u>\$121,692,663</u>	<u>\$117,690,073</u>	<u>\$101,077,933</u>

(1) Restated due to the implementation of GASB Statement No. 68

**Table 1**

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$36,587,631	\$35,009,349	\$32,219,436	\$29,616,097	\$26,631,390	\$19,375,518
981,966	969,500	737,334	948,539	1,656,877	3,187,407
1,993,423	975,150	194,209	1,038,625	658,864	679,404
5,620,042	5,898,631	5,130,754	6,279,579	5,316,658	4,237,737
<u>25,657,862</u>	<u>15,752,227</u>	<u>13,594,321</u>	<u>8,184,766</u>	<u>5,461,402</u>	<u>6,764,033</u>
<u>70,840,924</u>	<u>58,604,857</u>	<u>51,876,054</u>	<u>46,067,606</u>	<u>39,725,191</u>	<u>34,244,099</u>
49,781,404	47,805,599	43,819,639	43,114,193	41,950,480	41,695,569
977,430	976,717	1,090,028	1,328,713	1,214,966	1,194,934
195,585	195,499	195,493	195,474	193,550	195,417
<u>13,290,944</u>	<u>10,729,412</u>	<u>10,716,664</u>	<u>9,163,854</u>	<u>8,486,802</u>	<u>7,668,213</u>
<u>64,245,363</u>	<u>59,707,227</u>	<u>55,821,824</u>	<u>53,802,234</u>	<u>51,845,798</u>	<u>50,754,133</u>
86,369,035	82,814,948	76,039,075	72,730,290	68,581,870	61,071,087
9,768,446	9,015,497	7,347,818	9,790,930	9,040,915	9,494,899
<u>38,948,806</u>	<u>26,481,639</u>	<u>24,310,985</u>	<u>17,348,620</u>	<u>13,948,204</u>	<u>14,432,246</u>
<u>\$135,086,287</u>	<u>\$118,312,084</u>	<u>\$107,697,878</u>	<u>\$99,869,840</u>	<u>\$91,570,989</u>	<u>\$84,998,232</u>

# City of Lakewood, Ohio

## Changes in Net Position Accrual Basis of Accounting Last Ten Years

	2017	2016	2015	2014
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services:				
General Government	\$5,691,462	\$5,728,112	\$2,417,220	\$2,565,467
Security of Persons and Property				
Police and Other	90,516	538,241	1,705,381	1,681,145
Fire	2,390,092	2,342,043	2,434,467	2,312,807
Public Health Services	65,289	72,057	72,200	73,542
Transportation	932	0	48,242	85,435
Community Environment	213,266	15,558	1,194,867	1,355,395
Basic Utility Services	0	3,500	39,816	43,038
Subtotal - Charges for Services	<u>8,451,557</u>	<u>8,699,511</u>	<u>7,912,193</u>	<u>8,116,829</u>
Operating Grants and Contributions:				
General Government	73,183	0	15,400	17,080
Security of Persons and Property				
Police and Other	55,347	27,668	28,531	74,584
Fire	2,690	77,243	13,905	37,612
Public Health Services	159,083	123,854	6,902,085	97,273
Transportation	2,007,041	2,072,014	2,001,462	1,903,634
Leisure Time Activities	0	0	2,669	17,088
Community Environment	2,896,145	2,554,869	2,878,700	3,312,684
Subtotal - Operating Grants and Contributions	<u>5,193,489</u>	<u>4,855,648</u>	<u>11,842,752</u>	<u>5,459,955</u>
Capital Grants and Contributions:				
Security of Persons and Property - Fire	0	0	0	0
Public Health Services	0	617,438	3,296,758	64,473
Community Environment	592,724	412,057	226,337	0
Transportation	598,608	89,082	858,161	1,029,913
	<u>1,191,332</u>	<u>1,118,577</u>	<u>4,381,256</u>	<u>1,094,386</u>
<i>Total Governmental Activities Program Revenues</i>	<u>14,836,378</u>	<u>14,673,736</u>	<u>24,136,201</u>	<u>14,671,170</u>
Business-Type Activities:				
Charges for Services:				
Water	10,427,310	10,449,847	10,786,061	11,023,493
Sewer	9,870,965	9,277,971	8,365,370	8,275,152
Parking Facilities	468,581	487,715	455,700	464,973
Winterhurst Ice Rink	302,710	323,465	351,858	440,413
Congregate Living	0	0	0	0
Subtotal - Charges for Services	<u>21,069,566</u>	<u>20,538,998</u>	<u>19,958,989</u>	<u>20,204,031</u>
Operating Grants and Contributions:				
Water	0	0	0	0
Sewer	0	0	0	0
Subtotal - Operating Grants and Contributions	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Capital Grants and Contributions:				
Water	1,279,891	0	1,171,927	36,000
Sewer	0	0	0	84,628
Winterhurst Ice Rink	0	0	0	0
Subtotal - Capital Grants and Contributions	<u>1,279,891</u>	<u>0</u>	<u>1,171,927</u>	<u>120,628</u>
<i>Total Business-Type Activities Program Revenues</i>	<u>22,349,457</u>	<u>20,538,998</u>	<u>21,130,916</u>	<u>20,324,659</u>
<i>Total Primary Government Program Revenues</i>	<u>\$37,185,835</u>	<u>\$35,212,734</u>	<u>\$45,267,117</u>	<u>\$34,995,829</u>

**Table 2**

2013	2012	2011	2010	2009	2008
\$4,696,630	\$3,933,477	\$3,024,201	\$2,529,470	\$4,187,825	\$4,235,783
41,793	233,865	257,705	265,127	245,685	242,444
2,375,131	2,346,537	2,263,974	2,233,515	2,291,431	2,147,823
86,254	103,489	293,641	248,489	251,665	318,737
48,369	219,863	4,360	28,395	0	0
344,561	972,416	1,642,224	1,895,118	11,120	10,680
0	0	0	0	0	0
<u>7,592,738</u>	<u>7,809,647</u>	<u>7,486,105</u>	<u>7,200,114</u>	<u>6,987,726</u>	<u>6,955,467</u>
3,312	0	765,886	612,272	495,082	474,840
6,946	30,417	432,224	449,353	449,920	472,948
427,779	0	900	3,350	52,013	0
111,763	46,779	217,458	246,649	270,604	493,394
1,890,684	1,874,122	1,833,219	2,012,270	1,118,195	1,950,418
0	99,639	0	0	0	0
3,660,106	2,824,142	3,081,636	4,718,408	4,421,399	3,039,646
<u>6,100,590</u>	<u>4,875,099</u>	<u>6,331,323</u>	<u>8,042,302</u>	<u>6,807,213</u>	<u>6,431,246</u>
0	91,166	0	0	0	0
79,548	0	0	0	0	0
23,311	48,690	0	0	0	0
106,505	75,390	0	0	0	0
<u>209,364</u>	<u>215,246</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>13,902,692</u>	<u>12,899,992</u>	<u>13,817,428</u>	<u>15,242,416</u>	<u>13,794,939</u>	<u>13,386,713</u>
11,273,817	11,209,329	10,683,491	10,759,734	9,456,618	10,298,731
7,924,286	7,422,740	6,573,925	6,157,686	5,545,675	5,947,043
425,848	462,300	456,607	434,510	404,180	332,999
181,272	372,284	343,061	563,499	371,631	427,031
0	0	0	0	0	0
<u>19,805,223</u>	<u>19,466,653</u>	<u>18,057,084</u>	<u>17,915,429</u>	<u>15,778,104</u>	<u>17,005,804</u>
0	0	0	0	416,013	74,859
0	0	246,194	283,595	272,358	152,949
<u>0</u>	<u>0</u>	<u>246,194</u>	<u>283,595</u>	<u>688,371</u>	<u>227,808</u>
84,724	566,385	80,560	0	0	0
43,996	0	25,536	0	0	0
0	0	0	0	0	2,000,000
<u>128,720</u>	<u>566,385</u>	<u>106,096</u>	<u>0</u>	<u>0</u>	<u>2,000,000</u>
<u>19,933,943</u>	<u>20,033,038</u>	<u>18,409,374</u>	<u>18,199,024</u>	<u>16,466,475</u>	<u>19,233,612</u>
<u>\$33,836,635</u>	<u>\$32,933,030</u>	<u>\$32,226,802</u>	<u>\$33,441,440</u>	<u>\$30,261,414</u>	<u>\$32,620,325</u>

## City of Lakewood, Ohio

### Changes in Net Position (continued)

#### Accrual Basis of Accounting

#### Last Ten Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Expenses</b>				
Governmental Activities:				
General Government	\$10,314,519	\$10,038,205	\$9,341,967	\$9,439,522
Security of Persons and Property				
Police and Other	15,229,304	15,636,103	13,677,739	13,662,669
Fire	13,056,945	12,492,447	10,740,998	10,238,188
Public Health Services	1,964,825	1,895,266	1,824,905	1,867,088
Transportation	3,921,229	4,208,095	3,518,156	3,199,757
Community Environment	6,655,555	5,942,684	5,135,801	5,954,990
Basic Utility Services	3,935,756	3,645,449	3,525,439	3,561,708
Leisure Time Activities	2,944,733	2,827,356	2,474,236	2,527,405
Interest and Fiscal Charges	1,961,698	1,453,699	1,293,602	1,453,572
<i>Total Governmental Activities Expenses</i>	<u>59,984,564</u>	<u>58,139,304</u>	<u>51,532,843</u>	<u>51,904,899</u>
Business-Type Activities				
Water	8,977,286	9,792,697	10,437,438	9,852,335
Sewer	7,133,603	6,658,898	6,448,991	6,182,538
Parking Facilities	427,010	412,670	355,917	319,581
Winterhurst Ice Rink	401,376	474,323	470,683	461,923
<i>Total Business-Type Activities Expenses</i>	<u>16,939,275</u>	<u>17,338,588</u>	<u>17,713,029</u>	<u>16,816,377</u>
<i>Total Primary Government Expenses</i>	<u>76,923,839</u>	<u>75,477,892</u>	<u>69,245,872</u>	<u>68,721,276</u>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	(45,148,186)	(43,465,568)	(27,396,642)	(37,233,729)
Business-Type Activities	5,410,182	3,200,410	3,417,887	3,508,282
<i>Total Primary Government Net Expense</i>	<u>(\$39,738,004)</u>	<u>(\$40,265,158)</u>	<u>(\$23,978,755)</u>	<u>(\$33,725,447)</u>



**Table 2**

2013	2012	2011	2010	2009	2008
\$8,498,246	\$9,204,662	\$7,529,571	\$8,423,969	\$7,675,451	\$7,620,762
12,670,338	11,844,579	11,617,633	12,272,317	12,754,885	12,371,712
10,099,908	9,936,091	9,426,271	9,526,516	10,131,056	10,289,314
1,866,759	1,940,130	2,136,807	2,383,427	2,505,999	3,280,667
2,605,700	2,536,751	1,948,825	3,092,325	2,866,754	2,969,914
4,910,641	4,773,590	5,804,830	6,819,791	6,474,889	5,622,461
3,383,635	3,274,630	3,393,665	3,472,641	3,998,734	4,700,773
2,121,447	1,786,849	3,222,378	1,831,789	1,839,517	2,020,450
1,481,371	1,632,156	1,835,631	1,788,103	2,127,913	2,064,970
<u>47,638,045</u>	<u>46,929,438</u>	<u>46,915,611</u>	<u>49,610,878</u>	<u>50,375,198</u>	<u>50,941,023</u>
9,059,160	10,283,462	9,652,083	9,665,155	9,038,465	9,289,887
6,061,044	5,674,713	5,896,702	6,012,674	5,751,453	6,585,346
300,332	392,765	349,501	386,946	253,274	305,295
429,550	525,941	571,530	736,397	552,929	740,804
<u>15,850,086</u>	<u>16,876,881</u>	<u>16,469,816</u>	<u>16,801,172</u>	<u>15,596,121</u>	<u>16,921,332</u>
<u>63,488,131</u>	<u>63,806,319</u>	<u>63,385,427</u>	<u>66,412,050</u>	<u>65,971,319</u>	<u>67,862,355</u>
(33,735,353)	(34,029,446)	(33,098,183)	(34,368,462)	(36,580,259)	(37,554,310)
<u>4,083,857</u>	<u>3,156,157</u>	<u>1,939,558</u>	<u>1,397,852</u>	<u>870,354</u>	<u>2,312,280</u>
<u>(\$29,651,496)</u>	<u>(\$30,873,289)</u>	<u>(\$31,158,625)</u>	<u>(\$32,970,610)</u>	<u>(\$35,709,905)</u>	<u>(\$35,242,030)</u>

# City of Lakewood, Ohio

## Changes in Net Position (continued)

### Accrual Basis of Accounting

### Last Ten Years

	2017	2016	2015	2014
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities				
Taxes:				
Property Taxes Levied For:				
General Purposes	\$6,951,057	\$6,796,884	\$6,619,558	\$6,255,782
Police and Fire Pension	2,788,459	2,577,331	2,512,111	2,376,261
Debt Service	2,635,788	2,726,623	2,666,760	2,532,060
Payments in Lieu of Taxes	521,296	499,544	448,815	494,754
Municipal Income Taxes levied for:				
General Purposes	21,338,449	23,236,281	22,563,434	21,954,834
Grants and Entitlements not Restricted to				
Specific Programs	3,551,342	3,685,616	3,719,128	3,722,984
Investment Income	407,277	192,986	100,437	49,548
Gain from Sale of Capital Assets-Gov	0	0	14,776	17,237
Miscellaneous	424,698	914,982	453,344	387,811
<i>Total Governmental Activities</i>	<u>38,618,366</u>	<u>40,630,247</u>	<u>39,098,363</u>	<u>37,791,271</u>
Business-Type Activities				
Property Taxes Levied For:				
Sewer	1,607,149	1,571,541	1,530,516	1,447,720
Grants and Entitlements not Restricted to				
Specific Programs	66,504	1,686,943	643,502	218,529
Investment Income	168,199	52,435	40,366	18,351
Miscellaneous	267,586	326,582	96,122	260,388
<i>Total Business-Type Activities</i>	<u>2,109,438</u>	<u>3,637,501</u>	<u>2,310,506</u>	<u>1,944,988</u>
<i>Total Primary Government General Revenues and Other Changes in Net Position</i>	<u>40,727,804</u>	<u>44,267,748</u>	<u>41,408,869</u>	<u>39,736,259</u>
<b>Transfers</b>				
Governmental Activities	1,713,362	1,478,702	1,697,350	1,470,815
Business-Type Activities	(1,713,362)	(1,478,702)	(1,697,350)	(1,470,815)
<b>Restatements</b>				
Governmental Activities	0	0	(817,974)	(37,739,525)
Business-Type Activities	0	0	0	(2,279,641)
<i>Total Restatements Activities</i>	<u>0</u>	<u>0</u>	<u>(817,974)</u>	<u>(40,019,166)</u>
<b>Change in Net Position</b>				
Governmental Activities	(4,816,458)	(1,356,619)	12,581,097	(37,990,809)
Business-Type Activities	5,806,258	5,359,209	4,031,043	1,702,814
<i>Total Primary Government Change in Net Position</i>	<u>\$989,800</u>	<u>\$4,002,590</u>	<u>\$16,612,140</u>	<u>(\$36,287,995)</u>

**Table 2**

2013	2012	2011	2010	2009	2008
\$6,560,213	\$6,807,497	\$6,581,357	\$6,857,844	\$7,404,532	\$7,464,079
2,491,699	2,589,594	2,608,762	2,608,762	2,810,315	2,823,756
2,654,186	2,753,385	2,784,378	2,784,378	2,973,092	2,987,313
467,984	401,767	355,641	341,399	308,520	340,341
21,122,681	20,628,523	19,474,728	19,686,732	19,314,348	19,348,017
10,929,532	5,646,551	5,997,696	6,727,090	6,345,651	5,668,748
13,857	6,758	8,792	68,060	214,275	533,257
0	130,124	25,308	0	0	0
216,560	611,500	713,582	436,670	606,457	550,472
44,456,712	39,575,699	38,550,244	39,510,935	39,977,190	39,715,983
1,519,408	1,581,775	1,556,497	1,590,695	1,712,714	1,724,040
219,013	229,477	0	0	0	0
5,055	2,029	2,474	16,338	58,952	237,593
225,511	98,515	162,210	78,032	533,806	51,808
1,968,987	1,911,796	1,721,181	1,685,065	2,305,472	2,013,441
46,425,699	41,487,495	40,271,425	41,196,000	42,282,662	41,729,424
1,514,708	1,182,550	1,041,754	1,073,981	2,084,161	534,752
(1,514,708)	(1,182,550)	(1,041,754)	(1,073,981)	(2,084,161)	(534,752)
0	0	(685,367)	125,961	0	1,447,962
0	0	(599,395)	(52,500)	0	2,928,075
0	0	(1,284,762)	73,461	0	4,376,037
12,236,067	6,728,803	5,209,053	6,342,415	5,481,092	4,144,387
4,538,136	3,885,403	2,019,590	1,956,436	1,091,665	6,719,044
\$16,774,203	\$10,614,206	\$7,228,643	\$8,298,851	\$6,572,757	\$10,863,431

# City of Lakewood, Ohio

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

	2017	2016	2015	2014
<b>General Fund</b>				
Reserved	\$0	\$0	\$0	\$0
Unreserved	0	0	0	0
Nonspendable	1,615,269	1,528,257	1,465,171	1,203,968
Assigned	6,640,100	5,221,363	3,861,300	5,768,149
Unassigned	6,258,106	7,480,460	9,506,549	8,165,507
<b>Total General Fund</b>	<u>14,513,475</u>	<u>14,230,080</u>	<u>14,833,020</u>	<u>15,137,624</u>
<b>All Other Governmental Funds</b>				
Reserved	0	0	0	0
Unreserved, Undesignated (Deficit), Reported in:				
Special Revenue Funds	0	0	0	0
Debt Service Funds	0	0	0	0
Capital Projects Funds	0	0	0	0
Nonspendable	94,824	185,420	119,403	58,799
Restricted	20,638,400	19,141,481	6,992,095	8,439,921
Committed	5,035,790	5,073,199	15,572,469	6,070,832
Unassigned (Deficit)	(170,365)	(64,133)	(35,159)	(31,552)
<b>Total All Other Governmental Funds</b>	<u>25,598,649</u>	<u>24,335,967</u>	<u>22,648,808</u>	<u>14,538,000</u>
<b>Total Governmental Funds</b>	<u><u>\$40,112,124</u></u>	<u><u>\$38,566,047</u></u>	<u><u>\$37,481,828</u></u>	<u><u>\$29,675,624</u></u>

**Table 3**

2013	2012	2011	2010	2009	2008
\$0	\$0	\$0	\$0	\$1,156,884	\$11,114
0	0	0	0	3,642,880	5,489,730
1,177,098	646,379	631,634	647,847	0	0
3,128,964	1,943,879	1,103,061	950,918	0	0
13,722,092	7,101,028	7,168,275	4,966,043	0	0
18,028,154	9,691,286	8,902,970	6,564,808	4,799,764	5,500,844
0	0	0	0	2,294,622	3,131,139
0	0	0	0	2,957,115	733,201
0	0	0	0	1,282,628	343,522
0	0	0	0	1,467,157	4,386,784
114,906	200,891	170,573	187,494	0	0
7,521,893	6,115,764	5,865,238	7,043,077	0	0
968,587	786,167	853,414	663,681	0	0
(19,268)	(81,533)	(31,316)	(158,907)	0	0
8,586,118	7,021,289	6,857,909	7,735,345	8,001,522	8,594,646
\$26,614,272	\$16,712,575	\$15,760,879	\$14,300,153	\$12,801,286	\$14,095,490

# City of Lakewood, Ohio

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

	2017	2016	2015	2014
<b>Revenues</b>				
Property Taxes	\$12,271,930	\$12,203,722	\$11,708,269	\$11,379,654
Payments in Lieu of Taxes	580,535	482,858	456,077	489,379
Municipal Income Taxes	23,530,264	22,890,653	22,391,110	21,158,365
Charges for Services	4,360,503	4,187,477	3,992,662	3,937,040
Fees, Licenses, and Permits	2,559,886	2,732,469	2,024,622	2,203,740
Fines and Forfeitures	1,602,093	1,645,823	1,917,593	1,913,424
Intergovernmental	8,698,712	8,568,620	9,496,036	11,422,657
Special Assessments	613,120	395,611	258,041	73,672
Interest	407,315	192,986	100,437	49,548
Contributions and Miscellaneous	527,221	1,558,842	9,899,156	575,734
<i>Total Revenues</i>	<u>55,151,579</u>	<u>54,859,061</u>	<u>62,244,003</u>	<u>53,203,213</u>
<b>Expenditures</b>				
Current:				
General Government	10,993,061	9,067,631	8,781,381	8,838,958
Security of Persons and Property				
Police and Other	14,031,309	13,342,497	12,593,009	12,339,318
Fire	10,810,454	10,892,695	9,663,938	9,480,970
Public Health Services	1,727,408	1,703,110	1,699,832	1,742,634
Transportation	2,045,750	2,120,232	2,091,066	1,915,695
Community Environment	6,130,893	5,770,256	5,078,451	5,797,278
Basic Utilities Services	3,239,444	3,046,025	3,020,504	3,068,909
Leisure Time Activities	2,246,306	2,238,870	1,952,458	2,141,599
Capital Outlay	3,915,901	6,313,597	8,018,007	5,501,475
Debt Service:				
Principal Retirement	8,229,099	17,052,154	14,166,854	9,855,339
Interest and Fiscal Charges	1,260,832	1,456,894	1,348,516	1,414,906
Bond Issuance Costs	91,568	139,703	21,556	40,184
<i>Total Expenditures</i>	<u>64,722,025</u>	<u>73,143,664</u>	<u>68,435,572</u>	<u>62,137,265</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(9,570,446)</u>	<u>(18,284,603)</u>	<u>(6,191,569)</u>	<u>(8,934,052)</u>
<b>Other Financing Sources (Uses)</b>				
General Obligation Bonds Issued	0	16,969,120	0	0
Refunding Bonds Issued	5,745,000	0	0	0
Bond Anticipation Notes	8,577,000	4,099,000	13,535,000	10,187,000
Refunding Bond Anticipation Notes			0	0
Premium on Debt Issuance	67,870	1,456,752	109,332	78,314
Sale of Capital Assets	191,967	189,405	14,776	17,237
Inception of Capital Lease	1,657,000	1,217,224	1,890,000	1,881,855
Current Refunding	0	0	0	0
Payment to Refunded Bond Escrow Agent	(5,843,741)	(4,694,833)	0	0
Transfers In	4,745,608	4,363,018	5,173,697	9,021,394
Transfers Out	(4,024,181)	(4,230,864)	(6,725,032)	(9,190,396)
<i>Total Other Financing Sources (Uses)</i>	<u>11,116,523</u>	<u>19,368,822</u>	<u>13,997,773</u>	<u>11,995,404</u>
<i>Restatements</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>\$1,546,077</u>	<u>\$1,084,219</u>	<u>\$7,806,204</u>	<u>\$3,061,352</u>
Debt Service as a Percentage of Noncapital Expenditures	16.0%	27.5%	25.8%	20.0%

Table 4

2013	2012	2011	2010	2009	2008
\$11,650,884	\$12,041,251	\$12,041,503	\$12,301,006	\$13,194,723	\$13,257,834
483,679	379,614	328,790	341,399	308,520	340,341
20,119,636	19,542,235	18,766,179	17,850,439	18,355,581	18,480,218
3,831,150	3,396,958	4,036,644	3,578,550	3,598,946	3,033,174
1,962,750	2,351,660	1,630,554	1,886,868	1,823,254	1,971,510
1,695,082	1,811,478	1,814,547	1,690,587	1,592,897	1,710,782
15,904,055	10,383,636	11,984,530	14,727,449	13,197,654	11,824,139
31,511	75,390	4,360	47,459	24,642	240,001
13,857	6,758	8,792	68,060	214,275	533,257
901,706	936,797	824,613	544,005	724,928	817,733
<u>56,594,310</u>	<u>50,925,777</u>	<u>51,440,512</u>	<u>53,035,822</u>	<u>53,035,420</u>	<u>52,208,989</u>
8,029,518	9,147,337	7,691,955	8,149,714	7,875,387	7,930,675
11,955,911	12,000,737	12,223,002	12,069,033	12,220,039	12,139,328
9,355,592	9,299,325	9,197,428	9,282,338	9,662,410	10,088,610
1,755,943	1,914,502	2,268,579	2,281,603	2,428,498	3,352,685
1,880,557	1,768,040	2,151,849	1,867,759	1,704,157	1,980,543
4,829,707	4,559,327	6,084,834	6,727,225	6,250,805	5,669,977
2,966,538	3,012,214	3,331,914	3,150,020	3,699,636	4,466,994
1,768,169	1,510,669	1,732,556	1,542,088	1,513,654	1,733,290
2,446,578	3,870,084	3,022,809	760,521	6,842,067	5,280,879
7,457,812	11,002,721	11,686,748	11,949,421	4,087,490	8,637,976
1,487,391	1,536,273	1,734,982	1,830,823	2,085,801	2,057,441
18,201	81,512	114,820	0	0	0
<u>53,951,917</u>	<u>59,702,741</u>	<u>61,241,476</u>	<u>59,610,545</u>	<u>58,369,944</u>	<u>63,338,398</u>
<u>2,642,393</u>	<u>(8,776,964)</u>	<u>(9,800,964)</u>	<u>(6,574,723)</u>	<u>(5,334,524)</u>	<u>(11,129,409)</u>
0	0	10,845,268	0	0	0
0	3,097,661	0	0	0	0
6,202,000	5,896,000	1,948,000	7,771,000	7,771,000	7,771,000
0	3,427,889	0	0	0	0
41,474	137,491	62,105	0	0	0
11,656	130,124	25,308	0	0	0
1,044,967	974,285	1,487,326	0	2,175,159	4,110,632
0	0	0	0	(7,771,000)	0
0	(3,497,340)	(3,048,069)	0	0	0
4,573,048	4,286,718	2,777,968	4,000,770	13,561,547	3,077,261
<u>(4,613,841)</u>	<u>(4,724,168)</u>	<u>(2,836,216)</u>	<u>(4,118,272)</u>	<u>(11,696,386)</u>	<u>(2,786,509)</u>
<u>7,259,304</u>	<u>9,728,660</u>	<u>11,261,690</u>	<u>7,653,498</u>	<u>4,040,320</u>	<u>12,172,384</u>
0	0	0	0	0	1,795,248
<u>\$9,901,697</u>	<u>\$951,696</u>	<u>\$1,460,726</u>	<u>\$1,078,775</u>	<u>(\$1,294,204)</u>	<u>\$2,838,223</u>
17.4%	22.6%	23.9%	23.1%	11.7%	18.5%

## City of Lakewood, Ohio

### Assessed Valuations and Estimated Actual Values of Taxable Property

#### Last Ten Years

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value			Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU	Estimated Actual Value	Assessed Value	Estimated Actual Value
2017	\$732,178,570	\$152,339,630	\$2,527,194,857	\$16,851,640	\$19,149,591
2016	731,662,600	147,852,940	2,512,901,543	15,963,540	18,140,386
2015	680,844,680	157,134,520	2,394,226,286	15,756,170	17,904,739
2014	682,865,970	154,516,560	2,392,521,514	15,184,670	17,255,307
2013	685,183,640	154,358,840	2,398,692,800	13,754,200	15,629,773
2012	721,599,290	163,222,160	2,528,061,286	12,758,240	14,498,000
2011	727,775,410	166,733,970	2,555,741,086	12,400,630	14,091,625
2010	728,076,240	167,461,630	2,558,679,629	12,391,260	14,080,977
2009	779,592,560	179,148,740	2,739,260,857	10,241,580	11,638,159
2008	781,245,420	179,298,480	2,744,411,143	9,869,670	11,215,534

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 was phased out beginning in 2006. Both types of general business tangible personal property were assessed at 12.50 for 2007, 6.25 percent for 2008 zero for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four year phase out of the tangible personal property tax on local interexchange telephone companies. No tangible personal property taxes were levied or collected in 2009 from general business taxpayers (except telephone companies whose last year to pay tangible personal property tax is 2010). During 2011, the City did not include an assessed value for general business tangible personal property.

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 percent, 2 1/2 percent and homestead exemptions before being billed. The 10 percent rollback for commercial/industrial property was eliminated in 2006.

Source: Cuyahoga County, Ohio; Fiscal Officer



**Table 5**

<u>Tangible Personal Property</u>		<u>Total</u>		<u>Ratio</u>	<u>Tax Rate per \$1,000 of Assessed Value</u>
<u>General Business</u>					
<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Assessed Value</u>	<u>Estimated Actual Value</u>		
\$0	\$0	\$901,369,840	\$2,546,344,448	35.40 %	\$17.40
0	0	895,479,080	2,531,041,929	35.38	17.40
0	0	853,735,370	2,412,131,025	35.39	17.40
0	0	852,567,200	2,409,776,821	35.38	17.40
0	0	853,296,680	2,414,322,573	35.34	17.40
0	0	897,579,690	2,542,559,286	35.30	17.40
0	0	906,910,010	2,569,832,711	35.29	17.40
0	0	907,929,130	2,572,760,606	35.29	17.40
3,507,600	28,060,800	972,490,480	2,778,959,816	34.99	17.40
12,438,513	66,338,736	982,852,083	2,821,965,413	34.83	17.40

## City of Lakewood, Ohio

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

#### Last Ten Years

	2017	2016	2015	2014
<b>Charter Millage</b>				
Sinking Fund	\$3.4700	\$3.4700	\$3.4700	\$3.4700
1976 Charter/Current Expenses	8.6500	8.6500	8.6500	8.6500
1976 Charter/Fire	1.6800	1.6800	1.6800	1.6800
1976 Charter/Police	1.6000	1.6000	1.6000	1.6000
1976 Charter/Sewer	2.0000	2.0000	2.0000	2.0000
<b>Total Charter Millage</b>	<b>\$17.4000</b>	<b>\$17.4000</b>	<b>\$17.4000</b>	<b>\$17.4000</b>
<b>Overlapping Rates by Taxing District</b>				
Lakewood City School District				
Residential/Agricultural Real	\$62.8527	\$62.8665	\$62.8665	\$66.6502
Commercial/Industrial and Public Utility Real	83.6793	83.6381	83.6381	80.8677
General Business and Public Utility Personal	122.7300	122.7300	122.7300	123.2300
Cuyahoga County Council (1)				
Residential/Agricultural Real	17.9391	17.9255	17.9255	18.1643
Commercial/Industrial and Public Utility Real	18.1176	18.1676	18.1676	18.1228
General Business and Public Utility Personal	18.1800	18.1800	18.1800	18.1800
Special Taxing Districts (2)				
Residential/Agricultural Real	5.0597	5.0611	5.0611	4.6000
Commercial/Industrial and Public Utility Real	5.7281	5.7342	5.7342	5.5100
General Business and Public Utility Personal	6.2500	6.2500	6.2500	6.2500

Source: Cuyahoga County, Ohio; Fiscal Officer

**Note:**

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 as opposed to the voted levies of the overlapping taxing districts.

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

Voted levies of overlapping governments are adjusted so that inflationary increases in value do not generate additional real property taxes.

(1) Includes Cuyahoga Community College District and Cleveland-Cuyahoga County Port Authority

(2) Includes Lakewood Public Library and Cleveland Metropolitan Park District

**Table 6**

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$3.4700	\$3.4700	\$3.4700	\$3.4700	\$3.4700	\$3.4700
8.6500	8.6500	8.6500	8.6500	8.6500	8.6500
1.6800	1.6800	1.6800	1.6800	1.6800	1.6800
1.6000	1.6000	1.6000	1.6000	1.6000	1.6000
<u>2.0000</u>	<u>2.0000</u>	<u>2.0000</u>	<u>2.0000</u>	<u>2.0000</u>	<u>2.0000</u>
<u>\$17.4000</u>	<u>\$17.4000</u>	<u>\$17.4000</u>	<u>\$17.4000</u>	<u>\$17.4000</u>	<u>\$17.4000</u>
\$66.5450	\$58.5508	\$56.6894	\$56.4019	\$48.8809	\$45.9650
80.9159	72.8585	70.3761	69.8953	62.3184	61.3095
123.2300	115.4000	115.4000	115.4000	107.9000	107.2000
17.2639	16.4335	16.3035	16.3660	15.8789	15.1504
17.1291	16.1672	15.9138	15.9620	15.5327	15.4894
17.2800	16.4500	16.4500	16.5500	16.2500	16.2500
4.6000	4.3544	4.1938	4.1657	4.1608	3.8697
5.5100	4.5847	4.3906	4.3529	4.3492	4.3243
6.2500	5.3500	5.3500	5.3500	5.3500	5.3500

# City of Lakewood, Ohio

## Property Tax Levies and Collections (1)

### *Last Ten Years*

**Table 7**

Collection Year	Current Tax Levy (2)	Current Tax Collections (2)	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 (3)	Percentage of Delinquent Taxes To Total Tax Levy
2017	\$16,266,129	\$15,634,829	96.12 %	\$610,010	\$16,244,839	99.87 %	\$1,022,772	6.29 %
2016	16,213,190	15,626,283	96.38	493,211	16,119,494	99.42	979,496	6.04
2015	15,471,979	14,809,313	95.72	609,457	15,418,770	99.66	956,527	6.18
2014	15,384,597	14,499,281	94.25	507,587	15,006,868	97.54	1,006,208	6.54
2013	15,366,857	14,631,052	95.21	751,131	15,382,183	100.10	998,640	6.50
2012	16,076,676	15,291,655	95.12	688,402	15,980,057	99.40	1,224,804	7.62
2011	16,135,708	15,259,060	94.57	565,338	15,824,398	98.07	1,244,407	7.71
2010	16,154,477	15,383,763	95.23	641,045	16,024,808	99.20	1,214,467	7.52
2009	17,211,840	16,061,636	93.32	697,562	16,759,198	97.37	1,285,160	7.47
2008	17,327,947	16,331,350	94.25	723,290	17,054,640	98.42	1,275,020	7.36

Source: Cuyahoga County, Ohio; Fiscal Officer

- (1) Information for Real and Public Utility only
- (2) State Reimbursements of Rollback and Homestead Exemptions are Included. Current Tax Levy and Current Tax Collections include delinquent amounts.
- (3) Penalties and Interest are included, since by Ohio law they become part of tax obligation as assessment occurs.

**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 Lakewood, Ohio

## Principal Taxpayers – Real Estate Tax

2017 and 2008

Table 8

Taxpayer	2017	
	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
Cleveland Electric Illuminating Company	\$12,427,370	1.40 %
Lakewood Senior Campus	2,933,050	0.33
American Transmission System	2,462,760	0.28
Castlewood Association	2,055,350	0.23
Marine Towers	1,974,070	0.22
12000 Edgewater Drive Ltd.	1,924,200	0.22
East Ohio Gas Co	1,912,770	0.22
Imperial House Apartments LLC	1,910,520	0.22
Shoreham Apartments	1,796,800	0.20
LRC-G Lakewood, LLC	1,767,090	0.20
<b>Total</b>	<b>\$31,163,980</b>	<b>3.52 %</b>
<b>Total Real Property Assessed Valuation</b>	<b>\$884,518,200</b>	
Taxpayer	2008	
	Real Property Assessed Valuation	Percentage of Total Assessed Valuation
Cleveland Electric Illuminating Company	\$7,985,570	0.83 %
Tomorrow VIII	5,057,510	0.53
Lakewood Senior Citizens, Inc.	3,166,430	0.33
12000 Edgewater Ltd.	2,445,330	0.25
Castlewood Association	2,240,530	0.23
Lakewood Senior Citizens, Inc.	2,041,350	0.21
Marine Towers West	2,011,980	0.21
Lakewood Association L.P.	1,750,700	0.18
Lake Shore Association	1,723,610	0.18
Lakewood Health Care	1,694,500	0.18
<b>Total</b>	<b>\$30,117,510</b>	<b>3.14 %</b>
<b>Total Real Property Assessed Valuation</b>	<b>\$960,543,900</b>	

Source: Cuyahoga County, Ohio; Fiscal Officer

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

# City of Lakewood, Ohio

## Income Tax Revenue Base and Collections (Cash Basis)

### Last Ten Years

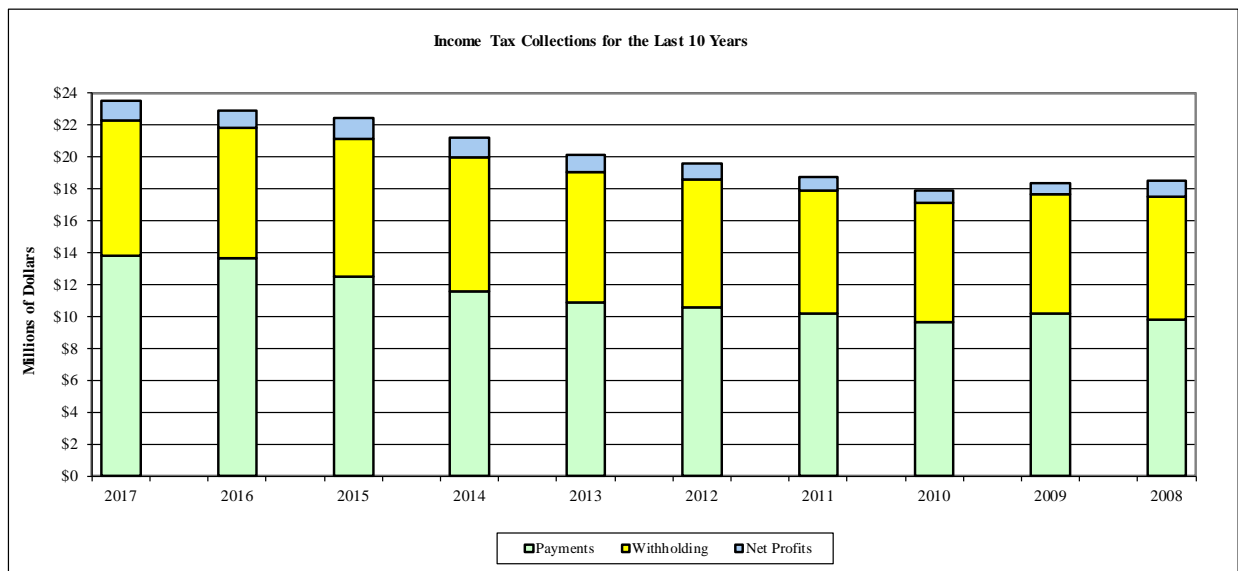
**Table 9**

Tax Year	Tax Rate	Total Tax Collected (1)	Taxes From Individual Payments	Percentage of Taxes From Individual Payments	Taxes From Withholding	Percentage of Taxes From Withholding	Taxes From Net Profits	Percentage of Taxes From Net Profits
2017	1.50%	\$23,530,405	\$13,769,110	58.52%	\$8,516,073	36.19%	\$1,245,222	5.29%
2016	1.50	22,890,653	13,647,407	59.62	8,169,674	35.69	1,073,572	4.69
2015	1.50	22,391,110	12,489,761	55.78	8,613,860	38.47	1,287,489	5.75
2014	1.50	21,158,365	11,535,541	54.52	8,452,767	39.95	1,170,057	5.53
2013	1.50	20,119,636	10,877,178	54.06	8,175,944	40.64	1,066,514	5.30
2012	1.50	19,542,235	10,574,337	54.11	8,008,136	40.98	959,762	4.91
2011	1.50	18,766,179	10,191,507	54.31	7,696,981	41.02	877,691	4.67
2010	1.50	17,850,439	9,656,284	54.10	7,484,885	41.93	709,270	3.97
2009	1.50	18,355,581	10,199,250	55.56	7,422,370	40.44	733,961	4.00
2008	1.50	18,480,218	9,814,844	53.11	7,691,467	41.62	973,907	5.27

(1) Modified Accrual Basis

(2) The City is statutorily prohibited from presenting individual taxpayer information.

(3) The City's basic income tax rate may only be increased by a majority vote of City residents.



# City of Lakewood, Ohio

## Ratio of Outstanding Debt by Type

### Last Ten Years

**Table 10**

Year	Governmental Activities	Business Activities	Less: Amounts Restricted to Repaying Principal	Net General Bonded Debt	Net General Bonded Debt as a Percentage of Estimated Taxable Value of Property (1)	Net General Bonded Debt Per Capita (2)	Other Governmental Activities Debt			
	General Obligation Bonds (4)	General Obligation Bonds (4)					Special Assessment Bonds	OPWC Loans	Capital Leases	Long-term Bond Anticipation Notes
2017	\$31,762,253	\$24,902,427	(\$4,385,292)	\$52,279,388	2.07 %	\$1,002.85	\$0	\$30,800	\$6,649,243	\$8,595,326
2016	34,201,316	26,749,900	(3,333,982)	57,617,234	2.28	1,105.24	0	61,600	6,740,329	4,105,445
2015	22,422,104	5,286,175	(3,083,277)	24,625,002	1.02	472.37	0	92,400	7,124,505	13,563,426
2014	25,000,846	5,955,404	(3,490,114)	27,466,136	1.14	526.87	0	123,200	6,632,198	10,209,711
2013	27,071,563	6,503,575	(2,970,853)	30,604,285	1.27	587.06	0	154,000	5,943,223	6,442,028
2012	29,444,981	7,153,314	(1,951,867)	34,646,428	1.36	664.60	0	184,800	6,015,960	3,956,143
2011	32,266,849	8,224,427	(1,284,237)	39,207,039	1.53	752.09	0	215,600	6,122,214	1,948,000
2010	27,304,917	9,222,488	(2,367,338)	34,160,067	1.33	655.27	0	246,400	5,574,518	7,771,000
2009	30,278,657	10,268,175	(1,873,830)	38,673,002	1.39	741.84	0	277,200	6,445,401	7,771,000
2008	33,476,781	11,315,719	(1,874,338)	42,918,162	1.52	757.66	0	308,000	5,143,663	8,529,620

Business-Type Activities								
Year	General Obligation Bonds (4)	Revenue Bonds	Bond Anticipation Notes	Capital Leases	OPWC/OWDA Loans	Total Debt (3)	Percentage of Personal Income (2)	Per Capita (2)
2017	\$24,902,427	\$0	\$13,521,853	\$4,516,901	\$4,348,352	\$94,327,155	6.59 %	\$1,809.43
2016	26,749,900	865,000	6,495,052	5,261,051	3,453,861	87,933,554	6.14	1,686.78
2015	5,286,175	19,597,866	3,845,140	5,574,807	2,047,894	79,554,317	5.56	1,526.05
2014	5,881,316	20,587,776	1,844,918	4,337,104	2,395,609	77,012,678	5.38	1,477.29
2013	6,503,575	21,535,898	0	2,922,079	2,743,324	73,315,690	5.12	1,406.37
2012	7,153,314	22,443,126	0	2,541,600	3,107,421	74,847,345	5.23	1,435.76
2011	8,224,427	23,304,460	0	2,879,636	3,486,862	78,448,048	5.48	1,504.83
2010	9,222,488	24,610,322	0	1,224,164	3,864,982	79,818,791	5.58	1,409.08
2009	10,268,175	25,865,737	0	1,382,897	4,241,837	86,530,904	6.37	1,527.57
2008	11,315,719	27,055,258	494,380	1,535,792	4,617,473	92,476,686	6.81	1,632.54

Source: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See S14-15 for taxable property value data.

(2) See S30 for population and personal income data.

(3) Includes general bonded debt, other governmental debt and business-type activities debt.

(4) General obligation bonds are net of unamortized premiums

# City of Lakewood, Ohio

## Legal Debt Margin

### Last Ten Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Overall Legal Debt Limit (10.5% of Assessed Valuation)	\$49,575,341	\$94,025,303	\$89,642,214	\$89,488,056
Net Debt Applicable to Debt Limit	<u>37,273,479</u>	<u>34,019,736</u>	<u>33,445,675</u>	<u>32,642,122</u>
Overall Legal Debt Margin (10.5% of Assessed Valuation)	<u>\$12,301,862</u>	<u>\$60,005,567</u>	<u>\$56,196,539</u>	<u>\$56,845,934</u>
Legal Debt Margin as a Percentage of Debt Limit	<u>24.81%</u>	<u>63.82%</u>	<u>62.69%</u>	<u>63.52%</u>
Unvoted Legal Debt Limit (5.5% of Assessed Valuation)	\$49,575,341	\$49,251,349	\$46,955,445	\$46,874,696
Net Debt Applicable to Debt Limit	<u>37,273,479</u>	<u>34,019,736</u>	<u>33,445,675</u>	<u>32,642,122</u>
Unvoted Legal Debt Margin (5.5% of Assessed Valuation)	<u>\$12,301,862</u>	<u>\$15,231,613</u>	<u>\$13,509,770</u>	<u>\$14,232,574</u>
Legal Debt Margin as a Percentage of Debt Limit	<u>24.81%</u>	<u>30.93%</u>	<u>28.77%</u>	<u>30.36%</u>

### Legal Debt Margin Calculation for the Year Ended December 31, 2017

	<u>Overall Margin Within 10.5%</u>	<u>Unvoted Margin Within 5.5%</u>
Assessed property value	<u>\$901,369,840</u>	<u>\$901,369,840</u>
Debt Limitation (percentage of assessed property value)	\$94,643,833	\$49,575,341
Gross Indebtedness:	79,076,155	79,076,155
Less: General Obligation Bonds	(2,513,487)	(2,513,487)
General Obligation Bonds - Enterprise Funds	(22,584,724)	(22,584,724)
Enterprise Notes Payable	(13,495,000)	(13,495,000)
Debt Service Fund	<u>(3,209,465)</u>	<u>(3,209,465)</u>
Net Debt Applicable to Debt Limit	<u>37,273,479</u>	<u>37,273,479</u>
Legal Debt Margin Within Limitations	<u>\$57,370,354</u>	<u>\$12,301,862</u>

Note: Under State of Ohio finance law, the City of Lakewood's outstanding general obligation debt that is supported through real estate value should not exceed 10.5 percent of total assessed property value. In addition, the outstanding general obligation debt net of voted debt should not exceed 5.5 percent of total assessed property value. By law, the general obligation debt subject to the limitation is offset by amounts set aside for repaying general obligation bonds.



**Table 11**

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$89,596,151	\$94,245,867	\$95,225,551	\$95,332,559	\$102,111,500	\$103,199,469
<u>31,554,491</u>	<u>32,392,911</u>	<u>33,491,466</u>	<u>34,466,401</u>	<u>37,460,332</u>	<u>42,690,007</u>
<u>\$58,041,660</u>	<u>\$61,852,956</u>	<u>\$61,734,085</u>	<u>\$60,866,158</u>	<u>\$64,651,168</u>	<u>\$60,509,462</u>
<u>64.78%</u>	<u>65.63%</u>	<u>64.83%</u>	<u>63.85%</u>	<u>63.31%</u>	<u>58.63%</u>
\$46,931,317	\$49,366,883	\$49,880,051	\$49,936,102	\$53,486,976	\$54,056,865
<u>31,554,491</u>	<u>32,392,911</u>	<u>33,491,466</u>	<u>34,466,401</u>	<u>34,466,401</u>	<u>42,690,007</u>
<u>\$15,376,826</u>	<u>\$16,973,972</u>	<u>\$16,388,585</u>	<u>\$15,469,701</u>	<u>\$19,020,575</u>	<u>\$11,366,858</u>
<u>32.76%</u>	<u>34.38%</u>	<u>32.86%</u>	<u>30.98%</u>	<u>35.56%</u>	<u>21.03%</u>

## City of Lakewood, Ohio

### Computation of Direct and Overlapping Debt Attributable to Governmental Activities

December 31, 2017

Table 12

	Debt Attributable to Governmental Activities	Overlapping Percentage Applicable to Lakewood (1)	Amount of Direct and Overlapping Debt
<u>Direct:</u>			
City of Lakewood			
General Obligation Bonds (2)	\$31,762,253	100.00 %	\$31,762,253
Notes Payable - Long-term	8,595,326	100.00	8,595,326
Loans Payable	30,800	100.00	30,800
Capital Leases	<u>6,649,243</u>	100.00	<u>6,649,243</u>
Total Direct Debt	<u>47,037,622</u>		<u>47,037,622</u>
<u>Overlapping Debt:</u>			
Cuyahoga County	207,485,000	3.28	6,795,708
Regional Transit Authority	1,995,000	3.28	65,342
Lakewood City School District	<u>140,439,118</u>	100.00	<u>140,439,118</u>
Total Overlapping Debt	<u>349,919,118</u>		<u>147,300,168</u>
Total	<u><u>\$396,956,740</u></u>		<u><u>\$194,337,790</u></u>

Source: Cuyahoga County, Ohio; County Fiscal Officer

- (1) Overlapping percentages were calculated by dividing each overlapping government located within the boundaries of the City by the subdivision's total assessed valuation of the government. The valuations were for the 2017 collection year.
- (2) General Obligation bonds are net of unamortized premiums



## City of Lakewood, Ohio

### *Pledged Revenue Coverage*

#### *Water*

#### ***Last Ten Years***

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Net Available Revenue:				
Gross Revenues (1)	\$10,602,226	\$10,471,468	\$10,842,642	\$11,074,606
Less: Operating Expenses (2)	<u>7,838,515</u>	<u>8,548,106</u>	<u>9,292,198</u>	<u>8,717,099</u>
Net Available Revenue	<u><u>\$2,763,711</u></u>	<u><u>\$1,923,362</u></u>	<u><u>\$1,550,444</u></u>	<u><u>\$2,357,507</u></u>
Debt Service OPWC Loans:				
Principal	\$380,904	\$330,153	\$313,229	\$313,229
OPWC Coverage	<u>7.26</u>	<u>5.83</u>	<u>4.95</u>	<u>7.53</u>
Debt Service - Revenue Bonds:				
Principal	865,000	18,500	534,039	512,252
Interest	113,327	61,425	433,008	456,823
Revenue Bond Coverage	<u>2.82</u>	<u>24.06</u>	<u>1.60</u>	<u>2.43</u>
Total Debt Service:				
Principal	1,245,904	515,153	847,268	825,481
Interest	113,327	61,425	433,008	456,823
Total Coverage	<u>2.03</u>	<u>3.34</u>	<u>1.21</u>	<u>1.84</u>

(1) Gross revenues include operating revenues, intergovernmental revenues, interest income and special assessments.

(2) Operating expenses do not include depreciation and amortization expenses.

**Table 13**

2013	2012	2011	2010	2009	2008
\$11,306,665	\$11,214,618	\$10,774,944	\$10,777,249	\$10,385,783	\$10,536,724
7,975,571	9,190,160	8,128,431	8,468,811	7,812,615	8,042,899
<u>\$3,331,094</u>	<u>\$2,024,458</u>	<u>\$2,646,513</u>	<u>\$2,308,438</u>	<u>\$2,573,168</u>	<u>\$2,493,825</u>
\$332,903	\$313,229	\$313,229	\$313,229	\$313,229	\$313,230
<u>10.01</u>	<u>6.46</u>	<u>8.45</u>	<u>7.37</u>	<u>8.21</u>	<u>7.96</u>
486,359	465,465	954,572	919,125	868,232	837,338
479,013	500,187	538,959	575,314	608,689	650,747
<u>3.45</u>	<u>2.10</u>	<u>1.77</u>	<u>1.54</u>	<u>1.74</u>	<u>1.68</u>
819,262	778,694	1,267,801	1,232,354	1,181,461	1,150,568
479,013	500,187	538,959	575,314	608,689	650,747
<u>2.57</u>	<u>1.58</u>	<u>1.46</u>	<u>1.28</u>	<u>1.44</u>	<u>1.38</u>

## City of Lakewood, Ohio

### *Pledged Revenue Coverage*

#### *Sewer*

#### ***Last Ten Years***

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Net Available Revenue:				
Gross Revenues (1)	\$10,114,761	\$12,812,351	\$9,009,122	\$8,643,807
Less: Operating Expenses (2)	<u>5,503,206</u>	<u>4,842,071</u>	<u>4,902,343</u>	<u>4,572,164</u>
Net Available Revenue	<u><u>\$4,611,555</u></u>	<u><u>\$7,970,280</u></u>	<u><u>\$4,106,779</u></u>	<u><u>\$4,071,643</u></u>
Debt Service OWDA Loans:				
Principal	\$0	\$0	\$0	\$0
Interest	0	0	0	0
OWDA Coverage	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Debt Service - OPWC Loans:				
Principal	55,902	34,486	34,486	34,486
OPWC Coverage	<u>82.49</u>	<u>231.12</u>	<u>119.09</u>	<u>118.07</u>
Debt Service - Revenue Bonds:				
Principal	0	0	465,000	445,000
Interest	0	0	480,613	498,413
Revenue Bond Coverage	<u>0.00</u>	<u>0.00</u>	<u>4.34</u>	<u>4.32</u>
Total Debt Service:				
Principal	55,902	34,486	499,486	479,486
Interest	0	0	480,613	498,413
Total Coverage	<u>82.49</u>	<u>231.12</u>	<u>4.19</u>	<u>4.16</u>

(1) Gross revenues include operating revenues, intergovernmental revenues, interest income and special assessments.

(2) Operating expenses do not include depreciation and amortization expenses.

**Table 14**

2013	2012	2011	2010	2009	2008
\$8,263,735	\$7,653,452	\$6,849,662	\$6,443,136	\$5,821,972	\$6,220,187
4,471,397	3,976,850	3,757,052	4,207,534	4,264,238	4,720,506
<u>\$3,792,338</u>	<u>\$3,676,602</u>	<u>\$3,092,610</u>	<u>\$2,235,602</u>	<u>\$1,557,734</u>	<u>\$1,499,681</u>
\$16,382	\$31,726	\$30,405	\$29,138	\$27,925	\$26,761
346	1,731	3,053	4,861	5,333	6,696
<u>226.71</u>	<u>109.89</u>	<u>92.43</u>	<u>65.75</u>	<u>46.84</u>	<u>44.82</u>
34,486	34,486	34,486	34,485	34,485	34,487
<u>109.97</u>	<u>106.61</u>	<u>89.68</u>	<u>64.83</u>	<u>45.17</u>	<u>43.49</u>
430,000	405,000	390,000	375,000	360,000	350,000
515,613	535,863	551,463	566,463	580,863	594,862
<u>4.01</u>	<u>3.91</u>	<u>3.28</u>	<u>2.37</u>	<u>1.66</u>	<u>1.59</u>
480,868	471,212	454,891	438,623	422,410	411,248
515,959	537,594	554,516	571,324	586,196	601,558
<u>3.80</u>	<u>3.64</u>	<u>3.06</u>	<u>2.21</u>	<u>1.54</u>	<u>1.48</u>

# City of Lakewood, Ohio

## Demographic and Economic Statistics

### *Last Ten Years*

**Table 15**

Year	Population (1)	Total Personal Income (5)	Personal Income Per Capita	Median Household Income (1)	Median Age (1)	Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Cuyahoga County Unemployment Rate (3)	Total Assessed Property Value (4)
2017	52,131	\$1,431,100,212	\$27,452	\$43,154	34.9	38.9%	4,886	4.9%	\$901,369,840
2016	52,131	1,431,100,212	27,452	43,154	34.9	38.9	5,026	5.4	895,479,080
2015	52,131	1,431,100,212	27,452	43,154	34.9	38.9	5,308	4.6	853,735,370
2014	52,131	1,431,100,212	27,452	43,154	34.9	38.9	5,192	6.0	852,567,200
2013	52,131	1,431,100,212	27,452	43,154	34.9	38.9	5,833	7.2	853,296,680
2012	52,131	1,431,100,212	27,452	43,154	34.9	38.9	5,870	6.6	897,579,690
2011	52,131	1,431,100,212	27,452	43,154	34.9	38.9	5,667	7.1	906,910,010
2010	52,131	1,431,100,212	27,452	44,268	35.4	38.9	5,664	8.6	907,929,130
2009	56,646	1,357,351,452	23,962	40,527	34.2	35.9	5,665	9.0	972,490,480
2008	56,646	1,357,351,452	23,962	40,527	34.2	35.9	5,925	7.1	982,852,083

(1) Source: U. S. Census

(2) Source: Lakewood City School District

(3) Ohio Department of Job and Family Services

(4) Source: Cuyahoga County Fiscal Officer

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



# City of Lakewood, Ohio

Principal Employers – Based on Income Tax Dollars Withheld

**Current and Nine Years Ago**

**Table 16**

2017			
Employer	Nature of Activity	Employees *	Percentage of Total City Employment
Lakewood Board of Education	School District	1,137	9.69%
Cleveland Clinic Foundation	Health Care	643	5.48
City of Lakewood	Municipality	554	4.72
Lakewood Senior Campus LLC	Health Care	336	2.86
St. Edward High School	Private School	314	2.68
Riser Foods Company	Grocer	295	2.51
First Mutual Holding Company	Financial Institution	285	2.43
Lakewood Health Care Center	Health Care	158	1.35
Galaxy Ballons	Manufacturing	147	1.25
Advance Energy Tech, Inc.	Manufacturing	130	1.11
Total		<u>3,999</u>	<u>34.08%</u>
Total Employment within the City		<u>11,736</u>	
2008			
Employer	Nature of Activity	Employees **	
Lakewood Hospital	Health Care	1,390	
Lakewood Board of Education	School District	1,033	
City of Lakewood	Municipality	553	
New York Life Insurance, Incorporated	Insurance Company	230	
Lakewood Senior Health Campus	Health Care	225	
AT&T	Public Utility	167	
First Federal Savings and Loan Assn. of Lakewood	Financial Institution	147	
Galaxy Ballons	Manufacturing	140	
Advance Energy Tech, Inc.	Manufacturing	124	
United States Post Office	Government	101	
Total		<u>4,110</u>	
Total Employment within the City		<u>n/a</u>	

Source: City of Lakewood; Department of Taxation

\* # of w-2's filed with the City

\*\* Based on actual number of employees

n/a - not available

# City of Lakewood, Ohio

## Full-Time City Employees by Function/Program

### Last Ten Years

**Table 17**

Function/Program	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>General Government</b>										
Council	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Court	13.00	13.00	14.00	15.00	15.00	16.00	20.00	20.00	20.00	20.00
Civil Service	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Mayor's Office	3.00	3.00	3.00	3.00	3.00	3.00	2.00	2.00	2.00	2.00
Human Resources	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Community Relations	2.00	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Finance	7.00	7.00	7.00	7.00	6.00	7.00	7.00	6.00	7.00	7.00
Income Tax	6.00	6.00	6.00	6.00	6.00	4.00	4.00	4.00	3.00	4.00
Information System	4.00	4.00	4.00	4.00	3.00	4.00	4.00	4.00	4.00	4.00
Utility Billing	3.00	3.00	3.00	2.00	2.00	2.00	3.00	2.00	2.00	4.00
Health/Vital Stats	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00
Law	4.00	4.00	4.00	4.00	4.00	4.00	3.00	3.00	3.00	5.00
Planning and Development	5.00	5.00	5.00	5.00	5.00	5.00	5.00	6.00	6.00	5.00
Community Development	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00
<b>Security of Persons and Property</b>										
Police	99.00	99.00	98.00	97.00	95.00	95.00	97.00	100.00	99.00	98.00
Police - Communications	11.00	11.00	11.00	10.00	11.00	11.00	10.00	10.00	11.00	11.00
Support of Prisoners	1.00	2.00	2.00	2.00	2.00	2.00	2.00	5.00	4.00	4.00
Fire	80.00	75.00	79.00	77.00	76.00	76.00	76.00	75.00	76.00	78.00
Emergency Medical Services	8.00	9.00	9.00	9.00	12.00	12.00	12.00	13.00	13.00	13.00
Housing and Building	15.00	14.00	14.00	15.00	13.00	12.00	13.00	15.00	16.00	14.00
Parking	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00
Animal Control	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
<b>Public Works</b>										
Public Works Administration	3.00	2.00	2.00	1.00	1.00	2.00	2.00	2.00	2.00	2.00
Parks	18.00	18.00	18.00	17.00	18.00	12.00	13.00	13.00	11.00	13.00
Buildings and Facilities	0.00	0.00	0.00	0.00	0.00	1.00	1.00	2.00	2.00	3.00
Construction	0.00	0.00	0.00	0.00	0.00	3.00	4.00	4.00	4.00	4.00
Streets	13.00	14.00	14.00	14.00	14.00	14.00	14.00	15.00	12.00	13.00
Forestry	4.00	4.00	4.00	4.00	4.00	4.00	5.00	5.00	5.00	5.00
Traffic Signs	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00	4.00
Refuse	27.00	25.00	28.00	29.00	30.00	30.00	32.00	35.00	35.00	43.00
Fleet	10.00	10.00	10.00	10.00	10.00	10.00	11.00	11.00	11.00	11.00
Communications	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Water Distributions	5.00	5.00	5.00	5.00	6.00	6.00	6.00	6.00	7.00	8.00
Water Metering	5.00	5.00	5.00	5.00	5.00	6.00	6.00	6.00	6.00	6.00
Wastewater Collections	11.00	11.00	11.00	12.00	11.00	12.00	11.00	12.00	13.00	14.00
Wastewater Treatment	21.00	21.00	21.00	22.00	23.00	23.00	22.00	23.00	22.00	23.00
Engineering	4.00	4.00	4.00	4.00	3.00	3.00	3.00	4.00	4.00	4.00
Winterhurst	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
<b>Human Services</b>										
Human Services Administration	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Office on Aging IIIB	10.00	11.00	11.00	11.00	11.00	12.00	16.00	18.00	18.00	21.00
Office on Aging IIIC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Early Childhood	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Youth	6.00	6.00	6.00	6.00	6.00	6.00	8.00	8.00	10.00	10.00
<b>Totals:</b>	<u>417.00</u>	<u>412.00</u>	<u>419.00</u>	<u>416.00</u>	<u>415.00</u>	<u>417.00</u>	<u>432.00</u>	<u>452.00</u>	<u>452.00</u>	<u>475.00</u>

Source: City of Lakewood, Finance Department

(1) This table includes full-time employees and excludes part-time and seasonal employees as of December 31.



# City of Lakewood, Ohio

## Operating Indicators by Function/Program

### Last Ten Years

Function/Program	2017	2016	2015
<b>General Government</b>			
<i>Clerk of Council</i>			
Number of ordinances passed	58	61	51
Number of resolutions passed	60	63	59
<i>Civil Service</i>			
Number of police and fire entry application processed	97	150	0
<i>Finance Department</i>			
Number of checks/ vouchers issued	4,763	5,245	5,494
Interest earnings for fiscal year (cash basis)	\$755,994	\$387,280	\$136,405
<i>Income Tax</i>			
Number of Annual withholding forms processed	33,461	32,800	28,794
Number of Business net profit forms processed	2,481	2,460	2,493
<b>Public Works</b>			
<i>Engineering</i>			
Dollar amount of Construction overseen by Engineer	\$15,895,682	\$25,000,000	\$10,525,600
<i>Forestry</i>			
Number of trees planted	451	415	415
<i>Parking Enforcement</i>			
Number of parking tickets	12,177	13,968	13,791
<i>Refuse</i>			
Collection of resident and business garbage in tons	15,525	16,358	16,075
<i>Water</i>			
Average (MCF) of water billed monthly (in thousands)	165,275	181,664	182,139
<i>Wastewater Collection</i>			
Average (MCF) of sewer billed monthly (in thousands)	165,275	181,664	182,139
<i>Wastewater Treatment</i>			
Influent flow in millions of gallons per year	2,216	2,379	2,607
Bio-solids wet tons per year	4,735	4,787	5,030

**Table 18**

2014	2013	2012	2011	2010	2009	2008
59	50	86	66	107	94	100
94	70	79	70	76	62	101
0	67	169	0	0	0	240
5,577	6,477	7,232	8,705	8,924	9,291	11,014
\$107,466	\$15,300	\$8,787	\$11,232	\$103,993	\$292,662	\$741,464
26,696	26,645	25,456	24,275	22,794	22,142	22,709
2,451	2,397	2,399	2,378	2,224	2,271	2,195
\$4,958,463	\$4,548,953	\$3,642,342	\$3,687,241	\$3,925,960	\$3,501,473	\$3,443,940
378	275	65	6	272	259	206
13,155	4,568	4,743	3,542	12,118	11,178	12,004
14,774	15,606	16,049	16,369	16,296	17,010	19,990
172,472	185,803	190,425	186,536	194,311	203,999	206,902
172,472	185,803	190,425	186,536	194,311	203,999	206,902
2,730	2,741	2,577	3,793	2,520	2,771	3,324
4,737	5,303	4,750	5,240	5,580	5,002	5,101

# City of Lakewood, Ohio

## Operating Indicators by Function/Program (continued)

### *Last Ten Years*

Function/Program	2017	2016	2015
<b>Security of Persons and Property</b>			
<i>Police</i>			
Total calls for services	52,666	57,074	59,833
Number of citations issued	6,002	6,528	7,859
<i>Fire</i>			
Total calls for services-Fire	2,187	2,319	2,043
Total calls for services-EMS	5,338	5,383	5,354
<b>Community Environment</b>			
<i>Building Department</i>			
Estimated value of construction	\$76,525,044	\$33,001,286	\$108,813,914
Number of permits issued (all types)	2,988	2,864	2,574
<b>Leisure Time Activities</b>			
<i>Parks</i>			
Recreation Men's and Women's Leagues receipts	\$6,783	\$6,295	\$5,975
Recreation Youth Activities receipts	\$85,495	\$81,500	\$78,900

**Table 18**

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
54,430	42,601	54,480	57,570	64,064	55,802	46,247
9,476	7,543	8,411	8,353	16,710	16,262	15,747
1,406	1,828	1,585	1,387	1,256	1,411	1,795
5,301	5,328	5,653	5,399	5,208	5,251	5,006
\$29,889,659	\$28,056,591	\$30,828,918	\$21,012,297	\$25,472,201	\$18,660,849	\$34,568,567
2,449	2,469	2,573	2,473	2,552	2,216	2,683
\$5,798	\$5,675	\$5,405	\$5,307	\$5,125	\$5,025	\$5,100
\$78,569	\$79,841	\$80,522	\$80,351	\$79,205	\$78,700	\$76,500

# City of Lakewood, Ohio

## Capital Assets Statistics by Function/Program

### *Last Ten Years*

Function/Program	2017	2016	2015	2014	2013
<b>Security of Persons and Property</b>					
<b>Police</b>					
Stations	1	1	1	1	1
Vehicles	47	51	51	49	49
<b>Fire</b>					
Stations	3	3	3	3	3
Vehicles	21	18	18	15	15
<b>Leisure Time Activities</b>					
<b>Parks</b>					
Number of Parks	15	15	15	15	15
Number of Ice Rinks	2	2	2	2	2
Number of Skateboarding Areas	1	1	1	1	1
Number of Baseball Diamonds	5	5	5	5	5
Number of Soccer Fields	1	1	1	1	1
<b>Transportation</b>					
<b>Service</b>					
Streets (miles)	93	93	93	93	93
Street Lights	1,488	1,488	1,488	1,488	1,488
<b>Water and Sewer</b>					
Water Lines (miles)	112	112	112	112	112
Sanitary Sewers (miles)	75	75	75	75	75
Storm Sewers (miles)	66	66	66	66	66
Combined Sewers (miles)	25	25	25	25	25

Source: City of Lakewood



**Table 19**

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<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
1	1	1	1	1
45	44	44	47	49
3	3	3	3	3
19	17	17	17	18
15	15	15	15	15
2	2	2	2	2
1	1	1	1	0
5	5	5	5	5
1	1	1	1	1
93	93	93	93	93
1,488	1,488	1,488	1,488	1,488
112	112	112	112	112
75	75	75	75	75
66	66	66	66	66
25	25	25	25	25





# Dave Yost • Auditor of State

**CITY OF LAKEWOOD**

**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  
JUNE 14, 2018**